



WESTERN AUSTRALIA

Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
THIRD SESSION
1999

LEGISLATIVE COUNCIL

Wednesday, 15 September 1999

Legislative Council

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THE PRESIDENT (Hon George Cash) took the Chair at 4.00 pm, and read prayers.

PLANNING APPEALS BILL

Petition

Hon Bob Thomas presented the following petition bearing the signatures of 19 persons -

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

We, the undersigned petitioners, call on the Planning Minister to abandon plans to proceed with that section of the Planning Appeals Bill which authorises the Minister to intervene during an investigation of an appeal if he considers it to be of State, Regional or other public importance.

We believe this will give new and unprecedented powers to the minister, creating an appeal system that is not truly independent.

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 162.]

STANDING COMMITTEE ON PUBLIC ADMINISTRATION

Twelfth Report, Tabling

Hon Kim Chance presented the "Twelfth Report of the Standing Committee on Public Administration in relation to the administration of environmental complaints relating to public health: a case study", and on his motion it was resolved -

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

[See paper No 163.]

Thirteenth Report, Tabling

Hon Kim Chance presented the "Thirteenth Report of the Standing Committee on Public Administration in relation to outsourcing and contracting out: investigations in the United Kingdom", and on his motion it was resolved -

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

[See paper No 164.]

STANDING COMMITTEE ON ECOLOGICALLY SUSTAINABLE DEVELOPMENT

Inquiry into Rock Lobster Fisheries - Motion

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [4.05 pm]: I move -

That the Standing Committee on Ecologically Sustainable Development inquire into the management and sustainability of the Western Rock Lobster Fishery having regard to -

- (1) The accountability of the Department of Fisheries and its rapid rate of expansion.
- (2) The potential conflict of interest of the department in being regulators and having involvement in projects and marketing.
- (3) A proportional redirection of better interests development funding to the Western Australian Rock Lobster Fishers Federation to enable it to better represent the interests of lobster fishers.
- (4) The ability of Western Australian fishers to store, feed and sell their product anywhere within Australia.
- (5) The establishment of a seafood exchange in Fremantle.

Members may recall that we debated the rock lobster industry at some length last session. This House decided that the Ecologically Sustainable Development Committee should investigate the industry under the terms of reference I have just read out. I gave a commitment at the time that if prorogation interfered with the workings of the committee I would move for reinstatement of the matter before the committee.

Sometimes ministers in this House answer questions on behalf of other ministers or, as has occurred on this occasion, move motions which are not theirs. If members think I am moving this motion today as its author they should be assured that is not so; I have moved it simply in response to a request to reinstate a motion that was before the House prior to prorogation. I think I vigorously opposed the motion at the time and voted against it. Having given an undertaking that we would reinstate the matter, it may appear that I am moving it, when in fact I am simply seeking to reinstate the matter before the committee.

HON NORM KELLY (East Metropolitan) [4.07 pm]: I am not totally clear about the wording of the motion and whether it refers to a report-back date in December, as did the original motion. The committee would still like to report back by that time as it hopes for a short, sharp inquiry.

Hon N.F. Moore: There is no report-back date but I expect that will be as soon as possible.

Hon Norm Kelly: We expect it to be by December anyway.

Question put and passed.

CENSURE MOTIONS

Points of Order

Hon PETER FOSS: I had hoped to raise this point of order in the presence of Hon Ljiljanna Ravlich. Notices of Motions Nos 6, 7 and 8 seek to censure ministers who are not in this House. For example, motion No 6 reads -

Hon Ljiljanna Ravlich to move:

That -

- (a) The Premier and the Minister for Justice be censured for failing to negotiate . . .

Although I accept that the House may censure me, I do not believe it can censure a minister in another House. Perhaps some other wording would be more appropriate. Perhaps you will take that on board, Mr President, and consider it and at another stage rule on whether the wording is out of order or should be amended.

Hon TOM STEPHENS: Perhaps after you consider the request for a ruling on those motions, Mr President, you might indicate when you give your ruling whether it would be appropriate for the member to seek the leave of the House to amend those motions rather than to simply have them deemed out of order and removed from the Notice Paper. Rather than see the motions dispensed with by presidential ruling, there might be an opportunity before the motions are moved for their wording to be amended to accommodate any of the customs and practices of the House.

The PRESIDENT: I have heard the Attorney General and the Leader of the Opposition on the matter. My understanding is - and I will maintain this belief if not corrected - that the Attorney General is not seeking to have the motions struck out but is seeking a ruling about the word "censure" as it applies to ministers in another place. There have been relevant rulings in the past and as soon as I am able I will return to the House and confirm, if appropriate, those earlier rulings. I will take into account the matters raised by the Leader of the Opposition and may even recommend to the House some alternative words.

GOVERNMENT PRIORITIES AND FUNDING COMMITMENTS

Motion

Resumed from 9 September on the following motion moved by Hon Tom Stephens (Leader of the Opposition) -

That this House -

- (a) condemns the Government for its misplaced priorities and funding commitments to projects such as the belltower and the convention centre at the expense of core areas of state government responsibility such as health, education, community safety and public transport; and
- (b) calls upon the Government to remedy its failure to deliver government services at affordable rates and give priority to hospitals, schools, police and public transport.

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [4.11 pm]: Last time the House discussed this matter, I indicated to the Leader of the Opposition how pleased I was he had moved this motion because it gives the House a chance to talk about the Government's very good record with respect to its priorities and the way it has managed the State's economy. I have already spent 40 minutes doing that and I will spend as much time as it takes to convince members opposite that they have it wrong. As I indicated the other day, the Government has a very good record in expenditure in the range of areas referred to in the motion. I was indicating that the Government has made significant structural changes to the State's financial position since 1992-93 and I was describing the significant capital works program the Government has embarked upon and just where that expenditure is taking place. I had told the House of the significant capital works programs in education and health but I ran out of time before I reached the significant capital works program in the Justice area. I will now spend a moment or two reflecting upon the dollars being spent in the justice system and where that money is being spent.

A quick list of the Justice expenditure includes the Canning Vale Assessment Centre - a \$21m project; the Canning Vale upgrade; Banksia Hill Juvenile Detention Centre; Greenough Regional Prison; juvenile remand centres at Roebourne, Albany and Bunbury; and justice centres at Busselton, Rockingham, South Hedland and Joondalup. The new offender management project system is a \$7m capital works program, and the courts computerisation program involves \$7.3m. We could then look at the new and upgraded police stations in Bunbury, Busselton, Clarkson, Geraldton, Lockridge, Rockingham, Wiluna, Bayswater, Cannington, Dunsborough, Gosnells, Mirrabooka, Murdoch, Nullagine, Belmont, Halls Creek, Kununurra, Roebourne, Hillarys, Morley and Meekatharra. In addition, there are other projects such as the emergency services calls - \$3m; the police academy - \$45m.

Hon Tom Helm: What about the police station at Newman?

Hon N.F. MOORE: Well -

Hon Tom Helm: Yes, well, that is right.

Hon N.F. MOORE: It is probably the only town which has not received a new police station. Hon Tom Helm needs to be a little patient.

Hon Ken Travers: What time are you talking about?

Hon N.F. MOORE: I am talking about the time the Government has been in office. I will now talk about the new police academy - a \$45m project - and the police operations support facility - another \$42m. These projects represent a significant investment by this Government in law and order. If members opposite want to start arguing about law and order and police stations, I am happy to begin relating to the House the conditions we discovered in police stations when we came into government. It was totally appalling; some police stations looked like they could have been built in the Dickensian era.

Hon Tom Helm: Some have become worse. Newman, for instance.

Hon N.F. MOORE: Hon Tom Helm should have a look at the station in Kununurra or any of the new police stations which have been built around the State; they are quite outstanding. Members opposite should look at Meekatharra and some of the other places they have been complaining about. The Government has spent a lot of money on upgrading prisons, on new prisons and on police stations around Western Australia. This Government has a commitment to ensuring that the people who work in those institutions work in good conditions and that those prisoners who are occupying space in our prisons have reasonable facilities available to them. The Government is now talking about a new prison which it hopes will be built in the near future to alleviate some of the overcrowding at Casuarina Prison. How that new facility will be built will depend to a large extent on the attitude of this House.

In education, health, law and order and the justice system the Government has spent a considerable sum of money on capital works, bearing in mind that one of the fundamental roles of State Governments is to provide infrastructure for the public service to operate. As Hon Bob Thomas told us the other day, it is easy to govern the State. The main difficulty is getting the balance needed to ensure that various agencies right across government are getting their fair share of funds and that the Government is not concentrating all its attention on one particular area.

The Government made a very important decision early in its term on a matter we have already debated, so I will not go into much detail about it. The Government made a significant decision about Main Roads, because it decided that there were too many roads in Western Australia which were not sealed and too many sealed roads in poor condition and that we needed to quickly extend the road network in the State. The previous Minister for Transport was able to convince the Government to raise funds in various ways and to put together a significant road building program for Western Australia. As I have said a couple of times in this House, I am delighted to see some of the roads in my electorate being sealed, roads that I had never ever imagined would see any tar.

Hon Tom Stephens: At triple the cost of what was previously done, per unit cost under previous Administrations.

Hon N.F. MOORE: That may be Hon Tom Stephens' point of view but I do not for one moment believe that what the Hon Tom Stephens says is even vaguely accurate. However, I know that the way the Main Roads department has been restructured and the way the road building is being undertaken is achieving significant efficiencies in the way the money is spent. The previous Government's view was that as long as it ran the Main Roads department and kept people doing particular jobs, it did not matter how many roads it built. As long as so many dollars were spent each year and so many people were employed, it was satisfied. The fact that the job was to build roads was incidental to the way the previous Government did things.

Hon Tom Stephens interjected.

Hon N.F. MOORE: It is a pity that every now and again the Leader of the Opposition lets his ideological blinkers affect what he says. He always comes out with outrageous remarks about keeping rich friends in business. I heard him saying something along the same lines the other day and it is appalling. Nobody I know on this side of the House is seeking to make anybody other than everybody in Western Australia rich. We want to give people a chance to do well and be involved in enterprise. A good thing about the contracting out processes undertaken by this Government is the significant benefit to Western Australian enterprise. That has nothing to do with the crazy ideological nonsense that comes from the mouth of the Leader of the Opposition from time to time. Most of the time he is quite a measured, responsible gentleman, but at times his ideological idiosyncrasies take over and we hear diatribes such as that we heard yesterday. Bearing in mind the list of roads that are being sealed or upgraded, and the significant improvements to the road network in Western Australia, it is fair to say that this Government has done a good job with respect to roads.

Hon Ken Travers: How many sections of the Mitchell Freeway have been opened under a Liberal Government?

Hon N.F. MOORE: I do not know, I do not travel to the northern suburbs very often.

Hon Ken Travers: Most of Perth does.

Hon N.F. MOORE: However, I drive across the Narrows Bridge at least twice a day and, as one who lives in the southern suburbs, I think widening the Narrows Bridge is a very good idea, even though the Labor Party does not.

Hon Ken Travers: We want a train.

Hon N.F. MOORE: The member wants a train to go across the Narrows Bridge? Good grief! Next, it will finish up in the river because it is not possible to put a rail track along that route. Providing a rail service from Fremantle to Rockingham will do nothing about the Narrows Bridge.

Several members interjected.

The PRESIDENT: Order! Hon Ken Travers has not spoken yet and he still has an opportunity to contribute, although other members who are interjecting have already spoken.

Hon N.F. MOORE: The member's interjection referred to his electorate and that is fair enough. Of course, he would like the Mitchell Freeway to extend to Geraldton and so would we all. On the other hand, money is being spent to satisfy other problems, such as the Narrows Bridge which affects me personally. I am happy for money to be spent in the city now, although that may not always have been the case, because money is now also being spent in remote parts of the State and that has not happened before. The roads between Meekatharra and Wiluna, and Leinster and Mt Magnet are being sealed, and it is hoped that ultimately the road between Tom Price and Karratha will be sealed. They are very important roads to people living in remote areas. It might take those living in the metropolitan area an additional 10 minutes to drive to work on the Mitchell Freeway, but it is better for money to be allocated so that people in remote areas have access to bitumen roads when for all their lives they have had to put up with substandard gravel roads. In its road building program the Government has a good balance between the needs of remote Western Australia and the significant demands in the metropolitan area. The Government has given priority to that area and people have demonstrated to me that it is also their priority.

With respect to public transport, the Government has put a lot of money into the new bus acquisition program, which is an important aspect of the public transport system, together with a whole range of other initiatives that the Minister for Transport tells the House about from time to time.

Another area of capital expenditure is Western Power's Collie power station which is a massive project that is absolutely vital to the power generation needs of Western Australia. The infill sewerage program is not a sexy political issue, it has tremendous environmental benefits to Western Australia and, at the same time, it has a positive impact on the commercial value of properties connected to the infill sewerage system. It is an important initiative by this Government, which some might regard as of no great importance because it is not a sexy political issue, and it is doing something important for the metropolitan area and many towns in regional Western Australia.

Similarly, the Water Corporation is making Perth water-restriction proof, to avoid the situation in which it must rely heavily on rains filling the dams each year to provide water supplies. By constructing a dam near Harvey and piping the water to the metropolitan area, Perth will be virtually water-restriction proof into the future.

The capital works budget of this Government over the past seven years has been a very significant contribution to the needs of Western Australia, and demonstrates that the Government has its priorities right. I will shortly talk about the particular funding commitments referred to in the motion; namely, the belltower and convention centre. Also, I shall comment on other major capital works items within those categories.

I refer now to the basis of my argument today; that is, the Government has managed the financial circumstances of the State well and the capital works program is an important part of that. The Government has made these achievements by paying attention to reform of the public sector's financial management practices. Members are aware that the Government is now implementing full and detailed forward estimates beyond the budget year, so the State is now planning four years in advance for its financial needs. The Government is adopting a total or public sector approach to state finances, and is not simply focusing on the budget sector. It is applying the proceeds from asset sales to reducing debt in most instances, but is also using them to acquire new capital assets. That is an appropriate way in which to utilise asset sales. The Government is also moving to accrual presentation of budgets and is not simply managing cash resources, as was the case in the past.

Let us consider what this has meant from a number of perspectives. I emphasise again that there is a significant difference between the financial management of the Labor Government and that of this Government. The Labor Party in office has proved that it is incapable of managing the State's finances, and this Government has achieved a number of things by the strategies it has adopted since the 1992-93 financial year. It has restored the State's AAA rating. That is a major achievement but it does not win any votes. It is an important determination by independent credit rating organisations that this Government has the finances of Western Australia in a reasonable state. That restoration of the AAA rating was done by Moody's Investors Service in December 1996 and by Standard and Poors in December 1998. It was hard work and a fair number of difficult decisions were needed to get the finances back to where those rating organisations restored the AAA rating.

Also the public sector net debt is at the lowest ever recorded level. It has been cut by an estimated \$3 460m, from \$8.5b on 30 June 1993 to \$5b projected for 30 June 1999. As a share of gross state product, net debt will be around 8 per cent by 30 June 1999 compared with 20.6 per cent at 30 June 1993. It is a significant change and, taking into account the proposed sale of AlintaGas and Westrail freight, there will be further reductions in net debt in WA.

Hon Tom Helm: Sell the jewels as well.

Hon N.F. MOORE: If the jewels are costing a heap of money and have dull grime all over them because they are not working to capacity, we must find ways and means of making them work better.

Hon Tom Helm: Leave it to the Labor Party.

Hon N.F. MOORE: The tragedy of this discussion is that the Labor Party members appear to have learnt nothing. I have just met with some public servants from Tanzania who are looking at the State's mineral and energy sector. For most of its recent history Tanzania has been under socialist rule, and these representatives are in Western Australia to find out about privatising energy supplies and the provision of public services. It has worked out, as have most other countries, that it is the way to go. It is a tragedy for Western Australia that members opposite have not yet worked that out. Although there is an interesting dichotomy within the Labor Party, people like Hon Tom Helm say that we should not sell anything. However, the federal Labor Party flogged off Qantas and the Commonwealth Bank.

Hon Tom Stephens: We do not sell core, essential services.

Hon N.F. MOORE: Is that right? What are the core, essential services?

Hon Tom Stephens: You are flogging hospitals and power services and privatising road works.

Hon N.F. MOORE: No-one is selling hospitals. It is unbelievable that the Leader of the Opposition should say some of the things he does. He fails to understand that the private sector runs very good hospitals, as does the public sector. Members can have one or the other; they can take their pick. Recently I spent some time in a public hospital and the service provided to me was absolutely fantastic. My son was in a private hospital recently and the service was equally good. No-one is selling public hospitals to the private sector. A very good balance is being achieved. The Leader of the Opposition suggested that by having roads built by the private sector, we are privatising roads. No-one is selling anyone any roads - not that I am aware of. They are still public roads, public assets, which are being paid for by taxpayers. It just so happens that the roads are being built by the private sector, which employs Western Australians just the same as the public sector. I cannot work out why members opposite continue to attack the private sector when a vast number of the people who support the Labor Party politically work for the private sector. The private sector is an important part of our economy, and that is why I cannot work out the members of the Labor Party. I cannot work out where they stand, and I am sure they cannot either. They are trying to cling to the things that they thought were wonderful in the past - the old socialist philosophies. They recognise that the world left those behind 20 years ago. They are trying to grapple with where they are right now, and they are not quite sure. Then they get into government and sell off Qantas and the Commonwealth Bank. For the benefit of Hon Tom Helm, a relative newcomer, the Commonwealth Bank was considered one of the foundation cornerstones of the financial system in Australia - and the Labor Party sold it.

Hon Tom Helm: It was not the state party.

Hon N.F. MOORE: Members cannot eat their cake and have it, too. They cannot argue that one should not privatise, and then do it. They must be a bit consistent in all of this. The federal Leader of the Opposition and the state Leader of the Opposition are beginning to wake up to the fact that they have been marginalising in the policy debates about these sorts of issues to the point where the Democrats are now the Opposition in Canberra and are doing their best to be the Opposition in Western Australia.

Hon Tom Stephens: They are not the Opposition; they are in bed with the Government. That is not the Opposition.

Hon N.F. MOORE: I would not have thought that the Democrats were in bed with us.

Hon Tom Stephens: Yes, they are. Courtesy of them, you have the GST.

