



WESTERN AUSTRALIA

Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
SECOND SESSION
1999

LEGISLATIVE COUNCIL

Tuesday, 22 June 1999

Legislative Council

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THE PRESIDENT (Hon George Cash) took the Chair at 3.30 pm, and read prayers.

BILLS - ASSENT

Messages from the Governor received and read notifying assent to the following Bills -

1. Acts Amendment (Mining and Petroleum) Bill.
2. Weapons Bill.

NUCLEAR WASTE DUMP

Petition

Hon Giz Watson presented the following petition bearing the signatures of 1 552 persons -

To the Honourable the President and members of the Legislative Council of the Parliament of Western Australia in Parliament assembled.

We the undersigned residents of Western Australia are totally opposed to the Pangea proposal to locate a high level nuclear waste dump in Western Australia.

Your petitioners, therefore, humbly pray that the Legislative Council will consider the health and welfare of the present and future residents of Western Australia and environmental impacts to be of more importance than profits from a high level nuclear waste dump that will present problems of a large magnitude for generations to come.

And your petitioners, as in duty bound, will ever pray.

[See paper No 1145.]

HOME AND COMMUNITY CARE SAFEGUARDS POLICY

Petition

Hon Ljiljanna Ravlich presented the following petition bearing the signatures of 189 persons -

To the Honourable the President and members of the Legislative Council of the Parliament of Western Australia in Parliament assembled.

We the undersigned ask that this parliament reverse the decision to introduce the "Safeguards Policy" from July 1st 1999 which will compulsorily impose fees for Home And Community Care (HACC) services.

Your petitioners therefore humbly pray that you will give this matter earnest consideration and your petitioners, as in duty bound, will ever pray.

[See paper No 1146.]

JOINT STANDING COMMITTEE ON DELEGATED LEGISLATION

Road Traffic (Licensing) Amendment Regulations 1999 and Road Traffic (Vehicle Standards) Amendment Regulations 1999

Hon N.D. Griffiths presented the forty-first report of the Joint Standing Committee on Delegated Legislation in relation to the Road Traffic (Licensing) Amendment Regulations 1999 and the Road Traffic (Vehicle Standards) Amendment Regulations 1999, and on his motion it was resolved -

That the report do lie upon the Table and be printed.

[See paper No 1147.]

STANDING COMMITTEE ON CONSTITUTIONAL AFFAIRS

A Petition to Preserve Swanbourne Village

Hon M.D. Nixon presented the thirty-sixth report of the Standing Committee on Constitutional Affairs in relation to a petition to preserve Swanbourne Village by opposing the Metropolitan Region Scheme Amendment No 982/33 - Regional Roads (Part 3), and on his motion it was resolved -

That the report do lie upon the Table and be printed.

[See paper No 1148.]

COMMONWEALTH CHILD SUPPORT LEGISLATION AMENDMENT ACT

Urgency Motion

THE PRESIDENT (Hon George Cash): I have received the following letter -

Dear Mr President

At today's sitting it is my intention to move an Urgency Motion under SO 72 that the House at its rising adjourn until 9.00 am on Friday the 24th, December 1999 for the purpose of discussing the application of the Child Support Legislation Amendment Act 1998 to Western Australia.

Yours Sincerely

Nick Griffiths MLC

The member will require the support of four members in order to move the motion.

[At least four members rose in their places.]

HON N.D. GRIFFITHS (East Metropolitan) [3.42 pm]: I move -

That the House at its rising adjourn until 9.00 am on Friday, 24 December.

I have moved this motion to discuss the application in Western Australia of the Child Support Legislation Amendment Act, which will come into effect on 1 July 1999. It will apply to all Australians east of the South Australian-Western Australian border, and east of the Western Australian-Northern Territory border; that is, it will apply to all such Australians for whom child support assessments are relevant for children of a marriage or for ex-nuptial children. Unfortunately, that will not be the case in Western Australia. This federal legislation will apply only to child support arrangements concerning children of a marriage, not ex-nuptial children, in this State. That is discriminatory, unfair and unjust; that is, people who would otherwise be in the same circumstances, save for the fact that ex-nuptial children rather than children from a marriage are involved, will be dealt with under different laws. This will affect Western Australian children and how they will be supported, and it needs to be addressed. In fact, it should have been addressed before now.

I now mention briefly the types of matters dealt with by this commonwealth legislation so the import of what I raise can be better understood by the Chamber. I refer in passing to the summary of the child support legislative reform provided by the commonwealth Department of Family and Community Services. The legislation provides for child support assessments to be based on more recent taxable income. I will go into that in more detail if time permits. It also provides for a more flexible arrangement concerning the timing of assessments, and for an assessment of income that would not otherwise be considered, such as rental property losses and foreign employment income which are exempt from Australian tax. It makes changes with regard to exempted income for payers of child support. The Act increases the exempted income for parents sharing the care of a child, and it makes arrangements for an allowance for a relevant dependent child not to be backdated more than 28 days. It changes the arrangements with respect to a recipient's and a payee's disregarded income in several respects.

These are some of the matters with which that legislation deals. A difficulty arises as a result of the way the law operates in Western Australia. Western Australia, unlike other Australian States, did not refer its powers on these matters to the Commonwealth some years ago. Our method for dealing with child support, following the introduction of the commonwealth child support legislation of 1988, which came into operation in 1989, was to adopt legislation to permit the child support regime to have effect with ex-nuptial children in Western Australia. We have done this on two occasions: First, when we adopted the scheme in 1990; and second, when we passed legislation in 1994 which adopted changes to the child support regime with respect to ex-nuptial children which had applied elsewhere in Australia from 1 July 1993.

When that legislation was considered by this House, the then Minister for Health, the current Attorney General, made the following observation, as found in *Hansard* of 23 November 1994, on page 7441 -

... it is inequitable for the commonwealth amendments to apply in Western Australia to children of a marriage and not to ex-nuptial children.

Those words were true in 1994, and they are true now. The remedy is the introduction of an adopting Act into this Parliament to be passed with due efficiency. That is not a unique situation. I do not reflect on decisions of this House, and this remedy is not beyond Parliament's capacity. The changes under the federal Act will take effect from 1 July 1999. It is now 22 June and no notice has been provided of any forthcoming legislation. The Act passed the Federal Parliament in 1998, and received assent in December 1998. People of Australia, including Western Australia, interested in these matters are aware, or should be aware, that the law will change on 1 July 1999. A prudent, careful and considerate Attorney General of Western Australia should have kept an eye on what was happening in the Commonwealth Parliament. An Attorney who considers the true wellbeing of the people of Western Australia should have had adopting legislation ready months ago so it could pass this Parliament with proper and considered debate. Unfortunately, no such legislation has been offered, and no reason for this lack of legislation has been offered. It seems that the Attorney General at best has been very careless; at worst, he puts issues concerning child support and the welfare of children on a very low priority. It seems that the Attorney General has taken his eye off the ball.

HON PETER FOSS (East Metropolitan - Attorney General) [3.50 pm]: Hon Nick Griffiths will be even more alarmed when he finds out that we have not adopted a number of other intermediary laws, and it was not due to an oversight. I have a Bill coming before the Parliament, and I hope the present legislative program will enable it to be introduced into Parliament on 29 June. Our law has not been in line with the commonwealth law since 1995, but we will be adopting the Child Support Legislation Amendment Act 1995, the Social Security Legislation Amendment (Family Measures) Act 1995, Taxation Laws Amendment Act (No 3) 1995, the Family Law Reform (Consequential Amendments) Act 1995, the Statute Law Revision Act 1996 and the Child Support Legislation Amendment Act 1997, as well as the one to which we have referred.

Hon N.D. Griffiths: That is all the legislation that has been passed since 1 July 1993.

Hon PETER FOSS: Precisely.

Hon N.D. Griffiths: You have been sitting on your hands for a long time.

Hon PETER FOSS: No, I have not been sitting on my hands. I have not brought forward the legislation for the reason that this State, in the first instance, did not refer its powers and adopt it from the beginning. If the member had bothered to inquire about that legislation, he would have found that it was subject to a considerable amount of controversy. In fact, the current amendment seeks to undo some of the mess made by that legislation. Putting it frankly, the commonwealth legislation in this area is still a complete mess, although it is probably better now than previously. It is certainly better than those pieces of legislation made it. On balance, it is better that we conform to the federal legislation. That was not an easy decision to make. The previous legislation was terrible. I commend the perspicacity of Hon Joe Berinson, who, on behalf of this State, decided against the reference of that power and decided in favour of adoption. His decision in that case was right. It is hard on occasions to make up one's mind what is the best thing to do. Is it best for Western Australians to be the only ones with a better law, or it is best for us to have the same, inferior law as the rest of Australia? It is not an easy decision, but it is one which I take seriously. It is a hard decision. It is the better thing to do, but I cannot say that it is far better than the alternative. I hope that the Western Australian Legislature will always take this attitude; that is, that it will look at the federal legislation before adopting it. Unfortunately, despite the fact that the Federal Government knows the situation which exists in Western Australia, it does not consult us. It does not refer the Bill to us for comment, and it does not ask us whether we think it could be improved.

Hon N.D. Griffiths: You have had six months to look at it, and it has been going through the Federal Parliament for the best part of a year.

Hon PETER FOSS: The Federal Government never refers it to us. We are not brought into it. We either take the legislation as it is or we do not take it. We do not get a chance to have any input into it. The last lot of legislation the Federal Parliament passed was dreadful. What were we to do? Adopt it and establish our own regime? It was an impossible situation. If we care for the young people in our State and the parents of those young people who do not fall under the matrimonial causes jurisdiction of the Constitution which it gives to the Federal Government, we should think about it. We should do one or the other: Either refer the power, say that it has nothing to do with us and not give it the slightest consideration and leave it entirely to the Commonwealth, or, when we receive the legislation, decide whether it is good legislation. My decision on the previous legislation was that it was not good legislation. I have been vindicated by that because many members have received complaints about the federal system. I am sure a number of federal members have also received a number of complaints, because they were extremely concerned about the regime that existed. Something had to be done about it, and I am very pleased that something has been done about it. I hope that when I bring forward this legislation members will look at it and the federal legislation, not just the state legislation, and say, "That is state legislation adopting something for the Federal Government; we will not look at it at all." Members should look at the federal legislation and see whether we would be better off with it. I think we would be, but the federal legislation, as a whole, is not good legislation. I have no problem with the principle of it.

Hon N.D. Griffiths: That is not the argument.

Hon PETER FOSS: I know what the argument is. It is like the High Court when it decided not to observe the rule of stare decisis. Is it best to be consistently wrong or ultimately right? The question involved with this type of uniform legislation is: What is the greater evil - bad legislation or differing legislation? I have come to the conclusion, and I sincerely hope, given Hon Nick Griffiths' remarks, that this House and this Parliament will take the view, that the federal legislation is better than the alternative because the last amendment is consistent. It is better legislation. I cannot say that about previous legislation. I was horrified by the previous legislation; I was horrified by its consequences and by the practical application of it. Many federal members, and some state members, have had problems with it. I am pleased to say that the Federal Government has done a better job with the latest legislation. I will leave it to members of this House to make that decision when I bring forward that legislation. I make no apology for not adopting the previous legislation. When that legislation came to me I said, "No. I am not prepared to put it forward. I do not believe it should be adopted in Western Australia." Events have proved me correct. It certainly has not been a major disaster in terms of administration. In fact, Hon Nick Griffiths did not even know we had not adopted the other legislation.

Hon N.D. Griffiths: That is not so.

Hon PETER FOSS: That is how much of a problem it has been.

Hon N.D. Griffiths: You assert that, but it is not so.

Hon PETER FOSS: I am terribly sorry, but Hon Nick Griffiths obviously did not think it was too much of a problem because four years have passed and he has not raised it. He may have looked at the federal legislation and come to the same conclusion I did, that it was not an appropriate piece of legislation to introduce. Whatever the reason for his not raising it in the past four years, I will be introducing legislation to adopt the latest legislation and all the intervening legislation so we end up at the same point.

Hon N.D. Griffiths: When?

Hon PETER FOSS: According to the timetable, I should have it ready for 29 June.

Hon N.D. Griffiths: Will it be ready to go as at 1 July?

Hon PETER FOSS: I doubt that.

Hon N.D. Griffiths: So do I. Why have you delayed it?

The PRESIDENT: Order! Hon Nick Griffiths will be given an opportunity to reply if time permits.

Hon PETER FOSS: I have not delayed it; I have been considering it. It was with considerable doubt that I changed the policy of not adopting the federal legislation that has been in existence for the past four years because of concerns about it. It is now appropriate to adopt it. As I said, it is not an open and shut case. If members are having trouble sleeping at night, I suggest they download a copy from the Internet, and I guarantee that within about four pages of reading it, they will be asleep. I do not know how they manage to function with this system.

Hon Kim Chance: Is it not in plain English?

Hon PETER FOSS: It could not be called plain English. It could be called a nightmare, which is why it would send members to sleep. Even with these amendments, which have not been dealt with, it is almost impossible to understand. For an ordinary person who is not a lawyer, it is totally and utterly incomprehensible.

Hon Kim Chance: It must be like the Trade Practices Act.

Hon PETER FOSS: It is worse than the Trade Practices Act. It is like a bad version of the Income Tax Assessment Act. If members want to get a flavour for how difficult it is to understand, I recommend the Income Tax Assessment Act. It is terrible. It does not overcome the problem of these amendments; it is still incomprehensible. It is a better situation than that which existed before. The legislation remains totally and utterly unreadable.

I take no great pleasure in saying that I will be introducing legislation. I hope it will be better; I believe it will be better. I was certainly correct in my belief that the last lot of legislation was a disaster. That has been proved by events and by other critics. I trust that this time it will work out well. I have not heard a great deal of criticism of it. I am a little cautious in adopting it, but we will go with it and I hope it is a good situation.

HON N.D. GRIFFITHS (East Metropolitan) [3.59 pm]: I am pleased that some legislation will be brought before this House. It does not say much for the Attorney General that legislation will be brought before this House on 29 June 1999 to deal with commonwealth legislation which will take effect on 1 July 1999. However, I am pleased that the Attorney General has seen fit to announce the legislation to the Legislative Council first for once, rather than follow his usual practice. It seems that he has been embarrassed by the fact that he has sat on his hands for as long as he has and as a result he has brought forward the legislation so that he can say that at least something will be before the Parliament before 1 July 1999. The Attorney General does not seriously expect the legislation to pass through the other place before that date. I am pleased that he will be bringing forward some legislation to deal with the matter, but his treatment of the issue has been very careless, inconsiderate and in a few weeks will cause unnecessary hardship to ordinary people.

Motion lapsed.

SITTINGS OF THE HOUSE

Sitting Times, Remainder of Session

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [4.01 pm]: I move -

That for the remainder of this session the House continue to sit until 11.00 pm on Tuesday and Wednesday and that the House commence its sitting on Wednesdays at 3.00 pm.

I do not want to spend an hour arguing about this motion and waste the hour I am hoping to pick up. We have a significant number of Bills on the Notice Paper and the Government is anxious to have the budget Bills passed as quickly as possible. Instead of doing what Leaders of the House have done since time immemorial and moving that the House sit until whatever time it finishes, I am asking for an extra hour at the end of Tuesdays and Wednesdays and another hour at the start of Wednesdays to give members three extra hours this and next week to facilitate the progress of the legislative program.

HON TOM STEPHENS (Mining and Pastoral - Leader of the Opposition) [4.03 pm]: Is it possible for me, in my capacity as Leader of the Opposition, to see a copy of the motion? It is always helpful for these courtesies to be extended.

Hon N.F. Moore: It was actually discussed at the management meeting.

Hon TOM STEPHENS: Nonetheless, the Leader of the House has regularly made the point that the courtesies are helpful. I will always endeavour to make copies of motions available to him. The Labor Opposition supports the Government's efforts to obtain extra time to handle the legislative program it has so badly mismanaged until now. However, the Labor Party regrets to advise the Government that it is not able to support the part of the motion which suggests the House commence sitting on Wednesdays at 3.00 pm.

Hon N.F. Moore: You are still in bed then.

Hon TOM STEPHENS: As the President would tell the Leader of the House -

The PRESIDENT: Order! Let us listen to the argument. I need to understand the amendment if there is to be one.

Hon TOM STEPHENS: As I do. This is the first time I have seen the wording of the motion.

Hon N.F. Moore: It was discussed at the management meeting and you know it. It has been discussed with your office all day.

Hon TOM STEPHENS: Despite the Leader of the House's comment about my sleeping times you, Mr President, will know by the times I drop off urgency motions and the like at your office that I rarely sleep when trying to keep up with this Government's mismanagement. I am regularly around this House before 6.00 am and after midnight doing my work.

Several members interjected.

Hon TOM STEPHENS: If government members worked as hard in government as I work in opposition, we would have a better Government.

Several members interjected.

The PRESIDENT: Order, members! I am trying to establish whether there will be an amendment to this motion, because this matter happens to affect members' start and finish times.

Hon TOM STEPHENS: The Labor Opposition wants to support the 11.00 pm finish on Tuesday and Wednesday nights but notes that standing committees of this place have scheduled meeting times. The Standing Committee on Public Administration's timeslot is already fixed and the Standing Committee on Constitutional Affairs holds public hearings on Wednesday afternoons. I do not know why the Leader of the House was so incapable of ascertaining that through inquiries that should have been undertaken on Thursday. I would be amazed if the business management committee was advised that those standing committees had been consulted and had agreed to that arrangement, because I have information that nothing could be further from the truth in at least one instance.

Amendment to Motion

Hon TOM STEPHENS: In those circumstances, I move -

To delete all words after the word "Wednesday".

In order to avoid wasting the time of the House, given that I did not have an opportunity to speak to the Greens (WA) outside the Chamber, can I be assured they heard what the Labor Party has proposed? That is, we do not believe it is appropriate for the Government to reschedule the sittings of this place to cut across the meeting time of the standing committees of this place, particularly without consulting them.

HON NORM KELLY (East Metropolitan) [4.09 pm]: I was the Australian Democrats' representative at the business management meeting last Thursday and my recollection of that meeting - although I have not seen the minutes - is that an indication was given that the chairmen of the various standing committees were happy about commencing the proceedings of the House at 3.00 pm on Wednesdays. I have become aware in the last hour that that is not the case for all committees.

Hon N.F. Moore: Who said that they were?

Hon NORM KELLY: That was the indication and on that basis the Democrats were happy with the proposed sitting hours. However, given that one standing committee will be inconvenienced, we are happy to see to those concerns and not start at 3.00 pm on Wednesdays. The Democrats support the extra three sitting hours a week and if the Leader of the House was willing to move that we start at 2.30 pm on Tuesday, we would be more than willing to support that compromise.

HON M.D. NIXON (Agricultural) [4.10 pm]: As Chairman of the Standing Committee on Constitutional Affairs, I can say it is true that the committee has not debated whether it would suit us for Parliament to meet at 3.00 pm. It is also true that, generally speaking, the committee meets at 1.30 pm and sits until perhaps 3.30 pm. However, I believe that it would not be a great inconvenience at present for us to conclude our committee meeting at 3.00 pm. It is unfortunate that because Hon Tom Helm is engaged in other parliamentary duties and is absent from the House, I cannot confer with him at this time, but I believe it will not be a great inconvenience to the committee. Recently we have had additions to Legislative Council staff, and I understand there is a possibility that our staff will not be required to meet earlier with another committee. Indeed, tomorrow morning we will meet at 10.30 to discuss committee business, so tomorrow we can start earlier, and we have only one more week to sit after that, so it would not be inconvenient for our committee if Parliament were to commence at 3.00 pm.

HON KIM CHANCE (Agricultural) [4.11 pm]: For the sake of the record, I want to make it clear that this issue had not been raised with me at any time prior to approximately 11.00 am today, when the Leader of the House - I am sorry; when the Leader of the Opposition, who should be the Leader of the House - presented his report to the Caucus. I noted that a request had been made to support a motion which had been brought forward by the Leader of the Opposition to support a motion to bring our sitting time forward to 3.00 pm on Wednesdays. At that point, it occurred to me that that matter had not been raised with me prior to that time and that I could not possibly agree to that within my party without consulting other members of the Public Administration Committee. Given what has been said, I will be pleased to take this issue to the committee at tomorrow's meeting to determine the members' views, and, importantly, to consider whether the staff resources available to the committee can cope with such a change. However, until that time, my party is convinced that we cannot possibly proceed on that basis.

HON N.D. GRIFFITHS (East Metropolitan) [4.12 pm]: I would like to know whether the Leader of House has conferred with Hon Bruce Donaldson about this issue, because Hon Bruce Donaldson is the Chairman of the Legislation Committee. I am on the Legislation Committee as a substitute member with regard to a certain term of reference, and in that context I have been advised that a significant witness will commence to give evidence before that committee at 2.15 pm tomorrow, and it may be that in addition to the committee's being inconvenienced in taking relevant evidence, that significant witness will find it extremely inconvenient to have the evidence interrupted shortly before 3.00 pm.

Amendment put and passed.

Question (motion, as amended) put and passed.

LIMITED PARTNERSHIPS

Statement by Attorney General

HON PETER FOSS (East Metropolitan - Attorney General) [4.14 pm]: In 1992, the then Government introduced into this House a Bill to amend the Western Australian Limited Partnerships Act 1909. The Bill was referred to the Standing Committee on Legislation for review, and quite a lot of work was done. However, the committee officer unfortunately did not keep proper records, and much of the work of the committee was not retained when that officer left the position. A limited partnership differs from an ordinary partnership in that there is usually one partner - the general partner - who has the same unlimited liability as a partner in an ordinary partnership, while the remainder of the partners are limited partners, who have their liability limited to the contribution they make to the partnership. Traditionally, the general partner is a company that has limited liability. When the amending Bill was introduced, it was noted that although the Act was well drafted and clear, problems had emerged over time. In debate on 6 May 1992, I identified six problems with the concept of limited partnership. They are briefly as follows: Ad valorem duty of 0.25 per cent is payable on all contributions, including cash, unlike ordinary partnerships; there is a cap of 20 possible partners; there are dicta from the District Court of Western Australia in the case of *Gibbs Bright & Co v Pacind Pty Ltd and Others* that the general partner cannot be a limited company; limited partners face unlimited liability if they are involved in the management of the partnership, and there have been recent and worrying developments on what is meant by "involved in the management"; there is no requirement that the partnership shall advise that it is a limited partnership, with consequent unforeseen risks to creditors; and that although the 1909 Act limits the debts and obligations of members it does not mention "liabilities" and it may be that debts and obligations means contractual debts and obligations, whereas liabilities can extend to tortious and perhaps statutory liabilities. Limited partnerships have merits for business if properly run. They are a simple and economical way to raise money and distribute income and losses. However, there was not a great take-up, at least in part due to the problems outlined above.

When the Bill was introduced, the House ordered that it be referred to the Legislative Council Standing Committee on Legislation for consideration and report. A subcommittee was formed under standing orders comprising Hon Bill Stretch, Hon Mark Nevill and myself. The subcommittee commenced deliberations and held hearings soon after. Quite a lot of work was done; however, the House was prorogued before the committee reported. In the meantime, the then Commonwealth Government announced an amendment to the commonwealth Income Tax Assessment Act 1936 to include a new division 5A in part III. This division, which is sections 94A to 94Y inclusive of the Act, effectively provides that where there are 15 or more members of a limited partnership, that partnership shall be treated as if it were a "corporate limited partnership". That is, the partnership is treated and assessed to tax as if it were a company for taxation purposes. Any profits derived are taxed at the corporate rate of tax, and any losses are, for taxation purposes, quarantined and are, of course, not available to the partners for taxation purposes.

The present Federal Government has created the Ralph committee to review the taxation of business. The goal of the Review of Business Taxation is to create an effective and efficient business taxation system to improve international competitiveness in order to attract additional capital to Australia and to provide job creation. It is believed that limited partnerships can enhance Australia's position in the global economy, and a submission on behalf of the State will be made to that effect to the Ralph committee.

At approximately the same time as the income tax laws were amended, a regulation was made under the Corporations Regulations to provide that a limited partnership having 15 or more members is required to prepare, at considerable cost, a prospectus. Regulation 1.13A has since been repealed. However, the legislation regarding the commonwealth Managed Investments Act 1998 now applies, thereby continuing to limit the viability of limited partnerships.