Hon N.F. MOORE: Just the thought of it is a bit of a worry.

Hon Derrick Tomlinson: Hon Norm Kelly would not be in bed with us with a wet suit on.

The PRESIDENT: Order, members! This is not general discussion time.

Hon N.F. MOORE: I was indicating to the House that we have reduced the State's net debt to its lowest levels. This compares with record growth in net debt under the previous Government, which permitted net debt to grow by \$2.5b, or 42 per cent, from 1988-89 to 1992-93. It was fuelled by sustained and regular substantial deficits annually. As a result of declining net debt - obviously this is a result of what not only the State Government does, but also the Federal Government; that is, stay below interest rates - net interest costs have declined dramatically from 10.3 per cent of total public sector revenue in 1992-93 to a projected 4.7 per cent in 1998-99. Over the period 1992-93 to 1998-99, the surplus on current day-to-day operations more than doubled and is projected to be just under \$1b in 1998-99.

It is a fact that we have increased debt in the recent state budget because of the circumstances facing the Western Australian economy as a result of the Asian financial crisis and the significant impact that has had on the Western Australian resource sector particularly. We have made a decision to inject additional funds into the State's capital works budget to ensure that the economy gets a benefit from the State Government's injection of funds into the community. Some of the capital projects which will be of economic merit include the Transform WA road project; the renewal of the State's bus fleet; the infill sewerage project, which will continue; the Collie power station; the proposed Harvey dam; regional infrastructure; and tourism projects, and I will come back to that in a moment as it includes the convention centre, the Barrack Square and belltower redevelopment and the new museum at Fremantle.

Hon Tom Stephens: That is what you have in common with the eastern European Governments of the old communist regimes: Monuments to yourselves. You are a veritable imitation of Ceausescu with your monuments to yourselves.

Hon Max Evans: You were given the bells and you did nothing with them. They were given as a special gift.

The PRESIDENT: Order, members!

Hon N.F. MOORE: For some strange reason, the Leader of the Opposition has no concept of what tourism is all about. He does not understand, as his colleagues do not understand, that the world of work is changing. People are increasingly working in tertiary industry, such as the hospitality, tourism, finance, transport and delivery industries. They are working in industries that are creating the jobs for the future. Regrettably we are increasingly seeing declines in work levels in primary industry, Western Australia is yet to be a significant secondary industry State, but that will grow as our economy continues to mature. In the future we must provide opportunities in the job markets for many thousands of young people, particularly. The job markets will increasingly be in the tertiary sector. As Minister for Tourism, I have come to realise just how important this industry is to Western Australia. For the benefit of the Leader of the Opposition, at present one in 12 people works in the tourism industry; that is, about 70 000 Western Australians. The tourism industry is worth \$2.1b a year to the Western Australian economy. Compared with mining, which is worth \$18b, it is not big bickies, but it is growing.

Hon Greg Smith: They would get rid of mining if they could.

Hon N.F. MOORE: Members opposite are doing their best. If anything is successful, they put their foot on it.

I will talk about the convention centre now that I have been provoked. We are trying to create a building. It is not a monument; it is a building, just like this place is a building built for a particular purpose.

Hon Tom Helm: Like the one at Burswood.

Hon N.F. MOORE: I will come back to that in a moment, because for some reason the Labor Party is in bed with the Burswood International Resort Casino. I wonder why members of the Opposition are so friendly with the Burswood point of view. I will reflect on that in a moment because I remember well the processes that this State went through to create Burswood, and I am sure members opposite remember it better than I, because they would have been in those meetings when the decisions were made to build a casino in Western Australia.

The convention centre we are proposing to build in Western Australia has two major components: The first one is a convention centre, which is a place where meetings are held. It must be of a certain size. We have worked out that a convention centre which will take 2 500 delegates in plenary session is the size of a convention centre we believe is appropriate for Western Australia for the reasonably near future. That size of convention centre is not available at present, although I acknowledge that in recent times Burswood has indicated that it will increase the size of its centre to take up to 2 300 delegates. The second component of the convention-exhibition centre is the exhibition centre itself. When conventions and exhibitions are held, it is important to have enough capacity to enable exhibitors to show their wares.

Whether those exhibitions are associated with conventions or held independently does not matter. However, the Government believes that Western Australia needs about 20 000 square metres of that type of space to meet the future needs of the convention and exhibition industry. We currently have the Burswood dome, which comprises about 8 000 or 9 000 square metres. That facility is not big enough for the State's future requirements, and Burswood's management has not indicated that it intends to extend it. It also has an inflated roof. That is great if one likes that sort of building, but it is not helpful as an exhibition centre because exhibitors cannot hang displays from the roof, and that is an important part of mounting many exhibitions. In addition, the inflated roof construction requires the building to be airtight, and it is very difficult to get large exhibits in and out without the roof collapsing. It is also a nuisance to visitors because they must wait to go through the revolving doors, and not many people enjoy that experience. The dome is good for sporting events - for example, the Hopman Cup - but it is not very good for concerts. The Placido Domingo concert was very average. It is also not very good for exhibitions.

The Government believes that the State needs an exhibition centre comprising 20 000 square metres to accommodate future exhibitions. The Burswood management's current plans do not provide for that facility. It offered that as part of its submission for the convention and exhibition project, but it was unsuccessful in that bidding process. The Government has made a decision that what Western Australia needs for conventions and exhibitions must be provided one way or another. We do not have that facility and we will not get it if Burswood management proceeds with its present expansion plans. That is why the Government is looking at proceeding with the expressions of interest and the next stage of the process of working with the private sector to build an appropriate venue.

Everywhere else in Australia or the world, convention and exhibition centres are funded and operated by Governments in total or paid for by the private sector in exchange for a casino licence or some other concession. The Adelaide facility was paid for by the Government; the Melbourne facility was financed through a casino licence; the New South Wales facility was provided by the Government; and the Queensland facility was also financed through a casino deal. The list goes on. The Western Australian Government has decided that it will issue no more casino licences, certainly in the metropolitan area. I might have an argument with my colleague about other areas, but that is an issue for another day. The Government does not believe it should extend gambling in Western Australia. As a result, it does not have a casino licence to offer the private sector in return for the construction of an acceptable convention and exhibition centre.

Hon Norm Kelly: You are expanding gambling at Burswood Casino. You are giving Burswood a bigger monopoly.

Hon N.F. MOORE: That is another issue. Burswood has the one and only casino licence. The Labor Party introduced the enabling legislation providing for a monopoly until a certain date. To minimise the increase in gambling, this Government has decided not to increase the number of casinos. In a sense, that is a bonus for Burswood, which accommodates the increasing population and the growing number of people who want to use that facility. I am concerned that if we were to rely on Burswood as the venue for future conventions and exhibitions, we would create a gambling, conventions, exhibitions and shows monopoly. It is the only place, other than the Entertainment Centre, that can stage such events. Regrettably, the Entertainment Centre is also not up to scratch when one compares it with international facilities.

Hon Bob Thomas: So there will not be a casino licence for Bunbury then?

Hon N.F. MOORE: No; I would be surprised if the people of Bunbury wanted one.

Hon Bob Thomas: A proposal is currently before council relating to the Broadwater silo facility.

Hon N.F. MOORE: There might well be. However, we have legislation in Western Australia - introduced by the Labor Government - giving a monopoly to Burswood. I earlier asked the rhetorical question: Why are members opposite so argumentative in favour of Burswood? I cannot work that out. It raises some questions. We all remember the rumours about kickbacks circulating when Burswood was being built. I do not propose to repeat them, other than to remind members that concern was expressed at the time those deals were being done.

Hon Bob Thomas: We know who made up those rumours.

Hon N.F. MOORE: It was a serious concern at the time. Governments face that problem when they allow a particular group to have a monopoly gambling licence. Gambling is regrettably one of those activities that can lead to corruption if one is not very careful.

Hon N.D. Griffiths: Many activities do that.

Hon N.F. MOORE: They do, but gambling is special. Governments of every persuasion do everything they can to stamp it out.

Hon Bob Thomas: I am sure members know that 17 per cent of the Victorian budget comes from gambling.

Hon N.F. MOORE: Fortunately we do not have that situation. I would prefer people to pay taxes in other ways rather than losing money in a casino. The Government has made the decision not to have another casino. Whether the Labor Party will come into office in the future and change the legislation, I do not know.

Hon Bob Thomas: It has a sunset clause.

Hon N.F. MOORE: The Government has decided that the current facilities at Burswood and the planned upgrading will not meet the future needs of the convention and exhibition sector. That is why it invited the private sector to make submissions.

Hon Norm Kelly: What about utilising the money in the Burswood Park Trust? It was used to fund the State Tennis Centre and the golf course.

Hon Max Evans: It did not fund the State Tennis Centre; that was paid for by Tennis West and Tennis Australia. That money has been invested in the Burswood Park Trust only in the past two years.

Hon N.F. MOORE: In case members think that the State Government did not make a very significant contribution, I point out that it spent \$3.6m. That facility was funded by the taxpayers of this State. Burswood might have installed two courts.

The Government decided to put up \$100m from the sale of the pipeline for the construction of a convention and exhibition centre. As I said, in most other places, the Government provides all the funding or issues a gambling licence. This Government has not had that opportunity, so it has had to try to get the best of both worlds: A government contribution of capital and private sector involvement. It came up with the very imaginative proposition that it contribute up to \$100m as an incentive to see what the investment world was prepared to deliver. The Government outlined the minimum requirements and indicated that a number of other facilities could be built in association with the convention and exhibition centre which would benefit the State and which would be compatible with the centre. That included a soccer stadium, a hotel, residential developments, retail developments, an arts centre and many other facilities that investors may wish to consider.

As a result of that process, seven consortia produced very good propositions. I said to myself at the time that even if we were to get the worst of the proposals, I would be very pleased. We have now narrowed the number of consortia down to three. They will be going through the request for proposal stage. When we have the proposals we will work out which one to proceed with. I am confident that we will get a very significant capital injection into Western Australia for our \$100m plus some land. Hon Norm Kelly asked me a question about the value of the land. The value of the busport site and the Wellington Street site is being considered. Our proposal is to make available the land that is needed for the mandatory buildings at a peppercorn rent for 99 years. If any part of the crown land is required for any other development outside the mandated buildings, it will be paid for at a commercial rate. The developers will build that into any proposal. The mandated areas are the convention-exhibition centre, the stadium and the arts centre. For anything else that a consortium might wish to build, like hotels, residential accommodation and retail accommodation, a deal will be done in respect of the land's commercial value.

Hon Norm Kelly: Has there been any consultation to see whether that is an appropriate use of the busport site, considering the uproar that the busport caused when originally built?

Hon N.F. MOORE: We will reach the stage when a decision will be made by the Government to proceed on one or both sites. It will go through the gamut of public opinion. Certainly Perth City Council, which has a particular interest in this, will be very closely involved in the planning and decision making processes. From what I have seen so far, I have no doubt that we will get a project of which we will be very proud. It will be a significant project but it will not be, as Hon Tom Stephens would have us believe, a monument to anybody. It will be a convention centre that will seat up to 2 500 convention delegates in plenary session.

Convention delegates spend eight times on average the amount that regular tourists spend. I would have thought that getting conventions to Western Australia would be very strongly supported by the Labor Party. Regrettably it is not.

Hon Norm Kelly: That average is only on a daily basis but conventional tourists stay for a lot longer.

Hon N.F. MOORE: It is what they spend for the duration of their visit. I do not know whether the figure is for a daily visit or for the total visit, but I will check that.

Hon Norm Kelly: That is why backpackers are important, because they stay for months.

Hon N.F. MOORE: We would like to have backpackers too. We will get everybody we can get. However, right now we cannot get big conventions because we do not have a facility big enough for them. The Tourism Commission, with my assistance, negotiated with the American Society of Travel Agents to have its convention here in 2002 - that is a 5 000 delegate convention. We did not succeed because it felt that our facilities were not adequate. Those people have gone to Hawaii, which no doubt has hundreds of those facilities. We believe that we need to take a step upwards to give ourselves a chance to get these very significant conventions. We are pursuing the American Society of Travel Agents because 4 000 or 5 000 travel agents coming from another country to Western Australia, spending a couple of weeks here and finding what a great place it is, going back and selling the Western Australian product to their clients, is in our very best interests. The evidence around the world is that wherever the American Society of Travel Agents has had a convention, that country's tourism increased by up to 20 per cent in the following couple of years. Therefore, it is worth getting them if we can. That is one of the reasons that the convention centre is part of our plans for the future of tourism.

The convention centre is not a monument but a building which will be used for meetings of delegates coming to Western Australia. The building will be very functional and will cater for their needs.

Hon Tom Helm: It could not house the American Society of Travel Agents, could it?

Hon N.F. MOORE: Yes, because we will have the exhibition centre attached to it, and its breakout rooms will be able to cater for that number of people, whereas Burswood would have tents, as they did with LNG Expo, which the member may have attended. Although that was successful, it did not ring any great bells for anybody anywhere else for Burswood as a place for conventions of that size.

Convention and exhibition centres must be built in conjunction. We will have an advantage over Melbourne because its convention centre and exhibition centre are separated by a major road. If members wish to see something similar to our proposed convention-exhibition centre, they should look at the Brisbane one. It is basically five squares in line, each of which is about 5 000 square metres. The first four make up the 20 000 square metre exhibition space and the other square contains the convention centre. Ours will be a much more attractive building from what I have seen of the architectural drawings up to now, but the Brisbane centre is very useful and practical.

The most important aspect of this is not that we will get convention delegates to Western Australia but that they will have to be looked after by Western Australians. The Western Australian employees who work at the convention centre, the hotels, the buses, the coaches, the tour companies, the airlines, the cafes and the restaurants, and all the other service providers, will have their jobs directly related to those convention delegates. Again, members of the Labor Party thumb their nose at this proposal.

Hon Tom Stephens: By the time you have finished with the education system most of them will be capable of being only boot shine people at the convention centre. That is the contribution you have made.

The PRESIDENT: Order!

Hon N.F. MOORE: What a terrible aspersion the Leader of the Opposition casts on the teachers of Western Australia.

Hon Tom Stephens: You are systematically destroying education. There will not be a teacher in the schools.

The PRESIDENT: Order! The Leader of the Opposition, who moved the motion, will have an opportunity to wind up the debate in due course.

Hon N.F. MOORE: He does not seem to understand that every education system has graduates. Children finish their education and then go on to a job. If he were to spend all the money on the Education Department and do nothing about where people go after they leave school, he would be severely disadvantaging them. We are providing an opportunity for at least 600 jobs in the convention-exhibition centre. Hon Tom Stephens says that is not many, but for those 600 people it is significant. He would also be ignoring the multiplier effect on all of those industries which would benefit from having a convention and exhibition centre in Western Australia. There are countless thousands of them. He also ignores the 2 000 or 3 000 jobs that would be created when building the centre. I am often amazed at the Labor Party, which has great supporters of the construction unions. Hon Ljiljanna Ravlich is one of them.

Hon Ljiljanna Ravlich: That is me; I will put my hand up.

Hon N.F. MOORE: The member is a great supporter of the construction unions. They are looking for as many construction projects as they can get so that they can have ongoing employment. It saves them having to go slow on projects which are running out of time while they are waiting for the next one. If we can get a lot of building going on in Western Australia, they can complete the buildings that they are building now within time and budget and then get on to the next one. If the convention-exhibition centre project is to deliver \$400m worth of investment, which is a rough, ballpark figure that we could see being contributed by the private sector but including our \$100m, that is \$400m worth of jobs for the construction sector.

I would have thought that the Opposition would be shouting from the rooftops in support of any decision which meant that a \$100m government investment may get \$400m.

Several members interjected.

The PRESIDENT: Order! The Leader of the Opposition and the Leader of the Government should speak one at a time.

Hon N.F. MOORE: I have gone through a long list of capital works of some \$3.5b this year and the Leader of the Opposition wants even more. He will have a school for every student the way he wants to go, but they will not get a job because there will be nowhere to work. I cannot believe the man. We will put up \$100m and maybe out of that - I say maybe because we are going through the process - we will get \$400m worth of investment.

Hon Tom Stephens: Will that be in addition to the land?

Hon N.F. MOORE: The land will be in addition to that, but if Hon Tom Stephens was listening he would know what that was about.

Hon Tom Stephens: Is that \$175m worth of public assets?

Hon N.F. MOORE: It may, or may not be, that much. It may be \$50m because we are in a competitive environment. The people who want to build it will produce the lowest government contribution. That will contribute to the decision making process.

Debate adjourned, pursuant to standing orders.

[Questions without notice taken.]

ADDRESS-IN-REPLY

Amendment to Motion, as Amended

Resumed from 14 September on the following amendment moved by Hon Bob Thomas -

And further advises His Excellency of the Legislative Council's concern with the failure of the Liberal National Party coalition Government to properly handle the RFA process and, in particular, its failure to meet the needs of timber industry workers, their families and their communities who are adversely affected by the outcome.

HON KIM CHANCE (Agricultural) [5.37 pm]: Before I concluded the first part of my contribution to this debate yesterday, I had drawn a parallel between the manner in which the Australian Labor Party - even if I cannot speak for the whole of the Opposition - and the Government had dealt with this issue and said I believed the contrast was quite marked. I made the point that, faced with the hard decisions, Labor made the hard decisions and set about designing a response on behalf of the Labor Party to cater for those timber workers who would be displaced by the decision with regard to the future management of the forests.

Hon Bob Thomas: We will not abandon them!

Hon KIM CHANCE: Exactly. Hon Bob Thomas has made a very good point. We will not abandon the timber workers, and it was never our intention to abandon them.

Hon Derrick Tomlinson interjected.

Hon KIM CHANCE: As I said earlier, and I am sure Hon Derrick Tomlinson agrees with me in every respect, there will be more jobs in the timber industry in the future than there are now. Hon Bob Thomas told me just the other day the number of jobs that can be extracted - if I am using the right word - from 1 000 cubic metres of timber in a value-adding operation such as that used by Jensen Jarrah, for example.

Hon Derrick Tomlinson: Perhaps you will share them with us.

Hon KIM CHANCE: Yes, I will. If I recall correctly, in a value-adding operation such as, but not limited to, Jensen Jarrah, 27 jobs are created from the use of every 1 000 cubic metres of timber. In the current logging and milling operations, to the extent we have them in the Western Australia, the job creation is only four jobs per 1 000 cubic metres of timber, compared with 27.

Hon J.A. Scott interjected.

Hon KIM CHANCE: I do not believe it does. I am referring to what Hon Bob Thomas has told me, so perhaps the member might like to take the finer detail of that up with him.

Hon Derrick Tomlinson: It is a reliable source.

Hon KIM CHANCE: It seems to be a very good demonstration of what is available in value adding. This is not the only industry in which Australia generally, and Western Australia in particular, must look to its laurels. It has been too easy for the lucky country to say, "We'll chop it down, dig it up and ship it out." We have such an abundance of resources that we find it very comfortable and easy not to have to make the hard decisions about value adding. It has been a failing of the Australian economy from its very beginnings. In my maiden speech I mentioned the tiny region of Biella in northern Italy which in dollar terms turns out more from its wool industry - from the processing of wool and manufacturing of woollen garments - than the whole Australian woollen industry is worth; yet it uses a fraction of 1 per cent of Australia's raw wool.

Hon Tom Helm: How big is that?

Hon KIM CHANCE: It is fairly small. To give some idea of the scale of the industry, my recollection is that about 15 000 people are employed in what is almost a cottage-type industry. Those 15 000 persons are employed in about 5 000 work places.

Hon Tom Helm: Are they spinning, weaving and manufacturing clothes?

Hon KIM CHANCE: They do everything, all the way through from processing the raw wool to manufacturing designer suits. Recently we have made some big investments in value adding, and here I refer to the hot briquetted iron plant in South Hedland. The ratio of that value adding to the iron ore that would otherwise be exported from Port Hedland is 20:1. Notwithstanding that, this is a very early stage of value adding.

In making this criticism of the timber industry - if it can be called a criticism, and I do not think it can be - that it has yet to explore its potential in value adding adequately, I acknowledge that it is one that can be made of almost any other industry in Australia. There are a few exceptions, the wine industry being one. We do not export raw grapes. I am sure that if there were the potential to do that, if it were technically possible, the industry would have done it.

Hon Murray Montgomery: We export fresh grapes to Singapore.

Hon KIM CHANCE: They are table grapes. It is hard to value add a whole commodity. That illustrates the way Australian industry has approached its abundance of resources. If one wants to draw a parallel, perhaps one should look at a country that is more akin to Australia than many of the countries we are compared with; that is, Sweden. Its levels of education are similar to those in Australia. It has a similar population size and, by European standards, is also resource rich. Sweden does not export iron ore; it exports Volvos and Scania's. It exports its iron ore as very sophisticated, manufactured objects. Swedes do not drive Australian trucks in Europe. There is a message there. Sweden is not an industrial giant, as is Germany. It is not a population giant, as is France. It is a country very much of our ilk in many senses. It has used its resources in an imaginative and a workmanlike way. We have simply failed to do that. Perhaps that is straying from the point a fraction.

That potential exists in the timber industry and can be exploited. I have friends and relatives in the furniture business; they sell furniture. All of the furniture they deal with is bought in Asia, not Australia. It is difficult to find an Australian-manufactured product in any furniture store in the Perth metropolitan area. I acknowledge the comment of Hon Derrick Tomlinson yesterday when I was approaching this issue, and he is quite right: A market can expand only to the limits of that market. Where much of the future market for this furniture industry can be in import replacement - I assure members much of it can be - a little work on market development can expand the horizons of that market for the future.

Hon Greg Smith interjected.

Hon KIM CHANCE: Of course it does. That is a matter of judgment.

Hon Barry House told us about the quality of the product of Jensen Jarrah. Although I have not had the chance to see it, I have seen the product of similar plants. Price for quality, it is very hard to beat the Australian product. The quality is absolutely superb. As I have said, I have found the approach by the Government to be disappointing. I would be more encouraged if the Government had recognised in a very public way that it needed to put more time, effort and thought into the development of value-adding industry into the south west to try to harness the potential that exists in the forest products we have. I feel confident that we can generate more jobs in the timber industry than exist now. In my view the coalition did not face the need to make a decision until too late. It realised that it got it all wrong and by then, unfortunately, had raised false hopes within the timber industry. When it determined it had made an error, it had to dash those false hopes just weeks later. When the Government realised -

Hon Greg Smith: The criteria were set down by Carmen Lawrence and Paul Keating for the original decision.

Hon KIM CHANCE: I am not sure whether Hon Greg Smith heard my contribution earlier. It is a fair point, and I acknowledge it. For his benefit, I said that the Regional Forest Agreement process was one which we all supported. In my view the Government and the Opposition made this mistake: We thought we were ahead of community in our support for the RFA; we turned around suddenly and found the community had got ahead of us. The shift of popular opinion had gone beyond us. Frankly, we were both caught wrong-footed. I am taking this issue from the point at which we made that realisation and the action that we later took to handle it.

The member is quite right: The initiation of the RFA process was very much a function of the Australian Labor Party, both State and Federal. However, instead of setting out to secure the future of south west communities after it realised it had made a mistake, the Government simply set out to pretend that it was all somebody else's fault. I get a sense of déjà vu about this: The native title dispute is all the fault of the Labor Party; the workers compensation dispute last night was all the fault of the Labor Party. It does not matter that these were errors made by the coalition Government and it does not matter that things have not worked out the way we expected them to work.

Hon Bob Thomas interjected.

Hon KIM CHANCE: Hon Bob Thomas is right: The Government made an appalling mess of workers compensation and then quite cleverly turned the tables on the Labor Party and managed to blame it. I do not know what the fax machines of members opposite look like at the moment; however, mine is buried under paper telling me to please pass this legislation.

Hon Ray Halligan: We have had one or two.

Hon KIM CHANCE: I am busy stacking their fax machines now telling them that if the Government had not made such an appalling mess of it in 1993 and, instead, had introduced the legislation it designed in 1995, 1996 and 1997 but failed to introduce to the Parliament, perhaps we would not have a problem at all now. However, perhaps that is also aside from the point.

Hon N.D. Griffiths: It does concern the RFA because they cut down a lot of trees to send us those faxes.

Hon KIM CHANCE: That is true too. However, on the RFA issue, the Government managed to turn the guns back to some extent towards the Opposition in general, and the Australian Labor Party and the Greens (WA) in particular. They were hard decisions which had to be made by the Government; it made them and those decisions rest on its shoulders. Had the Australian Labor Party been in government, the same things would not have happened in the same way.

Hon Greg Smith: We would have supported your decision based on scientific evidence and formulas.

Hon Bob Thomas: You did not support your own decision. You changed it.

The PRESIDENT: Order!

Hon KIM CHANCE: The effect would have been that the old-growth forest would be protected and timber workers would have been able to approach their futures with a great deal more certainty and security; that is the difference between the two parties. However, the stone throwing which followed the decision made by the Government and the pretence that it was all somebody else's fault can hardly have given timber workers a great deal of confidence. The slogan "More jobs better management" must have been ringing in their ears. When we consider the Government's inept, vacillating and unthinking response to this issue, "More jobs better management", is hardly a description I would use to describe what the Government actually did. It seems that the management of the timber industry is at least a part of the cause of the difficulty which has complicated the debate.

Why is it that at a time when the future of jobs in the timber industry is in such peril due to the unavailability of access to the old-growth forest, and when increasing availability to plantation timber could offer such an important replacement, there is such a state of uncertainty about how much timber there is in plantations? How much of the pine resource is actually available? I would have thought that was one of the things we would know with absolute crystal clarity as we would be pushing the envelope of the availability of that particular resource in order to get us over our immediate short-term problems. However, that is not apparently the case and that is why I said to the Minister for Finance, who spoke before me on this matter yesterday, that I would read his contribution in the *Hansard* with interest. There are widely conflicting reports of the available resource in our plantation pine forests between now and the year 2005. It is true, if somewhat odd, that post-2005 the situation seems to have more clarity. However, there are apparently credible claims - I cannot speak for their credibility but they are apparently credible - that our pine resources between 2000 and 2005 will be larger than the Department of Conservation and Land Management has told us. If that is the case, why has the use of this plantation timber not been built into a restructuring plan for the industry? The assertions that our declared pine reserves were undisclosed, at the very least, should have been independently investigated. I am not sure that has been the case but they should have been independently investigated and those results made public as soon as was humanly possible as it is very important to the number of jobs that can be maintained in the area. Those allegations were made by Dr Judy Clark of the Australian National University. I note that the Minister for Finance mentioned Dr Judy Clark towards the end of his speech yesterday. I quote from the uncorrected *Hansard* of Tuesday, 14 September 1999, at page 9, when the Minister for Finance said -

Assertions have been made by Dr Judy Clark in Canberra that there is no stockpile of plantation timber, and that it is all planned to be used in the expansion of existing and new processing industries. Dr Clark's analysis is simplistic. On the one hand she says there is a surplus and, on the other hand, she interprets the national plantation inventory to infer that the Western Australian Government cannot meet its supply commitments to Wesfi under the Wesply (Dardanup) Agreement Act.

I am not too sure what all that means because it did not make much sense to me, frankly. However, it seems to me that the Minister for Finance, if he is reported accurately - bearing in mind this is the uncorrected *Hansard* - is to some extent discrediting Dr Judy Clark's expression of opinion. It was a qualified opinion that pine plantation reserves are in fact larger than CALM has declared.

Hon Greg Smith: Why would CALM want to understate it?

Hon KIM CHANCE: That is a good question and I understand that Dr Judy Clark gave a good reason for it. She presented a hypothesis which I do not intend to repeat here. All that matters to me is that, if the allegation has been made, has the response by CALM to Dr Judy Clark's hypothesis been adequately investigated and has it been adequately explained by CALM to the minister's satisfaction? Unless the minister is absolutely satisfied that the reserves are as CALM says they are and not as Dr Clark says they are -

Hon Greg Smith: I think you will find he is satisfied. They have looked and looked and they cannot find evidence.

Hon KIM CHANCE: Dr Clark is apparently not alone in this view. My understanding is that there are people who actually work in the timber industry who have suggested that her hypothesis is supported by facts on the ground. Again I do not intend to present those as facts. However, that is simply what I have heard from within the timber industry. It is something that at the very least the minister should by now be able to say is wrong. He should be able to say, "I have looked at these claims and I have looked at what CALM has told me. These are the facts and this is why Dr Clark is wrong." I am not asking for any more than that. I am not asserting that Dr Clark is right. However, it is reasonable that once that claim has

been made from a source of that quality - and I said it is an apparently credible claim - it is for the minister, and the public deserve it from the minister, to provide a reasonable rebuttal.

Sitting suspended from 6.00 to 7.30 pm

Hon KIM CHANCE: It has been a warming experience coming back on this my third tranche of this speech because I was greeted with no less than five separate inquiries about how long I intended to speak this evening. When I indicated that I would not speak for long, that statement was not greeted with the normal cheers. It seems people want me to speak for as long as I like. I can only assume that they are enjoying my speech!

Hon Max Evans: What is it about?

Hon KIM CHANCE: I am speaking about the Regional Forest Agreement, matters concerning the RFA and the Government's handling of the RFA, which the Government seems to be enjoying so much! Before the debate was suspended for the dinner break, I was commenting on the views expressed by Dr Judy Clark from the Australian National University about representations she has made that the land covered by declared reserves of pine in plantations in Western Australia is far less than is claimed by the Department of Conservation and Land Management. During the dinner break, Hon Jim Scott informed me that the claim made by Dr Clark is not new, and that he had made the House aware of that as far back as 1992.

Hon Max Evans: He was not a member in 1992.

Hon KIM CHANCE: The minister is right, he did not become a member of this House until 1993. He did say "1992" so perhaps he made a public statement in 1992 before he came to this place.

Hon Max Evans: Hansard missed that.

Hon KIM CHANCE: Hansard would have missed the statement on that occasion, unless they were at Curtin University on that particular day. If these claims are as longstanding as has been indicated by Hon Jim Scott and if they remain unresolved, that does no more than underline the point I made. It has been suggested to me that the reason the view held by Dr Clark is so different from that expressed by CALM is that many of the State's pine plantations have been allocated to other uses. That has resulted in the destruction of juvenile pine forest. I do not know whether that is the case. However, it is important that the minister provide a satisfactory explanation to the people of Western Australia for this dichotomy between Dr Clark's view, which seems to be an informed view, and that of CALM.

I must say, on the question of management of the forest, that I am also bewildered at the royalty price structure for access to pine vis-a-vis jarrah. I am informed that pine is priced at around \$65 a cubic metre, while the price for jarrah is in the region of \$42 a cubic metre. The outcome of that differential is obvious. In what is a highly-competitive building sector in this State, this arrangement leads to home builders, for example, using jarrah in roof frames rather than pine.

Hon Greg Smith: Is that the price for sawn timber or logs?

Hon KIM CHANCE: No, I think it is the log price.

Hon Greg Smith: It has a lot better recovery rate.

Hon KIM CHANCE: Perhaps, but it still seems odd. Jarrah does not make a better roof frame than pine, and I speak from a limited amount of construction experience. In fact, jarrah does not make a particularly good roof frame at all. Pine is superior in most respects for that purpose, but jarrah makes a cheaper roof frame. That is an absurd outcome. Jarrah is effectively being offered as a special; it is as though we had limitless quantities of jarrah for all time. The truth is that this State does not have a limitless supply of jarrah, and it does not have a supply for all time. Why is the Government taking a lower royalty for this resource?

Hon Greg Smith: We will have jarrah forever.

Hon KIM CHANCE: My view is that the member is probably correct, but jarrah will be available for high-value uses and not for use at the level of roof frames. Why is the Government taking a lower royalty for a resource which is desperately scarce, while taking a higher royalty for plantation trees? I do not understand that; it makes no sense at all. However, I understand the outcome of that type of pricing structure; that is, it so distorts the market signals to timber users that they make irrational decisions.

If any good is to come from the current forest debate, I sincerely hope that one of those outcomes will be that people are able to be more rational in future about how resources are used and the priorities employed in the management of those resources. In particular, I hope we can also learn from our experience in the dislocation that has occurred in the south west, particularly in employment areas, including employment within the timber industry itself.

Too often regional communities have been told by aspiring Governments that their priorities for regional Australia are foremost in their minds - the words still ring in my ears - only to find that those promises are hollow. Regional communities now have to cope with the harsh effects of government downsizing and privatisation, with the losses of jobs and services that follow, as surely as night follows day. Additionally, regional communities will soon have to cope with the inevitable cost increases from the goods and services tax which will discriminate against country people in particular. The irony of all of this is that these very same regional communities provide most of the wealth of this State; yet we seem to be unwilling to do anything even to help them meet the changes that have been imposed on them, let alone anything to create new jobs in regional Western Australia.

Regions have been hurt by this Government's economic rationalisation policy by, for example, the ending of the uniform electricity tariff and the quite disgraceful water charging policies which discriminate not only between country and city, but between one country area and another. We now have grades 1 to 5 in the charging structure. People do not have to live far away to be in a grade 5 town; Mukinbudin is a grade 5 town and is just 80 kilometres north of Merredin, which is a grade 2 town. People who are unlucky enough to live in a grade 5 town pay through the nose - in blood - to get a kilolitre of water. It is a very expensive process. All of that has happened when a coalition Government told us it had the interests of regional Australia at heart. Those words were hollow. As a Parliament I hope we do not make the same mistake in relation to the situation in the south west. There are ways in which we can help and I hope we can do that in a bipartisan and cooperative way. Indeed, that is probably the only way it can be achieved. I certainly urge members to give the amendment of Hon Bob Thomas the support it deserves.

HON GREG SMITH (Mining and Pastoral) [7.42 pm]: I will make a few comments about the state of the Mining and Pastoral Region. I have not made any general comments about my electorate since my maiden speech. It is a good time to reflect on what has happened and is happening at the moment in this electorate.

Hon Tom Helm: Tell us about old-growth forests.

Hon GREG SMITH: Hon Tom Helm and I had have a bipartisan approach to saving the Pilbara rainforest and have formed a good alliance on that score.

Hon Kim Chance: Is there any truth in the rumour that the woodchippers are moving in on the spinifex?

Hon GREG SMITH: If I could find a market for it, it would be good. I am quite happy to work with members opposite to work on these markets. One issue that is nagging the whole of the region is native title. I am not here to belt the Australian Labor Party over the head about it, but to try to explain some of the realities of what is happening in my electorate in this regard, and to tell members about some of the people it is affecting. The multinational mining companies with a lot of money are managing to find their way through the native titles issues as a result of the deals and incentives they can offer to the claimants to achieve some agreements, and thereby get access to land. Recently an agreement was struck in the Kimberley between some of the big mining companies and the Kimberley Land Council to have access to that area for exploration. Some people held that up as an example of what can be done.

That deal has caused me a bit of concern. It has created a situation where some extremely large, well-funded companies have been able to buy their way through the negotiation process to get access to land for exploration. It has excluded the smaller mining companies, prospectors and all the others who want access to that land. The fact that the big multinational mining companies - the CRA-RTZs and the Shells - have been able offer inducements to sign off an exploration deal has removed the ability for any smaller prospectors to access the land. The smaller operators do not have the ability to put up the incentives or the inducements to get through the signing off process and get access. That is one disparity that has occurred.

In the Pilbara, companies such as Hamersley Iron Pty Ltd, have been able to get through the native title process for land in places like Yandicoogina. One chap in Port Hedland wants to mine rocks. John Van Uden has the rock shop in Port Hedland. He does magnificent work with rocks. He has a yard full of what look like ordinary old stones. He cuts and polishes them, and then sells them. He will develop a granite or an agate deposit and then polish those stones. He will mine any stone that we care to mention, and value add to it. He has a factory in Port Hedland in which a jeweller works for him, and he exports his products all over the world. He cannot get at some of the deposits he has found. He has tried working his way through the native title process. As a result of some of the deals being done by the larger companies, the expectations of native title claimants have been lifted to a level that is beyond the reach of a small prospector or one who wants to develop a low-value commodity.