The present use overseas of limited partnerships is immense. Billions of dollars are raised through limited partnerships in the United States. They enable losses to be brought to account in the year in which they are incurred, which is very important as limited partnerships can be used in high risk ventures where there is a high front-end cost. Problems of tax evasion through limited partnership have been overcome in other jurisdictions. There is a real potential for use of limited partnerships in that they may be of significant economic benefit to the State. I believe that the federal Treasurer's announcement of a review of the taxation status of limited partnerships should address many of these issues. In any event, in view of the now outdated provisions of the Limited Partnerships Act, it is time that this House considered a new law of limited partnerships.

Consideration of the statement made an order of the day for the next sitting.

RAIL SAFETY REGULATIONS 1999, DISALLOWANCE

Order Discharged

HON N.D. GRIFFITHS (East Metropolitan) [4.18 pm]: I move -

That Order of the Day No 3 be discharged from the Notice Paper.

Hon N.F. Moore: What is an hour between friends!

Hon N.D. GRIFFITHS: Not very long at all!

Order of the Day No 3 concerns the Rail Safety Regulations. It became Order of the Day No 3 by virtue of what we call a protective notice of motion of disallowance being given to the House by me in my capacity as Deputy Chairman of the Joint Standing Committee on Delegated Legislation. As the name suggests, the regulations concern a number of safety matters. Evidence was heard from a number of people, including officers of the Department of Transport, representatives of the Trades and Labor Council and other relevant unions. Written submissions were also received from a number of other people and organisations. The matters raised in those submissions were considered and as a result the Standing Committee on Delegated Legislation formed the view that the regulations should be disallowed. The protective notice was applied at the time because the committee had not completed its deliberations.

Question put and passed.

TREASURER'S ADVANCE AUTHORIZATION BILL 1999

Second Reading

Resumed from 15 June.

HON TOM STEPHENS (Mining and Pastoral - Leader of the Opposition) [4.21 pm]: This Bill was second read in this place last Tuesday. I appreciate that in the week since then, the minister made available to the Opposition a briefing from officers to explain why the Bill is necessary. At the briefing, which I took at the first available opportunity, at five o'clock last night, I was advised that the Government required that the Bill be brought to resolution at today's sitting. Presumably, when it has passed through this Chamber it will be rushed to print and returned to the Clerk in the form of an Act that can be sent to His Excellency the Governor who apparently is on standby waiting to sign this legislation so that it can become law tomorrow. This process is being followed so that the Government's mismanagement of its own arrangements are not brought into public ridicule on Thursday when, in the absence of this Bill, departments and agencies would be unable to legally draw down on their wages and other contingencies required for their ordinary operation before the end of the financial year.

I find it somewhat alarming that this Government is so badly managing the orderly movement of legislation through this Parliament. A Bill that is now so urgent was second read in this place only a week ago, then brought before the House today to be dealt with before the House rises this evening.

It also concerns me that responses to issues raised by the Leader of the Opposition in the Legislative Assembly during debate on this Bill were not forthcoming. I therefore found myself to be somewhat testy with government representatives when saying to them that the Parliament was entitled to appropriately - this was my subtext; I do not think it was explicitly spelled out - place this Bill under some scrutiny so that the detail of this legislation could be spelled out. I was pleased that the officers were able to promptly obtain the approval of the Under Treasurer, as I understand it, for more information on the Bill. As members will see, that means that some of us have had to spend some time examining the detail when other aspects of our orderly daily program are being put on the backburner.

For each of those pages of government briefing, 101 questions arose, on some of which I was seeking explanation from the officers a few moments ago. I ducked out to complete my briefing from the officers that the minister kindly made available to me while the Attorney General was making a ministerial statement. As members will therefore appreciate, I have not completed my list of questions to the officers. I hope the minister will not mind if I take the opportunity during this debate, and subsequently during Committee, to try to understand the detail. I appreciate that the Minister for Finance may need his officers to assist in that process so that I can be better informed by their collective wisdom.

Hon Max Evans: You deserve to be better informed.

Hon TOM STEPHENS: In his view I need to be better informed.

Hon Max Evans: I did not say "need"; I said "deserve".

Hon TOM STEPHENS: We will try to keep the debate as polite and flattering as that.

The PRESIDENT: Order! The Leader of the Opposition may continue with the debate. He can assume that politeness will always be a preferred option in this House.

HON TOM STEPHENS: You are right, Mr President; I will not delay for a moment longer. The need to increase the expenditure from \$300m to \$460m by this amendment to the 1998 Treasurer's Advance Authorization Act surprises me. It seems to be an extraordinary jump. I understand from brief discussions with the officers - to which I will not refer much longer; I will speak to my text - that the amount required has increased considerably, by \$160m. I think the limit from 1992 to 1998 was \$200m when it increased to \$300m for two years.

That seems like a disproportionate jump that is building a large amount of funding into the Treasurer's authorisation available at the discretion of the Government. That seems to be excessive to say the very least. It leaves me with substantial questions about what sort of Government brings down a budget and then suddenly announces it will make these Treasurer's authorisations, \$460m worth of authorisations, eight days from the end of the financial year and still does not have all of the detail of how it intends to spend those funds. An attachment to the briefing notes is available to us which details \$410m worth of supplementary funding requirements for budget sector agencies, but that still leaves in a contingency provision of some \$50m, what is called by some "a buffer zone", for the Government for the last eight days of trading between now and the end of the financial year, at which time the Government can still have calls upon the public purse that are about to be authorised to make previously unauthorised allocations to the level of \$50m. We are told in the briefing note that, in part,

this \$50m is sought as a contingency measure to safeguard against overdrawing operating trust accounts as at 30 June. The briefing note states that the Health Department and the Education Department may require access to this facility. I find that briefing note and that reality a disturbing prospect. I seek from the Minister for Finance some indication whether any drawdown will be made from that buffer zone of \$50m by either of those two departments. Combined, they take up nearly half the budget, and understandably they might be identified. Surely, eight days out from 30 June, it is incumbent on at least the Minister for Finance to tell us whether he has had any indications that those two departments will intrude upon that \$50m, if they will, by how much, and for what purpose; or will the Minister for Finance assure us that no drawdown will be made on those additional funds that are now to be included if this Bill is passed giving the Treasurer authorisation to advance funds for government purposes? I hope the minister is able to assure me that the Government is not involved in such mismanagement of those two portfolios areas as to leave the taxpayers yet again exposed to this reality. I suspect that the Government has so badly organised its financial affairs as to be unable to properly fund those two major departments, and to leave the Treasurer subject to the prospect that it may be necessary to allocate more funds.

Can the minister assure the House that the buffer of \$50m will not be drawn upon; and, if it will, what are the likely agencies that will be calling on this buffer? If it is not in the areas of education and health, what other agencies may be involved? What are the reasons for the expectation that the minister would need to draw down on that buffer zone? To what has the minister been alerted? Is it the concern of the Opposition about these two government departments that has led him to include this \$50m? Perhaps the Government knows that it is better to listen to the Opposition's assessments of the Government's budgetary position than to the Government's own assessment because it has had it wrong every year so far, and now it is to set aside this buffer aimed at protecting it from the otherwise awful prospect of needing to either -

Hon Max Evans: I can't pick up where you are talking about that \$50m contingency.

Hon TOM STEPHENS: I am relying upon the briefing note which the Under Treasurer indicated could be made available to me and which was called an overview on the front page. At page 2, in the bottom paragraph, it stated that \$50m is sought to be a contingency, and then the Under Treasurer's briefing note made available the rest of the detail about which I spoke. Why cannot the agencies involved be more accurate when the budget is prepared to show expenditure for the forthcoming financial year? Is there a need to keep these agencies on a leash so that they do not get carried away with their expenditures, or is it that the Government for some other purpose simply downplays what it will need for its budget, but when it gets towards the end of the financial year must come clean and cough up more funds to do exactly what the Opposition has been telling it over the years; that is, that the hospitals cannot run without appropriate budgetary funding and the schools cannot run without appropriate funding? No matter how much bleating it has done in the past, it is not possible to do that. It then must seek moneys from this funding at the end of the financial year to adequately accommodate the needs of the public of Western Australia in its attempts to provide adequate access to health and educational services in this State, despite its best endeavours to thwart access to those two areas by the public of Western Australia.

I seek an assurance that the \$50m that has been made available to fund the Government's commitments in the educational field referred to on page 1 of the overview are essentially focused on school-based activities, and that these are funds that are not allocated to either of the following propositions: First, simply restoring to the budget - as I suspect this is - funds that will enable the Government to now accommodate the expenditure that it was expecting to save through what it called productivity improvements within the educational sector, which were not achieved - funds that were taken out allegedly to represent the savings that would be achieved through productivity improvements inside that government sector; or, second, providing funds to do no more than simply look after the central administration costs of that department. I seek an assurance that this is real funding for real school-based activity programs. I note that the Government says that of the \$65.5m additional funding in this area, \$50m is to fund the commitment to reduce class sizes and other, unnamed initiatives in the school sector. What are those other initiatives provided for within this sector? As well as that \$50m, another \$15.5m is allocated for the local area planning initiative associated with schools in the western suburbs and the south east corridor of the metropolitan area. That is the program that was to save the Government money. In the first year we see an extra allocation of \$15.5m rather than savings. Would the minister tell us how that will work out and when, if ever, we will see savings from the local area educational planning initiative?

Hon Ljiljanna Ravlich: It would be the joke of all time if LAEP has cost the Government money.

Hon TOM STEPHENS: In this Bill there are many jokes and jokers. They are across the portfolios.

Hon N.D. Griffiths: They are called "the Cabinet".

Hon TOM STEPHENS: Hon Nick Griffiths pinched my line. They are indeed called the Cabinet. The need to obtain the necessary funds for public servants' pay and other government commitments shows that this Government has not been able to manage the payment of its own employees, let alone the other finances of this State.

Hon Ljiljanna Ravlich: How much did the Education Department overpay its people? It ran into millions of dollars.

The PRESIDENT: Order! Will Hon Ljiljanna Ravlich speak in this debate?

Hon Ljiljanna Ravlich: Yes, I intend to.

The PRESIDENT: Would she mind waiting until I call her, because the Leader of the Opposition is trying to make his speech.

Hon TOM STEPHENS: Given this Bill is providing retrospective approval of government expenditure the ideals of accountability and financial transparency should apply. They are the ideals about which this Government spoke so much prior to its arrival upon the Treasury benches and about which it has done so little having landed so comfortably upon them.

By leaving debate on the Bill until so late in the process, particularly the amendment to last year's Act, government members are ignoring the ideals they held out as being so noble and important to be followed and pursued when they were in opposition and are expressing different ideals now they are the practitioners of government. The Government is demonstrating - not for the first time - a disregard for Parliament's roles in analysing and scrutinising legislation. This is clearly an attempt by the Government to prevent proper parliamentary debate and proper scrutiny of expenditure to which the people of Western Australia are entitled through this Parliament. It ill behoves a government that says suddenly that a Bill that was introduced last week must be available tomorrow for the convenience of His Excellency so it can be signed and become law, otherwise it will inconvenience the various creditors of the State, not least of which are the various government employees.

Hon N.D. Griffiths: It does not think much of its employees.

Hon TOM STEPHENS: Regrettably this Government has been prepared to expose those employees to the vagaries of getting a Bill through this place, such as this Bill has been subjected to. We know, from the mismanagement that we see here daily from the Leader of the House in the administration of the affairs of this House, why we are now faced with this great urgency to get a Bill through today before the House adjourns. We know as well that another matter must be dealt with tonight before we adjourn, otherwise that matter will be dealt with in a different manner rather quickly.

Funding under the Treasurer's Advance arrangements should be used for extraordinary and unforeseen circumstances or for short-term financing. Funding of government expenditure should normally be allocated through the budget Bills to ensure appropriate scrutiny of upcoming expenditure. I do not want to allude to another debate that I hope is coming on soon, but I was working on the Statutes (Repeals and Minor Amendments) Bill before it was referred to the Legislation Committee. That Bill illustrates another part of this process of whacking issues into an overarching Bill and expecting them to be dealt with by the House rather than introducing individual Bills.

The Treasurer's Advance Authorization Bill has included appropriations for various government agencies which should have been foreseen by this Government. The Government has chosen not to take the advice of the Opposition up to this point and has not put appropriations in the budget Bills. It is trying to whack this Bill through without all of the scrutiny these issues would have received if these details had been available in the original budget Bills. In part, the Government is trying to get brownie points for its budget process in the business community to which it is not entitled. The Government has tried to present the image of somehow appropriately managing government agencies and instrumentalities by cutting them back to the bare bones. At the end of the financial year the Government comes clean and whacks in Bills for additional authorisations, which makes it painfully obvious that its attempt to get brownie points in the financial and business community, or anywhere else, is a vain attempt. The McCarrey report specifically addressed this point and states that the use of the Treasurer's Advance to meet major new expenditure can enable a government to avoid the need for full disclosure to Parliament of the circumstances of the payment until such time as the supplementary appropriations are submitted with the following budget. The report states that the practice of seeking after-the-event appropriations as a schedule to the following year's appropriation Bill could also have the effect of limiting parliamentary debate on the issues. That contribution was made to the Review of Public Sector Management by Les McCarrey.

Hon Max Evans: We wrote that after 10 years of Labor.

Hon TOM STEPHENS: Having regard to the great age of the Minister for Finance, I understand his hankering after the past. However, he should not constantly want to live in the past. The Minister for Finance shows no responsibility at all if he chooses not to live in this new age that we are embarked upon. Following the recommendations of these various reports we are left with an obligation to adjust our processes, the systems of government and the way we handle the budgetary processes, so that it is possible to have proper and appropriate parliamentary scrutiny of the Government's Bills.

Hon Muriel Patterson: I'm glad the Leader of the Opposition is getting to his notes now.

Hon TOM STEPHENS: Hon Muriel Patterson can be assured that I will get to my speech notes eventually.

I want to adopt the following comment that was made in relation to the Treasurer's Advance authorisation legislation which is pertinent. It says that the purpose of the account was to provide funds for extraordinary expenses such as paying for the damage caused by earthquakes or when the Treasurer needs funds immediately. It says that legislation is an important part of the operations of this Parliament. However, it has been abused in the past and the Government must take a different attitude to its operations. The person who made this comment agreed entirely with the Leader of the Opposition when he said that, instead of glibly saying, as was stated in the second reading speech, that it related to a number of unforeseen issues, it would be proper for the Government to outline those expenditures to the Parliament. That has not happened in this case. The Government has not adopted its own advice. It is difficult for the budget processes to be transparent when the Treasurer's Advance Authorization Bill is handled in this way.

The Government should be providing much more information than that which is contained in the briefing paper provided by Treasury. For example, the second reading speech gives one reason for the increase in the limit of the Treasurer's Advance for the past financial year as the need to provide the additional \$65m to the Education Department about which I have spoken. As I have said, \$50m was allocated to the Education Department to fund the Government's commitment to reduce class sizes and other initiatives in schools, and \$15.5m for local area planning initiatives associated with schools in the western suburbs and the south eastern corridor of the metropolitan area.

The second reading speech fails to acknowledge that there is a history of budget overruns in the Education Department, clearly one of the major government departments of this State, during most of the term of this Government. The department has not been able to live with the budgets officially allocated to it at the beginning of each financial year. The figures clearly

show that the department has overrun its budgets in recent financial years - in 1994-95 by \$10.5m; in 1995-96 by \$15.1m; in 1996-97 by \$15.6m; in 1997-98 by \$25m; and in 1998-99 by \$65.5m, and with the prospect of that not even being the final figure unless we get an assurance to the contrary both by way of the minister's reply and also subsequently when we see the final figures that come in after 30 June.

One reason for the department being unable to meet its budget targets has been the Government's policy of imposing a productivity dividend on all government agencies, which means a cut in the notional budget. In the past two financial years that was \$19m and \$27.2m respectively. The Minister for Education is reported as having indicated in the Estimates Committee in the other place that the \$50m supplementation which the Education Department received in 1998-99 had absolutely nothing to do with class sizes and other initiatives being undertaken in schools. The Minister for Education clearly stated that it related entirely to returning the productivity dividend and making up for the cost overrun that occurred in 1997-98, meaning that the Treasurer and the Minister for Finance have produced a different story from that given by the Minister for Education.

The second very important conclusion is that the Government's whole productivity dividend policy - the policy which was introduced in the 1996 election campaign by the then Treasurer, the current Premier - has been comprehensively overturned. I return to that quote about the Treasurer's Advance authorisation legislation. It states -

The legislation is an important part of the operations of this Parliament. However, it has been abused in the past and we want the Government to take a different attitude to its operation. I agree entirely with the Leader of the Opposition when he said that instead of just glibly saying, as was stated in the second reading speech, that a number of unforeseen and unavoidable expenditures have already arisen during the year, it would be proper for the Government to outline those expenditures to the Parliament.

Hon Max Evans: What is that a quote from?

Hon TOM STEPHENS: That is the response of the minister handling the legislation in the other House. Here is the Government's first opportunity. It should not just glibly state its commitment to the ideal. Here we are in the upper House before the Bill goes through. We are not in the habit of blocking budget Bills yet.

Hon Bob Thomas: And never will.

Hon TOM STEPHENS: There we are - we never will. I am not so sure that I can speak for all members opposite, but that has been the position of the Australian Labor Party for a considerable period.

Hon Ljiljanna Ravlich: But it would be good to get some answers.

Hon TOM STEPHENS: It would be very good to get some answers. Clearly, the Government is guilty of glibly referring to a number of unforeseen and unavoidable expenditures that have arisen during the year, and clearly it is guilty of failing to outline those expenditures to Parliament. Given that those comments were made by the Premier in June 1991 when he was still in opposition, there seems to be some contradiction in the paucity of the information being offered in relation to this Bill. With those comments, I was drawing upon the contribution made by the current Treasurer, the current -

Hon Max Evans: That is a different story from the one you gave a few minutes ago. You have reversed it. You had it wrong.

Hon TOM STEPHENS: I think I gave the wrong emphasis to my contribution.

Hon N.F. Moore: Exceedingly devious.

Hon TOM STEPHENS: I am able to say that the minister handling the Bill in the other place made those comments not while he was handling the Bill but while he was still in opposition.

Hon Max Evans: That is right. Now you have the facts right.

Hon TOM STEPHENS: All I now say to the Minister for Finance is that it is a pity that while he is in government he does not have the opportunity of meeting the high ideals that were expressed by the current Premier when he was in opposition. Clearly those comments were made some time ago, before the Court Government came to office; nonetheless, they were ideals that the Government should have lived up to. The Government increasingly uses the methodology about which it complained in the past to authorise the expenditure of money. In the Premier's own words, that is an unhealthy approach to financial administration in this State. Transparency and accountability are legitimate goals, and they are legitimate goals to which the Australian Labor Party aspires. Whether on the opposition benches or in future when we occupy the government benches, they will be the goals that will be upheld by a future Labor Administration.

One reason for the Education Department not being able appropriately to deal with its budget programs is that the Government has never been able to accept all its responsibilities to and the needs of the people of Western Australia in the two sectors of education and health. The Minister for Education clearly stated that it related entirely to returning the productivity dividend and to making up the cost overrun that occurred in 1997-98. That is a different claim from that which is now associated with the advance of this Bill through the Parliament.

There is a second very important reason that the Government's whole productivity dividend policy has been comprehensively overturned. In 1996 the Treasurer said that the productivity dividend to be applied in each financial year was the only source of new finance for initiatives that could be taken by an incoming Government - a comment deliberately designed artificially to limit the policies and promises to which the Labor Party could commit itself in the 1996 election campaign. However,

in the Education budget the productivity dividends were returned to the Education portfolio. They clearly do not apply to at least the Education Department and quite probably other agencies, meaning that funding for new initiatives must come from other sources, contrary to what the Treasurer said in the lead-up to the previous state election. It also shows that the Government has not stuck to its four-year financial plan that it so loudly trumpeted during the previous election campaign.

The third conclusion to be drawn is that the Education budgets have been overstated by the device of financing the preceding year's cost overrun in the succeeding budget. The Government then tries to claim a double credit for that. It claims credit for spending more on education than budgeted for in a financial year because it had to meet demand. It also claims that it has increased funding in the succeeding year when part of the funding is only to cover the overruns of the previous year and has to be repaid to Treasury. In fact, the Minister for Education also confirmed that, despite the supplementation of the budget in 1998-99, it is possible that the Education budget will be overspent by \$27m to \$30m in 1998-99.

The PRESIDENT: Order! I refer to Standing Order No 94. The Leader of the Opposition is referring to debates in this session in the Legislative Assembly. The other matters to which he referred apparently occurred in the past, and he did not breach the standing order. It would not be unreasonable if he were to say that "it has been heard", for example. My problem is that he is directly referring to those debates.

Hon TOM STEPHENS: Thank you, Mr President. I will be mindful of your advice.

Hon N.F. Moore: And of the standing orders?

Hon TOM STEPHENS: And of the standing orders and the advice of the Leader of the House. The second reading speech given in this place states that although the \$50m is to cover productivity dividends and overruns, it is still not enough to cover all the cost overruns which will be funded out of the allocation for 1999-2000. Therefore, the whole process of claiming credit for an amount that was included in the next financial year's budget while using it to fund the previous year's overrun starts all over again. That is my complaint. I ask the Minister for Finance to try to turn around the handling of these issues that has been embarked upon by this Government.

[Questions without notice taken.]

Hon TOM STEPHENS: Regrettably, this Government is increasingly relying on the use of the Treasurer's Advance, and showing an increased lack of respect for the proper parliamentary processes in this State. Further evidence of the Government's approach to reliance on the Treasurer's Advance is seen in the increase to the Treasurer's authorisation limits set at the beginning of each financial year. They have been increased five times in the 10 years ending 1997-98, and three times in the past three years. This clear and significant reliance on the Treasurer's Advance Account to manage the Government's finances raises accountability and financial management questions, particularly about the ability of the Government to properly budget.

State budgets brought down in April of each year bear no resemblance to the end of year outcome, regrettably. In 1997-98, the budgeted operating surplus of \$78m, in comparable terms, ended up as an operating deficit of \$116m. In 1997-98 the Government also underestimated recurrent expenditure by \$293m, including under budgeting in the Health portfolio to the tune of \$90m. The difference between the actual result and the budgeted amount indicates a Government that does not fully understand its own financial mechanisms. When this Government came to office, it trumpeted that it would be a sound economic manager. Indeed, the speech delivered in this House seeking approval for this Bill reinforces the belief that the Government does not fully understand its own financial mechanisms, as it provides no justification for these payments. If members of the community read the second reading speech, they could not help being persuaded to the view that these ministers are not soundly in control of the budgetary processes.

Information the Opposition obtained directly from Treasury indicates that it is clearly appropriate to include some of the items in this Bill. Without doubt, payments to assist people affected by Cyclones Vance and Elaine fall into this category. Without doubt, that contingency to provide emergency assistance falls within the purview of a Bill such as this. However, the money necessary to reduce class sizes does not legitimately belong in this process. In the Opposition's view this is a travesty and it is not an appropriate use of the Bill before the House. Surely the Government knew before it implemented this policy how much it would cost? How can it need extra funding for an initiative that was supposed to be in place well before this Bill came to the Parliament for debate? It is obviously not a recent, unexpected event. Is the Government suggesting that it did not know how much the promise in this policy would cost when it made the decision? That is the plain meaning of the overview presented by the Under Treasurer to the Opposition. There is another subtext, that which I have previously articulated, and there is more going on with this Treasurer's Advance to Education than simply meeting the commitment with respect to class sizes. The general lack of information and forward budgeting causes serious doubts about the ability of this Government to manage the finances of the State in a proper manner, even though it deludes itself in its arrogant claims that it is doing precisely that; nothing could be further from the truth.

The Labor Opposition supports the passage of this Bill, but it has three concerns that must be restated. First, members of the Opposition are concerned that the Government has failed to provide to the Parliament an adequate level of information on this legislation. Secondly, the Government has demonstrated gross mismanagement of its legislative program and a complete disregard for the legislative process by leaving it to be debated in this House in the final two weeks of the session. It is just eight days before the end of the financial year, and two days prior to the need for the legislation to authorise a drawdown by government agencies and departments to pay salaries and other contractual arrangements. Thirdly, the Opposition is becoming increasingly concerned about the increased use of the Treasurer's Advance Account by the Government of Western Australia and the growing size of that advance. It appears to me to be disproportionate to the growth of the -

Hon Derrick Tomlinson: Are you going to block it?

Hon TOM STEPHENS: Do not tempt us! No, the Labor Opposition does not do that sort of thing, Hon Derrick Tomlinson.

Other questions arise when considering some of the detail subsequently provided to the Opposition. One question relates to the Government Projects Office, which we are told commenced operation in the latter half of 1998-99 and, therefore, was not included in the 1998-99 budget. We are told that it is a new office to handle major projects which normally cross portfolios. The Premier said that the Government Projects Office is the renamed Government Property Office, which, from memory, was split into two parts - part went to Treasury and part went to the Government Projects Office. Can the minister clarify this misunderstanding which people in government seem to have formed about the Government Property Office? Is the Government Projects Office nothing more, as the Premier said on 26 May, than a renamed Government Property Office? I understand that the Building Management Authority and the Department of Contract and Management Services operated separately, even though they were meant to be combined. Why do the departments still operate separately and require separate appropriations? I find it puzzling that the Premier thinks the Government Property Office is now operating as the Government Projects Office.

Hon Max Evans: It has nothing to do with the office - it is what they do. It is accounts paid in and out, and moneys recouped from the agencies. The change of name does not make any difference.

Hon TOM STEPHENS: The Government Property Office organised all the leases and other such arrangements. The budget papers and consultants reports tabled in this place indicate a vast cost to government in paying consultants, real estate agents and property managers. Teams are drawing down on funds previously allocated to the Government Property Office. Millions of dollars are forked out to obtain advice on when to sign a lease and such matters, as consultants perform work formerly carried out in the Government Property Office by a small number of officers with a limited budget. However, the Premier thinks the Government Property Office has become the Government Projects Office. The Premier is confused. He does not know where he is throwing taxpayers' money, although he knows he is throwing it away on belltowers and other fanciful projects. The work of the Government Projects Office is already duplicated by consultants with large drawings from the taxpayers' purse carrying out work previously performed by the Government Property Office. That may be a double allocation.

The schedule of the Treasurer's Advance Authorization Bill also states that \$7.095m in supplementary funding was provided to the Ministry of the Premier and Cabinet in 1998-99. When were the supplementary funding requests made by the Premier, and when were they subsequently approved? Given that the minister requesting the funding also approved it, was Cabinet involved in the approval process for any of the requests; if yes, with which requests was Cabinet involved? With reference to supplementary funding provided to the Department of Transport for the agreement closing down MetroBus, what did the \$17.7m fund? When was the supplementary funding requested and approved, and why was the funding not allocated at the time of the 1998-99 budget?

Also, \$3m was allocated to the Aboriginal Affairs Department. The explanation provided was that the supplementary funding arose because of the need to incur expenditure of a recurrent nature that was originally included as part of the agency's capital appropriation. I require an explanation. It further states that the expenditure is required for the provision of essential services, primarily power and water, in remote Aboriginal communities. Could the minister in reply tell me whether this \$3m of supplementary funding arose through a process triggered by the Minister for Aboriginal Affairs? Was this supplementation achieved by an application by the Minister for Aboriginal Affairs by way of cabinet submission, or was another approval process involved? If it was achieved by cabinet submission, can the Minister for Finance tell the House precisely for what the funds were approved? What essential services will in future be provided to remote Aboriginal communities by way of this supplementation?

Hon Max Evans: It is primarily power and water, but you want to know where. I do not know whether I can get that answer back tonight.

Hon TOM STEPHENS: I would appreciate that information. Where is the additional power and water for remote Aboriginal communities to be provided?

The papers also indicate that additional funding of \$0.6m was required to enable the Chemistry Centre (WA) to meet ongoing commitments. I wonder whether the Minister for Finance can recall the submission received by Treasury last year from the Minister for Mines for \$1.2m. On that occasion the Treasury official added a handwritten note to the submission, which was obtained subsequently: "If I were a board member receiving the attached report, I would simply deny the request and sack the author."

Hon Max Evans: You want to know whether he has been sacked.

Hon TOM STEPHENS: I know that the Minister for Mines has not been sacked, as he ultimately accepted responsibility for the submission which he took to Cabinet. The Treasury officer believed that the minister should have been sacked for presenting such a submission. Nevertheless, the minister obtained the \$1.2m last year. The minister seeks \$0.6m this year for the Chemistry Centre. Do Treasury officials feel that the author's submissions were of such a low standard that the allocation was cut in half, or were Treasury officials happy?

Hon Max Evans: The Chemistry Centre does a lot of fee-for-service work, which is the main problem. Fee-for-service costs money to operate, but the money may not come in until the following year. That could be a reason for the shortfall. I will check. We see a lot of fee-for-service operations in many departments these days.

Hon TOM STEPHENS: I would appreciate an explanation as to what are those additional funds for the Chemistry Centre.

Was that additional funding obtained by way of a cabinet submission or through some other process? What documentation was put forward for government consideration before approval was granted for the additional \$0.6m? Page 1 of the briefing notes, under contract and management services, states that \$2.5m of additional funding is required for the settlement of liability associated with the telecommunications contract. Can the minister give me some detail about that settlement of liability? I maintained great interest and some measure of support for what the State Government was trying to do in that telecommunications contract when it was embarked upon by the Government. I am concerned that there appears to have been -

Hon Max Evans: We were not getting accounts. Accounts were coming in late. There were disputes on the accounts which could not be budgeted at the beginning of the year. We settled on a lump sum because the accounting system was crazy. It could not get the information; that is why they were not paying for a long time. That was an extra cost for which it had not budgeted, but we paid a lot less than what it was trying to get from us. I will obtain that information for the Leader of the Opposition.

Hon TOM STEPHENS: Page 4, under Family and Children's Services, states that an amount of \$550 000 as supplementary funding is required for the settlement of act of grace payments. I would appreciate some advice about what that amount relates to.

The PRESIDENT: I ask the Leader of the Opposition how many more questions he has, not because of the timing, but because of the relationship of the questions to the second reading stage or the committee stage. I fear there are quite a few questions.

Hon TOM STEPHENS: Not too many.

The PRESIDENT: If that is the case, I am prepared to allow the second reading stage to be used for him to raise these issues, which he is signalling will form part of the committee stage.

Hon TOM STEPHENS: Not necessarily.

The PRESIDENT: One of my problems is that they should be part of the committee stage. The Leader of the Opposition is dealing with the schedule. It is important that he raise the issues so there is some advance notice. No doubt the minister will respond as best he can during his reply. I anticipate that further questions may arise during the committee stage when the Leader of the Opposition can get down to the particulars of various matters.

Hon TOM STEPHENS: I appreciate the advice of the Chair. The opportunity for further clarity on these questions will arise during the committee debate. In those circumstances, I conclude my remarks by recapping this point: The Government's handling of this Bill to this point represents a display of incompetence in the administration of the budgetary processes of the State, particularly exposing the government employees to the possibility that this legislation may not be passed in time in order to wait upon the convenience of His Excellency the Governor for his signature so it can be enacted into law tomorrow, and then provide for a drawdown for the payment of the government employees on Thursday and for the payment of government contracts for those government departments and agencies. It is a risk taken by the Government which indicates a disregard for the needs of its work force and a lack of respect for the Parliament in expecting it to subject the legislation, including the budgetary legislation, to appropriate scrutiny, particularly a Bill which lumps so much together in a small number of pages, without the appropriate level of detail in advance. As I said to the minister at the beginning of my comments, I appreciate the generosity of the Government in making available the briefing from his officers.

Hon Max Evans: I might never do it again.

Hon TOM STEPHENS: With all of their talents, skills and abilities, they are protecting this Government from many of the excesses on which it may have otherwise embarked. I will not go too far down that path other than to say that the minister is well served by talented and skilful officers who have endeavoured to provide answers to all of the questions that I have sent in advance. Unfortunately, because of the shortness of time, I was not able to give them all of my questions as I tried to make my way through this legislation. I hope the minister can allay some of my fears when he eventually replies to my comments.

HON LJILJANNA RAVLICH (East Metropolitan) [5.56 pm]: It gives me great pleasure to make some comments in regard to the Treasurer's Advance Authorization Bill. The Australian Labor Party will support this legislation; however, it is not without some pain.

Hon Simon O'Brien: Are you sharing the knowledge or the pain?

Hon LJILJANNA RAVLICH: I will share both. I will give members the knowledge, then I will give them the pain. I will make sure they get a double whammy so they do not miss out on anything. Obviously, as my colleagues have already commented, this Bill must be treated with some urgency. Government agencies are relying on the approval of this legislation and its successful passage through both Houses. We must reflect on a fundamental issue; that is, why are government agencies not meeting their budget targets? Why are they coming to the Government, cap in hand, and why is the Government coming to this place to seek an appropriation?

Hon Max Evans: Nothing is new in this world.

Hon LJILJANNA RAVLICH: I do not think the answer is 100 years of government. The Minister for Finance gives a very simplistic answer. The answer lies in two key areas: One is the blanket policy of what this Government has termed a productivity dividend. This Government has said to government agencies that they will not receive as much this year as they

did last year because the Government thinks they can achieve productivity improvements, so it will not fund them to the same extent to which it has in the past. That has caused pain to many government agencies. I can understand why the Government thought that this might be a positive initiative. At the same time as it set this productivity dividend, it also gave government agencies an enormous power. It has changed the public sector from a central organisation to a devolved model of administration in which government agencies have an enormous capacity to purchase, enter into multimillion dollar contracts and generate income. That has been unprecedented. The Government has gone down that line to a major extent. The Government expected that there would be no difficulties and that the government agencies would be able to achieve the productivity dividend. It is hard to achieve a productivity dividend when 15 000 public servants have been shot out of the system. It is hard to achieve a productivity dividend when the people are not there to do the work. It is hard when the right procedures and processes are not in place to generate income, because public servants are not business people. Public servants do not necessarily have the skills to enter into major contracts and be guaranteed to provide a dividend or a profit to the Government. I am not having a go at public servants; I am having a go at the policy of this Government.

Sitting suspended from 6.00 to 7.30 pm

Hon LJILJANNA RAVLICH: Before the dinner suspension I was saying that the productivity dividend was an impost on government agencies. I am not so convinced that it was a suitable policy introduced by the Government, particularly in view of the fact that there was a major reduction in the number of public servants. There have been major reductions in public servants ranging from 12 000 to 15 000 since 1993. I thought that when one looked at productivity gains, a measure of a productivity gain would be how much productivity increased given the existing resources. However, a double whammy is imposed on government agencies when the Government seeks from them both a productivity gain and a substantial reduction in the number of workers in the agency in order to meet the productivity targets. It is not a surprise that the Government now faces this problem with productivity dividends.

The other point I was making in regard to the fact that public sector agencies cannot meet their budget targets was that these government agencies have enormous self-determination powers. Much of the responsibility that was held centrally has now been devolved to those agencies. There are about 130 of them in the State, about 100 of which have devolved purchasing authority. I think that is approved by the Department of Contract and Management Services. This entitles government agencies to enter into their own contracts to purchase goods and services, to hire consultants or to purchase whatever is required for the department to achieve its overall objectives. Many of the agencies now find themselves in a difficult position with regard to meeting their budget targets because government agencies may not have managed the process of purchasing as effectively or as efficiently as one might have expected them to. Part of that problem is the fact that the expectation was put on them very early in the piece. This Government's policy was that it would contract out. I do not feel that checks and balances or precautionary measures were put into place which would pull government agencies back into line before they made fairly drastic mistakes when purchasing and contracting out goods and services. I will touch on that a little later.

One of the aspects that really disappoint me about the Treasurer's Advance Authorization Bill is the lack of detail about what we are appropriating. I thought I might have missed something. I looked at the Bill and thought that it was okay. I looked at the schedule and thought that it was fine. However, I thought that I did not know where any of the detail was. I asked for a copy of the second reading speech because I thought that maybe some of the detail might be there, but I was very much mistaken; there was no detail. It is of concern to me that we are appropriating a substantial amount of money, a sum of \$160m over and above the \$300m that we are now seeking authorisation for in this place, and yet we have no detail about why these government agencies are not meeting their budget targets and what has brought them to the situation in which they are now dependent on this legislation passing this place and the other place. I am really disappointed that detail is not included because it would be much easier for us to give the Bill a tick if we knew what the detail was.

It would appear that education is in an incredible mess. I take a very keen interest in education for a number of reasons, as you already know, Mr President. I am amazed the Education Department is seeking an additional \$65m through this Treasurer's Advance, because it is a substantial sum of money. We already know that supplementary funding of \$50m was provided in the 1998-99 budget to the Education budget. As I understand it, it was made up of \$22m provided to fund the overrun from the previous year and \$28m as a productivity dividend, which was handed back. Despite the \$50m that was poured in through the supplementation, an overrun of an additional \$27m is still expected. When my colleague, Hon Tom Stephens, spoke on the education issue, I tried to bring to the House's attention by way of interjection the sloppy administration which occurs or can occur in government agencies, and not only sloppy administration but the cost involved when contracts do not go as they should be going. I will cite the example of PeopleSoft because it is an absolutely classic case. This new computer payroll system was introduced by the Education Department. I do not know the cost of it. I see the Minister for Finance shaking his head, so he does not know either. The system was promised to do all things for all people; it was meant to iron out all the wrinkles and be a very cost-effective and progressive way for the Education Department to move. I was called by someone representing the gentleman who was quoted in *The West Australian* as having been overpaid by \$16 000. He is a MetroBus redeployee who was overpaid \$16 000 in one fortnightly salary. This gentleman did the right thing.

Hon Derrick Tomlinson interjected.

Hon LJILJANNA RAVLICH: No, he was not complaining. He was overpaid \$16 000 through this payroll computing system, which is not at all effective. He advised the Education Department immediately that he had been overpaid \$16 000 for his fortnight's work. He was advised by the department that he should obtain a bank cheque to pay that money back. The person concerned had no problems whatsoever with that. He advised the department that it had cost him \$14 to obtain the bank cheque to pay it back to the department. The total cost incurred by this gentleman was \$14. On approaching the

department for his reimbursement of the \$14, it said, "Thanks for the \$16 000, but we cannot pick up your tab for \$14 because we do not have the ability to make such a payment", which I thought was an appalling example of a government agency being totally uncooperative. I bring this to the attention of the House because he was not the only person who was overpaid; I understand that thousands of people were overpaid by the new PeopleSoft computing system. I have heard it reported - I have not had it verified - and I bring it to the attention of the House that as a result of the PeopleSoft system making payments, people's housing loans have been paid out.

Hon Max Evans: What has been paid out?

Hon LJILJANNA RAVLICH: The minister would be aware that many people have a procurement arrangement whereby payments are automatically made to X, Y and Z company from their salaries. Often people will have their home repayments as a part of that system. I have heard of the situation whereby someone had their whole loan paid off. I bring that to the attention of the House because -

Hon Max Evans: The Auditor General has repeatedly reported that the Education Department used to pay about \$1.5m. The computer is giving some problems.

Hon LJILJANNA RAVLICH: The minister is saying that there is normally an overpayment of -

Hon Max Evans: We are trying to overcome that now.

Hon LJILJANNA RAVLICH: We can accept there was a problem before; this is a much bigger problem. I am trying to bring to the attention of House that when contracts do not work or when contractors do not deliver the goods to government agencies, enormous consequential costs can arise as a result of those contractual obligations not being met by the contractor.

The Education Department is in a sorry state. Clearly much work is needed to be done, not only in respect of that system; complaints are being made also about other major computing contracts which have not delivered the promised benefits and which have gone over cost. These are the pressures of entering into contracts which add to the difficulty of government agencies meeting their budget targets. I suggest that it is very widespread because of the extent to which the Government currently involves itself in purchasing goods and services. Government agencies are responsible for over \$4b worth of purchasing annually. The purchases could be divided into goods and services; services would cover the costs of consultants. When government agencies are purchasing to that extent, there is enormous opportunity for things to go wrong. The Australian Labor Party is very concerned about the extent of this Government's purchasing and it is particularly concerned about the financial and budgetary implications as a result of contracting out. Much of the responsibility for managing that process right throughout the government sector is borne by the Department of Contract and Management Services. I note that this department also has an overrun of \$2.5m. However, it is the agency which has the responsibility for the management of across-government contracts. There are currently about 60 across-government contracts which can range from Visa cards to motor vehicles, the supply of paper products, and a whole range of things; often these are very expensive contracts and can run into hundreds of millions of dollars. CAMS clearly needs to manage those contracts, but the government agencies are responsible to CAMS for the management of those contracts.

I have put questions on notice seeking information from ministers about the protection that is put into place to safeguard these contracts and to safeguard the Government by ensuring that it is not left bearing the risks of many of these contracts. It has become apparent to me that many of the safeguards which should have been put in place by the Government in 1993 prior to having ventured down this road have not been put in place. When one has a look at the budget overruns, it is clear that some of the problem lies in this area of contracting out. I do not think that the problem is due solely to the issue of a productivity dividend; it is a much more complex problem. I would have appreciated it if the government agencies under the ministers' control could have provided the information about why they find themselves in this situation. That is very important because one needs to know why one has the problem before one can address the problem. I know that the Government will not get its agencies to pull their heads in about the extent to which they contract out, but I know much more work can be undertaken by government agencies to ensure that the Government does not take the risk, and to ensure that the government agencies that involve themselves in this sort of activity do so and generate a benefit for the State. There is no point in following an ideological line and espousing the benefits of privatisation and contracting out in general, particularly if the latter provides no overall benefit to the Western Australian public. I am very much a cynic and I do not believe the Government is receiving the benefits that it thought it would as a result of going down the contracting-out line.

Before government agencies move down that road some sound planning should take place. I have put no fewer than 400 questions on notice about government contracts. I sought information in a number of areas. The first was whether prior to entering into a contract government agencies completed a business case and whether that included a cost-benefit analysis. To my surprise, government agencies were not doing that in the majority of cases. They were not weighing up the cost and the benefits in the interests of the Western Australian taxpayers. On the same range of contracts I asked a set of questions on due diligence to make sure that before government agencies entered into these contracts they checked out the contractors - their previous work history and whether they can do the job they say they can do. I should not have been surprised, but once again it became obvious that government agencies did not carry out as a matter of course due diligence checks. Only three weeks ago I brought to the attention of the House the issue of Radock Pty Ltd.

The PRESIDENT: Order! I remember when the member brought the case of Radock into the House, and I am trying to work out how Radock relates to the Treasurer's Advance Authorization Bill. I have spent some time trying to fathom it out. Perhaps Hon Ljiljanna Ravlich might be able to help me, because we are talking about expenditure that the Parliament is being asked to authorise the Treasurer to expend by way of an additional amount to make good certain other amounts that have been required during the year. Radock does not seem to come up in my book.

Hon LJILJANNA RAVLICH: I can fix that for you, Mr President. I am concerned about why these government agencies are having difficulty in meeting their budget targets. One of the reasons is that they enter into an enormous number of contractual arrangements with the private sector. Often these contractual arrangements are not managed effectively, to the detriment of the government agency or department.

Hon Derrick Tomlinson: What about Radock?

Hon LJILJANNA RAVLICH: I will get to Radock. One of the factors that can go wrong when one signs a contract with a contractor is that it can be administered sloppily. The agency may not be dealing with whom it thinks it is dealing with, and the contractor may not be able to deliver the goods or benefits. The point I make about Radock is that before an agency enters into a contract it should do a business case which should include a cost-benefit analysis. The agency should then conduct a due diligence check to find out whether the contractor is who he or she says they are. In the case of Radock the Department of Land Administration did not conduct a due diligence check and that is why it did not know Radock was a \$2 company. DOLA thought it was dealing with a member of the Master Builders Association.

Finally, a risk assessment must be undertaken on projects prior to their proceeding. That does not occur, and at the risk of boring everybody - many members opposite think that public sector management is boring; I reckon if we spend \$4b of taxpayers' money it is bad luck if it is boring because members opposite must listen to this, because it is in everybody's interest to understand and to learn - what is happening in this area is a disgrace. I asked a series of questions on the issue of risk management and whether the risk involved in these contracts was being assessed by the government agencies that entered into these major contracts. The response I got was no. My colleagues call the Supplementary Question Book the "Hon Ljiljanna Ravlich little red book".

Hon Ray Halligan: Like Chairman Mao's?

Hon LJILJANNA RAVLICH: Yes, if that makes Hon Ray Halligan happy. The Supplementary Question Book is full of examples of these contracts. I will address my comments to the Minister for Transport because his agency is one of the biggest offenders. It has entered into multimillion dollar contracts without conducting a risk assessment of the contract.

Hon Ray Halligan: Are you suggesting impropriety?

Hon LJILJANNA RAVLICH: Hon Ray Halligan does not know anything. He does not have the right to talk unless he knows something.

Hon Ray Halligan: Is there some impropriety?

Hon LJILJANNA RAVLICH: We would not know; we have not seen the contracts. Time and time again I receive responses to my questions which tell me that the proper checks are not being put into place. Risk management assessments are not being carried out on multimillion dollar contracts. The response I am given by government agencies is that the policy came out only last year.

Hon M.J. Criddle: Can you identify one project that has a problem?

Hon LJILJANNA RAVLICH: The Minister for Transport should account to the Western Australian taxpayers for a lot of money. His department has given over \$1.2m to unsuccessful tenderers who have delivered nothing to the people of Western Australia, yet the Government comes into Parliament and wants a Treasurer's Advance. The minister implies that nothing is wrong with any of the contracts entered into by his agency. However, the Commission on Government recommended that contracts should be tabled and this Government has never tabled a contract in this place or the other. That is an absolute disgrace. The minister should not ask me whether anything is wrong. To answer that I would need to see the contracts, and the minister has been slow about laying the contracts on the table. The point I want to make is that plenty of scope exists for the problems in government agencies, why they cannot meet their budget commitments, and why we are progressing this Treasurer's Advance Authorization Bill.

I am disappointed, when I look at the schedule that has been provided in attachment A to the Treasurer's Advance Authorization Bill, that the Treasury is seeking an additional \$80m in the Treasurer's Advance. I would be interested to know why the Treasury cannot meet its budget target. I am also interested to note that the Ministry of the Premier and Cabinet has sought an allocation of \$7m. Why cannot the Premier manage his department's budget? Many more questions remain unanswered in regard to the Treasurer's Advance. I am very disappointed, as are most of my colleagues, that there is so little detail and so little preparedness by the Government to put on the table the reasons that government agencies are finding it so hard to meet their budget targets. I made the point earlier, and I will finish on it, that at the end of the day, firstly, we need to accept that there is a problem and, secondly, we need to know what the problem is. If we do not know what the problem is and we do not accept it, at the end of the day it will be very difficult indeed to find a solution to it.

HON JOHN HALDEN (South Metropolitan) [8.00 pm]: Unlike some of my colleagues, I want to make criticisms on a different front. I want to criticise the Government on the basic necessity to have had to seek the advance of these funds.

Hon Max Evans: To seek the increase?

Hon JOHN HALDEN: Yes. That is the important issue. Perhaps I should start from an issue that I have raised previously, and that is public service levels and the number of full-time equivalents. I remember quoting, much to many people's chagrin or even disbelief, Australian Bureau of Statistics figures which showed that from November 1993 to November 1998 the number of Western Australian public sector employees had grown by 5.5 per cent - the second-highest increase in the nation, beating only New South Wales, which had an increase of 6.6 per cent. The Government suggests that the number of FTEs

has reduced. On its own website it says that the figure is now 89 000 employees, but the ABS suggests that in the period which I quoted it has gone from 99 200 to 99 700. Whether it has decreased by the amount that the Government says or increased by the amount that the ABS says, the Government's policy in economic matters has been stung.

The Government has laid its claim to fame on one point, and that is contracting out. I understand from government documents that in the past four years there has been a 300 per cent increase in the value of government contracts that have been awarded. That means that there is about \$6b worth of government contracts annually.

Hon Max Evans: Did you say \$6b?

Hon JOHN HALDEN: For the whole of government. I understand also that contracts for services have increased by \$2m while contracting out for goods has decreased by \$1m, but that is a bit artificial because contracting out for services often includes, in combination, the delivery of goods.

Hon Max Evans interjected.

Hon JOHN HALDEN: I suggest that Hon Max Evans ask Minister Board, who is to deliver a speech tomorrow morning. Those are the figures that I have, and I understand that the minister is likely to make a speech tomorrow to announce them.

Hon Max Evans: I had better check them.