By coincidence, tonight I asked a question in this place about Kununurra. I will mention what is happening there. The business people there have been waiting for the expected growth to occur in that town. When we first came to government six years ago, one of the first things we said we wanted to do was to get stage 2 of the Ord River project up and running and to develop the potential of that area of the Kimberley to the fullest extent. At about the same time, the judgment in the Mabo court case was handed down. The Mabo native title decision and our coming into government in this State happened at the same time. Here we are six years down the track and stage 2 of the Ord River development is no further advanced than it was six years ago in relation to channels being dug, land being developed and sold, or the amount of land under crop being increased. The thing that is disappointing and breaking the hearts of businesses there is this: People invested in businesses there and anticipated growth in places such as Kununurra to sustain their business. They have been waiting, hanging on for an increase in the population and in demand as new farms were developed and businesses came into the town, and for a housing boom that they expected to follow from the influx of population. That has not happened. It is getting to the stage where they are wondering whether it will ever happen. The people in the town are starting to get a negative feeling. People have tried to stay positive about what will happen. After the Miriung-Gajerrong decision, they thought something would happen, but nothing has.

Many of them are at the point of giving up; they wonder whether it is ever going to happen. It is unfortunate that members like Hon Tom Stephens do not understand the situation. He has never talked to people who have tried to negotiate their way through the existing native title process. It is unfortunate that many members of the opposition parties - I include the Australian Democrats and the Greens (WA) - are being pigheaded about allowing the Government to pass amendments to the native title legislation to implement a state regime.

A chap in Karratha wants to develop an aquaculture project to produce beta carotene, which basically involves growing algae in ponds. It is a multimillion dollar business and he is talking about spending \$20m and employing 80 people. He has been

trying to work his way through the native title process. He says he has outfitted about three football teams and bought buses but he does not have a signature on a piece of paper yet. His is a small company that cannot afford to spend a great deal of money to try to buy its way through the process and that cannot offer a royalty as it would not be taking anything from the land but growing something on it. It has offered employment packages and all kinds of things. This chap has spent \$70 000, a considerable amount of venture capital for a small company, just to get to the stage that his company is at now.

People are starting to walk away from projects. Employment and exploration opportunities in the mining industry are decreasing because of native title; so too are other projects that are put on the drawing board and then thrown in the too-hard basket because of the expense of developing them. One day I would like to see a select committee of this House set up to inquire into how much native title has cost the State. If we ever figure that out, I am sure it would horrify everybody. History will judge the ALP and the Democrats in Canberra, on their present stance in rejecting the Northern Territory legislation, as almost traitors to the country because they have let this country down by not giving it the ability to develop its potential resources, to create employment and develop wealth. That is something that people in the bush just cannot understand. People in the city are insulated from these issues because they do not see the reality. It is like people in Peppermint Grove protesting in the streets about old-growth forests. It is all well and good for them to do that, but if they go down to Manjimup and talk about old-growth forests there they will hear a completely different opinion about it. That is the way the people in the Mining and Pastoral Region who are affected by native title are starting to feel. People in the metropolitan area just do not understand the effect that native title is having on their lives and on their towns. For example, more than 50 per cent of the drilling rigs in the Kalgoorlie goldfields are sitting idle. That is not all due to the native title dispute; some of the responsibility for that goes to the downfall in the price of gold and other commodities.

Hon Bob Thomas: They have 20-year loans for commodity prices across the board.

Hon Greg Smith: Yes. However, it is still true that access to land is causing a problem for these people - the drilling industry and the geologists. It may not be the cause of the whole problem; however, it is one which they believe that we in this Parliament have the ability to fix. They accept that we cannot influence the price of gold on the world markets and they do not expect us to try to fix it. However, they know that we can allow them access to land to look for potential resources and potential deposits. Gold deposits can still be mined if they are of a suitable quality or grade for mining. People will not mine for 0.8 of a gram per tonne of ore. However, if a deposit can be found that provides four grams to the tonne, that mine will start tomorrow; members should not worry about that.

Ron Manners, a well-respected mining director in Kalgoorlie who has been there all his life, has said that Croesus Mining NL has \$20m in the bank and it has the deposits but it cannot get on the ground. That is the truth and the reality of the whole situation; it is not something we are making up just to sensationalise in the Parliament. It is the same with geologists who would be out looking for potential deposits if they could get on the ground. People must understand that exploration is a very expensive exercise. A mining company must spend about \$10m to prove up a mineable deposit. That is before it even puts a bucket or machine on the ground to start mining it; that is just to drill it up to establish that it is worth mining.

Another industry in the Mining and Pastoral Region that is going through a very hard time is the pastoral wool industry, which is on the edge of collapse as wool prices have been at a very low level for nearly 10 years. In the past two years, when the floor price was removed and the price of wool crashed, people expected the price to slowly work its way back up. In the past five years it increased incrementally marginally each year; however, it still was not at a good level. Two years ago it actually reached \$650 a bale and people were thinking that they were just about through the worst of it. The stockpile was on the way down; there was talk about privatising the stockpile; people wanted to buy the stockpile; and people were starting to get confidence in wool again. The cattle pastoral industry in the Pilbara and the Kimberley is not as badly off as the specialised wool growing areas of the Murchison, Gascoyne and southern Murchison areas, where there is no ability to diversify into cattle. Now, people in the specialist wool growing area of the pastoral industry, in order to keep their properties running, have been selling off farm assets and using accumulated capital. They are now at the stage where in some cases the accumulated wealth of three generations has been spent on the property to keep it afloat. I know members opposite do not like wealthy squatters and/or anyone who employs people. However, the fact of the matter is that all that these families with three generations of accumulated wealth have to show for it is their station, possibly a house in Cottesloe or another couple of houses as investment properties. They are now at the stage where they have sold nearly all of that off-station income and have borrowed on their equity. Because of native title, there is no security of tenure on pastoral leases any more. All they can borrow against is their next year's wool income as that is a liquid asset. If the wool income is budgeted at \$650 a bale and they expect, say, 100 bales, that would provide \$65 000 in equity, which gives them the ability to borrow \$65 000 per hundred bales. They may have borrowed \$65 000 last year but this year, when they received \$320 per bale of wool, they have received only half of their budgeted wool income. This year the pastoral houses have still been prepared to keep financing many of these properties, and I must give credit to Elders and Wesfarmers Dalgety. People who were \$300 behind the eight ball after this year's wool clip have to get carry-on finance for this year. Because they received \$320 a bale this year, when the financiers do their budget they are telling the pastoralists that they will allow them \$32 000 per 100 bales. It costs about \$20 000 to shear enough sheep to get 100 bales of wool. In many cases people have lost the ability to obtain carry-on finance. The pastoral houses have told many of them they must get a job. I am not talking about people with little properties close to town or those on marginal properties. I know people who have properties that have been in the family for two generations who have been told to get a job. The pastoral house cannot give them any money because they have no security and they have already borrowed beyond their ability to repay. Wives are staying on stations trying to educate children on School of the Air. The husbands are going away to, for example, Mt Magnet to get a job. They will work seven or 10 days on and two days off. I can see a tragedy happening this summer. A wife will be doing a mail run and the vehicle will break down and there will not be another adult at the homestead. I will not be surprised if someone perishes.

These people did not start on the bones of their arse, as we say in the bush. They were reasonably well off and comfortable, but they are now battling. My heart goes out to them. I have always been fortunate in that my station is very close to town. I could shear and make good money from it. These people have never done anything other than run a station. They are good station managers, but they cannot get a skilled job. They must get a truck driving job at a mine or something like that.

If the Government does not do something to keep wool growers in pastoral areas, there will be no-one left. People are now seriously considering walking off their properties. They cannot run them; they cannot afford to live on them; and they cannot see any chance to trade their way out given the current price of wool. It is almost a liability to muster, shear and stay on the property. It is all well and good if one is only 10 kilometres from town. However, if one is on a pastoral property 100 kilometres from the closest town, it is a big ask to stay there. These men cannot cut costs and buy an old bomb of a car when they send their wife and children to town in the middle of summer. If the car breaks down on the way to town they could perish. People have a perception that squatters are rich because they all have a new four-wheel drive vehicle. They do not buy them because they want to but because they must, in order to be confident about letting their wife and children travel to town.

I refer members to the devastation inflicted on Exmouth and Onslow by tropical Cyclone Vance. I went up there very soon after the cyclone went through and I did not recognise Exmouth. I have friends there and I knew where they lived and where their houses were. When I drove around the town I did not recognise any of the landmarks. All the palms and fences were gone. The Federal and State Governments deserve credit for the action they took and the swiftness of that action to get the towns back on their feet. No-one had any complaints about the government responses. The odd person who was not eligible for the first ex gratia payment did complain, but that was sorted out. The terminology was a problem in some cases. People who had had the roof blown off their home received that first payment, but those whose homes were only flooded did not. Those problems were ironed out.

The activities of insurance companies leave much to be desired. Most of the complaints from those towns relate to the behaviour of insurance companies. They were very lax in their assessment of claims, getting quotes and having properties repaired. It was frustrating two or three weeks after the cyclone had been through having carpenters ringing me from Exmouth saying they had no work because no-one had any money. The hail storm went through Sydney at about that time, but the companies could have been much more conscientious about how they assessed these cases and dealt with them. They could have trusted some independent people to undertake assessments.

Hon J.A. Scott interjected.

Hon GREG SMITH: We can try to draw some comparisons there somewhere. There were no native title claims in Exmouth until recently. It was considered taboo by the Aborigines, but the claims came in when we wanted to do some development.

Last Saturday night I had the pleasure of attending the Royal Flying Doctor Service ball at Karratha. The RFDS should be commended by everyone. It is a security blanket for those who live in the bush and remote parts of Australia. Many of us do not need it and never use it. However, knowing it is there in the event of a serious accident is very comforting. The road at Nanutarra has been modified so that the RFDS aircraft can land. The same has occurred at Leinster.

Hon M.J. Criddle: We are going to add to them as we build the highways.

Hon GREG SMITH: If an accident occurs on the road between Karratha and Carnarvon, it is a long way for an ambulance to travel. It can be a matter of life and death getting that service.

Hon Kim Chance: We need one between Carnarvon and North Hampton.

Hon GREG SMITH: Yes; there should be one near the *Overlander*.

Several members interjected.

Hon GREG SMITH: We should address health in the remote areas in a bipartisan way. I am appalled at the duplicity of health providers in that area. In many remote areas the RFDS provides a service along with the Aboriginal Medical Service, the bush nurse or mainstream medical system and, in some places, an organisation called Cultural Health. These organisations must all pay for administration and vehicles. That spending does not provide any health services. We should rationalise all those services. It does not matter whether the RFDS or any of the other mainstream health organisations is given the funding. We should deliver one good health service throughout remote Australia, regardless of the location or the race of the population. We should have one very good professional administration and much more money being spent on the ground. At the moment a lot of money is being chewed up in the administration of many different health services. In Fitzroy Crossing, Cultural Health has a dialysis machine that no-one knows how to operate, and the hospital has people who know how to operate a dialysis machine but it has no machine.

Hon Tom Helm: How long has that been there?

Hon GREG SMITH: For about 12 months. It is ludicrous for those sorts of things to happen. We are all aware that Aborigines, especially those who live in remote areas, need better health care delivery and require more health services, for various reasons. One of the factors that added to the cost of health care delivery is that Aboriginal communities are developing their homelands and, rather than developing services in one area, the services are being disseminated throughout the region, which makes it more expensive to provide those services and harder to distribute the resources. A failing of the health delivery system in remote Western Australia is that too many people are delivering too many different services. We need one professional organisation to deliver a good service wherever it is required. The Royal Flying Doctor Service would be an ideal organisation to do that, because it has a proven track record and the ability to get to the places where it is needed.

A criticism of the RFDS a few years ago was that it used its emergency aeroplanes for clinic runs, and when people need an RFDS emergency service the aeroplane and the pilot would be out at Jigalong, when he was needed on a station the other side of Meekatharra. However, the RFDS no longer use its emergency aeroplanes for its general services. It charters a smaller aeroplane rather than use the King Air. The RFDS has the infrastructure, the ability to deliver the service and the professional administration to make sure that the money hits the ground. Some of these other specifically targeted health services are not administered by professional people. In some areas one family takes control of Cultural Health, and it will become a clique that employs cousins, aunties and other family members as administrators. They are not professional administrators, and a lot of the money is not directed to deliver a service.

Hon Kim Chance: I am inclined to agree with Hon Greg Smith. One of the difficulties is that, in part, this is an outcome of the funder-owner, purchaser-provider model and its various levels of adoption between the Commonwealth and the State. I am not sure I know the answer, but I understand the problem.

Hon GREG SMITH: I was not suggesting that it would be easy. However, we could sit down with them and point out how much is being spent on health services and suggest that all the money should go into one organisation.

Hon Tom Helm: It should be the Royal Flying Doctor Service.

Hon Greg Smith: Yes, and that would work well. The hospital in Fitzroy Crossing has been set up according to Aboriginal law, so that the men will not be seen by the women or exposed to them. Parallel to that is an organisation called Cultural Health, and I am not sure who funds it.

Hon Kim Chance: It is commonwealth funded, and it is located in Fitzroy Crossing because there is no Aboriginal Medical Service there.

Hon GREG SMITH: The AMS still visits Fitzroy Crossing to deliver services.

Hon Kim Chance: That seems unnecessary, with the setup in Fitzroy Crossing. The charter of Cultural Health at Fitzroy Crossing is to train primary care health providers for the three language groups in that area. They have had some difficulties doing that.

Hon GREG SMITH: The concept may be good, but it is not working.

Hon Kim Chance: It is getting the trainer to provide the training.

Hon GREG SMITH: I intend to quote from a newspaper article that will probably attract interjections from members opposite. The crux of the Aboriginal problem - meaning the fact that Aborigines have low employment rates, low education rates, and poor health - is evidenced in a survey conducted by the Australian Bureau of Statistics Institute of Health and Welfare. The article reads -

Chairman of the National Aboriginal Community Controlled Health Organisation Puggy Hunter dismissed the report as yet another in a series that chronicled Aboriginal suffering without acting on it.

"We know the statistics," he said. "What we want to know is, what are governments going to do about these statistics?"

I draw attention to the word "governments". Governments have given millions and millions of dollars to try to deal with health and education in Aboriginal communities. Until some of the leaders of the Aboriginal organisations ask what they can do about it and accept they have a responsibility to fix a problem, it will not be fixed. No amount of government help will fix the statistics. The ABS report said that only 11 per cent of indigenous people had post-school educational qualifications, compared with 31 per cent of other Australians, and 23 per cent were unemployed compared with 9 per cent of non-indigenous people. Unless an Aboriginal child is encouraged and inspired by his mother, father and family to pursue an education and to go on to tertiary education, that will not change. Regardless of who is in power, Governments cannot make children go to school. We cannot grab someone by the hand and take them to school; they have to want to go. The ABS report says that indigenous children were up to eight times more likely to be abused and neglected and four times more likely to be in care. It is not up to the Government to stop them being abused. We can contribute towards stopping the abuse, but it is the whole environment. If children are being abused, it is up to family members - nieces, nephews, uncles and aunties - to apply social pressure to stop abuse.

Hon Tom Helm: What about the stolen generation who were brought up in an institution rather than in a family? That might cause problems when they become parents and have no idea of family.

Hon GREG SMITH: It is not the children who were taken away from their parents who are perpetrating the violence. Hon Tom Helm would find it is the children who have grown up among their own people who are perpetrating the neglect, violence and abuse of children.

Hon Tom Helm: The member is right; there is evidence to suggest that.

Hon GREG SMITH: Until peer group pressure comes from their own people, that problem will not be fixed. No amount of government money will fix that problem. I will not breach privilege when I say this because it relates to a public hearing of the Standing Committee on Ecologically Sustainable Development. When the committee visited Jabiluka, one of the women I spoke to told me that her community had received \$40m in royalties. I asked whether that had improved health and education. She said the community still has poor health and education services. No amount of money will fix it. I said that she could have sent all of her children to a private school in Alice Springs with that sort of money. Money will not fix

the problem, and Governments cannot fix it with money. Until Aboriginal people like Peter Yu and Pat Dodson look at the people whom they represent instead of chasing land and the power that it gives them -

Hon Tom Helm: Do you not think that is part of the answer?

Hon GREG SMITH: I do not believe that land is part of the answer. If land were part of the answer, the 10 million hectares of land that they have now would probably have fixed a few things. It has not; the problem has continued to get worse.

Hon Bob Thomas: The ownership of property is all right for the rest of the community and it makes them secure, safe and economically sound, but you do not think that Aboriginal people should have it.

Hon GREG SMITH: They have as much ability to buy land as anybody else.

Hon Tom Helm: Even when it is their land?

The DEPUTY PRESIDENT: Order!

Debate adjourned, on motion by Hon Peter Foss (Attorney General).

[Resolved, that the House continue to sit beyond 10.00 pm].

WORKERS' COMPENSATION AND REHABILITATION AMENDMENT BILL 1997

Assembly's Message - Suspension of Standing Orders

HON PETER FOSS (East Metropolitan - Attorney General) [8.23 pm]: I move -

That standing orders be suspended so far as will enable me to move the following motion as an instruction to the Committee of the Whole House on Legislative Assembly Message No 139 -

That the Committee's consideration of a counter-proposal to amendment No 3 be in the form that it appears on Supplementary Notice Paper No 9-2 standing in the name of the Attorney General and not otherwise.

The reason I am moving this motion is that a number of amendments have been agreed between the Opposition and the Government which are best carried out by amending the amendment No 3 on Supplementary Notice Paper 9-2 rather than going into what we did yesterday so as to enable us to undo some amendments. Therefore, for the clearer and better appreciation of what has transpired and the degree to which it has been agreed, it seems that it would be clearer for the House if we went back and virtually started again. The intent of the motion is that we go into the consideration in detail stage as if yesterday had not occurred.

Several members interjected.

The PRESIDENT: Order! This is a serious matter which needs to be understood by everyone in the House.

Hon PETER FOSS: The reason for the motion is that, as you are aware, Mr President, a considerable number of amendments were made yesterday. It would be considerably difficult to undo those amendments and it would be easier to start again. The motion is of course to suspend standing orders without notice, and it requires an absolute majority of the House.