Hon JOHN HALDEN: Perhaps we all need to check them. Even if the percentage increases are correct - forget about the absolute increases - and if contracting out has increased by 300 per cent, surely the Government would have expected - because a large proportion of it is services - that those services would replace the traditional jobs of public servants. The Government knows that it has a problem with a blow-out in recurrent expenditure year in, year out. We know that, on average, recurrent expenditure has increased in the order of 4.5 per cent every year in the life of this Government. We know that this year it will increase by 6.8 per cent. As we wander around trying to get explanations from the Government, even for it to come clean about the extent of that increase and why it keeps blowing out, it becomes ever more obvious. The Government must make up its mind which policy it wants to adopt. Does it want to retain a significantly large public sector work force - to reduce it will cause the Government considerable political pain, particularly as we get closer to an election - or does it want to go down the path of contracting out? The Government has gone down the path of contracting out, and the figure of 300 per cent in four years suggests that it has not missed too much, but it cannot keep contracting out and retaining the same level of public servants. It must either get public servants to do their jobs and not contract out except where essential, or reduce the number of public servants and contract out.

Clearly, the Government has not got the equation right. The evidence of that is the necessity for the Government continually to have to raise so much revenue. At times when we have experienced exceptional growth it still had to burden the average family by more than \$312 in the two previous budgets. Why did the Government have to do that when it had all that growth and all that economic generating activity which has given it financial resources? Why has that happened? It is because it is ideologically bent on going down the path of contracting out. It believes that it is right and appropriate - I have heard it from all government members. I do not agree with that, but if government members do, good luck to them; however, they cannot have it both ways and they are soon to learn that they cannot. If the economy starts to turn down they will have some significant problems.

If there had been prudent economic management and clear policy directives by the Government as to which path it wanted to go down - the path of a large public sector work force or the path of contracting out huge numbers of jobs and activities that have traditionally been encompassed within the public sector - it could have done that. It has kept a huge public sector work force and contracted out at significantly higher levels. In Victoria the number of public servants has been slashed in terms of that level of contracting out. I do not agree with doing that, but that has happened in Victoria.

Hon Simon O'Brien: What are all our extra public servants doing, then?

Hon JOHN HALDEN: They are twiddling their thumbs because the Government is not using them effectively. The Government will not let them make decisions or refer matters to the minister. Every time it wants a decision made, it is not made by public servants; it is contracted out so that the Government can blame somebody else and so that it can say there is another authority independent of government which says that it is a good idea.

Hon Ken Travers: According to the member for Wanneroo they are also boofheads who just stop things happening.

Hon Simon O'Brien: I bow to Hon Ken Travers' greater knowledge of boofheads because of his first-hand experience.

Hon JOHN HALDEN: Hon Simon O'Brien should tell us - go ahead and speak to us.

Hon Ljiljanna Ravlich: They don't come bigger than Hon Simon O'Brien.

Hon Simon O'Brien: That is a charitable remark.

Hon Ljiljanna Ravlich: It is true, though.

Hon Simon O'Brien: Yes. It is a very high level of debate. Opposition members can't have it both ways.

Hon JOHN HALDEN: That is right, but government members are having it both ways.

Hon Simon O'Brien: You are trying to have it both ways by saying that we cannot reduce job numbers in the public sector.

Hon JOHN HALDEN: The Government is choosing not to do that. I am happy to take Hon Simon O'Brien's interjections

because it needs to be explained to him. The reality is that the Government is choosing to retain high levels of public servants.

Hon Simon O'Brien: You have criticised us for both.

Hon JOHN HALDEN: Yes.

Hon Simon O'Brien: I will remember that the next time you do a backflip and try to argue the other way.

Hon Ljiljana Ravlich: You don't know what you had for breakfast.

Hon Simon O'Brien: You won't hold that against me.

The PRESIDENT: Order! I am trying to listen to Hon John Halden.

Hon JOHN HALDEN: The situation that is interesting here, by virtue of the interjections, is that the Government cannot have it both ways. When it has it both ways and government ministers are the people responsible for the financial management of this State, that means that there will be cost blowouts. We know - and the document I have with me tells us - that there have been significant cost blowouts in the two biggest departments, Education and Health. The Government must make a choice between public servants or contracting out because there will be inefficiencies with both; that is what occurs now. If the Government wants to fund the four biggest consumers of money, the hospitals, schools, the Police Force and Transport appropriately - I guess Transport being off line - it cannot have fat in the system; it cannot have nonsensical economic policies. The Government must have clear, unadulterated direction about what it is doing. It may go down the contracting-out path and I may disagree with it on the majority of occasions, although not always as I see a role for contracting out; however, at the same time as it does so it must correspondingly look at the public sector and say, "If we have contracted out the jobs of 30 architects, we cannot keep 30 architects on the payroll." That is what is happening. The only reason the Government avoids making the hard decisions which have been made in Victoria is that it knows the political consequences. This Government is not as smart or as tough as the Kennett Government and that is one of the problems we face.

Hon Simon O'Brien: You are big on generalisations; you are not good on specific examples.

Hon JOHN HALDEN: Ask me one.

Hon Simon O'Brien: What about our court security proposals? If we contract out that function, do you want us to put 200 police officers back on the beat or sack them? We are proposing to put them back into frontline policing. Do you have a problem with that?

Hon JOHN HALDEN: No, not at all.

Hon Ken Travers: If you do there won't be 200 of them.

Hon Simon O'Brien: We will see what happens.

Hon JOHN HALDEN: Hon Simon O'Brien asked a question. I do not have a problem about releasing those police officers back to more traditional policing duties. I do have a problem about whether the contracting is warranted or whether it should be a public function. However, if the Government gets its own way, in this instance of course it will release them back to their true task because that is the Government's policy; I agree with it. I have made a compromise to say that we should have a public sector work force and release them back. They should go back. However, in other occupations in which people are employed to provide the Government with advice on resource development, for example, why would the Government not seek the advice, take it from the public servants and say, "Thank you very much", and pass it up the line? However, that is not the process. The process is that the Government contracts out for someone to research the issue, the advice then comes back and it passes that advice up the line. Why have the person who is supposed to provide the advice just sitting there? The Government has made the person redundant because the Government has basically contracted out his job but has left him there. That is nonsense and there are many examples of that occurring. What the Government attempts to do is contract out responsibility for decision making. It wants to pass that on to the private sector so that if the proverbial you-know-what hits the fan at some stage in the future, there is a document which says, "X, Y or Z recommended this to us and because we paid X, Y or Z a certain amount of money, wasn't he silly?" I must say that the silliness is actually the Government's because it should either have professional people to give it advice or not; it should either contract out for professional advice or not. It should not have a dual system because the dual system is damned expensive. The Government should look at the drop in the full-time equivalent figures. Even if I believed the Government's figures - that is, that the figure has dropped by 10 000 - when one takes out the number of blue-collar workers in that drop, not too many white-collar workers are left. What are all of these white and blue-collar workers doing, many of whose jobs have been contracted out? They are probably active; I do not suggest they are not doing anything. However, they are not doing what they are supposed to be doing and the Government is not getting value for money.

There must be a realisation - and this applies to the Government of the day - that it cannot just keep going down an ideological path without accepting the political consequences of its ideology. If I were on the other side of the House - and I guess this is one of the criticisms that Hon Simon O'Brien was making of me - and the Government chose to contract out something and made people redundant in that process, I would ensure that it redeployed them to do something useful, comparable with their skills and level of payment, or made them redundant. However, on the figures, the Government is not doing that. The Australian Bureau of Statistics shows that the figures are actually increasing. I will not argue about who is right or who is wrong on the figures. The bottom line is evident. The clear directions are there because of what the

ministers, the budget and other people are saying. My figure of the 6.8 per cent increase in the recurrent expenditure this year is not something which I alone have suggested.

I do not think that Mike Nahan - no political ally of the Australian Labor Party or mine - is the first person to produce that figure; and it is a very clear figure. It is so obvious that the Government has this policy direction wrong. It is allowing the recurrent expenditure of our budget to blow out and then is coming forward with this Bill and asking for more money. The Government must manage the economy better. There are probably many other areas which should be funded, but salaries and services are the biggest areas of expenditure. There is a slackness about this Bill and we need to look at the political consequences of what the Government is doing. That does not mean that the Government should not contract out.

If we were in government today we would have to contract out the building of Acacia prison because we would not have the ability to build it in-house. I concede to Hon Simon O'Brien that it would probably be cheaper to contract it out than build it in-house. However, in the functions that we are still performing, we need to be clear about efficiencies, who is doing what, who is responsible for what and what is our outline management. At the end of the day we pay public servants to give us advice. However, ultimately, ministers of the Crown are responsible for making the decision. The Government cannot have this as a policy. As the Minister for Justice said in a document tabled in this House on the privatisation of court security, this is a way for government to contract out responsibility in this area; these were his words. Some core aspects cannot be contracted out. However, if that is to be the Government's policy - I do not say it is, that is just what the Minister for Justice said - as a Parliament and as a democracy we are in for great difficulties about who will be responsible when one of the primary aims of contracting out is not for better price, not for greater efficiency but for responsibility to be devolved to someone else.

Hon Simon O'Brien: In that case we are talking about contracting out of the day-to-day responsibility for doing the tasks. I agree that you cannot absolve yourself by contracting out responsibility or accountability for the whole operation. I do not believe that is what the minister meant.

Hon JOHN HALDEN: He may well not have. I am sure in a future debate we will have the opportunity to test that. It is also fair to say that on occasion ministers of the Crown in various States have said it is not their responsibility when things have gone wrong with contracts. They point out that they gave responsibility to company A, B, C or D, and it is up to them to solve the problem. That is not a political tool or device we should allow in parliamentary accountability and the maintenance of standards.

I do not want members to believe that every figure I cited was exact; it was not. However, it is clear that if those figures were anywhere near correct, there is a problem in this area, there is slack and the Government must make some hard decisions. For as long as it keeps deferring those decisions it will be required to keep requesting Treasurer's Advances of increasing proportions because it is not managing the economy as it should be in very benevolent times.

HON KEN TRAVERS (North Metropolitan) [8.21 pm]: I share the concerns raised by Hon John Halden and Hon Ljiljanna Ravlich in respect of the Government's coming to this House and asking for this Treasurer's Advance to deal with its mismanagement of the budget in 1998-99. I will place on record some of my concerns about the areas seeking extra funding and I will detail some areas about which I will ask questions in Committee, so the minister may care to have his advisers prepare answers.

I refer first to the Health area, which I understand wants an extra \$105m, \$70m of which will go to public hospitals and \$35m to the accelerated waiting list. I represent the North Metropolitan Region, and members are aware of the debacle of the Joondalup Health Campus' having to close a number of beds at various times and the minister and his advisers not knowing whether the beds have been reopened by Health Care of Australia. I am interested to know how much of that \$70m will go to propping up HCA and how much of the \$35m to be applied to reducing waiting lists in public hospitals will go to HCA. I suspect that the beds at the campus that have been reopened are for regular patients but that the campus is topping up the money through the waiting list and picking up extra patients. I am interested to establish how much of the \$105m is going to the Joondalup Health Campus.

The Transport area is mentioned in this Bill as requiring \$80m. Again, it is extraordinary that we have a Government totally mismanaging its budget in this area. During the speech by Hon Ljiljanna Ravlich, the minister interjected asking whether she was aware of any contracts causing problems in this area. I was looking through some recent responses to questions in this House and I noted a question asked by Hon Ljiljanna Ravlich of the Minister for Transport about contracts. The member asked for information about the original contract cost of the Northbridge tunnel. The answer was \$203 848 321. We all know that the tunnel has now cost very much more than that and we still do not know the final cost, but I predict that it will be about \$400m.

Hon M.J. Criddle: That is about half the contract.

Hon Dexter Davies: Don't put your money on it.

Hon KEN TRAVERS: Every time members on this side ask questions about the tunnel, the Government says that we are misrepresenting the situation. However, we can never get the information about the original contract price, what it has cost so far and what will be the final cost. I would love to know. We have seen a massive blowout in the cost of the tunnel. That great hole in the ground is one of the Premier's many monuments. It is a shame that it is not a monument to a railway line to the southern suburbs.

We have still not been able to establish what the Government means when it refers to an enhanced traffic enforcement program for which it requires \$12.2m. Is that money required to buy more Multanova cameras? We are left to wonder.

In addition, \$1.1m is required for the community service obligation payment to the Water Corporation. I realise that this Government and the Water Corporation have a cosy arrangement whereby they shunt money back and forth, helping out the Government when it gets into difficulty. I will be fascinated to find out what has caused this increase in the community service obligation payments to the Water Corporation. It is always very hard to get detailed information about what is going on in that area. People in the bush see their water and sewerage charges increasing - in some areas they have increased by 13 per cent one year and 14 per cent the previous year. I am not sure where the existing CSO payments are going. I would love to know why the corporation wants another \$1.1m.

The Kings Park Board wants a \$40 000 contribution towards the cost of a flame of remembrance. That is a wonderful project, but the board has major management problems. I have raised that issue previously in this House. I have still not received an answer from the Minister for the Environment to my question about a salary increase for the Kings Park staff being funded from the profits from the wildflower festival. The Kings Park Board is now asking for more money. It told its staff that the profits from the wildflower festivals would be used to fund pay rises. However, to the best of my knowledge, there have been no developments on that issue. We have not received an answer about whether that statement is correct. We have not found out why those people have not received a pay rise. We have not found out why MetroBus drivers, who are mentioned in this Bill, are working for \$6 000 per annum more than the staff of the Kings Park Board, who have not received a pay increase for a long time and are supervising people on significantly higher salaries.

It is fascinating that the Western Australian Tourism Commission is asking for more money to prop up its budget. I asked some questions in this place recently about the amount that the WA Tourism Commission is spending on corporate boxes. In 1998-99, it spent about \$60 000 on corporate boxes. Members on the other side of the Chamber may feel good when they sit in those corporate boxes at functions and sip chardonnay and pretend they are the lords of the land, but at the end of the day, rather than spend money on looking after itself, that money would go a long way towards picking up some of the overruns in the budget of the WA Tourism Commission. The money that has been spent on corporate boxes and on largesse in previous years is extraordinary. The benefits to the State of Western Australia from those corporate boxes have never yet been explained to me. I can understand the benefits for the individuals who use those boxes -

Hon B.M. Scott: Do you know who pays for them?

Hon KEN TRAVERS: The taxpayers. We are being asked to pay more money tonight.

Hon B.M. Scott: For the corporate boxes? Why are they called corporate boxes?

Hon KEN TRAVERS: The WA Tourism Commission pays for corporate boxes.

Hon B.M. Scott: They are mostly paid for by corporations.

Hon KEN TRAVERS: I realise that. I am talking about those corporate boxes that have been purchased by the WA Tourism Commission. I am not even talking about the other government agencies, such as the Water Corporation and Western Power, that buy corporate boxes for certain events. I am talking about the cost of the corporate boxes that have been purchased by the WA Tourism Commission in 1998-99, which is about \$60 000. I am intrigued to know what are the benefits to Western Australia. I do not have a problem with the Government's sponsoring some of these events to enable them to be held in this State so that we receive a benefit, but I cannot see the benefit to the State from purchasing a corporate box. I would love to know who were the invitees to some of these corporate boxes. I suspect they were probably a number of members on the other side.

Hon B.M. Scott: The sponsors.

Hon KEN TRAVERS: I am sure the sponsors were entertained in the corporate boxes of the organisers of those events, not in the corporate box of the WA Tourism Commission. I expect we will probably never know the true answer to some of those questions about who has been receiving the benefit of this expenditure by this Government.

Hon Derrick Tomlinson: I can tell you who has not been!

Hon KEN TRAVERS: I am sure it is both Hon Derrick Tomlinson and I, although after I asked some questions in this place, I noticed that all members were suddenly offered free tickets to Rally Australia, after they seemed to be going only to all members on the other side.

Hon Derrick Tomlinson: All! You had better correct that statement!

Hon KEN TRAVERS: Did Hon Derrick Tomlinson miss out again?

Hon Derrick Tomlinson: Again!

Hon KEN TRAVERS: Members on this side got an offer. Hon Derrick Tomlinson really is in the dogbox with his colleagues!

Hon Derrick Tomlinson: Not the corporate box, the dogbox!

Hon KEN TRAVERS: As soon as I find out the member for Wanneroo's views about Hon Derrick Tomlinson, I will bring them to the House as well! Is the problem that Hon Derrick Tomlinson will drink only Swan Valley wines?

Hon Derrick Tomlinson: I will drink anything. I am catholic in my tastes!

Hon KEN TRAVERS: It is interesting that the divisions in the Liberal Party are flowing out onto the floor of the Chamber tonight.

Hon Derrick Tomlinson: No divisions at all!

Hon KEN TRAVERS: Hon Derrick Tomlinson has been left out, but I bet that in terms of the traffic enforcement program, they will still let Hon Derrick Tomlinson go through the Multanova and send him the fine.

Hon Derrick Tomlinson: They did!

Hon KEN TRAVERS: I knew it! They would not forget Hon Derrick Tomlinson in that regard.

Hon Derrick Tomlinson: The police love me!

Hon KEN TRAVERS: I have not had to pay one of those fines yet, touch wood.

Those are some of the issues that need to be addressed in this debate. I look forward to the committee stage of the Bill and to having the opportunity to get some answers from the Minister for Finance about the amount of money that is required by this Bill to prop up the Joondalup Health Campus, and about what is happening with the Water Corporation community service obligations, and with the Kings Park Board and the like. I hope we will have the opportunity to address those issues at the committee stage, because it is clear that this Government is totally mismanaging its financial arrangements and needs to come into this place each year and ask for more money. That is not because the budget is not enough at the beginning of the year but because the Government cannot get its act together.

HON MAX EVANS (North Metropolitan - Minister for Finance) [8.36 pm]: We may have created a record tonight. The Treasurer's Advance Account has never been treated like this before, although I am not discrediting what the Opposition has done. To come back to a few of the facts, at the end of the day, Hon Ken Travers will need to put these highly detailed questions on notice to get the full answers. I would not expect my two advisers to give Hon Ken Travers the fine points on it tonight. Had he given us those questions before dinner, we could have picked up a lot of the answers during the dinner suspension, but there is no way we can pick them up now to the last dollar and cent, and if we are not right to the last dollar and cent, Hon Ken Travers will criticise us with regard to Joondalup Health Campus.

I return to the comments of the first speaker about the timing of this Bill. The budget was brought in on Thursday, 6 May. It was a sitting week from 11 to 13 May. The Legislative Assembly then had its estimates debate, and we had our estimates debate, and it was during our estimates debate on 1 June that the Bill was passed in the other place. The first sitting day after that in this House was 15 June, last Tuesday, and one week from that is today, 22 June. There is nothing critical about the timing. This Bill came into the other House and was handled very quickly. The two estimates debates cut the Assembly out for one week and cut us out for the other week, and the first day that we could deal with the Bill was today. I defend the Government and Treasury. We have done a very good job.

A comment was made that because of the timing of this Bill, as we are approaching the end of the financial year there may be some problems with the pays. That can be fixed up in any case, whether that be this week or next week. We should not forget that a Bill was passed last year to agree to an appropriation of up to \$300m. This Bill will increase that amount to \$460m.

Hon Tom Stephens: So you do not need this Bill? Do you need this Bill?

Hon MAX EVANS: Yes, because this Bill will increase it from \$300m to \$460m. Clause 4(1) approves the Treasurer's Advance authorisation for 1999-2000 and states -

During the financial year commencing on 1 July 1999 the Treasurer is authorized to make payments or advances under this Act but the aggregate of -

- (a) the payments and advances made; and
- (b) any existing works and services advances,

is not to exceed \$300 000 000.

We are approving in this Bill \$300m for the Treasurer's Advance next year. The Bill states in clause 5 the purposes for which the money can be paid or advanced. I do not intend to go through that, but it will be interesting reading for those who understand what the Treasurer's Advance is all about. Clause 6 states that any amounts recouped or recovered shall be credited to the Treasurer's Advance Account and cannot be offset against these expenditures.

Finally, clause 7 seeks to amend the amount of \$300m to \$460m as I indicated in my second reading speech. Some weeks ago we approved the Appropriations (Consolidated Fund) Bill (No 3) 1998, which Bill confirms what has been expended. This Bill gave notice of what had been expended. Appropriation Bill No 3 sets out all the amounts of expenditure last year for Parliament, the Ministry of the Premier and Cabinet, regional development committees, the Department of Resources Development, etc. The total amount was \$199.588m. It did not increase. The original appropriation for this account in 1995-96 of \$200m was increased to \$410m. In 1996-97 it was increased to \$300m. In 1997-98 it was increased to \$550m but only \$200m was expended. This Bill seeks to increase the authorised amount of \$300m to \$460m.

This legislation is not new. In May 1992 Hon Joe Berinson said that the Treasurer's Advance Authorization Bill authorised the Treasurer to make withdrawals from the public bank account to provide advances for authorised purposes chargeable to the Treasurer's Advance Account with the monetary limit available for the financial year commencing 1 July 1992 and

withdrawal of up to \$200m. That was about 5 per cent of the consolidated fund at that stage. The amount of \$300m is about 5 per cent of the consolidated fund now; \$350m is 5 per cent of \$7b.

Hon Joe Berinson also said that clause 6 of the Bill seeks an increase of \$20m in the monetary unit authorised in the financial year ending 30 June 1991; a number of unforeseen and unavoidable expenditures have already arisen during the year, particularly the need to supplement the limit so as to provide funding for the new Department of State Development. He said that this additional expenditure, in the order of \$18m, will be offset by savings in the budget provisions of the agencies absorbed into the new department.

That is what happened with the Government Property Office. We must make an appropriation of money to set up a new department. The saving in this case is a saving in Treasury's budget; nonetheless it is necessary to appropriate a new amount of money. Members might recall that during the previous Government's term the name of the Department of Community Development was changed. As a result an appropriation Bill was required to allocate new funds. The Westminster system requires that new appropriations be done in this manner.

A couple of years ago the Government Property Office merged with Treasury; now it is being made a separate department. Savings of \$900 000 in Treasury will be offset by the appropriation into the new fund.

I suggest that members refer to previous years. There is nothing new in this Bill. When the coalition was in Opposition the Treasurer's Advance Authorization Bill was dealt with in five or 10 minutes. In the past couple of years that has also been the case when approval is sought for an appropriation for the next year or to sometimes increase it in the present year.

In 1991-92 the Ministry of the Premier and Cabinet had a \$32m overrun; the Joint House Committee, \$3m; and the Joint Printing Committee, \$2m. A community sporting and recreation facilities fund of \$5m was a lump sum allocated prior to an election. The Building Management Authority received \$27m, which is a regular payment each year for building done by the BMA on behalf of other agencies. The BMA, the allocation for which has been put into an advance account, probably receives the money in the next year.

Hon Tom Stephens will probably remember the miscellaneous services account from which was paid huge amounts of money. Most of those items are now included in other budgets. They include fare concessions, \$17m; pensioners' rate concessions, \$15m - that is now in the Transport budget; act of grace payment, \$1.6m; discount expense on conversion loan, \$2.8m; Energy Board of Review, \$3.9m; and Treasurer's Advance loan repayment to the ANZ Bank Ltd, \$25m. I think that was the last payment to the ANZ Bank of a total of \$175m borrowed by the State Government Insurance Commission to loan to Petrochemical Industries Co Ltd. Other amounts were Taxation, \$18m; Treasury, \$18m; and the Valuer General, \$8m. They were amounts of money paid in that year on the Treasurer's Advance Account.

In 1991 similar sums of money were paid. The office of the Auditor General, \$7m; Public Service Commission, \$7m; and Premier and Cabinet, \$20m. Members opposite have the right to ask questions but this is the history of this account during the Opposition's term and since the coalition came into office.

Under the Westminster system an indication is made at the beginning of the year of how much money every agency will have to spend. In the old days if we did not spend it we got into trouble. Nowadays we try to save money and spend it elsewhere. It has sometimes improved the services of agencies and sometimes productivity gains have been sought as part of workplace agreements, enterprise agreements or industrial agreements.

When Hon Joe Berinson brought in his budget in August or September he did not have to introduce the appropriation Bills as three separate Bills or as loan Bills. He had the revenue law Bills which were required before the end of June. In 1994 I brought down the budget before June. Hon Joe Berinson brought in his budget in late August or early September.

Hon Ken Travers: That was after John Dawkins did that federally.

Hon MAX EVANS: Hon Ken Travers is wrong; I brought it in before he did. We could not bring it in until, I think, 8 August 1993 because we had just taken office. After that it was brought in before the end of June, which is what should occur. In June 1996 we decided that it was good business practice to have the appropriation Bill passed before the end of June.

In the other House we have introduced the Appropriation (Consolidated Fund) Bill (No 1) and the Appropriation (Consolidated Fund) Bill (No 2), which is for capital works. The Loan Bill and the Treasurer's Advance Authorization Bill had to be passed before the end of June. In the old days there was only a Supply Bill and the Treasurer's Advance Authorization Bill. The Supply Bill was a general Bill that provided the Government with finance until about the middle of January. Now that we pass the budget by the end of June we have the money for the next year.

This Government also introduced four-year projections in the budget. This is an important part of long-term planning for chief executive officers. When I was in opposition I asked Hon Joe Berinson why we could not have four-year projections to provide more certainty to agencies. They were introduced in June 1994 for the following year. We introduced net appropriations and carried forward underexpenditure which saved much spending until the end of the year.

For the benefit of new members, the previous Government tried to balance recurrent income with recurrent expenditure. The funds for capital works were overdrawn every year and as a result more money was borrowed. That is why the previous Government got into debt. We have had a big surplus or a recurrent income over recurrent expenditure, which went into capital works until this last year when there was a requirement to borrow for capital works. We have been balancing the consolidated fund - that is, recurrent income over recurrent expenditure - with capital expenditure, which was not done before.

Regarding overruns, some of my own agencies have been faced with costs resulting from ensuring computers are year 2000 compatible. Hon John Halden referred to contractors. They are making a killing on this work. Rates have increased about 300 per cent since we came into government as a result of demand throughout the world.

The list given to members cannot be included in a schedule because when this Bill was put together in April and brought to the House in May, we were not sure how much would be needed. We believe Education and Health will come close to the estimated actuals in the budgets presented to the House. Someone has mentioned that the Bill includes funding for natural disasters at Exmouth and Moora.

People asked where the money had gone and said it could have been used anywhere. That could happen long before the Treasurer's Advance came in. Every agency has a one-line budget, and amounts could be moved from one area to another. They have been specific about the areas to be funded, but the movements could have been made long before this Bill was presented. Innuendos were made about cooking the books. I remember some years ago when big amounts were needed to bail out the Teachers Credit Society. Those amounts were not in the budget at the beginning of the year, but approximately \$85m was included in the Treasurer's Advance for that purpose. That was approved later, in the appropriation Bill No 3, which specified what the payments were for. With regard to productivity gains, many of these have gone back into workplace agreements, enterprise bargaining agreements or industrial agreements. It is difficult when working with many departments. If my department saved 100 per cent, the \$12m would not go far in the Health and Education budgets. Some have done a very good job in improving efficiency.

Hon Ljiljanna Ravlich talked about contractors. I am proud of the State Revenue Department with its new computer system to cope with the year 2000. It installed a more modern system, and I had quite a bit of input into it. It came in on budget at \$13.4m. It has since sold the licence to build the computer for New South Wales for \$1m, and for Victoria for \$800 000. It looks as though Queensland will also buy it, and the Treasurer from Hawaii has also come to WA to look at the computer. We have been invited to demonstrate it to the World Bank in Washington next month, and a couple of staff members will be doing that. Those people see it as a great step forward because of the way it ties in payroll tax, stamp duty, and land taxes. Any kind of tax can be included in the system. These other countries, which are much bigger than WA, want a few more noughts on the figures with which they are dealing.

In answer to some of the specific questions: The \$3m in Aboriginal affairs relates to the transfer of funds from the capital budget to the recurrent budget. That has no net impact on service delivery or total expenditure. The system requires this. There is an appropriation under capital expenditure and one under recurrent expenditure, and it was considered that the item in the capital budget should have been in the recurrent budget. Some minor expenses for maintenance and the like should be listed as recurrent expenditure, and not be capitalised. In the past many of those items were capitalised, such as \$30m for Education and \$20m for hospitals relating to minor repairs. Those amounts were capitalised and not written off as recurrent expenditure.

The amount for the Chemistry Centre was mainly because of the downturn in receipts. The centre sells its services to many people. It is still analysing the swabs for the trotting and greyhound clubs. It also does forensic tests. There has been a downturn in revenue under the estimates. Net appropriation takes into consideration the anticipated revenue, and offsets it against total expenditure. If an organisation makes more money it keeps that excess, but if there is a shortfall it may not be possible to pay some accounts.

Hon Tom Stephens: Was the \$0.6m allocated to the Chemistry Centre in response to a cabinet submission by the minister to the Cabinet or through some other means?

Hon MAX EVANS: No, it does not need a cabinet submission. I do not know what the budget is. The Chemistry Centre has large laboratories and sells its services, but it has a fixed cost for running the centre. If the sales are not as high as anticipated, there is a shortfall and the Treasurer's Advance Account is to make up that shortfall. The appropriation Bill No 3 will confirm all these payments.

Hon Tom Stephens: Is it a submission to Treasury by the Chemistry Centre through its minister?

Hon MAX EVANS: Yes, that is right. The \$2.1m for the telecommunications contract relates to payment of invoices from the previous financial year. Pacwest was the contractor, it was in a mess, and I hope it is the last time we pay for them. My staff are worried about the extra money that may be needed.

The act of grace payment is payment in compensation for the death of a child while in emergency foster care. The Crown Solicitor's Office concurred with the recommendation to make that act of grace payment. That was a tragedy that happened in May 1991. The amount was \$550 000.

I have already told the Leader of the Opposition that the Government Projects Office amount is a contra; that is, the money spent in the new office will be saved in Treasury, and it was the ongoing cost to the end of the year.

The amount under Premier and Cabinet, except for one amount, was approved earlier in the year. Cabinet approved funding for the Anti-Corruption Commission at the beginning of the year, and for the Safer WA program, and the Kalgoorlie Miners and Prospectors Hall of Fame. Other smaller issues were considered routine in nature, and Treasury advised the Premier that he did not have to seek cabinet approval.

Hon Tom Stephens: Let me get it absolutely right: The application for \$7.1m under the heading "Premier and Cabinet" was by way of a cabinet submission from the Premier to his cabinet colleagues for approval for \$7.1m extra funds, following major overruns in those areas?

Hon MAX EVANS: The \$1m for operational issues, such as rent, advertising, rebates and administrative officers did not require cabinet approval. The other \$6.1m had cabinet approval.

Hon Tom Stephens: Are you telling me that for Premier and Cabinet, the Premier simply makes a submission to himself as Treasurer, and then ticks it off with no cabinet approval for that process?

Hon MAX EVANS: Which one is the member talking about?

Hon Tom Stephens: The \$1m for Premier and Cabinet.

Hon MAX EVANS: Those are ongoing running costs.

Hon Tom Stephens: Is that the process? The Premier writes to himself?

Hon MAX EVANS: It may not be an overrun at all. An agency this year may have a big overrun on workers compensation of \$50 000 or \$100 000. It did not have to go to Cabinet for approval. It may or may not come into the budget at the end of the year. There might be a renewed rental agreement during the year.

A rent increase would not go to Cabinet for approval. It is an administrative function performed by the CEO who may or may not let the minister know. The Premier approves that matter as the minister responsible for the Ministry of the Premier and Cabinet.

Hon Tom Stephens: Does the Premier go to himself as Treasurer and tick his own application?

Hon MAX EVANS: He need not make an application. The head of the department would pick up the rent, the advertising rebate and so on, and pay them. I would not expect my agencies to let me know necessarily of rent adjustments, although it may be mentioned in conversation. That is an element in the cost of running the agency. It might be an increase in cleaning costs - I do not know. One need not go back to Treasury every time. One would get nothing done by going back to Treasury for every \$1m in a \$7b budget.

Hon Tom Stephens: What is the advertising rebate referred to in that \$1m?

Hon MAX EVANS: I do not know. Put that question on notice.

The Minister for Education made reference in the Legislative Assembly to \$50m supplementary funding to assist to meet shortfalls in previous years and for productivity savings. This was discussed earlier. The entire \$50m supplementary funding is for school costs and teacher salaries, not administration. Capital supplementary funding of \$15.5m for local area planning is needed for up-front costs. Revenue from asset sales will be forthcoming, mainly in 2001-02.

The Treasurer's Advance Account is like an IOU account. Agencies like CAMS put out the money, which is repaid from other departments. In this case, the sale of land is expected at some later date. Appropriation (Consolidated Fund) Bills (No 3) and (No 4) cover the capital and recurrent expenditure overruns later in the year. Full scrutiny can take place at that stage on expenditure.

The Treasurer's Advance Account is a most important tool of government. I remember discussing it as a new member of Parliament with Hon Joe Berinson. It is necessary because under the Westminster system, one refers to appropriations. However, one may want money for an act of grace or circumstances such as cyclones. Overexpenditure can occur, and health grants from the Commonwealth of \$35m cannot be put straight into hospital trust funds; they must go to one place, and one must seek approval for withdrawal. This makes the system strong.

The Health and Education areas both exceeded their budgets in each of the last three years of the Labor Government. This Government might have exceeded budget to a larger extent - I do not have the figures here - but overruns are a fact of life as a result of industrial problems and other matters. Another difficulty is that more services are provided; for example, provisional medical practitioners or surgeons perform more operations and are paid accordingly. Demand exists, and increased activity reduces waiting lists for procedures on hips, knees and eyes. The actual outturns for Health and Education are expected to be as per the estimated actuals shown in the budget papers.

The contingent provision of \$50m is not expected to be required. That was incorporated some months ago when the situation towards the end of the year was not known. Last year, the provision was to increase over the \$200m in May, but the \$199.5m eventually required was within the limit. Hon Ljiljanna Ravlich referred twice to the \$50m figure.

The Valuer General contracted out some of his work on the government property register. That raised revenue to government from agencies. A great deal of other work is done for local government which produces revenue. Hon John Halden referred to \$6b-worth of contracting out. I will see what the minister says tomorrow on that point; however, I cannot see how that figure can be right as \$6.5b is allocated for recurrent expenditure, of which about \$4b is for wages. Capital expenditure is \$3b. One has infill sewerage of about \$85m, and Western Power buys coal, although I would not call that contracting out as it is supplying product under a contract. I cannot see how the member gets near his \$6b figure for contracting out.

Hon John Halden also referred to full-time equivalents. We tend to forget that large increases have occurred in the education system. We are the only State in Australia building new schools, as a result of population growth here.

Hon Ken Travers: When was the last time you built a new primary school?

Hon MAX EVANS: I cannot answer specific questions like that. We have built a lot of schools. The member should look at the budget papers to see where they were built.

Hon Ken Travers: You said last year you would build four schools, and you built one.

Hon MAX EVANS: It refers to high schools, primary schools and police stations. The previous Labor Government did not build a new police station in years.

Increased funding is evident in Education, Police and Justice, and big decreases have occurred in Main Roads, Westrail, BMA and CAMS. Most other areas are pretty stable. A relevant article in today's *The Australian Financial Review* reads -

The NSW Government is considering outsourcing a range of activities to the private sector in a drive to cut costs outlined in today's Budget.

It is understood the Budget papers will refer to a move to contract out support services for key departments as the NSW Government attempts to achieve a sustainable surplus in what is likely to be a sober and constrained Budget.

Labor sources predicted the Budget would show support staff in areas including human resources, and financial management and procurement could be exposed to private sector entrants.

NSW Treasurer Mr Michael Egan will shoot for another get-out-of-jail surplus as he delivers his Government's fifth Budget today.

But there are doubts whether the adjusted target of \$2 million surplus allows Mr Egan to meet his goal of "a sustainable surplus" at the end of 1998-99, as set out in the General Government Debt Elimination Act passed in 1995.

I am not saying this approach is right or wrong. Most people need to go to outsourcing in certain services.

Hon Tom Stephens: Is he a good Treasurer?

Hon MAX EVANS: Yes, I like him. He has the same problems we all have. He had to sell off his Government's TAB. He did not know how to do it, so he bought it Sky Channel for \$260m when it was worth only \$180m. What does it matter - just write off another \$100m! I would not have done that, but he was determined to sell it off.

Many other Governments are going the same way with contracting out. I have tried to answer all questions directly asked of me. Hon Ken Travers asked specific questions, which in no way can I answer at this stage.

Hon Ken Travers: Do you have any breakdown of how much is going to areas in the Health budget?

Hon MAX EVANS: I do not have that information at this stage. The Leader of the Opposition is here. We could close the debate, and the finer points will be answered later. Members should put those questions on notice. I commend the Bill to the House.

Question put and passed.

Bill read a second time, proceeded through remaining stages without debate, and passed.

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

Estimates of Expenditure 1999-2000

Hon Mark Nevill presented the twenty-seventh report of the Standing Committee on Estimates and Financial Operations in relation to the Estimates of Expenditure 1999-2000, and on his motion it was resolved -

That the report do lie upon the Table and be printed.

[See paper No 1150.]

METROPOLITAN REGION SCHEME AMENDMENT NO 998/33 ROAD CLASSIFICATION REVIEW

Motion for Disallowance

Pursuant to Standing Order No 152(b), the following motion by Hon J.A. Scott was moved pro forma -

That the Metropolitan Region Scheme Amendment No 998/33 Road Classification Review, published in the *Gazette* on 10 March 1999, and tabled in the Legislative Council on 10 March 1999, be and is hereby disallowed.

HON J.A. SCOTT (South Metropolitan) [9.11 pm]: When the metropolitan region scheme road classification review came to this House, Hon Peter Foss made a statement. It was quite an innocuous speech in its intent. It was very brief so I will repeat it. He said -

I rise to make a ministerial statement about a change to road classification in the metropolitan region scheme. The change is purely an administrative one which will affect only how roads are recorded in the metropolitan region scheme. Effectively instead of a three-tier system of recording road types in the MRS, we will now have a two-tier system. Whereas roads were coloured dark blue, red and light red, they will now be recorded as only red and dark blue. There has been some overlap of responsibility, but the changes will make it clear who has responsibility for

the construction of the roadways and the responsibility for the road reserves. Red roads will be the responsibility of Main Roads and blue the responsibility of the Planning Commission and local government.

This amendment will not add or delete any reservations nor will it change the land requirements or the responsibility of authorities for any regional roads. It is purely an administrative move. Public submissions were sought on these planned changes in June last year. Sixteen submissions were received, only one of which opposed the change to a two-tier system. Some modification to the amendment has been made in the light of those submissions. These changes will impact upon several MRS amendments currently in progress. These will be changed to conform to the new two-tier system after the submission period has closed for each of these amendments. I commend this amendment to the House.

It sounds as though there was virtually no concern about this proposal. In fact, although one council was opposed to a two-tier system, concerns were expressed about which roads went into Main Roads' control.

Hon Peter Foss: It reflects only the legal situation. It has not changed.

Hon J.A. SCOTT: It does not quite, and I will address that. Six of the 11 local governments affected had problems with parts of the amendments. It was not as though everyone thought it was wonderful. I also point out that, so far, the Western Australian Planning Commission has not acted to facilitate the changes that the councils were seeking. The council that objected to the change from a three-tier to a two-tier system was the Claremont City Council. It felt there was little problem with the current system and there was no need to change it. It also felt that there was a real need to have a designation for those important regional roads that have driveway access. As Hon Barbara Scott would know, when the widening of Canning Highway was being debated, some local governments indicated they might like some control over regional roads with driveway access. When that issue was being debated the council and the community were concerned about the proposed widening of that road. The council said that it was concerned that it would become a much more dangerous road. Although the road would appear safer, people would be travelling along those roads at faster speeds. With pedestrians and people accessing the road from driveways, it would be a much more dangerous situation. Having some design control over those situations would be of advantage to local governments, rather than allowing Main Roads to provide its gee-whiz, high speed roads with little room for people or for access. There is some basis for that claim.

My main concern is with which roads will become primary regional roads. I am particularly concerned with two roads: South Street near Fremantle - I am not concerned with the whole of South Street - and Jon Sanders Drive in Osborne Park. The Fremantle City Council wrote to me in March. The relevant part of that letter states -

The City of Fremantle has no objection to the introduction of a two-tier road classification system as proposed in the amendment. However, Council objects to the proposed upgrading in status of the South Street road reservation (west of Stock Road) from Important Regional Road to Primary Regional Road. A road widening reservation exists west of Stock Road to allow creation of a four lane highway feeding on to the Fremantle Eastern Bypass. When the road widening proceeds, it will have a devastating affect on the residential and commercial properties that front South Street, including the Hilton Local Centre, and a landmark stand of mature Norfolk Island pine trees near Carrington Street. Council has resolved to pursue deletion of the road widening reservation and downgrading in the Main Roads WA classification of this section of South Street, from Primary Distributor to District Distributor A. Upgrading in the status of the road reservation is therefore contrary to Council's objectives and only serves to legitimise Main Roads WA's long term plans to plough another unnecessary and unwanted four lane highway through an existing community.

A written submission outlining Council's reason for objecting to the amendment was presented to the WAPC and Councils Transport Planner made a verbal presentation to a hearing held in October 1998. Similar concerns were raised in written submissions by you and by the Transport Action Coalition. Unfortunately, these concerns have been dismissed by the WAPC and the South Street road reservation will be elevated in status if both houses of parliament pass the amendment.

Rather than wanting to upgrade this road, the council is seeking to have its status downgraded for a number of reasons.

I will also quote the point form summary of the Fremantle City Council's submission to the road classification review. It is submission No 12 and it states -

- i) No objection to the proposed two tier system.
- ii) Submits that if the amendment is adopted without change MRWA will acquire road planning responsibility for additional roads/reservations.
- iii) Submits that the amendment will give total responsibility for South Street to MRWA. Accepts that this is appropriate east of Stock Road, but not west of Stock Road.
- iv) Submits that the purpose of upgrading the classification of South Street is to bring it into line with the existing MRWA functional classification of Primary Distributor Road.
- v) Submits that the existing MRS reservation allows for 10 metre widening on both sides but MRWA is only requiring 5 metre setbacks in the case of new development. This will allow construction of a four-lane controlled access highway and will have major impacts on abutting residential and commercial properties and Norfolk Island Pines in the verge.

- vi) Submits that construction of Roe Highway from Kwinana Freeway to Fremantle Eastern Bypass (FEB) as proposed in Transform WA will reduce traffic volumes on South Street eliminating the need to upgrade the road.
- vii) Following development of a concept plan for the Hilton Local Centre which included narrowing of South Street Council wrote in August 1997 seeking removal of the road widening reservation on South Street between Hines Road and FEB. Council also requested in November 1997 that the speed limit be reduced to 40 km/h in this area. MRWA indicated that they do not support traffic calming of South Street and they have long term plans for upgrading the road (but not in the next 10 years).
- viii) Resolutions of Council on 24 August 1998 include seeking a change of the functional classification of South Street west of Stock Road from Primary Distributor Road to District Distributor A; pursuing the request to remove the road widening reservation on South Street west of Hines Road; and requesting that South Street west of Stock Road be deleted from the MRS.
- ix) Council objects to the proposed reclassification of South Street (between Stock Road and FEB) to Primary Regional Road.

The Fremantle council is quite clear that it has different aims for this road from those of Main Roads. The widening Main Roads proposes is not necessary because of the proposed Roe Highway extension, which will result in South Street being used less.

Hon Simon O'Brien: Did you see that the report continues on page 12?

Hon J.A. SCOTT: It does. The summary continues -

- x) The City of Fremantle has not objected to the upgrading of Western Suburbs Highway and Stephenson Highway to Primary Regional Roads status but reserves the right to seek future changes to, or removal of, the reservation if such changes are recommended in the independent review currently proposed by the Coastal Highway Review Group (North) of which the City of Fremantle is a member.

Hon Simon O'Brien: I draw one other salient point to your attention. Under planning comments 2 to 9, the second paragraph starts from South Street -

Hon J.A. SCOTT: South Street has been declared under the Main Roads Act. It was declared a highway in the 1990s. I know that and I will raise that point now. Prior to 1994-95 the council had handed over to Main Roads the management but not the design control of South Street. That is an important difference.

Hon Peter Foss: They do not hand it over. Main Roads takes it.

Hon J.A. SCOTT: The Fremantle City Council proposed that. It was not taken, as the Attorney General suggests.

Hon Peter Foss: It has nothing to do with this.

Hon J.A. SCOTT: It does. The council wants changes made to the Main Roads Act to reduce the status -

Hon Peter Foss: That is the Main Roads Act, not this.

Hon J.A. SCOTT: I know that, but if this amendment is not disallowed, two changes will need to be made to get the situation back to what the council wants. This scheme will need to be changed, as will the Main Roads Act.

Hon Peter Foss interjected.

Hon J.A. SCOTT: It is not just changing the colours. The beginning of this document states -

This MRS amendment will rationalise and replace the existing three tier system of regional road reservations in the MRS with a two tier system comprising Primary Regional Roads (roads under Main Roads WA control) and Other Regional Roads (roads for which responsibilities are shared by WAPC and local government).

Hon Peter Foss: It is a matter of fact. It is reflecting facts, not changing control.

Hon J.A. SCOTT: It will replace that system. South Street will be taken from its existing classification as an important regional road and become a primary regional road. That will change the way it is managed.

Hon Peter Foss: No, it will not. How it is managed has nothing to do with the planning department.

Hon J.A. SCOTT: As the classification was explained to me by the Fremantle council, the management but not the design is currently the responsibility of Main Roads.

Hon Peter Foss: That is not right. The whole lot goes; it is under Main Roads.

Hon J.A. SCOTT: There seems to be disagreement -

The DEPUTY PRESIDENT (Hon Murray Montgomery): Order! Would Hon Jim Scott address the Chair rather than talk across the Chamber.

Hon J.A. SCOTT: We are seeing a change from a three-tier to a two-tier system, but a number of major roads which sat in the middle under the important regional road but not primary regional road classification will now move up in status.

Hon Peter Foss interjected.

Hon J.A. SCOTT: Why were they different before?

Hon Peter Foss: It didn't reflect anything. That is the problem.

Hon J.A. SCOTT: It did reflect something. It reflected the fact that there was access to driveways along these routes. That was reflected.

Hon Peter Foss: It does not change what happens. That is done under the Main Roads Act.

Hon J.A. SCOTT: Certainly the Main Roads Act does that, but I am trying to explain to the Attorney General that the council realises that it needs to have the Main Roads Act changed to regain the control it wants. It is aware of that and has begun that process. It is also aware that Main Roads does not want that to happen.

Hon M.J. Criddle: That is not true, as I will explain later.

Hon J.A. SCOTT: I am glad that is not the case, because Main Roads certainly objected at the time this was happening.

As well as the concern of the Fremantle City Council, I also had a letter expressing concern from the Hilton precinct group. It reads -

The Hilton Precinct is opposed to the widening of South Street, as proposed by Main Roads WA. Members of the Hilton Community are aware that road widening:

- increases traffic speeds
- increases traffic volumes
- reduces pedestrian safety
- reduces streetscape amenity
- reduces the quality of life for adjacent residents.

The Fremantle Council is currently undertaking a revitalisation project for the Hilton Local Centre. This includes pedestrianising the Centre, and creating a heart for the community. We believe that widening South Street will greatly reduce the long-term success of this project, and ultimately destroy the viability of the Hilton Local Centre.

It is crucial that South Street be prevented from being upgraded to a Primary Regional Road in the amendment to the Metropolitan Region Scheme (Amendment No. 998/33: Road Classification Review). We are aware that the amendment is more than simply reclassification, it means that the Fremantle Council's application to regain control of the Road is unlikely to succeed.

Most people are convinced that this will put further out of reach the council's attempt to regain control of South Street. The City of Fremantle wants the road to be a blue road. It should have been reflected as such in this metropolitan region scheme amendment. If some process were in place which could take note of what the community and the council wanted in this regard, the problem would have been sorted out before it came into this place.

Hon Peter Foss: One council but not the other councils.

Hon J.A. SCOTT: Other councils have similar concerns. I will get to that soon. I have had an indication from the minister that Main Roads does not intend to make South Street a major access road onto the western suburbs highway.

Hon Peter Foss: Will you clarify which minister?

Hon J.A. SCOTT: The Minister for Transport.

Hon M.J. Criddle: I said that we would have a study. I will tell you about that in a minute.

Hon J.A. SCOTT: I look forward to hearing about that. I am also concerned about one of the other roads in this scheme, Jon Sanders Drive, which will be an approach road and a major part of the western suburbs highway. That comes from a fundamental concern with the way road planning is happening in Western Australia and in particular with the western suburbs highway, which is an unwanted and unneeded road. Sometimes this is a mythical road and sometimes it is a real road. Another version I have heard is that it is not planned to go ahead for some time. I have seen parts of it, such as Servetus Street, put in place recently. Plans are afoot for the next section of the western suburbs highway. I think that tenders are already being put out for the removal of the station at Mosman Park and the removal of the power station in that area. That will enable this major highway to run through the western suburbs. I keep hearing that it is not happening yet, but it certainly is. I believe my eyes rather than the words I keep hearing from Main Roads spokespersons and the former minister.