Question put and a division taken with the following result -

Ayes (20)

Hon Kim Chance
Hon J.A. Cowdell
Hon M.J. Criddle
Hon Cheryl Davenport
Hon Max Evans

Hon Peter Foss
Hon N.D. Griffiths
Hon John Halden
Hon Tom Helm
Hon Helen Hodgson

Hon Barry House
Hon Norm Kelly
Hon Murray Montgomery
Hon M.D. Nixon
Hon Simon O'Brien

Hon Ljiljanna Ravlich
Hon Greg Smith
Hon Bob Thomas
Hon Derrick Tomlinson
Hon Muriel Patterson (*Teller*)

Noes (2)

Hon Giz Watson

Hon J.A. Scott (*Teller*)

Question thus passed with an absolute majority.

On motion by Hon Peter Foss (Attorney General), resolved -

That the Committee's consideration of a counter-proposal to amendment No 3 be in the form that it appears on Supplementary Notice Paper No 9-2 standing in the name of the Attorney General and not otherwise.

Assembly's Message

Message from the Assembly notifying that it had disagreed to the Council's amendments Nos 1 and 2, and disagreed to amendment No 3 and substituted a new amendment, further considered.

Committee

Resumed from 14 September. The Chairman of Committees (Hon J.A. Cowdell) in the Chair; Hon Peter Foss (Attorney General) in charge of the Bill.

Hon PETER FOSS: I move -

Amendment No 3

Clause 32, page 19, line 19 to page 20, line 10 - To delete the clause and substitute the following clause -

“ **Amendments about awarding of damages and related matters (sections 5, 61, 84ZH, 84ZR and 192, Part IV Division 2 and Schedule 1), and saving and transitional provisions**

32. (1) Section 5(1) of the principal Act is amended by deleting the definition of “prescribed amount” and substituting the following definition —

“ **“prescribed amount”** means —

(a) in relation to the financial year ending on 30 June 2000, \$119 048;

Note: This is the nearest whole number of dollars to the amount obtained by multiplying by 208 the average of the amounts that the Australian Statistician published as the all employees average weekly total earnings in Western Australia for pay periods ending in the months of May, August and November 1998 and February 1999.

(b) in relation to any subsequent financial year, the nearest whole number of dollars to —

(i) the amount obtained by varying the prescribed amount for the preceding financial year by the percentage by which the amount that the Australian Statistician published as the Wages Cost Index, ordinary time hourly rates of pay (excluding bonuses) for Western Australia (the “WCI”) varied between the second-last December quarter before the financial year commenced and the last December quarter before the financial year commenced; or

(ii) if the calculation under subparagraph (i) cannot be performed in relation to a financial year because the WCI for a relevant quarter was not published, the amount obtained by varying the prescribed amount for the preceding financial year in accordance with the regulations,

with an amount that is 50 cents more than a whole number of dollars being rounded off to the next highest whole number of dollars; ”.

(2) Section 61(7) of the principal Act is amended by inserting after paragraph (b) the following —

“ (ba) if section 93E(7) applies to the payment of compensation; or ”.

(3) Section 93A of the principal Act is amended by deleting the definitions of “Amount A”, “Amount B”, “future pecuniary loss” and “non-pecuniary loss” and inserting, in the appropriate alphabetical positions, the following definitions —

“ **“annual average weekly earnings amount”** means —

(a) in relation to the financial year ending on 30 June 2000, \$29 762;

Note: This is the nearest whole number of dollars to the amount obtained by multiplying by 52 the average of the amounts that the Australian Statistician published as the all employees average weekly total earnings in Western Australia for pay periods ending in the months of May, August and November 1998 and February 1999.

(b) in relation to any subsequent financial year, the nearest whole number of dollars to —

(i) the amount obtained by varying the annual average weekly earnings amount for the preceding financial year by the percentage by which the amount that the Australian Statistician published as the Wages Cost Index, ordinary time hourly rates of pay (excluding bonuses) for Western Australia (the “WCI”) varied between the second-last December quarter before the financial year commenced and the last December quarter before the financial year commenced; or

- (ii) if the calculation under subparagraph (i) cannot be performed in relation to a financial year because the WCI for a relevant quarter was not published, the amount obtained by varying the annual average weekly earnings amount for the preceding financial year in accordance with the regulations,

with an amount that is 50 cents more than a whole number of dollars being rounded off to the next highest whole number of dollars;

“prescribed level”, in relation to the degree of disability of a worker, means —

- (a) the degree of disability that would, if compensation were to be paid in accordance with Schedule 2, give rise to a payment equal to the annual average weekly earnings amount; or
- (b) if a lesser degree of disability is prescribed by regulations, that lesser degree.

- (4) After section 93B(3) of the principal Act the following subsection is inserted —

“ (3a) This Division does not apply to the awarding of damages if the disability results in the death of the worker. ”.

- (5) Sections 93D, 93E and 93F of the principal Act are repealed and the following sections are substituted —

“ **Assessment of disability**

93D. (1) In this section —

“relevant level”, in relation to a question as to the degree of disability of the worker, means —

- (a) if the question arises for the purposes of section 93E(3)(a), (8) or (11), a degree of disability of 30%; or
- (b) if the question arises for the purposes of section 93E(4), the prescribed level of disability.

- (2) For the purposes of section 93E, the degree of disability of the worker is to be assessed —

- (a) so far as Schedule 2 provides for such a disability, as a percentage equal to —

- (i) if only one item of that Schedule applies to the disability, the percentage of the prescribed amount provided for by that item, as read with section 25; or
- (ii) if 2 or more items of that Schedule apply to the disability, the sum of the percentages of the prescribed amount provided for by those items, as read with section 25;

- (b) to the extent, if any, that paragraph (a) does not apply, as the degree of permanent impairment assessed in accordance with the AMA Guides;

- (c) to the extent, if any, that neither paragraph (a) nor (b) applies, in accordance with the regulations,

or if more than one of paragraphs (a), (b) and (c) applies, as the cumulative sum of the percentages assessed in accordance with those paragraphs, but no regard is to be had to any mental ailment, disorder, defect, morbid condition or symptom of the worker that arises, recurs or is aggravated or accelerated as a consequence of, or secondary to, a physical defect of the worker.

- (3) If section 25 applies, the percentage under subsection (2)(a) is calculated in accordance with the formula —

$$\frac{PD}{100} \times TD$$

Where —

PD is the percentage of the diminution of full efficient use.

TD is the relevant percentage set out in Column 2 of Schedule 2.

Example 1

A worker loses 40% of the full efficient use of one eye. The percentage under subsection (2)(a) is —

$$\frac{40}{100} \times 50 = 20$$

Example 2

A worker loses the little finger of the left hand, 30% of the full efficient use of one eye and 10% of the full efficient use of the right arm below the elbow. The percentage under subsection (2)(a) is —

$$6 + \left[\frac{30}{100} \times 50 \right] + \left[\frac{10}{100} \times 80 \right] = 6 + 15 + 8 = 29$$

- (4) If the worker and the employer cannot agree on whether the degree of disability is not less than the relevant level, the worker may, subject to subsection (5), refer the question to the Director.
- (5) A question can only be referred under subsection (4) if the worker produces to the Director medical evidence from a medical practitioner indicating that, in the medical practitioner's opinion, the degree of disability is not less than the relevant level.
- (6) As soon as practicable after receiving a referral under subsection (4) the Director is to notify the employer in accordance with the regulations.
- (7) If within 21 days after being notified under subsection (6) the employer notifies the Director in accordance with the regulations that the employer considers that the degree of disability is less than the relevant level, a dispute arises for the purposes of Part IIIA.
- (8) The Director is to consider the dispute in consultation with the parties.
- (9) Except in a case to which subsection (10) applies, if the dispute is not resolved by agreement the Director is to refer the question for resolution under the provisions of Part IIIA (other than Division 2).
- (10) If the dispute relates to a disability mentioned in section 33, 34 or 35, the dispute is to be referred to a medical panel for determination as described in section 36 and so far as applicable this Act applies in relation to the reference as if it were a reference under section 36 except that the only question to be considered and determined on the reference is the question that was referred.
- (11) Unless notification is given by the employer under subsection (7), the employer is to be regarded as having agreed that the degree of disability is not less than the relevant level.

Restrictions on awarding of damages and payment of compensation

93E. (1) In this section —

“agreed” means agreed between the worker and the employer, whether under section 93D(8) or otherwise;

“degree of disability” means the degree of disability of the worker assessed in accordance with section 93D(2);

“determined” means determined or decided on a reference under section 93D(9) or (10);

“termination day” means the day that is 6 months after the day on which weekly payments commenced.

- (2) Weekly payments of compensation ordered by a dispute resolution body to commence are to be regarded for the purposes of this section as commencing or having commenced on —
 - (a) the first day of the period in relation to which weekly payments are ordered to be made; or
 - (b) the day that is 5 months (or such shorter period as is prescribed) before the day on which the order is made, whichever is later.
- (3) Damages can only be awarded if —
 - (a) it is agreed or determined that the degree of disability is not less than 30% and that agreement or determination is recorded in accordance with the regulations; or
 - (b) the worker has a significant disability and elects, in the prescribed manner, to retain the right to seek damages and the election is registered in accordance with the regulations.
- (4) For the purposes of subsection (3)(b) the worker has a significant disability if it is agreed or determined that the degree of disability is not less than the prescribed level and that agreement or determination is recorded in accordance with the regulations.
- (5) Subject to subsection (6), if weekly payments of compensation in respect of the disability have commenced an election cannot be made under subsection (3)(b) after the termination day.
- (6) Despite subsection (5), if —
 - (a) medical evidence complying with section 93D(5) was produced to the Director not less than 21 days before the termination day; and
 - (b) a dispute arising under section 93D(7) has not been resolved before the termination day,
 an election can be made under subsection (3)(b) within 7 days after the dispute is resolved.
- (7) Subject to subsections (8) and (10), if an election has been made under subsection (3)(b) compensation under this Act is not payable in respect of the disability, or any recurrence, aggravation or acceleration of it, in relation to any period after the day on which the election is registered or any expenses incurred during such a period.
- (8) Subsection (7) ceases to apply if, after the election is made, it is agreed or determined that the degree of disability is 30% or more and that agreement or determination is recorded in accordance with the regulations.
- (9) Subsection (8) relates only to the degree of the original disability, and any recurrence, aggravation or acceleration of it is not to be taken into account.
- (10) If an agreement or determination under subsection (8) is recorded, the worker may apply for any compensation which, but for subsection (7), would have been payable under this Act in relation to a relevant period or expenses incurred during a relevant period.
- (11) In subsection (10) —

“relevant period” means any period —

 - (a) which is after the day on which the election is registered and before the agreement or determination under subsection (8) is recorded; and
 - (b) during which the degree of disability is agreed or determined to have been not less than 30%.

- (12) If the liability for an incapacity resulting from the disability has been redeemed under section 67, damages are not to be awarded in respect of the disability.

Restrictions on awarding and amount of damages if disability less than 30%

- 93F.** (1) Unless an agreement or determination that the degree of disability of the worker is not less than 30% is recorded for the purposes of section 93E —
- (a) the amount of damages to be awarded is to be a proportion, determined according to the severity of the disability, of the maximum amount that may be awarded; and
 - (b) the maximum amount of damages that may be awarded is a sum equal to twice the prescribed amount, but the maximum amount may be awarded only in a most extreme case of a disability of less than 30% in degree.
- (2) In assessing the severity of the disability for the purposes of subsection (1), no regard is to be had to any mental ailment, disorder, defect, morbid condition or symptom of the worker that arises, recurs or is aggravated or accelerated as a consequence of, or secondary to, a physical defect of the worker.
- (3) Subsection (1) has effect in respect of the amount of a judgment before the operation of section 92(b).
- (4) No entitlement to damages is created by subsection (1) and that subsection is subject to any other law that prevents or limits the awarding of damages.
- (5) If —
- (a) section 93E(3) does not allow damages to be awarded in respect of the disability; or
 - (b) damages in respect of the disability have been awarded in accordance with subsection (1), the employer is not liable to make any contribution under the *Law Reform (Contributory Negligence and Tortfeasors' Contribution) Act 1947* (the “**Contribution Act**”) in respect of damages awarded against another person in relation to the disability.
- (6) If section 93E(3)(b) allows damages to be awarded in respect of the disability —
- (a) the contributions that the employer may be liable to make under the Contribution Act in respect of damages awarded against other persons in relation to the disability are not to exceed the damages that could have been awarded in accordance with subsection (1); and
 - (b) if the employer has made or been directed to make a contribution under the Contribution Act in respect of damages awarded against another person in relation to the disability, the amount of damages that may be awarded in accordance with subsection (1) is reduced by the amount of that contribution.
- (7) This section applies regardless of whether the damages are awarded against one or several employers.
- (8) An issue as to the amount of damages that may be awarded, is to be determined by reference to the prescribed amount as in effect on the date on which the determination is made.

Regulations

93G. Regulations may provide for —

- (a) the notification to be given to workers of the effect of the provisions of this Division;
- (b) the form and lodgment of elections under section 93E(3)(b);
- (c) the registration by the Director of elections under section 93E(3)(b)

if an agreement or determination for the purposes of section 93E(4) has been recorded, and the power of the Director to refuse to register an election if not satisfied that the worker has been properly advised of the consequences of the election;

(d) the recording by the Director of an agreement or determination under section 93E as to the degree of disability of a worker;

(e) the way in which applications under section 93E(10) are to be made and dealt with. ”.

(6) In subsections (7) and (8) —

“**amended provisions**” means Part IV Division 2 of the principal Act as amended by this section;

“**assent day**” means the day on which this Act receives the Royal Assent;

“**former provisions**” means Part IV Division 2 of the principal Act before it was amended by this section.

(7) The amended provisions do not affect the awarding of damages in proceedings —

(a) commenced before the assent day; or

(b) for the commencement of which the District Court gave leave under the former provisions before the assent day,

and the former provisions continue to apply in relation to those proceedings.

(8) If weekly payments of compensation in respect of a disability —

(a) commenced before the assent day; or

(b) were ordered by a dispute resolution body to commence before the assent day,

and the termination day referred to in section 93E of the amended provisions would be within 3 months after the assent day, the termination day is postponed by this subsection so that it is the day that is 3 months after the assent day.

(9) Section 84ZH(2) of the principal Act is inserting after “that loss” the following —

“ , and as to the degree of disability assessed in accordance with section 93D(2) ”.

(10) Section 84ZR(2) of the principal Act is inserting after “Schedule 2” the following —

“ and as to the degree of disability assessed in accordance with section 93D(2) ”.

(11) Before Part XIII of the principal Act the following section is inserted —

“ **Publication of prescribed amount and average weekly earnings**

193. (1) On or before the 1 July on which a financial year begins the Minister is to publish a notice in the *Gazette* setting out, in relation to the financial year —

(a) the prescribed amount;

(b) the annual average weekly earnings amount for the purposes of section 93A; and

(c) Amount C for the purposes of Schedule 1 clause 11.

(2) Publication under subsection (1) is for public information only and the operation of this Act is not affected by a failure to publish or a delay or error in publication. ”.

(12) Schedule 1 clause 7(4) to the principal Act is amended by deleting “the items referred to in clause 11(3), (4) and (5)” and substituting the following —

“ overtime or any bonus or allowance ”.

- (13) Schedule 1 clauses 11 and 11A to the principal Act are deleted and the following clause is substituted —

“ **Weekly earnings**

11. (1) Subject to clauses 12 to 16, for the purposes of this Schedule “**weekly earnings**” has the meaning given by this clause.

(2) In this Schedule —

“**Amount A**” means the rate of weekly earnings payable, at the time of the incapacity, for the appropriate classification under the relevant industrial award, or which would have been payable if the relevant industrial award were still in operation, plus —

- (a) any over award or service payments paid on a regular basis as part of the worker’s earnings;
- (b) overtime; and
- (c) any bonus or allowance;

“**Amount Aa**” means the rate of weekly earnings payable, at the time of the incapacity, for the appropriate classification under the relevant industrial award, or which would have been payable if the relevant industrial award were still in operation, plus any over award or service payments paid on a regular basis as part of the worker’s earnings;

“**Amount B**” means the worker’s average weekly earnings (including overtime and any bonus or allowance) over the period of one year ending on the day before the disability occurs in the employment that the worker is in when the disability occurs or, if the worker is then in more than one employment at the end of that period, the sum of the average weekly earnings (including overtime and any bonus or allowance) in each employment, but if the worker has been in an employment for a period of less than one year, the worker’s average weekly earnings in that employment are to be determined over that lesser period;

“**Amount C**” means, during a financial year —

- (a) the amount obtained by multiplying by 1.5 the average of the amounts that the Australian Statistician published as the all employees average weekly total earnings in Western Australia for pay periods ending in the months of May, August, November and February preceding the financial year; or
- (b) if any relevant amount of earnings is not published, the amount obtained by varying Amount C for the preceding financial year in accordance with the regulations;

Note: During the financial year ending on 30 June 2000 Amount C is \$852.52.

“**Amount D**” means the minimum rate of weekly

earnings payable, at the time of the incapacity, for the appropriate classification under the relevant industrial award, or which would have been payable if the relevant industrial award were still in operation;

“Amount E” means the minimum weekly earnings to which the worker would have been entitled, at the time of the incapacity, under the *Minimum Conditions of Employment Act 1993*;

“bonus or allowance” means any bonus or incentive, shift allowance, week-end or public holiday penalty allowance, district allowance, industry allowance, meal allowance, living allowance, clothing allowance, travelling allowance, or other allowance;

“earnings” includes wages, salary and other remuneration;

“overtime” means any payment for the hours in excess of the number of ordinary hours which constitute a week’s work.

- (3) In the case of a worker whose earnings are prescribed by an industrial award when the disability occurs, weekly earnings are —
 - (a) for the 1st to the 4th weekly payments: Amount A but not more than Amount C or less than Amount D;
 - (b) for weekly payments after the 4th: Amount Aa, or a lesser amount determined in accordance with the regulations, but not more than Amount C or less than Amount D.
- (4) In the case of a worker to whom subclause (3) does not apply, weekly earnings are —
 - (a) for the 1st to the 4th weekly payments: Amount B but not more than Amount C or less than Amount E;
 - (b) for weekly payments after the 4th: 85% of Amount B, or a lesser amount determined in accordance with the regulations, but not more than Amount C or less than Amount E.
- (5) Subject to subclause (6), the references in the definition of Amount A in subclause (2) to overtime and any bonus or allowance are references to those items averaged over the period of 13 weeks ending at the time of the incapacity.
- (6) If the worker was totally or partially incapacitated from working or for any other reason did not work during any part of the period of 13 weeks mentioned in subclause (5), that part is to be disregarded in calculating the average amount per week that the worker was paid over that period.
- (7) Regulations made for the purposes of subsection (3)(b) or (4)(b) may provide for lesser amounts (but not less than Amount D or E, whichever is applicable) to be determined in respect of weekly payments after the 4th, 12th, 26th or 52nd, or after such other numbers of weekly payments as are prescribed.”.

- (14) Schedule 1 clause 12 to the principal Act is amended by deleting “11(1) or (2)” and substituting the following —
 “ 11(3) ”.
- (15) Schedule 1 clause 13 to the principal Act is amended by deleting “11(1) or (2)” and substituting the following —
 “ 11(3) ”.
- (16) Schedule 1 clause 13(1) to the principal Act is amended by deleting “or agreement”.
- (17) Schedule 1 clause 13(2) to the principal Act is amended by deleting “the exclusions referred to in clause 11(3) and (4)” and substituting the following —
 “ overtime or any bonus or allowance ”.
- (18) Schedule 1 clause 16(1) to the principal Act is amended by deleting “11(5)” and substituting the following —
 “ 11(4) ”.
- (19) Schedule 1 clauses 12, 13(2) and 16(1) and (2) to the principal Act are amended by deleting “or industrial agreement”.
- (20) In subsection (21) —
“amended provisions” means Schedule 1 to the principal Act as amended by this section;
“former provisions” means Schedule 1 to the principal Act before it was amended by this section.
- (21) If weekly payments commenced before the coming into operation of this section —
 (a) the amended provisions do not apply to the first 4 weekly payments after the coming into operation of this section and the former provisions continue to apply to those weekly payments; and
 (b) for the purposes of the amended provisions the 5th weekly payment after the coming into operation of this section is to be regarded as the 5th weekly payment and so on.
 ”.

The CHAIRMAN: Again I will proceed subclause by subclause and proposed subsection by subsection. The first question is that the words proposed to be deleted be deleted.

Question put and passed.

The CHAIRMAN: The question now is a matter of substitution.

Substitute clause 32(1) and (2) put and passed.

Substitute clause 32(3) -

Hon PETER FOSS: I move -

To delete "and inserting, in the appropriate alphabetical positions, the following definitions -".

To delete the definitions of "annual average weekly earnings amount" and "prescribed level".

Hon N.D. GRIFFITHS: It may be of assistance to know that the amendment is in the same terms that I moved yesterday and it is at the bottom of page 2, and deletes everything after the words "non-pecuniary loss".

Hon Peter Foss: Sounds right. That is what I am moving.

Hon DERRICK TOMLINSON: I am sure the Attorney General and Hon N.D. Griffiths understand what they are talking about, but could we have an indication of what page the motion is contained in the Supplementary Notice Paper?

The CHAIRMAN: A set of amendments will be circulated to members and I will suspend proceedings until members receive that set of proposed amendments. Supplementary Notice Paper 9-2 will be distributed.

Hon PETER FOSS: Mr Chairman, could I ask you to leave the chair until the ringing of the bells until we get everyone with both pieces of paper in their hands?

The CHAIRMAN: I will leave the chair until the ringing of the bells.

Sitting suspended from 8.37 to 8.42 pm.

Hon PETER FOSS: I think everyone now has the amendment I moved which removes from the suggested substituted clause the words at the bottom of page 2 of Supplementary Notice Paper 9-2, from "and inserting" through to the end of the definition at page 3 of "prescribed level".

Amendments put and passed.

Substitute subclause, as amended, put and passed.

Substitute clause 32(4) put and passed.

The CHAIRMAN: The question now is that clause 32(5) be substituted.

Hon PETER FOSS: I move -

In section 93D(1)(b) - To delete "the prescribed level of disability" and substitute "a degree of disability of 16%".

This is a substantial move on the part of the Government to reduce the original degree of disability of 25 per cent to 16 per cent. This is the alteration the Government was prepared to make.

Hon HELEN HODGSON: I note that this amendment refers to a degree of disability of 16 per cent. I acknowledge that is significantly lower from that which was proposed in subsection 93D(2). However, the Democrats cannot accept that proposition, because it still sets too high a hurdle for injured workers to be able to access the election. The alternative model that was put forward yesterday - the deductible model - is the preferable model for dealing with the cost blow-out. An alternative may be proposed on this issue, and, for that reason, the Democrats will not support a degree of disability of 16 per cent. I note for the record that at no stage have I agreed to this clause on behalf of the Democrats, so no agreement is in place between the Democrats and the Government with regard to this clause. I will allow the ALP to speak about whether it has any agreement in place with regard to this clause, but it is not a clause that I can support.

Hon N.D. GRIFFITHS: The Australian Labor Party opposes this amendment. It is an improvement, but we believe our proposal is the better way to go; namely, a regime of deductibility. The Government has moved from what is in effect a 25 per cent disability model to a 16 per cent disability model. We have moved from a deductibility model based on \$10 000 to a deductibility model based on \$20 000. We are confident on the actuarial advice provided to us that our model will provide greater savings than what the Government is proposing and at the same time provide greater fairness in the system.

Hon PETER FOSS: Our actuarial advice differs from that of the Labor Party and is that any benefit that will be derived from what the Labor Party is proposing will erode very quickly and will eventually erode the whole package. The people who may potentially be badly disadvantaged by this measure are in the concert pianist category; and at the most, probably only 50 people will in some way be disadvantaged by this measure. Therefore, in the interests of maintaining the workers compensation system, this change must be sustained; and if it is not sustained, we are concerned that what we are trying to do will be set at naught. That is our actuarial advice, and unfortunately we believe this measure is very important and must be sustained.

Hon HELEN HODGSON: The Attorney General referred to actuarial advice that the Government has received. At no stage has the advice that was discussed yesterday or the advice that has just been raised been tabled. Is the Attorney prepared to table that advice so that everyone can see what these costings are?

Hon PETER FOSS: I do not currently have that advice in the Chamber. We have been making that advice available reasonably freely during the course of this debate. I wish to reserve my position on whether we will table that advice. The concern is about the interpretation of that actuarial advice, and I believe that matter will be best dealt with in the other place.

Hon N.D. GRIFFITHS: I do not want to engage in a protracted debate this evening because the issues were debated yesterday, but this issue needs some comment. Irrespective of the model that is moved to, there is a danger in the benefits being eroded. The Labor Party has upped the ante by doubling the deductibles to make sure the potential erosion has significant protection; that is, we will provide what we trust will be an almost immediate benefit to those paying premiums. In reality, we have gazumped the Government and on the basis of information provided to the Opposition by the Government, we are confident that our proposal will be far more beneficial to the community than the Government's proposal. Those are the only areas of difference that will emerge in the course of the proceedings this evening.

Hon PETER FOSS: The reason for the difference between a deductible and a threshold is fairly well illustrated by what happened with the second gateway. A deductible is almost an invitation to push it up further and compensate for any amount taken off the bottom, whereas a percentage threshold is always present and people must show that particular amount. Whatever happens in the common law system, it continues to move. That is why the actuary believes it will be eroded in the same way the erosion occurred with the second gateway. The Government has illustrated the points and perhaps we can move on.

Amendment put and a division taken with the following result -

Ayes (11)

Hon M.J. Criddle
Hon Max Evans
Hon Peter Foss

Hon Barry House
Hon Murray Montgomery
Hon M.D. Nixon

Hon Simon O'Brien
Hon Greg Smith
Hon W.N. Stretch

Hon Derrick Tomlinson
Hon Muriel Patterson (*Teller*)

Noes (12)

Hon Kim Chance
Hon J.A. Cowdell
Hon Cheryl Davenport

Hon N.D. Griffiths
Hon John Halden
Hon Tom Helm

Hon Helen Hodgson
Hon Norm Kelly
Hon Ljiljana Ravlich

Hon J.A. Scott
Hon Giz Watson
Hon Bob Thomas (*Teller*)

Pairs

Hon B.M. Scott
Hon N.F. Moore
Hon Ray Halligan
Hon Dexter Davies
Hon B.K. Donaldson

Hon Mark Nevill
Hon Ken Travers
Hon E.R.J. Dermer
Hon Tom Stephens
Hon Christine Sharp

Amendment thus negated

The CHAIRMAN: The question is that proposed subsection 93D(1) be agreed to.

Hon N.D. GRIFFITHS: I am not sure whether this amendment is on the Supplementary Notice Paper. The document in front of us is a list of amendments which I signed off on. I seek to move an amendment to proposed subsection 93D(1), to delete in the definition the words "relevant level".

The CHAIRMAN: I am advised that as the Committee has just agreed not to retain the prescribed level of disability, an amendment cannot be entertained that now takes that out.

Hon N.D. GRIFFITHS: Can we deal with this by leave?

The CHAIRMAN: No. Hon Nick Griffiths would have to move the amendment pertaining to proposed subsection 93D(1) on a recommittal. We cannot do a recommittal at this stage. We will proceed.

Proposed subsection, as amended, put and passed.

The CHAIRMAN: The question is that proposed section 93D(2) be agreed to.

Hon PETER FOSS: I move -

To delete the words ", but no regard is to be had to any mental ailment, disorder, defect, morbid condition or symptom of the worker that arises, recurs or is aggravated or accelerated as a consequence of, or secondary to, a physical defect of the worker".

I ask the Opposition to confirm its undertaking that should this prove to be a problem, the Opposition will work with the Government to deal with this matter by future amendment if necessary.

Hon N.D. GRIFFITHS: I am instructed on behalf of the Australian Labor Party to give that undertaking.

Amendment put and passed.**Proposed subsection, as amended, put and passed.****Proposed section 93D(3) to (11) put and passed.**

The CHAIRMAN: The question is that proposed section 93E(1) and (2) be agreed to.

Hon HELEN HODGSON: I moved some amendments to these proposed subsections yesterday. There is a proposal on the paper circulated by the Attorney which, although not achieving exactly the same as that moved yesterday, deals with the same issue which will arise in proposed section 93E(5). I will therefore not move the amendments at this stage but will discuss the matter during the amendment to the proposed subsection.

Question put and passed.

The CHAIRMAN: The question is that proposed section 93E(3) be agreed to.

Hon N.D. GRIFFITHS: I move -

Proposed section 93E(3)(b) - To delete "has a significant disability and".

The proposed section will then read -

the worker elects in the prescribed manner to retain the right to seek damages and the election is registered in accordance with the regulations.

This relates to the 25 per cent disability test. It is part of a number of amendments that relate to that proposed section and I foreshadow recommittal of a clause to deal with that at the appropriate stage.

Hon PETER FOSS: Now that the change we made previously has been made, this is a logical continuation, but we oppose it in the sense that we did not want the first change made anyway.

Amendment put and passed.

Proposed subsection, as amended, put and passed.

The CHAIRMAN: The question is that proposed section 93E(4) be agreed to.

Hon N.D. GRIFFITHS: I move -

To delete proposed subsection 93E(4).

Again, this relates to the significant disability 25 per cent issue.

Hon PETER FOSS: Again, this is a logical continuation of what was done earlier. The Government did not agree to that, nor does it agree to this. Obviously it must agree because the Committee has already made that decision.

Amendment put and passed.

The CHAIRMAN: The question now is that proposed section 93E(5) be agreed to.

Hon N.D. GRIFFITHS: I move -

To insert the following new subclauses following 93E(3) -

- (4) In this section Amount F means twice the prescribed amount
Amount G means -
 - (a) for the financial year ending on 30 June 2000, \$20 000; and
 - (b) for any subsequent financial year, the amount recalculated as Amount B under subsections (11) and (13);
 Amount H means -
 - (a) for the financial year ending on 30 June 2000, \$60 000; and
 - (b) for any subsequent financial year, the amount recalculated as Amount H under subsections (11) and (13);
 Non-pecuniary loss means -
 - (a) pain and suffering;
 - (b) loss of amenities of life;
 - (c) loss of enjoyment of life;
 - (d) curtailment of expectation of life; and
 - (e) bodily or mental harm.
- (5) The amount of damages to be awarded for non-pecuniary loss is to be a proportion, determined according to the severity of the non-pecuniary loss, of the maximum amount that may be awarded.
- (6) The maximum amount of damages that may be awarded for non-pecuniary loss is Amount F, but the maximum amount may be awarded only in a most extreme case.
- (7) If the amount of non-pecuniary loss is assessed to be Amount G or less, no damages are to be awarded for non-pecuniary loss.
- (8) If the amount of non-pecuniary loss is assessed to be more than Amount G but not more than Amount H, the amount of damages to be awarded for non-pecuniary loss is the excess of the amount so assessed over Amount G.
- (9) If the amount of non-pecuniary loss is assessed to be more than Amount H but less than the sum of Amounts G and H, the amount of damages to be awarded for non-pecuniary loss is the excess of the amount so assessed over Amount G [amount so assessed - Amount H].
- (10) No entitlement to damages is created by this section and this section is subject to any law that prevents or limits the awarding of damages.
- (11) By operation of this subsection and subsection (12) or (13) each of Amounts F, G and H is recalculated for each financial year with effect from 1 July - the recalculation date - commencing on 1 July 2000, by varying the respective amounts for the preceding financial year -
 - (a) by the percentage by which the weighted average minimum award rate for adult males under Western Australian state awards published by the Australian Statistician varies between 1 April in the calendar year preceding the recalculation date and 31 March in the calendar year of the recalculation date; or
 - (b) if the relevant information is not so published, in accordance with the regulations.
- (12) If an amount recalculated under subsection (11) as Amount F is not a multiple of \$1 000 it is to be rounded off to the nearest multiple of \$1 000 - with an amount that is \$500 more than a multiple of \$1 000 being rounded off to the next highest multiple of \$1 000.

- (13) If an amount recalculated under subsection (11) as Amount G or H is not a multiple of \$500 it is to be rounded off to the nearest multiple of \$500 - with an amount that is \$250 more than a multiple of \$500 being rounded off to the next highest multiple of \$500.
- (14) On or before 1 July in each year the minister is to publish a notice in the Gazette setting out Amounts F, G and H as they will have effect on and from that 1 July.
- (15) Failure to publish, or late publication of, a notice under subsection (14) does not affect the operation of subsections (11), (12) or (13).
- (16) Issues as to whether damages for non-pecuniary loss may be awarded and as to the amount of those damages that may be awarded are to be determined by reference to Amounts F, G and H as in effect on the date on which the determination is made.

The difference between what I moved in respect of this last night and what I am moving now relates to a \$20 000 figure under amount G and a \$60 000 figure under amount H. This is the deductible formula based on what has taken place with respect to motor vehicle third party injury claims. The Opposition has upped the deductible component significantly.

Hon PETER FOSS: My remarks remain the same. The Government believes this is the wrong process. Obviously it is better to have a larger figure, but the process of having a deductible process rather than a threshold is wrong.

Amendment put and passed.

Hon PETER FOSS: I move -

To delete "subsection (6)" and substitute "subsections (6) and (6a)".

Hon HELEN HODGSON: This amendment is consequential on the following amendment, inasmuch as they are linked. The effect of the two taken together will be to deal with the question of an election. It was strongly argued yesterday by me and others that six months is not long enough. This allows a mechanism for that to be extended when the appropriate triggers are in place. I have some reservations about how this clause will work in practice because it depends very heavily on the director. That means that it will be another administrative issue. I would prefer to see an objective rather than a subjective mechanism. Regulations are involved as well, and we will examine them very carefully to ensure the process established is as objective as possible. I find the notion of a director as a gatekeeper to be problematic to say the least. It has come up previously in debate on this Bill. Given those reservations, it is better to agree to the proposal on the Table as it provides for some extension. I understand the minister's argument that most conditions are resolved within five months, which means this will be the exception rather than the rule. However, it is extremely important to allow for that exception. As some provision has now been made for that we will support this amendment.

Hon J.A. SCOTT: The Greens (WA) will not support this amendment for a number of reasons. The first relates to the tone of the amendment, which is to beat workers with a big stick to get them to comply. Rather than put in place incentives to make an election within six months, this will put in place a measure which is designed - like a lot of others in this Bill - to deprive people of their common law rights. People will be frightened off because they may lose access to weekly payments and are likely to opt to be dealt with under a statutory system, which is the reason for this clause.

I do not believe the savings will be as great as the Government expects. Those people who are likely to need a longer time to make up their mind about these issues will be those whose injuries may not be stabilised, and they are more likely to be the more seriously injured people. When they go onto the statutory system they will cost more than the average injured worker because they will be at a higher level of injury. The Government has probably miscalculated there, although it will disagree with me. I understand that the Labor Party and the Australian Democrats are prepared to accept this because of a possible 3.8 per cent saving to the Government from this measure.

Hon Helen Hodgson: That is not correct.

Hon J.A. SCOTT: I was not privy to the same advice as the other parties. However, it will be a significant saving. A system of incentives would have been a much better measure to get people to make an election earlier, rather than use the big stick trick. As Hon Helen Hodgson said, the idea of the director as a gatekeeper may end up in further litigation and will cost even more money - maybe not directly to the insurance system but certainly to people within that system and to the taxpayers. The taxpayer will pick up the tab for the leeway that has been gained by the insurance companies from people who opt to go to common law and who are cut off from statutory benefits and go onto the social security system; that is even if - as has been suggested - social security payments will be taken out of any lump sum further down the track. I understand that would have happened anyway with statutory benefits. That would be no great loss to the statutory benefit system. It is simply a mechanism to keep people out of the common law system, and I oppose it.

Hon PETER FOSS: I want to correct one thing said by Hon Jim Scott. He said there would be a saving to government. There will be no saving to government. We are not talking about savings to government but saving Western Australian employment. I know the Greens (WA) are not usually interested in that. They are against anything that causes employment, or industry or business. It does not surprise me at all that the one concern the Greens do not have in this matter is its effect on employment. That is one of the sad things about this matter. I am pleased that the Opposition will join with the Government to do something about employment, business and industry. That is important for people. There is no point in saying the things that Hon Jim Scott is saying if the person does not have a job. It is about time that the Greens (WA) started looking at that aspect. They are fairly averse to any business that employs people, but it is about time they started to see the consequences of their objections.