A letter Mr Kierath wrote to Dr Judy Edwards relates to the question Hon Simon O'Brien raised. The fourth paragraph reads -

In the case of South Street, Fremantle, in 1995 it was declared a main road under the *Main Roads Act* with the agreement of the City of Fremantle. Therefore, MRWA already has all the responsibilities for that road that are set out in the *Main Roads Act*, regardless of the title or colour of the regional roads reservation in the MRS. The proposed MRS Amendment No. 998/33 does not change these existing responsibilities, it simply changes the colour and title of the relevant reservation -

I cannot read the next two words.

- the MRS to more accurately reflect those existing responsibilities.

If the Ministry for Planning was listening to the City of Fremantle Council - once again I will get back to this - it would be moving to reflect what the community and the local government wants in this regard by changing the designation not upwards but downwards, so that another category of road could be made - one of those roads that are called "other roads" these days because they are no longer important to Main Roads.

Although the Minister for Transport has indicated otherwise to me, it is quite clear to me that Main Roads would like very much to make South Street and certainly a segment of Jon Sanders Drive into major roads accessing the western suburbs highway. It is also quite clear that there is no need for South Street to be a primary regional road because the extension of Roe Highway will carry out that function. These roads not only run parallel for much of their extent but also meet east of the city where the roads cross over and Roe Highway runs to the north. They can carry out exactly the same function without any need for upgrading South Street. The House should reject this amendment until the concerns of local government are addressed and, in particular, until appropriate changes are made to the Main Roads Act to facilitate local design control and South Street is classified as "other road". I commend my motion to the House.

HON J.A. COWDELL (South West) [9.39 pm]: The Attorney General has presented this metropolitan region scheme amendment as a simple and worthwhile change. He stated -

The change is purely an administrative one which will affect only how roads are recorded in the metropolitan region scheme.

Effectively instead of a three-tier system of recording road types in the MRS, we will now have a two-tier system.
...

There has been some overlap of responsibility, but the changes will make it clear who has responsibility for the construction of the roadways and the responsibility for the road reserves. Red roads will be the responsibility of Main Roads and blue the responsibility of the Planning Commission and local government.

This amendment will not add or delete any reservations nor will it change the land requirements or the responsibility of authorities for any regional roads.

Very few public submissions disputed the concept contained in the amendment, except perhaps the previously stated example of the Town of Claremont. There is sense in such a classification which indicates clearly who manages roads and which does not in turn affect such issues as the width of road reservations or like matters.

Some individual road designations were of greater concern. Under the old hierarchy, we had controlled access highways and other major highways which are generally to become primary regional roads under the new classification. Important regional roads under the old system generally become other regional roads under the new two-tier classification. The concern is that some of the 16 roads that were classified at level 3 under the old hierarchy - that is, important regional roads - become primary regional roads under the new hierarchy. A couple of roads have been highlighted with respect to this motion of disallowance.

I also received a letter from the Hilton Precinct. I could not but agree with many of the sentiments expressed by the Hilton Precinct; that is, that members of the community were concerned that road widening increases traffic speeds, increases traffic volumes, reduces pedestrian safety, reduces streetscape amenity and reduces the quality of life for adjacent residents. The precinct wrote -

The Fremantle Council is currently undertaking a revitalisation project for the Hilton Local Centre. This includes pedestrianising the Centre, and creating a heart for the community. We believe that widening South Street will greatly reduce the long-term success of this project, and ultimately destroy the viability of the Hilton Local Centre.

It is crucial that South Street be prevented from being upgraded . . .

I share the concerns of the Hilton Precinct about the effects of the proposed widening of South Street. If members drive down South Street, as I did the other day, they can see the legitimate concern of local residents who are faced with a 10-metre reservation on either side of the road. The potential exists for the disruption of the Hilton shopping centre at Carrington Street. Hon Jim Scott has previously referred in some detail to the concerns of this nature expressed also by the City of Fremantle in its letter. It is a matter of concern that Main Roads, once it has a plan, appears determined to adhere to that plan whether it is needed or not. I never cease to be amazed by the amount of money that Main Roads spends on upgrading something such as the road into Mandurah, which is a funnel into the centre of the city, and then spends another fortune on the Peel deviation going around Mandurah, having already spent a fortune.

Hon Peter Foss: We are always spending money down your way.

Hon J.A. COWDELL: Indeed, and I have said to the Minister for Transport that his predecessor, Hon Eric Charlton, actually got it right in that regard, but it appears that the previous minister had promised so much everywhere for every scheme that few of them are currently taking off.

We have our beltways of Leach Highway, and not too far south of Leach Highway, Roe Highway, which is coming into the proposed eastern bypass. Of course, another existing significant upgrade of South Street is taking place in between these two freeway expansions, which is incredible. It must be examined closely. As I have said, I sympathise with the sentiments of the residents and electors of the area. Last Friday I went to consult the officers of the City of Fremantle. I was gratified that the local paper, the *Fremantle Herald*, contained a little article indicating that I was going to listen to the concerns of

the municipality. Of course, it appeared with a photo of Hon Jim Scott, which indicated that he had effected this momentous visitation; nevertheless, he did effect that visitation. I was overjoyed as I sat down with the planning officers to find Hon Barbara Scott down there as well.

Hon Simon O'Brien: She mentioned that she ran into you.

Hon Peter Foss: Hon Jim Scott or just his photograph?

Hon J.A. COWDELL: Just a photograph in the paper; that was enough to inspire us in the discussions. I drove down South Street and attended upon the officers of the City of Fremantle on Friday.

Hon Peter Foss: Where was Hon Jim Scott during this time?

Hon J.A. COWDELL: No doubt inspiring the local media somewhere else. The crux of the question before us is, what does this amendment do or what does it achieve? The Hilton Precinct said in its letter -

We are aware that the amendment is more than simply reclassification, it means that the Fremantle Council's application to regain control of the Road is unlikely to succeed.

The minister, Mr Kierath, on the other hand indicated in his letter to Dr Edwards as follows -

There is, apparently, a misconception that this amendment will change the allocation of responsibilities for particular roads between the Western Australian Planning Commission (WAPC), Main Roads Western Australia (MRWA) and the relevant local governments. This is not the case. . . .

It should be understood that the responsibilities that MRWA has for particular roads arises from roads being declared as main roads or highways under the *Main Roads Act 1930*, not from the presence of a particular reservation in the MRS. The *Main Roads Act* also gives the Commissioner of Main Roads certain responsibilities regarding the planning of those main roads and highways . . .

In the case of South Street, Fremantle, in 1995 it was declared as a main road under the *Main Roads Act* with the agreement of the City of Fremantle. Therefore, MRWA already has all the responsibilities for that road that are set out in the *Main Roads Act*, regardless of the title or colour of the regional roads reserves in the MRS. The proposed MRS Amendment No. 998/33 does not change these existing responsibilities . . .

That is the opinion of the Minister for Planning. The officials of the City of Fremantle want to regain control of a section of South Street from the proposed eastern bypass to Stock Road to prevent the road being upgraded and widened. That is a legitimate concern and request. The Fremantle City Council further fears that this amendment will require revesting to become a two-stage rather than a one-stage process. However, the council does admit that nothing in this disallowance will change Main Roads' current responsibility for this area of South Street or its powers with respect to widening South Street. The core of the matter is that it does not affect the change the council requires. It might make it slightly more difficult, but the change the council requires is still dependent on Main Roads. The letter from Main Roads to the Minister for Planning in November 1998 on the intended use or upgrade of this section of South Street was inadequate. Some have suggested that the only way to communicate with Main Roads is through threats and disallowances, because that is the only thing that it understands.

Hon Peter Foss: You cannot disallow Main Roads declarations.

Hon J.A. COWDELL: I did not say "directly" minister; the council can only get there indirectly. If we use this device tonight, the Ministry for Planning becomes the messenger to be shot. That is ironic given that the change that is required, under a blue line, is for the Fremantle City Council and the State Planning Commission to manage this road more fully in the future rather than Main Roads.

I look for some sense from Main Roads on this issue. I ask the Minister for Transport to give us an assurance and some indication that Main Roads is taking seriously the concerns of the residents of South Street and of the City of Fremantle, in particular. I ask whether Main Roads has decided, as a first step, to reduce the reservation along this stretch of South Street from 10 metres to 5 metres. People say that if we agree with this MRS amendment and do not disallow it, we will encourage Main Roads to press ahead with its schemes for certain roads, including South Street, and will give a red parliamentary imprimatur, so to speak. This is not the wish of the Chamber. The majority view in the Legislative Council tonight is that Main Roads should desist from the proposed widening of South Street between the proposed eastern bypass and Stock Road including the Hilton shopping centre. The passage or otherwise of this disallowance motion should not be viewed as an endorsement of Main Roads' plans. Members should be under no apprehension that if we had a device before us that would knock the stated plans of Main Roads for South Street on the head, it would be used. This disallowance is not such a device and therefore cannot be used in that way.

HON NORM KELLY (East Metropolitan) [9.55 pm]: It is probably pertinent to refer members to Order of the Day No 37, the Metropolitan Region Town Planning Scheme Amendment Bill, which provides an excellent solution to problems caused by not being able to move a partial disallowance of a metropolitan region scheme amendment. The Australian Democrats would like to think that the Bill, which was introduced last August, will be debated in the near future. I will not go any further into that debate, because I am sure that I will receive the usual response from the Attorney General that he has given in previous amendments.

The scope of this amendment as put by the Attorney General when he tabled it was purely as an administrative change. However, it goes further than that, although essentially it is a matter of condensing a three-tier hierarchy of road

classification down to two tiers. The reclassification converts existing controlled access highways and other major roads into the new category of "primary regional roads". In the second tier, important roads become known as "other regional roads". The Democrats believe this is a practical and sensible streamlining of the process. However, concerns exist about some of the exceptions to this general rule in this amendment. The major concern is about South Street west of Stock Road.

To give the history of that, in 1995 the City of Fremantle supported the recommendation of the Commissioner of Main Roads to make the western section of South Street a major road. However, as we know, the council is now more aware of the impact of the western suburbs highway on the Hilton area and is keen for control of this section of South Street to be returned to it. This would enable proper planning of the area rather than simply the road. A single-minded government department such as Main Roads is committed to providing roads without interest in the other aspects and impacts that such road building has on local communities.

The City of Fremantle has expressed its concerns. It has also expressed concern that the Government is not listening to it. It sent a letter to the Ministry for Planning in August 1997. I do not know whether the situation has changed in the past few months, but more than one year later the council had not received an acknowledgment of its letter, let alone a decent response.

Hon Peter Foss: They are writing to the wrong person.

Hon NORM KELLY: This letter was passed from the Ministry for Planning to Main Roads.

Hon Peter Foss: They have the right person.

Hon NORM KELLY: The ministry may have the right person, but that person has still not responded, because the council did not receive a response from Main Roads either. When we talk about Main Roads WA coming to the party and consulting properly with the City of Fremantle, prior history is not a good indication of its intent.

Hon M.J. Criddle: I met with the Mayor of the City of Fremantle and his offsiders about two or three times recently.

Hon Peter Foss: They originally agreed to it anyway.

Hon NORM KELLY: Perhaps the problem was with the previous Minister for Transport. It has now been stated that there will be a review of the classification of this part of South Street as part of an overall traffic study of the Hilton area. This review will be conducted jointly by Main Roads and the City of Fremantle, and is to be completed within 12 months. I would like a commitment from the Minister for Transport that the local community will be consulted fully in this review. It is essential that Main Roads be made aware of the concerns of local people and that its officers act accordingly. This has been achieved in places such as Guildford. The work done on the redevelopment of James Street has enabled that area of Guildford to be returned to some of its former glory, which is more in keeping with the heritage and history of that area. That busy stretch after the Swan River where shops line one side of the street and car parking lines the other has made it very difficult. People must cross a four-lane road. With the redevelopment, that will be restricted to a two-lane road with more parking provided on the same side of the road as the shops. This has been done in conjunction with Main Roads and the shire and should be a far better development. On that point, I would like a commitment about the fullness of such a review, and to know whether that 12-month period has already commenced and when it will be completed.

The matters that have been raised about the Main Roads Act are the heart of the problem. The responsibility for this stretch of South Street will remain with Main Roads irrespective of whether this amendment is disallowed. I will quote from the Main Roads Act and I will refer briefly to the powers and possible problems within the Act. Section 13 of the Main Roads Act 1930 provides a power. Subsection (1) states -

On the recommendation of the Commissioner the Governor may by proclamation declare that any section or part of a road shall be -

(a) a highway; or

(b) a main road,

or shall cease so to be . . .

That is the head of power enabling the change that occurred in 1995. Further to that power, section 13A of the Main Roads Act, under the heading "Local authority to be consulted", states -

(1) The Commissioner shall cause each local authority in whose district the road is situated to be notified in writing of the details of any proposed permanent improvements to any highway or main road before commencing the improvements.

(2) Before making any recommendation to the Governor -

(a) that any road be declared to be a highway or main road . . .

the Commissioner shall cause a notification to be given in writing to each local authority . . .

Subsection (3) is the most important and it states -

Any local authority which feels aggrieved by any recommendation may, within 30 days after notification of the response of the Commissioner following his consideration of that local authority's objections, appeal to the Minister, who may vary or disallow the proposed recommendation.

The flaw in the Main Roads Act is that Main Roads, under the control and responsibility of the Minister for Transport, is recommending through the commissioner to the Governor that a road be upgraded to a highway and thus is taking it out of the local government's control. If that local government wishes to appeal, it must do so to the Minister for Transport. This is not acceptable. We do not have proper independence in the minister's role for hearing such an appeal. It would be far better for that appeal to be made to the Minister for Planning, for instance, who can more adequately assess -

Hon M.J. Criddle: What difference does that make?

Hon Peter Foss: I can just see a Minister for Planning bringing in such legislation.

Hon NORM KELLY: Perhaps I could consult with the Minister for Planning and see whether he is willing to do that. The Democrats are considering introducing a private member's Bill to that effect. It would provide a far better appeal process for the Minister for Planning to assess the merits of raising the status of a road or, conversely, reducing it to a lower tier. The Minister for Planning, who has responsibility for the broader issues of planning, is in a far better position than a Minister for Transport, who has a more direct interest in purely the road network. I would be interested to hear any arguments that the Minister for Transport may have as to why that should not be the case.

When we speak of the anomalies in this amendment, we see that five different stretches of road will be downgraded from controlled access highways and other major highway reservations to other regional roads. A number of others are being increased from important regional roads to primary regional roads. Much has been said about the South Street section being upgraded to a primary regional road. There is an argument that it could not be classified as "other regional road" because it is currently under the control of Main Roads and there is a need to be consistent and to classify it as a primary regional road. It is interesting to note that this is on the basis that Main Roads may need to upgrade that stretch in the future. If we look at another amendment, the Riverside Drive section being downgraded to "other regional road", we see that this is a case in which the Western Australian Planning Commission has used its ability to downgrade that section of road in anticipation of reduced, yet not proved, traffic flows subsequent to the opening of the Northbridge tunnel. There is no problem with allowing for this change within the metropolitan region scheme, but not for a required change for South Street. It appears to be inconsistent given that there is no definitive proof that Riverside Drive should be downgraded. That would have been far better done once it was shown what volumes of traffic will exist on Riverside Drive after the opening of the Northbridge tunnel. I understand that, to help reduce the flow, the intention is to cut off the exit from the Mitchell Freeway onto Riverside Drive. That will have a major impact on traffic flow, but we are yet to see whether that will eventuate. Perhaps that is the reason a second Narrows Bridge is required - to get the run off.

The Democrats are clear that this amendment, particularly to make the western section of South Street a primary regional road, will have no effect on the planning or management of the road and that it is, and will remain, under the responsibility of Main Roads WA. However, that is strictly in the terms of the reading of the laws and responsibilities. There is a psychological effect of declaring this stretch of South Street a primary regional road; it can give the impression that it is a far more major road than it is currently.

As the City of Fremantle stated, it makes it difficult to reclaim control of that section of road. Like other members, I received a letter from Ms Denyse MacNish of the Hilton Precinct community group stating the concerns of the Hilton community, the most telling sentence of which reads -

We are aware that the amendment is more than simply reclassification, it means that the Fremantle Council's application to regain control of the Road is unlikely to succeed.

I will be most interested to hear the minister's comments on this review by Main Roads and the City of Fremantle. What are the minister's intentions to ensure that the community is properly consulted and listened to?

HON M.J. CRIDDLE (Agricultural - Minister for Transport) [10.12 pm]: Hon Jim Scott, Hon John Cowdell and Hon Norm Kelly referred to Fremantle traffic flows, particularly regarding South Street. I have met the City of Fremantle on two occasions to discuss this section of road. I was very concerned when I heard that the City of Fremantle was planning a precinct in the Hilton area, and immediately had some work carried out in that regard. I understand that South Street was classified in 1995 as an important regional road in the metropolitan region scheme following a wide-ranging review of road classifications in the City of Fremantle. I agreed that South Street should be reclassified as a state road to reflect its function and role. Subsequently, South Street was proclaimed as a state road under the provisions of the Main Roads Act, and the responsibility for the road was transferred to Main Roads.

The purposes of the current MRS amendment is to simplify and rationalise the system for classification of major roads in the scheme; therefore, it will be consistent with the administrative and functional classifications already agreed to by state and local governments.

Fremantle City Council recently advised that it had reconsidered the reclassification of South Street. This fact was acknowledged by Main Roads and by me. A commitment was given that the reclassification of the road would be reviewed as part of a traffic study of the Hilton area, jointly conducted by Main Roads and the City of Fremantle. Also, the city has indicated it might participate by way of providing funding. It is well and truly involved, although it is yet to make its funding decision. It is keen to be involved to get some resolution regarding traffic flows in the area. Members will be aware that the eastern bypass and Stock Road are both under discussion regarding which one should be upgraded. Those discussions have been held with the City of Fremantle to progress that issue. Subject to the outcome of this study, classification of South Street and the MRS can be further amended in due course to reflect any change in the status of the road. I emphasise that a decision has not been made about the status of that road. The joint traffic study will be completed within the next 12 months and will form the basis for resolving the South Street issue.

The MRS amendment will improve the understanding of the road classification system, as well as improving efficiency in management and in administration of primary roads. From a parliamentary perspective, the new MRS classification system will provide a clear linkage between the classifications, reservations and the MRS, and the functional road classifications determined under the provisions of the Main Roads Act. This will facilitate parliamentary scrutiny of future roads classifications. Certainly, some guarantees are given that the issue will be handled discreetly. A resolution of the issue will be achieved.

With regard to independence and the Minister for Transport's being responsible for roads and road classifications in general, one must think beyond the city when considering local government. Responsibility for roads and planning issues in country areas is a different issue. Main Roads operates in a wider sphere in those regions. The minister with responsibility for Main Roads covers that aspect in the entire State, and represents a better mechanism for dealing with those responsibilities relating to roads.

Hon Norm Kelly: What about the situation in the metropolitan area with a region scheme in place?

Hon M.J. CRIDDLE: I understand the member's point. On a statewide basis, the Minister for Transport is the appropriate person to deal with the issue, but we can debate that matter at another time. I have been communicating with the City of Fremantle and we have made progress on this issue. I want a clear understanding of traffic flows in the area. I know the city also wants to deal with the issue in a responsible manner. When the study is completed, the classification for the road will be known, and, therefore, the precinct will be handled in the appropriate manner.

HON PETER FOSS (East Metropolitan - Attorney General) [10.16 pm]: It is interesting to hear a lot of discussion relating to the interesting and important Main Roads Act, which contains extensive powers; however, it has little to do with this amendment. If we disallow this amendment, we will disallow an attempt by the Planning Commission to undertake a public service; namely, to put a colour on the map to tell the public things it would like to know.

Once a road is reserved as a road under the metropolitan region scheme, that is probably as far as one can go. The colours on the map do not mean much at all. The Planning Commission is trying to answer some questions continually raised by the public: "Why do you have the colours if they do not deal with the matters we need to know; that is, who will make decisions about it, and where do we go for the final say in planning?" Only two matters arise. Is it Main Roads, or local government and the Planning Commission? This amendment attempted to reflect, not affect, that fact. I suppose it is akin to the local town planning scheme. To give a case decided by the court, if the MRS shows a reservation for public purposes for a university, and the local town planning scheme also shows it as a university, the reservation under the town planning scheme has no legal effect. It simply fills in a space which from a legal point of view is vacant under the local town planning scheme. No legal effect follows from showing a reservation over something already reserved under the MRS. It purely stops a spot being clear on the scheme map.

Similarly, the change merely reflects the legal situation with the red or blue markings on the map, which are not to be changed from being under the control of Main Roads or local government. No legal consequences arise from that calibration. Even if a change were to occur and Main Roads were to proclaim, say, a blue road, legal consequences would follow. One would need to go to Main Roads for approvals, including for matters such as controlled access. One would not get that approval from the local town planning authority or from the Western Australian Planning Commission; one would have to go to Main Roads. One would hope and trust that unless someone like Hon Jim Scott were there stopping these things happening, as soon as there were such a change it would be reflected with the appropriate colouration change in the metropolitan region scheme, because there is no reason why it should not be as it does not do anything.

I am reminded of *Catch 22*. I hope Hon Jim Scott has read it. He might recall that the American bombers were concerned about having to bomb Bologna, and whether they had to bomb Bologna was determined by where the Germans were. Where the Germans were was shown on a map by a small piece of red string which was called the bombing line. As the Germans retreated, they moved the bombing line. Everybody would stare at the line as if it had some magical effect on where the Germans were. One night Yossarian got up and shifted the bombing line and they all celebrated because they did not have to go and bomb Bologna. Of course, the Germans had not been moved by his shifting the piece of string on the map; the Germans could only be moved by shifting them on the ground. The analogy is that the Main Roads department cannot be shifted from its control of the road by changing the colour on the map.

Hon Norm Kelly: It is just as constructive, though.

Hon PETER FOSS: The analogy is there, though. Main Roads will or will not be in charge depending on what has or has not been proclaimed. Changing the colour either way makes no difference. If in fact Main Roads is not in charge and the area is coloured red, it will still not be in charge. If it is in charge and the area is coloured blue, it will still be in charge.

I am worried that Hon Jim Scott, in the days when we changed from the Julian calendar to the Gregorian calendar, would have been one of those people rioting in the streets asking for the return of his 16 days, because that is the type of attitude being applied to this matter. I think my speech, when I introduced this matter, is correct. It is not a matter of there being two steps, as suggested by Hon Jim Scott. Once the step is made of the taking away of the Main Roads department, that is it. It should follow that the colour on the map should change, but if it is not changed, it has no legal consequence. As I said, it reflects; it does not affect.

I urge the House to reject the motion because all it will do is prevent the Planning Commission, which is seeking to carry out a public service, warning people of something about which they should know; that is, where Main Roads is in charge. It will not stop anything else but it will stop that useful service and we should support the Planning Commission in what it

is trying to do. The amendment is such as I described it when originally tabling it and I urge the House to vote against the motion.

HON J.A. SCOTT (South Metropolitan) [10.25 pm]: I thank all the members for their contributions to the debate. I will deal with the Attorney General's comments first. He correctly points out that if under the metropolitan region scheme a road has a particular designation, that does not actually mean, using his example, that in fact one would get a university.

Hon Peter Foss: That is not what I said. I was referring to the case of the Subiaco City Council and the University of Western Australia which indicated that a town planning scheme over an MRS reservation was merely a detail on a map that had no legal effect.

Hon J.A. SCOTT: I have heard argument in other debates about the urbanisation under the MRS of an area zoned special rural which had many urbanisation problems. However, that does not mean that it was going to be urbanised and I did not have to worry about it. This debate is in the same genre because this is about adding yet another layer of certainty to the control of Main Roads. I agree - and I think I agreed in my initial speech - that Main Roads does have control of this road, which was agreed to by the council early on in the matter. The Minister for Transport also mentioned that matter. I also drew attention to the council's having set up proceedings to try to reverse its decision so that it could have a minor classification and the council would have some planning control over this particular road. In the words of Hon Norm Kelly, this was a symbolic change which helped cement Main Roads into its position. That is certainly the feeling of the Hilton Precinct committee.

Hon John Cowdell pointed out, as did the Attorney General, that control of the road comes from its being declared a main road under the Main Roads Act. I also read a statement from Hon Graham Kierath saying the same thing. He said that although the disallowance cannot prevent Main Roads doing what it wants, it would send a message to Main Roads regarding this House's concerns over plans to widen South Street and that most people in the House did not agree with that widening. However, the determinations on page 7 of the "Metropolitan Region Scheme, Road Classification Review, Report on Submissions, Volume 1", says -

The Hearings Committee, after considering the submissions presented at the hearings, made the following comments.