Hon J.A. SCOTT: As usual the Attorney General completely misses the points that I made, does not address them and tries to make little insults about matters which have nothing to do with the Bill. If the Attorney General was serious about saving employment and getting the cost of the system down, he would have been putting in place amendments tonight that deal holistically with the problems of the system, such as the range of other costs, which I will not go into because everybody has talked about them already. There is no real measure for getting an accurate assessment of what should be the premium rate because it is based on figures which are 80 per cent estimates, as I understand it, and of course have nothing to do with looking at the medical side because that might bring the Australian Medical Association into the equation. It is cheaper to attack the injured worker who can only get to common law if there has been negligence. The Attorney General is not interested in justice. One can look at other areas in which he has been involved. When he was the Minister for the Environment he said that the idea was not to punish companies that were polluting but to encourage them to clean up their act. That is what he should be doing with the injured workers; he should be encouraging them to make a decision within six months and not taking a big stick to them. The Attorney General does not seem able to understand that.

Hon SIMON O'BRIEN: As we try to focus the Chamber on bringing this stage of the Bill to its conclusion, I will not sit by and let pass some of the allegations made against the minister representing the minister in another place in the terms that the member a moment ago made them. It is absolutely absurd to suggest that the Government is not interested in trying to bring the workers compensation costs down to manageable proportions. To suggest that the minister responsible is not interested in doing that throughout this exhaustive process is an absolute insult. If it is not the member's intention to cast insults about the place, and he is not the sort of gentleman who is given to that sort of behaviour, I take the opportunity to acquaint the Chamber with the fact that the Government, of which this minister is a member, has been bending over backwards for considerably longer than a year to tackle this problem. If people such as the preceding speaker had a bit more understanding of that, perhaps we might have been able to bring this significant problem under control before now. Members of the Government were able to visit my region last year.

The CHAIRMAN: Order! I remind the member that he is addressing why we are deleting subsection (6), and some of his comments should apply to that.

Hon SIMON O'BRIEN: I thank you, Mr Chairman. I simply offer the argument supporting the amendment before the Chair: I have had experience with ministers attempting to deal with the problems of constituents, some of whom are employers who are severely affected by this problem and others who are employees who may suffer from a lack of employment if the problem is not fixed. This amendment before the Chair intends to deal with the problem, and is moved as much in compassion for all those in the system than simple economic grounds. For that reason, I support the amendment before the Chair.

Amendment put and passed.

Proposed subsection, as amended, put and passed.

Proposed section 93E(6) put and passed.

Hon PETER FOSS: I move -

After section 93E(6) - To insert the following -

(6a) Despite subsection (5), the Director may, in such circumstances as are set out in regulations, extend the period within which an election can be made under subsection (3)(b) until a day to be fixed by the Director by notice in writing to the worker.

Amendment put and passed.

Proposed section 93E(7) to (12) put and passed.

The CHAIRMAN: The question is that proposed section 93F(1) be agreed to.

Hon PETER FOSS: I move -

In section 93F(1)(b) - To delete "a sum equal to twice the prescribed amount" and substitute "Amount A".

Hon HELEN HODGSON: This amendment ties in with other proposals on the Supplementary Notice Paper. It requires some explanation from me as I moved an alternative yesterday, with which the Australian Democrats will not proceed if this amendment is accepted. This amendment relates to the impact of taking medical and rehabilitation expenses from the compensation available when the cap is applied. This reduces the amount of genuine compensation available to the worker for pain, suffering and tortious issues. The proposal I made yesterday simply meant that in assessing the amount of total damages, one should not take the amount of rehabilitation costs out of the amount payable under the cap. The proposal is another compromise as it increases the cap by some \$12 000 - rather than applying the solution of removing medical and rehabilitation costs. I question how \$12 000 compares with the amount of medical and rehabilitation costs which are paid on average when a person is severely injured. I have a very strong suspicion that medical and rehabilitation costs generally would be more than \$12 000. However, this amendment goes at least part of the way towards the proposition that the amount made available to a worker for negligence should exclude payments beyond his or her control. I will support the amendment moved by the Attorney General rather than move the amendment I moved yesterday. I hope that this will resolve the issue at least to the point of having a workable compromise.

Amendment put and passed.

Proposed subsection, as amended, put and passed.

The CHAIRMAN: The question is that proposed section 93F(2) be agreed to.

Hon PETER FOSS: I move -

To delete section 93F(2).

Amendment put and passed.**Proposed section 93F(3) to (7) put and passed.**

The CHAIRMAN: The question is that proposed section 93F(8) be agreed to.

Hon PETER FOSS: I move -

To delete "the prescribed amount" and substitute "Amount A".

Amendment put and passed.**Proposed subsection, as amended, put and passed.**

Hon PETER FOSS: I move -

" (9) In this section -

"Amount A" means -

- (a) in relation to the financial year ending on 30 June 2000, \$250 000;
- (b) in relation to any subsequent financial year, the nearest whole number of dollars to -
 - (i) the amount obtained by varying Amount A for the preceding financial year by the percentage by which the amount that the Australian Statistician published as the Wages Cost Index, ordinary time hourly rates of pay (excluding bonuses) for Western Australia (the "WCI") varied between the second-last December quarter before the financial year commenced and the last December quarter before the financial year commenced; or
 - (ii) if the calculation under subparagraph (i) cannot be performed in relation to a financial year because the WCI for a relevant quarter was not published, the amount obtained by varying Amount A for the preceding financial year in accordance with the regulations,

with an amount that is 50 cents more than a whole number of dollars being rounded off to the next highest whole number of dollars. "

Amendment put and passed.**Proposed section 93G put and passed.****Substitute clause 32(6) and (7) put and passed.**

The CHAIRMAN: The question is that clause 32(8) be substituted.

Hon HELEN HODGSON: Clause 32(8) is the transitional clause and I did move amendments to it yesterday because I think there is an element of retrospectivity in it. I will not move amendments again tonight but I want to put my reasons on record. I feel strongly that we should not be prejudicing workers because of the time that they sustained their injury. It is a no-win situation. Whatever we do we will affect the rights of workers and at the same time try to find a way of maintaining the system so that employers can afford to pay the premiums. It is a question of finding the right balance. When we concluded the debate last night, I recall the Attorney General informing us that this would do away with any savings in the system. There are some costings that have come back today which show the impact of removing the retrospectivity is such that it would cause a serious problem and the system would be under intolerable pressure.

While in no way supporting retrospective legislation that impacts on people's rights, I stress that I am prepared to accept that in this case the transition measures put in place at least allow people to have a prolonged termination date to make an election. The last time we considered a clause along these lines, if my memory serves me correctly, it was cut off as at the date the legislation passed the Parliament. That was totally insupportable. In this instance there is a prolongation of the termination date to allow three months in which people can get their affairs in order, so to speak, and to determine whether they will make the election.

On the basis that it is not a total truncation of all their rights, but is a limitation, albeit one that I regret - it is an example of where we must balance the interests of the system as a whole - I will not move the amendment I moved last night.

Substitute subclause put and passed.

Substitute clause 32(9) and (10) put and passed.

The CHAIRMAN: The question is that substitute clause 32(11) be agreed to.

Hon PETER FOSS: I move -

To delete section 193(1)(b) and substitute the following -

(b) Amount A for the purposes of section 93F;

Amendment put and passed.

Substitute subclause, as amended, put and passed.

Substitute clause 32(12) to (21) put and passed.

Resolutions reported.

Recommittal

On motion by Hon Peter Foss (Attorney General), resolved -

That Assembly's Message No 139 be recommitted for the further consideration of clause 32(5).

Committee

The Chairman of Committees (Hon J.A. Cowdell) in the Chair; Hon Peter Foss (Attorney General) in charge of the Bill.

The CHAIRMAN: The question is that clause 32(5) be agreed to.

Hon N.D. GRIFFITHS: I move the following amendment to proposed section 93D(1) -

To delete the definition of "**relevant level**" and replace it with the words -

"relevant level" means a degree of disability of 30%.

That relates to the issue of 25 per cent disability that was debated last night.

Amendment put and passed.

Substitute clause, as amended, put and passed.

Report

Further resolution reported, the report adopted, and a message accordingly returned to the Assembly.

PRISONS AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon Peter Foss (Minister for Justice), read a first time.

Second Reading

HON PETER FOSS (East Metropolitan - Minister for Justice) [9.38 pm]: I move -

That the Bill be now read a second time.

As members are aware, prisons serve a number of purposes. When we send offenders to prison, we do more than protect the community from them through incapacitation. We also create opportunities for offenders to address the causes of their illegal behaviour and thereby reduce the likelihood of reoffending after release. The better the use we make of this opportunity to break the cycle of crime, the greater will be the extent to which our prisons repay the community for its investment in them.

The Government is aiming to develop a prison system that is at least as advanced and effective as any in the world. We are purposefully seeking flexibility, efficiency, innovation, effectiveness and continuous improvement. On the basis of extensive research, one of the strategies that the Government is convinced must be adopted to achieve these outcomes is the introduction of contestability as a means of benchmarking and improving the performance of our public prisons. To that end, the purpose of this Bill is to amend the Prisons Act 1981 to establish a framework which will allow for the provision of prison services under contract and for related matters, and also to amend various other Acts as a consequence.

The Government is not ideologically tied to the concept of private prison services, nor is the Government simply seeking to reduce costs. The provision of these services under contract will be pursued only to the extent that it will transparently improve the overall effectiveness and efficiency of our prison system. To the extent that financial considerations do count, it is in the context of value for money in achieving a prison system that is safe and succeeds in reducing repeat offending.

The core of the Bill is the extension of the statutory powers of the Chief Executive Officer of the Ministry of Justice to enter into service delivery arrangements with the private sector. The chief executive officer will continue to be accountable for the operation of all Western Australian prisons, private as well as public, and will have all the powers necessary to ensure compliance with the Act and to ensure that services meet or exceed the standards set by the ministry. The chief executive officer will also be authorised to delegate sufficient powers to enable operational duties to be performed by a contractor.

Another fundamentally important feature of this Bill is the inclusion of provisions for the establishment of an independent statutory office of the Inspector of Custodial Services. The functions of this office will be to inspect, review, advise and

report to Parliament on custody services provided pursuant to the Prisons Act and, through amendment to the Court Security and Custodial Services Bill 1998, to custody-related services provided by and on behalf of the Ministry of Justice.

There is a widely held view that the prison system is in need of reform. Important developments have occurred in the past 18 months but much more remains to be done. Developments overseas and in Australia in recent years demonstrate that private sector participation in the design, construction, financing and management of prisons can stimulate innovation, flexibility and better and more cost-effective service outcomes. The Ministry of Justice has researched and observed these developments closely and evaluated them in the light of the particular circumstances of Western Australia. The failures as well as the successes have been analysed. At the same time, the performance of our prisons has been compared with results achieved elsewhere, and there is room for improvement.

In March 1998 the Government authorised the Ministry of Justice to call for expressions of interest to explore the viability of new service delivery options, and in particular to test the private sector's potential to contribute to improvement in the provision of prison services. The decision was made against a background of increasing pressure on the prison system and recognition that more was needed than just additional prison accommodation. In short, the Government concluded that the State needed better prisons as well as more prison beds.

Since the beginning of the decade there has been a significant increase in the prison population. Several factors have contributed to this, including an increase in the State's population, increasing rates of crime, various government initiatives in response to community concerns about crime, increased use of imprisonment as a penalty, and increased sentence lengths. The Government has provided funding to expand the capacity of existing prisons. Among other things, this has had the advantage of enabling several regional prisons to increase the placement of prisoners closer to their home communities. The most recent expansion to prisoner accommodation capacity is the temporary use of sea containers at Canning Vale Prison. However, these expansions are only part of the solution to prison accommodation. Through a thorough program of prisoner population modelling, it was determined that a 750-bed medium security prison for men is required in the metropolitan area. The development of Acacia Prison, the State's largest ever prison, provides the opportunity to plan strategically for modernised and improved prison services.

Private sector involvement in prisons has been the most significant development in penal policy in the last quarter of the twentieth century. The debate on such prisons focused initially on the comparative cost advantage they might have over public sector managed prisons. However, this discussion quickly broadened to include the quality and range of prison services being delivered, and debate now centres on the issue of cost effectiveness or value for money.

As an example of this, the chief inspector of prisons in the United Kingdom has identified a range of key areas in which privately-managed prisons have performed better than publicly-operated prisons. These include -

- the preparation of prisoners for release;
- relations between staff and prisoners;
- staff morale;
- the care of potentially suicidal prisoners;
- more flexible visiting hours and procedures;
- more out-of-cell hours; and
- better control over authorised prisoner movements within prisons.

While still in its early stages, research from the United States suggests that recidivism rates of prisoners from private prisons may be only half those of prisoners from publicly managed prisons. Whether or not an improvement of such spectacular magnitude will ultimately be confirmed, there is no doubt that a significant advance has been made. Importantly, the completion rate by prisoners of rehabilitation programs has been substantially higher in private prisons. It is no coincidence that verified completion of programs is a prerequisite to contractual payment; the operator must perform - prisoners must complete programs - to be paid.

As to a comparison of costs, this has been recently summarised by Professor Richard Harding in the Australian Institute of Criminology publication, "Private Prisons in Australia: The Second Phase". Professor Harding notes that the best current view on the range of savings for operational costs is thought to be 10 to 22 per cent in the United Kingdom, 11 to 14 per cent in Louisiana, 13 to 17 per cent in Arizona and 9 to 13 per cent in Queensland. He concludes that these figures are similar enough to be indicative, if not definitive. The Western Australian contract that is currently under negotiation will be a significant improvement on these figures.

As members are no doubt aware, there is continuing discussion about the level of cost savings achievable through private operation. However, as I noted earlier and re-emphasise now, cost savings are not the primary motive of the Government in examining the prospect of privately-operated prisons. We are seeking better prisons and better value for the taxpayers' money. Prison design and construction are important because they contribute to operating efficiency and to the morale of staff and prisoners. Perhaps more importantly, "better prisons" are denoted by better prison regimes - the structures and programs by which we make positive and productive use of the time offenders spend in prison so that they are less likely to reoffend after their release.

As I said earlier, imprisonment gives us an opportunity to address prisoners' offending behaviour and better prepare them for release so that they become less of a risk to the community when - as nearly all of them do - they return to it. It is in this area that, based on experience elsewhere, the Government has its highest expectations of improving performance from

private sector involvement in the State's prisons. The decision to introduce a mixed public and private system required the Government to be convinced about innovation, better value for money and improved risk management. The evaluation of proposals from the private sector was exhaustive, with the emphasis more on quality than on price.

I now turn to the issue of ensuring the very highest level of accountability for custody services, not only for prison services managed under contract but also for prison services delivered by the public sector. The Government recognises that the Parliament and members of the community have a legitimate need to be assured that any private sector involvement in the provision of prison services is subject to proper scrutiny. This will be achieved by two separate mechanisms. Firstly, as part of any contract for the provision of custody management services, the Ministry of Justice will establish a contract monitoring system that will apply to any privately-managed prison. At a minimum, this will include on-site ministry appointed monitors with unfettered access to all parts of the prison and all prisoners and staff. These monitors will observe and report to a Ministry of Justice contract manager on a day-to-day basis on all aspects of compliance with contractual requirements.

Secondly, as a further means of ensuring full and transparent accountability, the Government has included in this Bill provision for the establishment of an independent statutory office of Inspector of Custodial Services. The functions of this office will be to inspect, review, advise and report to Parliament on all prisons operated by or on behalf of the Ministry of Justice in Western Australia. As I have noted, the office will report directly to Parliament on any custody-related matter that is in the public interest, but will have a primary focus on the conditions of custody for prisoners; the effects of imprisonment on particular groups of prisoners; and any other matter of significance that the inspector or the minister considers should be reported upon.

The Office of the Inspector of Custodial Services will be an autonomous organisation outside the executive arm of government. The Inspector of Custodial Services will be appointed by the Governor through a selection process similar to that used for independent officers. A list of suitable candidates will be submitted by a selection panel and a recommendation will then be made to the Governor in Executive Council. Subordinate staff will be employed under the Public Sector Management Act as public sector employees, under similar arrangements to those applying to officers who currently work in the Office of the Director of Public Prosecutions.

The inspector will have the capacity to research world best practice with regard to custody services and will develop programs of announced and unannounced inspections and will also conduct thematic reviews on any aspect of custody deemed to be appropriate. This will provide Parliament with independent, informed advice about the treatment and conditions of prisoners and the extent to which the objectives of imprisonment are being achieved.

With regard to information that, should it be made public, may threaten the security of a prison or a particular person, the inspector may exercise discretion and provide such information confidentially to the appropriate person. The inspector may also provide such advice as is appropriate to the minister and/or the Ministry of Justice to allow for timely management action without waiting in all cases for the publication of a formal statutory report.

Provision is included for the minister to request information or that a particular inspection be carried out. However, if the inspector believes it is not in the public interest to disclose such information or not appropriate to conduct a requested inspection, the request may be refused. All ministerial requests for information or inspections must be disclosed in the inspector's annual report to Parliament, as must the reasons for any refusal.

I also want to signal clearly the Government's intention to introduce in the spring session further legislation to expand the jurisdiction of the Inspector of Custodial Services to cover juvenile detention centres, community-based work release arrangements and home detention. A time frame will be established in consultation with the Police Service of Western Australia to expand progressively the jurisdiction of the inspector for all lockups over a five-year period. Court custody, prisoner transport and other custodial services, which are provided by or on behalf of the Ministry of Justice, will also be subject to the jurisdiction of the inspector, and those matters are provided under separate legislation and before Parliament as the Court Security and Custodial Services Bill 1998.

While I am signalling the Government's intentions with regard to custody, I wish to place on record the Government's intention to introduce in the spring session, two further matters: Firstly, to provide for the publication of a broad range of statistics on imprisonment and, secondly, to provide for a mediation procedure for the resolution of prisoner grievances. Finally, the Ministry of Justice will develop strategies for individual management plans for all prisoners to be in place within three years.