It is appropriate to draw to the Commission's attention that there are a number of unresolved issues concerning particular road sections affected by changes in road classification in this amendment. These include:

- i) South Street (Fremantle Eastern Bypass to Stock Road) - Fremantle City Council disagree with long term plans by Main Roads WA to upgrade this section of South Street and would like to regain responsibility for this section of road. The committee also noted that the reservation width for this section requires review. The committee recommends that the Commission should seek to facilitate resolution of these issues with Main Roads WA and the City of Fremantle.

I am pleased that the Minister for Transport and his department have now said that the matter will be investigated as it is very important. The report noted that the reservation of this section requires review. Clearly at that time the intention was to review it, with the intention of making it not a slimmer road, but certainly a wider road. The community's and the council's concerns are very real.

Hon Norm Kelly raised some good points. He pointed out that the whole process of appeal is not a good one and that it should rest with the Ministry for Planning rather than the Department of Transport. I very much agree with that theory because on a number of occasions I have said that the whole hierarchy of planning is wrong in this State and that Main Roads should be only a subset of the Department of Transport and that the Department of Transport should be a subset of the Ministry for Planning. Until we do that, we will get no sense out of our processes. It is only in that way that we will get a proper balance between these local issues and regional issues without the huge grinding wheels of the massively financed Main Roads WA eating up everyone's territory and taking over the city.

Hon Norm Kelly also referred to Fremantle City Council's wanting to downgrade South Street. He pointed out that it was planned to downgrade Riverside Drive as a result of the building of the Northbridge tunnel. Of course, we have the same position with the proposal to extend Roe Highway through to the western suburbs highway. In one case it appears there is a readiness to do that, but the same does not apply in the other case. That might have something to do with the political importance of Riverside Drive not only to the people of the State but also to the Government.

The Minister for Transport has pointed out that he has met with the council to discuss the proposed redevelopment of the Hilton precinct. He was very concerned about that matter when he found out about it. The minister has indicated that he and Main Roads WA have informed the council that they will review the road classification and that there will be a joint meeting in the next 12 months to decide the matter.

Hon M.J. Criddle: That is not what I said; I said there would be a study.

Hon J.A. SCOTT: I understood the minister to say that he would be meeting in 12 months -

Hon M.J. Criddle: Keep going.

Hon J.A. SCOTT: I checked that with Hon John Cowdell because I did not hear it properly. Perhaps the minister will repeat what he said.

Hon M.J. Criddle: Read it tomorrow.

Hon J.A. SCOTT: At least he has indicated that he is prepared to take up the hearings committee's recommendation. It appears there might be some chance of the Fremantle council's getting its precinct plans into place and some hope for the people of Fremantle that their city will not be turned into a highway system that will destroy its amenity. It is most important to the people who live there and to the entire planning process that we do not allow the continuous taking over of our urban areas by more and more roads. Clearly, that is the agenda of Main Roads, which has too much taxpayers' money with which to play. I would very much like to see this motion supported by the House. It is clear that that will not happen, but I commend the motion to the House. Unless we send a message to Main Roads - whether or not it is as effective as we would like - it will continue destroying our urban environment, and the plans of local communities will be smashed by the department's plans. I commend the motion to the House.

Question put and negatived.

REVENUE LAWS AMENDMENT (TAXATION) BILL 1999

Second Reading

Resumed from 15 June.

HON JOHN HALDEN (South Metropolitan) [10.35 pm]: The Opposition supports this Bill. Again, as is the case with a number of Bills of this nature, the Government's intention is well detailed in the second reading speech. Although I will go over what has been said previously by the minister, it is not my intention to dwell on those matters.

This Bill contains two taxation measures that were announced in the May budget speech. It introduces a progressive scale for the levying of stamp duty on the sale of motor vehicles and a new scale for the assessment of land tax. The stamp duty on the sale of motor vehicles will be a revenue-gaining mechanism for the State Government and the sales tax assessment on land will be revenue neutral - only on the basis that property values remain constant at the 1998-99 level and not at the 1999-2000 level. I understand the State Revenue Department expects a 7 per cent increase in property values. Therefore, the State Government will collect more money, but it will be a far smaller amount than would have been collected had these measures not been introduced. I am not sure whether it is universally accepted that land values will appreciate by 7 per cent next year.

Hon Max Evans: The value of land is set at 30 June. What happens after that does not matter; they know the values.

Hon JOHN HALDEN: I do not know whether that is the average increase, but I accept that this has been done with integrity. One can argue about the 7 per cent increase, but it is a realistic assessment of how much property values will increase.

The stamp duty on vehicles sees for the first time a progressive tax regime. The proposed regime is far better than the current regime. Currently, a flat 3 per cent tax applies to all vehicles. That will be replaced by a 2.5 per cent tax on vehicles valued up to \$15 000; 2.5 to 5 per cent on vehicles valued between \$15 000 and \$40 000; and 5 per cent on all vehicles of greater value. That means the transfer fee for 75 per cent of vehicles purchased will be less than that which applies under the current regime. Members on this side of the House represent people who are likely to buy vehicles valued at less than \$15 000, and we acknowledge that this will be of some benefit.

Hon Max Evans: Most do not get a tax deduction.

Hon JOHN HALDEN: Yes. There is a significant decrease in what people will pay at the bottom end of the scale and a significant increase in what they will pay at the top end. At the same time, the Government will raise more revenue. In any fair assessment of how taxes should be levied, that is a far better system - although not one that will be enjoyed by the GST - than the current system. At the end of the day, it is difficult for the Opposition to be terribly critical about these matters, and on that basis we are happy to support this procedure.

HON HELEN HODGSON (North Metropolitan) [10.41 pm]: The two issues that are contained in the Revenue Laws Amendment (Taxation) Bill are changes to the Land Tax Act and changes to the Stamp Act. It is proposed that the land tax thresholds will increase at all levels. That is an equitable measure. It addresses some of the issues of progressiveness for which we generally look in these matters. It is also proposed to change the rate of stamp duty payable for motor vehicle licences. We have considered this matter on the basis of whether it is progressive, and the fact that the rate will be changed from a flat 3 per cent to a sliding scale of between 2.5 per cent and 5 per cent is a good move. I have done a calculation, and for a vehicle valued at about \$20 000, people will pay stamp duty at the rate of 3 per cent, which is the same as the existing rate. I looked at the advertisements in the newspaper at the weekend to see what sort of car people can buy for \$20 000. It is possible to purchase a used family car, such as a 1997 Magna sedan, a Commodore station wagon, or a small car such as a Lancer or Corolla, for around \$20 000. Therefore, this Bill will still provide options for people to purchase vehicles that are suitable for their needs without having to pay an increased rate of stamp duty. We support the Bill.

HON MAX EVANS (North Metropolitan - Minister for Finance) [10.42 pm]: I thank the two parties whose members have spoken for their support of this legislation. The changes to the land tax rates have been made over a number of years. Hon John Halden will remember that in 1992 we passed legislation to bring valuations up to date every year. In March of each year, we do a lot of modelling to see what it comes back to, because we found that retirees and owners of properties valued at between \$200 000 and \$600 000 were getting hit with some pretty big increases in land tax that they could not pass on, and that with the increases in tax scales and property values, they were being hit with a double whammy, so we have made that change. I thank members for their comments, and I commend the Bill to the House.

Question put and passed.

Bill read a second time, proceeded through remaining stages without debate, and passed.

REVENUE LAWS AMENDMENT (ASSESSMENT) BILL 1999*Second Reading*

Resumed from 15 June.

HON JOHN HALDEN (South Metropolitan) [10.44 pm]: The Opposition will support this Bill. This Bill amends the Stamp Act 1921 and the Road Traffic Act 1974. The amendment to the Stamp Act is designed to ensure that managed investment funds that seek to comply with the provisions of the commonwealth Managed Investments Act 1998 receive a concessional rate of stamp duty. I understand that that commonwealth legislation has changed the Corporations Law with regard to public trusts. The Corporations Law previously required two entities to be set up, one to manage property and one to manage the trust. It now requires only one entity to be set up. That legislation came into effect on 1 July 1998 and provided that within two years, investment funds shall be converted to comply with this scheme. It is likely that it may be necessary to change the title of the land or property from one entity to another, and that will subject the entity that is making the change to a fairly steep stamp duty regime. It would impose an unfair burden on entities that were seeking to comply with that federal legislation in good faith if they were compelled to pay the current rate of stamp duty, so it is proposed that they will pay a one-off concessional fee of \$20. Can the minister assure me that that concessional rate will apply only to an entity that transfers property that already exists within that managed fund and that a person cannot add property or assets and expect to receive that concessional rate?

Hon Max Evans: Yes. That is right. It is only those assets or properties that are already in there. We will check to see that people have not added anything since that date.

Hon JOHN HALDEN: It would be fairly churlish of anyone to suggest that the State should recoup more than the administration fee from entities that are seeking to comply with this commonwealth legislation.

Hon Max Evans: New South Wales would make a few hundred million dollars in stamp duty if it had it, because of all the big trust funds.

Hon JOHN HALDEN: More than likely. This is a particularly fair and reasonable arrangement, and we should not do any more than accept that this is the reality and that this fee can best be described as an administrative fee to offset costs, and it should clearly enjoy the support of everyone in this place.

The second matter covered in this Bill is an amendment to the Road Traffic Act. The Department of Transport requested that amendment. It is related to new vehicles and the immobiliser scheme, and makes some changes to the notification requirements of both the seller and the buyer. I have looked at those changes, and in some cases the notification deadlines are shortened, and in other cases they are increased, but by virtue of the overall management of the scheme, we would be hard pressed to suggest that either the seller or the buyer will be in any way disadvantaged by the proposed changes.

I also had some concern and asked about this in a briefing I had with people from the State Revenue Department. The minister might comment on this matter by way of interjection or in his reply. Clause 9(2) authorises the licensing authority to issue a notice that sets out the obligations of new owners of a vehicle satisfying security requirements, if the director general reasonably suggests that the vehicle does not meet a prescribed standard, and also for the payment of relevant fees. I understand that the director general has some reasonable powers but I also understand that those powers are covered in the Road Traffic Act by way of regulation. Will the minister make sure that whatever powers the director general has under this clause are regulated and that they are not merely open ended?

Hon Max Evans: A person must record the purchase or sale and then get the immobiliser. Subclause (2a) states that he must make certain that an immobiliser of the right standard is fitted, and not a fake or clayton's one. That gives that power. This clause is about installing immobilisers on future transferred cars.

Hon JOHN HALDEN: If the director general reasonably suspects that the vehicle does not meet the standard -

Hon Max Evans: There may be certain dealers who are not very reputable. The director general may suspect they may put in false immobilisers or there may be a johnny-come-lately who has done it. The clause gives the director general the power to check it but he will not do it in every case.

Hon JOHN HALDEN: I think that may be covered in regulations under the Road Traffic Act but I accept the minister's answer.

Hon N.D. Griffiths interjected.

Hon JOHN HALDEN: By way of the advice from Hon Nick Griffiths, I now feel very comfortable about the matter. I do not wish to dwell on this Bill at any great length. The Opposition will support the Bill.

HON HELEN HODGSON (North Metropolitan) [10.54 pm]: As I started to say earlier, I was interested in having a look at the managed investment scheme rollover provisions, largely because my colleague in the federal Senate took quite an active part in the debate at the time. I wanted to confirm what was going on here and how it fitted in with the federal legislation. Basically the commonwealth legislation changed with effect from 1 July 1998. The research document that the Federal Parliament put out through its research service states that the purpose of the legislation was -

To change the structure of managed investment schemes from one comprising two tiers - a management company responsible for the day-to-day operations and investment strategy of the scheme and a trustee which distributes

scheme income and ensures investments conform with the trust deed - to one comprising only a single entity responsible for the entirety of the scheme operation. . . .

A managed investment scheme is any type of scheme where an investor purchases an interest from a professional manager who applies the funds received to produce a return.

One of the reasons I went back to that was that when I picked up the legislation one of the first things I noticed was that the wording of our Bill talks about unit trusts. The provision in this Bill amends the unit trust definition. When one sees the way in which managed investment funds - which are intended to replace unit trusts - operate, it suddenly starts to make sense of the whole arrangement. Unit trusts have been used in the marketplace for some time as an investment vehicle. However, there are some major issues with the way in which they are used. I suppose it is one of my pet hobbyhorses that quite often people see trusts as more of an investment vehicle than a legal entity that creates a relationship. The relationship that is created is one with a fiduciary responsibility between the trustee and the beneficiary. What happens in the marketplace is that these unit trusts are set up with a party, the trustee, holding the property and then a manager on top of that who looks after the day-to-day running of the trust, manages investment decisions and so on. That arrangement might have its roots in the traditional difficulties that tend to arise between lawyers and accountants. Accountants manage money and do not always understand the law. Lawyers are very good at their job but when it comes to asking them to manage an investment strategy, sometimes investors would have a few problems with that. Therefore, they work together in this way with the management of the trust and the legal ownership.

Hon N.D. Griffiths: I think Hon Helen Hodgson is lecturing us.

Hon HELEN HODGSON: I have read too many decisions about financial matters to trust lawyers totally when it comes to financial matters.

Unit trusts have been used extensively and they have a certain amount of flexibility, but there have also been some spectacular unit trust collapses. Anybody who has practised as an accountant over the past 10 or 15 years will have had clients asking them, "What do I do now? The trust has collapsed and I have received no money back. Can I claim the losses? What do I do with it?" Half the time one must tell them that they cannot even claim the losses as a tax deduction because of the capital gains tax provisions. Some really serious problems have arisen in some of these trusts. The new proposal brings it back into a single level entity and takes it in under the Corporations Law. There is a two-year transitional period to allow unit trusts to restructure in accordance with the managed investment schemes legislation. The proposal before us also deals with rollover provisions. It makes sure that where a unit trust will comply with the rollovers no more than a nominal duty will be applied. It effectively does that by taking the managed investment schemes out of the operations of part IIIB, which are the normal transfer and conveyance provisions, and inserting a specific provision.

I was also interested in making sure that there were no avoidance opportunities. I am quite satisfied that proposed subsection (4) to be inserted gives the commissioner the power to be satisfied that the transfer is as a consequence of the managed investment scheme restructuring and that there is no change in beneficial interest. Those are always the key to an effective rollover arrangement. One has to make sure that there is no opportunity for changes in ownership and for the wrong people to come in, to benefit and to take over the arrangement. It is within the role of the Commissioner of State Revenue, with the able assistance of his officers and investigators, to be making those sorts of judgments.

The nominal duty is \$20. As was mentioned by Hon John Halden, it becomes more in the nature of an administration or filing fee than a stamp duty. This is an important piece of legislation to complement what has happened at the federal level. Without it we would be penalising many investors who rely on these sorts of funds. Ultimately that is where the cost would be transferred; it would come out of the pool of investment and be transferred to the beneficial owners, thus reducing their rate of return.

The second issue in the legislation is the motor vehicle changes. Last year my colleague, Hon Norm Kelly, handled the legislation which dealt with these matters. We specifically expressed some reservations about the effectiveness of the proposals and the effect of them on low-income earners, but the legislation was passed anyway. Looking at the provisions that have been introduced here to give effect on the transfer, I feel that they will work quite effectively. The legislation puts the onus clearly on the purchasers rather than the sellers of the vehicle to make sure that they comply. All of the time frames and so on look quite reasonable. The only issue I have is the question of how the director general will judge whether there is an effective immobiliser in a vehicle. Sometimes it will be obvious; sometimes he might have to ask a question. With those comments, we support the legislation and wish it a speedy passage.

HON MAX EVANS (North Metropolitan - Minister for Finance) [10.59 pm]: I thank the two members for their strong support. We did not think the stamp duty concession for managed funds would require legislation. However, on further checking we found that it was necessary. It was considered that the assets of a liquidated company would go to the shareholders free of stamp duty, but it did not work out that way due to the many different structures.

I refer to Hon John Halden's comments on clause 9(2) in relation to a vehicle transfer. A declaration form will be signed by the new owner to indicate whether the vehicle has an immobiliser fitted. Audit activity will be undertaken by the Department of Transport. With a new issue the vehicle will be subject to inspection by a vehicle examiner. The standards for an approved immobiliser are set out in the road traffic regulations.

I thank members for their support of this good legislation and commend the Bill to the House.

Question put and passed.

Bill read a second time, proceeded through remaining stages without debate, and passed.

HIGH CONSERVATION VALUE FOREST PROTECTION BILL 1999*Assembly's Message*

Message from the Assembly received and read notifying that it had declined to read the Bill a second time.

ADJOURNMENT OF THE HOUSE

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [11.00 pm]: I move -

That the House do now adjourn.

Prison System, Drug Related Offences - Adjournment Debate

HON JOHN HALDEN (South Metropolitan) [11.01 pm]: I have always had some concerns about the ever-increasing number of people in our prison system as a result of drug-related offences. Today I read an article by an authority on this area in Western Australia in which he claims that 70 per cent of people are in prison as a result of drug-related offences. I think a number of people will have some sympathy with his claim.

It is time that, with an ever-increasing population in our Western Australian jails who are there due to drug-related offences, we considered moving away from punitive responses towards some more enlightened responses that may work. It is suggested that we should consider multi-disciplinary approaches as did the Queensland Government by way of a commission of inquiry which reported in January of this year. We should examine the variety of options open to a community in addressing this difficult problem, because seemingly, as is the case in the United States, our present method of tackling the problem by incarcerating people is not working.

New South Wales has established a two-year trial in the Parramatta court to provide an opportunity for people convicted of these offences to choose between what is called a strictly supervised rehabilitation program and imprisonment. Should they choose the strictly supervised rehabilitation program they must subject themselves to random, ongoing drug testing and be involved in a series of approved courses that are designed to address drug addiction. At this stage it is too early to say whether that program will be successful.

We all know of the claims from European jurisdictions where alternative ways of dealing with drug-related crime have been considered. Results suggest an 80 per cent reduction in crimes relating to property when mechanisms in the "community arsenal", other than prison sentences, have been used to deal with drug-related crime. An issue that is causing considerable debate in Australia is heroin trials. It is fair to say that all of us in this Chamber will have significant difficulty deciding what is the right path to take. As this problem is so significant and impacts on so many victims, not just the heroin user or the drug user, their families and their loved ones, but also the victims, their families and their loved ones, no possible solution or strategy should be overlooked.

At this point a huge range of empirical evidence and research suggests that we should use different criminal justice policies; that incarceration does not work; and that ever-increasing ratcheting up of periods of imprisonment, which has been the recent history of this State, particularly for drug-related property offences, for which the penalty can be as much as 20 years, do not work. We have gone down this path now for a significant period and it does not appear that it has been successful in reducing drug addiction. It has certainly not been successful in reducing the crime rate.

The ever-increasing rate of imprisonment in Western Australia has been of enormous expense to Western Australian taxpayers. It is time to consider international research and to open our minds to the possible community-based alternatives should they be considered appropriate by the judiciary and, by choice, by the perpetrator. The victim should also have a view on this matter.

The experience of the United States, which has been on this path now for probably four decades, has been singularly unsuccessful. We must now consider not only what we as politicians or certain parts of our community think, but what some of the experts in our community think about these matters. There must be greater consultation with the psychologists, psychiatrists, doctors and public health officials. We must have an open and honest debate about whether drug-related crime is strictly a matter for the legal processes or for a legal-health process to see whether we can come up with more effective, cheaper strategies that will provide a safer community for all of us.

I hope that the Government, via the Minister for Justice, will seriously contemplate the potential for considering new strategies in this matter. If we do not adopt new strategies, with 70 per cent of our prisoners in this State in jail as a result of drug-related offences, the United States experience will become the Western Australian experience. If we do not examine the experiences of a far broader group of people and if we do not support the need to do that, at the end of the day we will have significant problems in our society.

They will not be problems that are confined to any one social group. Drug addiction, unlike a number of other problems in our society, tends to be far more widespread in a variety of social classes, and more likely to impact upon a significantly broader sector of our society. It is now time that the Government considered an open and organised debate in which past biases, prejudices and often ill-founded opinions do not dominate what should be a debate in which we provide some hope to many people in our society, their families and loved ones.

Casuarina Prison Lock Down Protest - Adjournment Debate

HON TOM STEPHENS (Mining and Pastoral - Leader of the Opposition) [11.10 pm]: Earlier this evening I passed the

entrance of Parliament House and was passed a letter which I was asked to deliver to the Minister for Justice because of his responsibilities for prisons. The letter states -

Dear Mr Foss,
Past CCSA restorative justice network and various church groups are holding a 22 hour vigil and protest at the continuing 22 hour lock down at Casuarina Prison. Section 531 of the Standard Guidelines for Correction in Australia states that collective punishment must not be used. We would like you to come down and meet with us on the front steps of Parliament House to explain why Casuarina Prison is collectively punishing prisoners six months after the riot.

The letter is signed by Dorothy Golding for the combined organisations that were assembled today on the front steps of Parliament House. I took the opportunity of delivering that letter to the minister earlier this evening. I was pleased that he at least read the letter briefly before putting it in his rubbish bin. He indicated to me that he would not meet with the group, which is expressing considerable concern about these policy directions, on the front steps of Parliament House to explain the policies that he has presided over at Casuarina Prison. This group has among its number some very distinguished Western Australians, one being the Reverend Neville Watson, a former moderator of the Uniting Church. The current moderator may have been there as well but I did not recognise him. The minister's response earlier in the evening was a pity; I hope he subsequently thought better of it and made himself available to explain his and his Government's policies on the prisoners. It is an issue that I have not been directly involved in, although I know that our prisons spokesman, Hon John Halden, is keenly aware of the issues at Casuarina Prison and has expressed concern about the way they have been developing. I have only now been alerted to the size of the challenge that is facing the prisoners in that jail. I had hoped that the minister would take the opportunity of doing more than reading the letter from the group in such a dismissive manner, and then simply discarding its request in his rubbish bin.

Question put and passed.

House adjourned at 11.14 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

WESTERN POWER, EXPENDITURE ON CONSULTANTS

1403. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Energy:

With regard to the \$265m worth of purchases made by Western Power through the State Supply Commission (SSC) in 1996/97 (see Figure 3, SSC Annual Report 1997/98, page 29), how much of this figure was spent on consultants?

Hon N.F. MOORE replied:

\$4.2m.

ALINTAGAS, EXPENDITURE ON CONSULTANTS

1404. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Energy:

With regard to the \$74m worth of purchases made by AlintaGas through the State Supply Commission (SSC) in 1996/97 (see Figure 3, SSC Annual Report 1997/98, page 29), how much of this figure was spent on consultants?

Hon N.F. MOORE replied:

For the year ending 1996/97 there were no purchases made through the State Supply Commission. There was \$3 031 290 spent on consultants during the financial year ending 1996/97 which was outlined in the 6 monthly consultants reports issued to the Minister for Energy.

NUCLEAR WASTE DUMP, PANGAEA RESOURCES AUSTRALIA PTY LTD

1558. Hon CHRISTINE SHARP to the Minister for Transport representing the Minister for Local Government:

With regard to the proposed international nuclear waste dump proposed for Australia by Pangea Resources Australia Pty Ltd -

- (1) Has the Minister for Local Government, or any of his staff, had any meetings, formal or informal with Pangea or their representatives?
- (2) If yes, can the Minister advise what was the purpose of that/those meetings?
- (3) Was any promotional material left by Pangea or other representatives?
- (4) Will the Minister table any such promotional material presented?
- (5) At whose request was/were that/those meetings convened?
- (6) Who was in attendance at that/those meetings?
- (7) Does the Government support the proposal of establishing an international nuclear waste facility in Australia?

Hon M.J. CRIDDLE replied:

(1)-(6) No.

(7) Please refer to Legislative Council question on notice 1421 of 24 March 1999.

YARLOOP MINERAL SANDS MINE, WATER USAGE

1711. Hon J.A. SCOTT to the Minister for Finance representing the Minister for Water Resources:

- (1) How much water is Cable Sands (WA) drawing from Clarke Brooke for use at the Yarloop mineral sands mine?
- (2) How much groundwater is Cable Sands permitted to extract for use at its Yarloop mineral sands mine from the -
 - (a) Leederville aquifer; and
 - (b) Guildford aquifer?
- (3) What is the amount of groundwater extracted from the -
 - (a) Leederville aquifer;
 - (b) Guildford aquifer; and
 - (c) by all users?
- (4) What is the natural recharge rate for each of these aquifers?
- (5) How many groundwater bores are in operation supplying Cable Sands' Yarloop mineral sands mine?

- (6) Will the Minister for Water Resources supply the monitoring results of water usage and groundwater levels from the Leederville aquifer and the Guildford aquifer, and if not why not?

Hon MAX EVANS replied:

- (1) None.
- (2) The area from which Cable Sands (WA) is drawing groundwater at Yarloop is not within any declared groundwater management area. Therefore, there are no licensing controls or limits on the amounts of groundwater that can be withdrawn from any of the aquifers in this locality. Consideration is being given to declaring this area to ensure abstractions can be managed in the future. In the meantime, the Water and Rivers Commission is working with Cable Sands (WA) to ensure groundwater abstraction is minimised and impacts on other groundwater users are managed. Cable Sands (WA) is being very cooperative in this.
- (3) (a)-(b) Cable Sands (WA) voluntarily collects information on its own abstractions and monitors some groundwater levels. Cable Sands (WA) has advised the Water and Rivers Commission it is abstracting approximately 700 000 kL/yr from the Leederville and Guildford aquifers combined.
- (c) As the area is not within a declared management area no information on groundwater abstractions by other users is currently being collected.
- (4) The recharge rates in this locality have not been formally quantified.
- (5) Four. I understand Cable Sands (WA) has shut down the fifth bore.
- (6) No. Because the area is not within a declared management area, monitoring of water usage and groundwater levels is not carried out by the Water and Rivers Commission. Cable Sands (WA) voluntarily collects information on its own abstractions and monitors some groundwater levels. The Water and Rivers Commission has requested Cable Sands (WA) makes this information available to allow the Commission to review the impacts of the company's abstractions. The Commission can supply the results of its review of the information when it becomes available.

QUESTIONS WITHOUT NOTICE

HEALTH AND EDUCATION SYSTEMS, FUNDING BLOW-OUT

1350. Hon TOM STEPHENS to the Minister for Finance:

I ask my question without notice of the Minister for Finance in his capacity as the minister responsible for the Treasurer's Advance Authorization Bill 1999. I refer to a briefing note on the Bill provided by the Treasury which states that an additional \$50m is sought as a contingency measure to safeguard against the overdrawing of operating trust accounts at 30 June 1999 and that the Health and Education Departments may require access to this facility.

- (1) Given that we are less than two weeks away from the end of this financial year, what is the total estimated blow-out of funding for the 1998-99 financial year for the Health and Education Departments?
- (2) Does this confirm a trend by the Government to underfund priorities at budget time resulting in a continual need to inject additional funding into the health system?
- (3) If not, can the minister explain the extra funding required?

Hon MAX EVANS replied:

- (1)-(3) The member is trying to ask the impossible if he wants me to quote those figures. In fact, the Treasurer is responsible for the budget; I am responsible for this Bill. Briefing comments were given to the Leader of the Opposition and the Government will explain further in the Bill the Treasurer's Advance Account. In putting together the budget in April and May, Treasury estimates the funding it will need between then and the end of the financial year. It is only at this late stage that it can identify that amount. An additional amount of \$50m is sought as a contingency. That contingency is not expected to be taken up at this time. However, a contingency is something that is unknown. I doubt that the Leader of the Opposition knows exactly what his bank balance will be on 30 June, even at this late stage.

Hon N.D. Griffiths: Nothing!

Hon MAX EVANS: I am sorry, I take back that comment! As I said, it is a contingency measure to safeguard against overdrawing on operating trust accounts at 30 June 1999; in other words, that Treasury does not overspend at the end of the year to make those payments. As I said, it is not expected that the contingency amount will be used. We are running a large budget. We have already talked about the Health budget of \$1.7b and the Education budget of \$1b, totalling \$2.7b. On those figures it is easy to be out by 1 per cent or 2 per cent. I am sure the Leader of the Opposition's budget will be out by that percentage of money. All we are trying to do is put aside money that will be available for those departments in circumstances which cannot be fully predicted. It is as simple as that. It is like running a business. The Westminster system appropriates certain amounts of money by departments and the money can only be spent on a department beforehand by a Treasurer's Advance Account and is recouped into that account at a later stage. That is what a Treasurer's Advance Account

is all about. On Appropriation (Consolidated Fund) Bill (No 3) there will be an opportunity to debate it, as members did last year.

ROTTNEST ISLAND, INCREASES IN COSTS

1351. Hon TOM STEPHENS to the Minister for Tourism:

I refer to the minister's comments last Friday that the Government can no longer afford to subsidise people's holidays on Rottnest Island and that the cost of going to Rottnest is comparable to going to the Perth Zoo, and I ask -

(1) Is the minister aware that the cost for a family of two adults and two children to go to the zoo is \$27.50?

Hon Peter Foss interjected.

Hon TOM STEPHENS: The minister goes to the zoo regularly when he goes to Cabinet.

(2) Is the minister aware that the cost for a family of two adults and two children visiting Rottnest from Perth before the price increase comes into effect next month is effectively \$130?

(3) Is the minister aware that the cost for a family of two adults, two children and two students visiting Rottnest from Perth is \$156, or almost 450 per cent more than the cost of going to the zoo?

(4) On what basis does the minister consider these costs are comparable?

Hon N.F. MOORE replied:

(1)-(4) I despair at times. I wish the Leader of the Opposition listened to what I said on Friday; he would then know what I was saying. I was giving a comparable figure between an entry fee to the zoo and an entry fee to Rottnest. The entry fee to Rottnest is the landing fee; that is, what people pay to get into Rottnest. How people get there is their business. Some people go in their own boats, some by ferry, some people fly, and some people even swim - in fact, a lot of people swim. However, when one gets there one pays \$6.50.

Hon Peter Foss: He walks.

Hon N.F. MOORE: I am sure he walks across and back every morning. There is therefore an entry fee of \$6.50 to Rottnest, if you happen to land on Rottnest from any of those sources.

Hon Tom Stephens: If you happen to be able to swim.

Hon N.F. MOORE: That is what I said on the radio last Friday. It costs \$10 - or \$11 now - per person to go to the zoo. I believe that the cost for children to go to the zoo is about half the price of an adult.

Hon Tom Stephens: You reckon they can swim. Let them eat cake!

Hon N.F. MOORE: Would the Leader of the Opposition let me answer the question? I think the entry fee for children to the zoo is half the adult price. The entry fee for children visiting Rottnest is 50¢. That was the point I was making when the shadow Minister for Tourism was trying to make a big deal out of a \$2 increase for landing at Rottnest. I was asked by Liam Bartlett on the radio to justify \$8.50 and I justified it on the basis that it is the entry fee to Rottnest just as the entry fee to the zoo is \$10 or \$11; just like the entry fee to Adventureworld is \$25; just like the entry fee to national parks is between \$5 and \$10. I can justify the cost of visiting Rottnest quite comfortably.

Hon Tom Stephens: So long as they swim. Let them swim!

Several members interjected.

The PRESIDENT: Order, members! I do not need interjections, otherwise half the members will not be able to ask their questions.

Hon N.F. MOORE: I hope I can take the time necessary to answer this question because in the preamble there was an insinuation that there was no need for the increase to the entry fee and that it has become out of the question for the poor citizens of Western Australia to visit Rottnest. The facts are that this Government inherited Rottnest Island in an appalling condition and the Australian Labor Party should be ashamed of that. Even the shadow Minister for Tourism admitted on the radio that the Labor Government spent no money on Rottnest and the place had deteriorated.

Hon Kim Chance: What about Longreach?

Hon N.F. MOORE: That was an absolute disgrace. Has the member been there? He should go and have a look some time. The Government has not fixed it all up yet but I will show him the condition in which the Labor Government left it. This Government spent \$10m on Rottnest before 1¢ of extra money was asked for from the people who used the place. Therefore, the money was used to substantially improve the amenities at Rottnest including the accommodation. Regrettably, the numbers of people visiting Rottnest were starting to fall because it was dirty, uncomfortable and appalling. We therefore decided to spend the money first and now we have raised the landing fee so that the people of Western Australia do not have to subsidise the holidays of people who go to Rottnest.

Hon Kim Chance: Or the western suburbs of Western Australia?

Hon N.F. MOORE: It is interesting that the member should mention that because 12 months ago, in response to an

allegation by Dr Gallop that we were making Rottnest into a playground for the rich, I said that it already is because I know who goes there. I was then abused in the media because I said that. There is no question about the fact that the people who visit Rottnest are generally from the western suburbs of Perth. However, we should get it in the right context. The cost of going to Rottnest and staying there is comparable with most other tourism destinations in Western Australia. In fact, it is probably considerably cheaper when comparing the cost per person as opposed to the cost of accommodation in other parts of Western Australia. I have no problem, therefore, in accepting the recommendations of the Rottnest Island Board, which recommended that we gradually increase the price of the landing fee. If the Leader of the Opposition wants to return to the zoo, he should take his family to the zoo, then land them at Rottnest and he will see that it costs exactly the same.

ENHANCED TRAFFIC ENFORCEMENT PROGRAM

1352. Hon N.D. GRIFFITHS to the Minister for Transport:

I refer to a briefing note on the Treasurer's Advance Authorization Bill 1999 provided by Treasury, which states that supplementary funding is required for the Transport portfolio. On what will the \$12.2m in additional funds required for the enhanced traffic enforcement program be expended?

Hon M.J. CRIDDLE replied:

The member is correct, there is a requirement for the enhanced traffic enforcement program. The Road Safety Council is putting together some initiatives, which I expect to receive in the near future. Some of those initiatives may well involve the requirement for more Multanova cameras, but that is yet to be finalised. That is the reason for the appropriation.

GROUND WATER, YARLOOP

1353. Hon J.A. SCOTT to the minister representing the Minister for Water Resources:

Further to question without notice 1308 of 15 June 1999, I ask -

- (1) Given that the ground water aquifer is exploited by Cable Sands for its Yarloop mining operations and by the Yarloop-Cookernup residents for their domestic and garden supplies, why has the local ground water resource remained outside the proclaimed ground water licensing area?
- (2) What responsibility does the Water and Rivers Commission have for ground water resources outside of the proclaimed licensing area?
- (3) If the Water and Rivers Commission has no responsibility, whose responsibility is it to ensure the ground water resource is used sustainably?

Hon MAX EVANS replied:

I do not have an answer to that question. I have a similar question from the member to the Minister for the Environment.

SCHOOL DRESS CODE

1354. Hon HELEN HODGSON to the Leader of the House representing the Minister for Education:

Some notice of this question has been given.

- (1) Does the Education Department have a policy regarding sanctions against students who do not comply with the school dress code as prescribed by the school council?
- (2) What is the policy and does it depend upon any issues of risks to the safety of students?
- (3) Has any school suspended students for not complying with the dress code of that school?
- (4) If so, did the contravention present a safety risk to the student?

Hon N.F. MOORE replied:

I thank the member for some notice of this question. In view of the amount of information required and the time it will take -

Hon Ljiljanna Ravlich: It would not have required anything. It would have taken half an hour.

Hon N.F. MOORE: I will respond to that interjection because it is important that the member understand -

Hon Ljiljanna Ravlich: I understand: You cannot be bothered.

Hon N.F. MOORE: The member should have listened to the questions. Question 3 asked whether any school has suspended any student. It may well be necessary for every school to be contacted. I do not know whether the Education Department keeps a central record of suspensions. I am sure it does not.

Hon Ljiljanna Ravlich: Did you at least ask that question? Why not ask the department whether it keeps those records? You do not know whether it keeps a central record.

Hon N.F. MOORE: I am not the Minister for Education. I am answering for the minister, who has asked that I request the question be put on notice. I could have told the member to put it on notice, but I am explaining that it may take some time to answer. If the member wants to waste question time by interjecting, she can do so.

Hon Ljiljanna Ravlich: Why not give some answers for a change?

WATER QUALITY, YARLOOP

1355. Hon J.A. SCOTT to the minister representing the Minister for the Environment:

- (1) Has the minister been made aware of complaints received by the Environmental Protection Authority or the Department of Environmental Protection from residents in the Yarloop-Cookernup area about declining ground water quality due to increased salinity?
- (2) Does EPA Bulletin 838 state that "in the event that over pumping of the aquifer occurs and adverse impacts are detected, the EPA considers that the licence allocations should be reviewed by the Water and Rivers Commission"?
- (3) In light of the complaints from Cookernup residents about declining ground water quality, what advice has the EPA provided to the Water and Rivers Commission?

Hon MAX EVANS replied:

- (1)-(2) Yes.
- (3) The chief executive officer of the Department of Environmental Protection is responsible under the Environmental Protection Act 1986 for monitoring the implementation of proposals to ensure they comply with conditions of approval. The DEP is working with the Water and Rivers Commission to ensure that Cable Sands undertakes proper investigations and monitoring of the impacts of its ground water abstraction at Yarloop-Cookernup, and that appropriate remediation actions are implemented if it is demonstrated that Cable Sands' abstraction is impacting on private ground water users.

RAILWAY LINE CLOSURES, SOUTH WEST

1356. Hon MURIEL PATTERSON to the Minister for Transport:

Some notice of this question has been given.

- (1) Does Westrail have any plans to close any major branch lines within the south west in the near future?
- (2) If so, which lines are they and when does it expect closure to take place?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

- (1)-(2) Train operations over the East Collie junction to Cardiff railway will cease with the final clearance of coal from the Delta mine at the end of this month. There are no present plans formally to close that railway line or any other lines in the south west in the near future.

ACACIA PRISON, COST

1357. Hon JOHN HALDEN to the Minister for Justice:

Some notice of this question has been given.

- (1) Will the Minister advise the cost of the design and construction of the Acacia prison?
- (2) Have the maintenance and management contracts for the management of the prison been finalised?
- (3) If not, when will they be finalised?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

- (1) The design and construction contract price for Acacia prison is \$78 714 678.
- (2) No.
- (3) Negotiations are proceeding with the preferred respondent.

PEEL HEALTH CAMPUS, AVAILABILITY CHARGE

1358. Hon J.A. COWDELL to the minister representing the Minister for Health:

Some notice of this question has been given. What is the annual availability charge paid to Health Solutions by the Government for space at the Peel Health Campus site?

Hon MAX EVANS replied:

I thank the member for some notice of this question. The availability charge commenced with the commissioning of the Peel Health Campus on 13 August 1998. The charges are: \$5 737 964.85 in 1998-99 and \$6 228 823.48 per annum in 1999-2000 and subsequent years. These payments are passed directly and fully back to the Government via Contract and Management Services, the owner of the site.

RAMSAR CONFERENCE, WETLANDS LISTING

1359. Hon GIZ WATSON to the minister representing the Minister for the Environment:

Some notice of this question has been given. With regard to the recent seventh international Ramsar conference and the listing of wetlands of international importance -

- (1) Why were there no new nominations from Western Australia?
- (2) Is the minister aware that the Australian Wetlands Alliance and the Conservation Council of Western Australia have identified 10 wetlands in Western Australia for consideration for Ramsar listing?
- (3) Does the minister support the nomination of these wetlands?
- (4) If not, why not?
- (5) If yes, when will these wetlands be nominated for listing?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1) The Government is considering the possible nomination of four wetlands to the Ramsar list as well as possible extensions to four existing Ramsar sites. Consultations with stakeholders were not completed in time for the conference. Those consultations are still under way and a final decision on nominations has yet to be made by Government.
- (2) Yes.
- (3)-(5) The possible nominations being considered by Government are based on an evaluation of existing information on Western Australian wetlands against the criteria for Ramsar listing. This evaluation identified 38 wetlands and wetlands systems, in addition to the nine currently listed, as meeting criteria for listing. It is the Government's intention to consider these subsequent to reaching a decision on the sites currently the subject of stakeholder consultation.

TRANSPORT STUDY, BLUE GUM LOG HAUL

1360. Hon MURRAY MONTGOMERY to the Minister for Transport:

I refer to the plantation blue gum log haul road transport study for the south west.

- (1) How long did the study take to finalise?
- (2) What funds will be required to be spent on the local roads to upgrade them to log haul standards?
- (3) From where will the funds come?

Hon M.J. CRIDDLE replied:

- (1)-(3) Yesterday I presented - on time - to the local road user group the study requested by it prior to Christmas. Main Roads Western Australia in conjunction with the Department of Transport, the South West Development Commission and local government in that area was requested to provide an analysis of local log haul roads.

The requirement for funding over the 10 years until 2007 will be in the region of \$40m, which will service the development of the blue gum industry in that area, which started in about 1988. Until now 100 000 hectares have been planted over two regions, the great southern and the south west. About 15 million tonnes will be coming off that. It will assist the area with jobs and be of great advantage to the region.

A second committee has been formed in the south west region to complement the one in the great southern. It is a timber industry group looking at the funding of these roads. That will be complemented by a statewide group from the timber industry, which will be looking at the required funding alternatives. I will be taking the issue to the Federal Government because when money is involved, it takes first dip at the taxes. We will certainly be raising the issue with the Minister for Transport and Regional Services, John Anderson, to see if we can get some funding from the Federal Government to help with these local roads in those two regions. Certainly the study identified all the requirements for local roads and local road funding.

RADOCK PTY LTD, APPRENTICES

1361. Hon LJILJANNA RAVLICH to the Leader of the House representing the Minister for Employment and Training:

I refer to the practice of Radock Pty Ltd's delivering the construction work of one traineeship for general construction and representing it as a new apprenticeship stage I, wall and ceiling fixer workplace agreement.

- (1) Is the minister aware that the apprentices, their parents and guardians are signing these agreements in the belief that they are genuine full-term apprenticeship agreements?
- (2) Is the minister concerned that this arrangement is a blatant misuse of the traineeship, as it was never intended to replace stage I in the building industry apprenticeship?

Hon N.F. MOORE replied:

I have several questions almost identical to this one. Is this question 414?

Hon Ljiljanna Ravlich: Just give them all to me.

Hon N.F. MOORE: I have two questions, one as read out by the member and a further question with an additional question attached to it. I do not have an answer to the first question, but I do have an answer to the second which is almost identical. I do not know why the member would put in two identical questions on the same day.

Hon Ljiljanna Ravlich: They are not identical. You think they are because you do not understand what they are about.

Hon N.F. MOORE: The first two questions are identical.

Hon Ljiljanna Ravlich: That is a nonsense.

Hon N.F. MOORE: I ask the member to put it on notice.

COUNTRY NURSES

1362. Hon KIM CHANCE to the minister representing the Minister for Health:

I refer to the recent pay negotiations between the Health Department and country nurses. Is it the Government's intention to extend the \$1 200 offer to all rural and remote nurses or only to those who voted against the mirror metropolitan enterprise bargaining agreement package?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

Health services have the capacity to negotiate such variations in accordance with their service needs and government policy. This position is in line with an agreement reached between the Commissioner of Health and the Australian Nursing Federation and endorsed by the Australian Industrial Commission in June 1998. The core framework of the Nurses MHBS Enterprise Agreement 1998 was to be applied to rural health services together with an ability to negotiate localised issues. In accordance with the above principles, a retention allowance has been negotiated for those health services where it can be shown that significant attraction and retention problems exist.

PERTH THEATRE TRUST

1363. Hon CHERYL DAVENPORT to the Minister for the Arts:

I refer to a briefing note on the Treasurer's Advance Authorization Bill 1999, provided by the Treasury, which states that \$947 000 in supplementary funding was provided for costs associated with the outsourcing of activities previously undertaken by the Perth Theatre Trust.

- (1) Will the minister provide a description of the outsourced activities?
- (2) Why was the additional funding incurred?
- (3) Would these additional funds have been incurred if the activities were not outsourced?

Hon PETER FOSS replied:

- (1)-(3) That is all subject to a reply to the committee which contains all the details. Essentially, no. We tried to change the way in which the Perth Theatre Trust was run. We sought to outsource it. The contracting company said that it could carry out the work for a lesser amount than the Perth Theatre Trust is able to carry it out, but it then had its management fee on top of that, so the net result was a little bit more than that. Some of the funds were merely transfers of payments. For example, superannuation and payroll tax were not payable, but of course they are circular payments. The only one which was truly an extra payment, which occurred not because we outsourced it but because we were not prepared to do it until we outsourced it, was to try to change the situation with the Perth Theatre Trust theatres. We found that to some extent they were being financed by leaving out what we regarded as essential maintenance and things of that nature, which should have been done.

We also wanted to try to reverse the trend of the decreasing amount of usage of the theatre. Some of that is an Australia-wide phenomenon, but we believe that it should be possible with proper marketing to increase the usage of those theatres. Part of the supplementary funding was also for new initiatives, which we were not happy to do with the Perth Theatre Trust because we believed it was not within its ability, not necessarily because of the individuals involved but because it was a very small organisation without the sorts of contacts had by Ogden International Facilities Organisation. Part of the intent was to use Ogden's capacity and ability to try to increase the usage of those theatres, so extra funding went in for a new function which we were not prepared to do with the expertise that we had in the Perth Theatre Trust.

FORESTS, KERR BLOCK

1364. Hon CHRISTINE SHARP to the minister representing Minister for the Environment:

- (1) Given that the compartments surrounding that section of Kerr Block that the Balingup community has identified as significant were last logged in 1985, 1991 and 1992, does the minister consider that the logging of the last Kerr compartment of 132 hectares identified by the Balingup community as significant would be a breach of ministerial

condition 12 of the ministerial statement of 24 December 1992 pursuant to the proposal to amend the 1987 management plans and timber strategy?

(2) If not, why not?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

(1) No.

(2) Ministerial condition 12 states the following -

12.1 The proponent shall ensure that, in all second order catchments in the intermediate and low rainfall zones of the multiple use jarrah forest subject to logging, at least 30 per cent of each second order catchment has a retained basal area of greater than 15m²/ha for a period of at least 15 years after harvesting of the remainder of the catchment.

12.2 This retained forest shall be selected to enhance wildlife, water resource and visual objectives.

12.3 The proponent shall monitor, to the requirements of the Minister for the Environment, and report by 2002 on the status and effectiveness of these measures to protect nature conservation values and water quality at the time of the next review of the forest management plans and timber strategy.

Ministerial condition 12 will not be breached through the proposed harvesting of Kerr forest block due to the following reasons -

12.1 In the second order catchment where the proposed harvesting will occur the proportion of the catchment which will have a retained basal area of greater than 15m²/ha will exceed 30 per cent.

12.2 Kerr forest block is managed as required under the forest management plan 1994-2003, other relevant conditions of the 1992 ministerial conditions which when implemented with the suite of codes of practice and silvicultural guidelines, recognise the requirements of wildlife, water resource and visual objectives.

12.3 CALM has until 2002 to comply with this condition.

In relation to condition 12, the EPA concluded in its bulletin 912 of November 1998 that CALM had complied with condition 12.1 and 12.2 and has until 2002 to comply with condition 12.3.

PINNAROO CEMETERY

1365. Hon RAY HALLIGAN to the minister representing the Minister for Local Government:

What is the current annual take-up of burial sites at Pinnaroo cemetery, and what is its total capacity?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

In the year ending 30 June 1998, 372 burials took place at the Pinnaroo Valley Memorial Park, and between 1 July 1998 and 31 May 1999, 359 took place. The Pinnaroo master cemetery plan provides for 54 200 burial sites over 42 hectares, with approximately 49 000 burial sites unused. However, the Perth Bushplan has identified areas within Pinnaroo where remnant bush may need to be preserved and, if this eventuates, the space available may be significantly reduced.

NORTHERN SUBURBS RAILWAY LINE EXTENSION

1366. Hon KEN TRAVERS to the Minister for Transport:

I refer to comments by the member for Wanneroo to parents at the Clarkson Community High School that the Minister for Transport is a boofhead who does not know what he is talking about, and I ask -

(1) Is the member for Wanneroo correct when he claims that the northern suburbs railway line extension will be in place, as promised, before the next election, which is contrary to the minister's statements to the estimates committee?

(2) If the member for Wanneroo is correct, what allocations have been made in budget estimates for the construction of this extension, and when does the minister expect construction of the extension to commence?

Hon M.J. CRIDDLE replied:

(1)-(2) I am not aware -

The PRESIDENT: Order! When I occupied a position on the Government's side of the House, certain comments were made that were supposed to be quotes from other people, and I found them later to be incorrect. I do not know whether Hon Ken Travers' information is correct, but the substance of the question deals with the extension of a railway line.

Hon M.J. CRIDDLE: I cannot tell the member and I do not know whether those comments attributed to the member for Wanneroo are correct. I made some statements in the estimates committee and that is what I believe will happen.