I now turn to the specific provisions of the Bill. Division 1 is preliminary and establishes the definitional framework. Division 2 relates to contract matters generally. The minimum matters to be included in contracts are set out in the Bill to ensure that contracts provide high standards of service, public accountability and contract intervention options. The chief executive officer must establish minimum standards applicable to the provision of prison services under contract. These minimum standards must be laid before each House of Parliament within 10 sitting days of their establishment or amendment.

The standards will be both quantitative and qualitative and will cover every aspect of prison operations, from the level of security to standards of health care; the quality and type of rehabilitation programs; and the number of hours each prisoner must be employed. Compliance with the standards will be monitored through provisions in the legislation for the minister, the inspector, chief executive officer and any authorised person to have free and unfettered access to a prison, person, vehicle or document. In addition, agencies already authorised by law to have access to prisons will also have access to any new facility. A severe penalty will apply to any person who seeks to hinder such access by an authorised person.

The Bill requires the chief executive officer to prepare and deliver an annual report to the minister who must then present it to Parliament in a timely manner. The report must enable an informed assessment to be made of the operation of each contractor and the extent to which there has been compliance with the relevant contract. Ultimately, if the standards of prison services are not met sufficiently, significant monetary penalties may be invoked. It should be noted that requirements relating to privately operated prisons will be considerably more demanding than those currently applying to publicly operated prisons; however, it is intended that they will be uniformly applied across the entire prison system.

Division 3 relates to authorisation of contract workers to perform functions. The chief executive officer will continue to have discretionary powers to delegate or otherwise obtain performance of other functions provided for in the Prisons Act 1981. However, the authority to use firearms or to adjudicate prison offences will not extend to private contractors. These functions will continue to be carried out by officers under the direct control of the chief executive officer under provisions of the Prisons Act 1981. They will not be delegated to contract workers.

Division 4 relates to vetting and control of contract workers in relation to high-level security work. The Bill seeks to establish any function currently undertaken by a superintendent, a prison officer or any other officer under the Prisons Act 1981 as high-level security work. This may include a prison service requiring direct dealing with prisoners, access to information about prisoners or other work which is deemed so by the chief executive officer. All such declared work, or any amendments, must be published in the *Government Gazette* within 14 days.

Contract workers are required to have a permit to do high-level security work. The chief executive officer is to be satisfied that persons employed by a contractor are fit and proper persons and that they have completed the authorised training requirements. Stringent checking requirements are imposed before a permit may be issued. For example, a consequential amendment to the Spent Convictions Act 1988 will enable access to information that is not normally available as it may be relevant to identifying a prospective contract worker as unsuitable to undertake high-level security work. Provision has also been made for the taking of fingerprints and palm prints to assist in police clearances. A permit may be refused or, once issued, may be suspended or revoked by the chief executive officer. Any issue, suspension, revocation or reinstatement of a permit must be published in the *Government Gazette* within 14 days.

Division 5 relates to intervention in, and termination of, contracts. The Bill provides for the chief executive officer to intervene in, suspend or terminate a contract under circumstances where an opinion is formed that there is an emergency in a prison service that is the subject of a contract or where the contractor has failed to effectively provide a prison service, or where it is in the public interest to do so.

The chief executive officer may appoint an administrator to manage the contracted prison services in these circumstances. The contractor, each subcontractor and any person appointed or employed by them must comply with the directions of an administrator. The chief executive officer or the administrator may requisition property associated with the contract to continue service provision. Severe penalties are attached to charges that may result from non-compliance.

The Bill also provides amendments to specific sections of the Prisons Act 1981 and consequential amendments to other statutes, including the Anti-Corruption Commission Act 1988; the Criminal Code; the Freedom of Information Act 1992; the Parliamentary Commissioner Act 1971; and the Spent Convictions Act 1988. These provisions are important to the implementation of any contractual arrangements involving the private sector. The consequential amendments to other statutes are intended to ensure that the powers of investigation, inquiry or review by existing statutory agencies are applied to any contracted prison service.

Other amendments to the Prisons Act 1981 include a new part XA which provides for the new function of Inspector of Custodial Services and amendments to provide for the simplification of the process for the chief executive officer to ensure the provision of medical services for prisoners. This involves deletion of a dual process of engagement of medical practitioners and consolidation of the function into a single flexible arrangement for which the chief executive officer will be accountable. Further amendments involve strengthening the statutory provisions for management of contraband items such as drugs and firearms that may come into the possession of prison officers following lawful searches within prisons.

Finally, I would like to return to the issue of private sector involvement in prisons in Western Australia. I know many members hold principled views on this subject. However, it is important for members to give reasoned consideration to the effective controls that this Bill places on any private prison operator. In particular, I draw attention to the opportunity that these controls provide to ensure that such prisons are able to deliver high-quality prison services more cost effectively and with increased accountability. The creation of an independent office of Inspector of Custodial Services will provide an objective evaluation of prison services that will inform Parliament and the community on prison services provided by the private and public sectors in a way never previously undertaken. It would be wrong and wasteful to deny this State the considerable benefits of the contracting and inspection strategies now proposed. That is what this Bill seeks to achieve, and I commend it to the House.

Debate adjourned, on motion by Hon Bob Thomas.

TELECOMMUNICATIONS (INTERCEPTION) WESTERN AUSTRALIA AMENDMENT BILL 1999

Receipt and First Reading

Bill received from the Assembly; and, on motion by Hon Peter Foss (Attorney General), read a first time.

Second Reading

HON PETER FOSS (East Metropolitan - Attorney General) [9.53 pm]: I move -

That the Bill be now read a second time.

The purpose of this Bill is to provide telecommunication interception powers for the Anti-Corruption Commission by declaring it an eligible agency under the Telecommunications (Interception) Western Australia Act 1996. The ability to obtain telecommunications interception warrants in their own right will enhance the effectiveness of the Anti-Corruption Commission and allow it to obtain the warrants without the need to rely on police. This will enhance its independence as well as reduce the workload of police in this area.

The Bill defines officer positions within the Anti-Corruption Commission and designates the Attorney General as the responsible minister for the commission. Protection is provided for officers required to report under the Telecommunications (Interception) Western Australia Act 1996, in relation to the secrecy provisions of the Anti-Corruption Commission Act 1988. To further accommodate this, a minor consequential amendment is needed to the Anti-Corruption Commission Act 1988. The Bill takes the opportunity to repeal some obsolete sections of the Telecommunications (Interception) Western Australia Act 1996 relating to commencement dates that are no longer relevant.

As members would be aware, the parent Telecommunications (Interception) Act 1979 of the Commonwealth will require amendment to accommodate the Anti-Corruption Commission which will also have to be declared under that Act. Therefore, the Bill will come into effect by proclamation to coincide with that amendment. I commend the Bill to the House.

Debate adjourned, on motion by Hon Bob Thomas.

House adjourned at 9.55 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

GOVERNMENT DEPARTMENTS AND AGENCIES, YEAR 2000 COMPLIANT

177. Hon LJILJANNA RAVLICH to the Minister for Finance representing the Minister for Works:

I refer to the Year 2000 Industry Awareness Campaign coordinated by the Department of Commerce and Trade. For each department or agency in the Minister for Works' portfolio can the Minister provide the following information -

- (1) How many of their business systems are at risk to the Millennium Bug?
- (2) How many of their business systems have been recently converted, upgraded or replaced?
- (3) How many of their business systems have been certified and tested as Year 2000 compliant?
- (4) Is each department or agency in the Minister's portfolio treating the Year 2000 problem as an issue critical to their survival?
- (5) How many of their customers and suppliers are Year 2000 compliant?
- (6) How many of the companies awarded contracts by each department or agency in the Minister's portfolio are Year 2000 compliant?
- (7) Does each department or agency in the Minister's portfolio have a plan to manage their Year 2000 effort?
- (8) How much has been budgeted for the work to be done?

Hon MAX EVANS replied:

Western Australian Government agencies have been required to report quarterly until August 1999, but are now required to report monthly to the Department of Commerce and Trade as to their Year 2000 readiness. These reports are web based and provide direct advice from the agencies and report the responses to specific questions. No modelling or derivation or weightings are applied to the results. Thus the Government is not altering in any fashion the responses of the agencies. Accountability for this issue lies between the Minister and the CEO through legal requirements and performance contracts.

- (1)-(3) Each agency is singularly responsible for its own Year 2000 remediation program. Agencies are not required to report at this level of detail.
- (4) The Premier has instructed all agencies to treat this as a priority and this aspect of agency activity is included in each Chief Executive Officer's performance agreement.
- (5)-(6) See (1)-(3) above.
- (7) In accordance with the Premier's direction, all agencies are developing Year 2000 remediation plans and reporting accordingly.
- (8) As of 30 June 1999 the across government budget for Year 2000 remediation totalled \$173.5 million.

The Minister for Commerce and Trade would be pleased to arrange a briefing from officers of the Department of Commerce and Trade who can explain the Government's approach to this issue in more detail.

GOVERNMENT DEPARTMENTS AND AGENCIES, YEAR 2000 COMPLIANT

178. Hon LJILJANNA RAVLICH to the Minister for Finance representing the Minister for Services:

I refer to the Year 2000 Industry Awareness Campaign coordinated by the Department of Commerce and Trade. For each department or agency in the Minister for Services' portfolio can the Minister provide the following information -

- (1) How many of their business systems are at risk to the Millennium Bug?
- (2) How many of their business systems have been recently converted, upgraded or replaced?
- (3) How many of their business systems have been certified and tested as Year 2000 compliant?
- (4) Is each department or agency in the Minister's portfolio treating the Year 2000 problem as an issue critical to their survival?
- (5) How many of their customers and suppliers are Year 2000 compliant?
- (6) How many of the companies awarded contracts by each department or agency in the Minister's portfolio are Year 2000 compliant?
- (7) Does each department or agency in the Minister's portfolio have a plan to manage their Year 2000 effort?
- (8) How much has been budgeted for the work to be done?

Hon MAX EVANS replied:

Please refer to the answer given to question on notice No. 177.

GOVERNMENT DEPARTMENTS AND AGENCIES, YEAR 2000 COMPLIANT

179. Hon LJILJANNA RAVLICH to the Minister for Finance representing the Minister for Citizenship and Multicultural Interests:

I refer to the Year 2000 Industry Awareness Campaign coordinated by the Department of Commerce and Trade. For each department or agency in the Minister for Citizenship and Multicultural Interests' portfolio can the Minister provide the following information -

- (1) How many of their business systems are at risk to the Millennium Bug?
- (2) How many of their business systems have been recently converted, upgraded or replaced?
- (3) How many of their business systems have been certified and tested as Year 2000 compliant?
- (4) Is each department or agency in the Minister's portfolio treating the Year 2000 problem as an issue critical to their survival?
- (5) How many of their customers and suppliers are Year 2000 compliant?
- (6) How many of the companies awarded contracts by each department or agency in the Minister's portfolio are Year 2000 compliant?
- (7) Does each department or agency in the Minister's portfolio have a plan to manage their Year 2000 effort?
- (8) How much has been budgeted for the work to be done?

Hon MAX EVANS replied:

Please refer to the answer given to question on notice No. 177.

GOVERNMENT DEPARTMENTS AND AGENCIES, YEAR 2000 COMPLIANT

180. Hon LJILJANNA RAVLICH to the Minister for Finance representing the Minister for Youth:

I refer to the Year 2000 Industry Awareness Campaign coordinated by the Department of Commerce and Trade. For each department or agency in the Minister for Youth's portfolio can the Minister provide the following information -

- (1) How many of their business systems are at risk to the Millennium Bug?
- (2) How many of their business systems have been recently converted, upgraded or replaced?
- (3) How many of their business systems have been certified and tested as Year 2000 compliant?
- (4) Is each department or agency in the Minister's portfolio treating the Year 2000 problem as an issue critical to their survival?
- (5) How many of their customers and suppliers are Year 2000 compliant?
- (6) How many of the companies awarded contracts by each department or agency in the Minister's portfolio are Year 2000 compliant?
- (7) Does each department or agency in the Minister's portfolio have a plan to manage their Year 2000 effort?
- (8) How much has been budgeted for the work to be done?

Hon MAX EVANS replied:

Please refer to the answer given to question on notice No. 177.

QUESTIONS WITHOUT NOTICE

WESFARMERS CSBP LIMITED, SELF-REGULATION REGIME

204. Hon TOM STEPHENS to the minister representing the Minister for the Environment:

- (1) Does the Government's self-regulation regime for industrial sites such as Wesfarmers CSBP Limited's include obligations to maintain a comprehensive monitoring system?
- (2) Will the minister table all the details of the self-regulation regime? If not, why not?
- (3) Will the minister table the licence conditions and obligations of Wesfarmers CSBP Limited in reference to monitoring arsenic in waste waters discharged into Cockburn Sound? If not, why not?

Hon MAX EVANS replied:

I thank the member for notice of this question.

- (1)-(3) The Department of Environmental Protection does not operate a self-regulation regime for industrial sites such as Wesfarmers CSBP Limited. However, it operates a licensing system which involves the issue of licences to industries which are prescribed under the Environmental Protection Act 1986. Wesfarmers CSBP holds a licence which sets prescriptive technical specifications of environmental requirements. These are designed to minimise or prevent pollution. The licence also includes monitoring requirements. I seek leave to table this document.

Leave granted. [See paper No 165.]

PORONGURUP WINERY**205. Hon TOM STEPHENS to the Leader of the House representing the Minister for Commerce and Trade:**

I refer to the \$145 000 in headworks assistance provided to Porongurup Winery and ask -

- (1) Will the Minister for Commerce and Trade table the letter he referred to last week in which the minister's National Party colleague Hon Murray Montgomery is said to have declared his interest in the winery? If not, why not?
- (2) Will the Minister for Commerce and Trade, in the interests of accountability, table all documents, including correspondence held by his department or office, in relation to the financial assistance provided to Porongurup Winery? If not, why not?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

- (1)-(2) Hon Murray Montgomery wrote to the Minister for Commerce and Trade declaring his interest in the Porongurup Winery on 13 October 1997. The Porongurup Winery applied for regional headworks funding on 15 October 1997. The advisory panel recommended to the minister on 8 April 1998 that funding be made available and the minister accepted the recommendation on 10 June 1998.

DEPARTMENT OF MINERALS AND ENERGY, STAFF PROCESSING MINERAL LEASE APPLICATIONS**206. Hon N.D. GRIFFITHS to the Minister for Mines:**

- (1) How many staff are employed by the Department of Minerals and Energy to process mineral lease applications?
- (2) Has the minister received, or is he aware of, any application from the Department of Minerals and Energy in the past two years for additional funding or resourcing for employment of extra staff to process mineral lease applications?
- (3) If so, did he put this application to Cabinet or the budget subcommittee?
- (4) Was the application approved and how many additional staff were employed?
- (5) If the application was rejected, will the minister explain why?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

Hon Tom Helm: I did not write it!

Hon N.F. MOORE: It has some words with more than four letters in it; it would be a bit hard for the member to have written it.

- (1) The Department of Minerals and Energy has 45 staff involved in processing mining tenement applications, including mining lease applications. Of these, 27 deal with the Mining Act process and 18 with the Native Title Act process. The number of staff dealing with the Native Title Act process was increased by seven in the first half of 1997.
- (2) No.
- (3)-(5) Not applicable.

WESFARMERS CSBP LIMITED, ARSENIC LEAK**207. Hon J.A. SCOTT to the minister representing the Minister for the Environment:**

- (1) How did the Department of Environmental Protection and Wesfarmers CSBP Limited calculate the amount of arsenic which was leaked into the environment?
- (2) What monitoring system did Wesfarmers CSBP Limited have in place?
- (3) Given that many serious breaches have occurred in the past two years, what has the Department of Environmental Protection done to prevent further pollution at this plant and to ensure that Wesfarmers CSBP Limited adopts best practice in environmental management?

- (4) Will the Department of Environmental Protection be upgrading its own monitoring regime? If so, how?

Hon MAX EVANS replied:

I thank the member for some notice of this question and ask that the question be placed on notice.

WESTRAIL SALE, TRANSFER PACKAGE FOR EMPLOYEES

208. Hon NORM KELLY to the Minister for Transport:

The Minister for Transport's media release of 25 March 1999 states that the Westrail sale task force was expected to provide the Government with a recommended transfer package for employees by the end of June.

- (1) Has such a recommendation been made to government?
- (2) Will the minister table the recommendation?
- (3) If a recommended package has not been provided to government, what action has been taken to obtain this information?
- (4) Have meetings been held with Westrail employees specifically to inform them of the impacts of the sale of the Westrail freight business?
- (5) When and where were these meetings held?
- (6) What other actions have been taken to allay the concerns of employees regarding a possible sale of Westrail?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

- (1) Yes.
- (2) The recommended package forms a basis for negotiation. The final package offered will be the result of negotiation with employees and their representatives.
- (3) Not applicable.
- (4)-(6) Regular staff newsletters are provided to all employees by the Acting Commissioner of Railways advising them of the status of the sale process and correcting misinformation. The acting commissioner has also set up a telephone hotline to respond to inquiries by employees about the sale process. All employees in regional areas had the opportunity to attend regional public forums about the impact of the sale on employees. A number of Westrail employees took advantage of this opportunity. The task force has had a number of informal discussions with the relevant unions. There are plans to set up an extensive program of employee consultation if and when the Rail Freight System Bill is passed by Parliament. If the member wants any further information we are happy to supply it.

JERVOISE BAY DEVELOPMENT

209. Hon MURIEL PATTERSON to the Leader of the House representing the Minister for Commerce and Trade:

- (1) How much has the Government spent on the Jervoise Bay development?
- (2) Who currently owns this site?
- (3) What is likely to happen to this site should the development move to the BHP site in Kwinana?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

- (1) The Government has spent in excess of \$2.9m in direct project contracts for the Jervoise Bay southern harbour project since 1996. This money has been spent on engineering studies, environmental approvals, economic analysis, legal advice, community consultation and project management. The amount excludes internal costs incurred by individual agencies that have assisted in the development, such as Main Roads WA, the Department of Land Administration, LandCorp, the Ministry for Planning and the Department of Resources Development.
- (2) LandCorp owns the offshore site. The land for the expanded development is owned by LandCorp and the Department of Land Administration.
- (3) Investigations into the suitability and viability of the Kwinana site are at an early stage. Therefore, it is premature to speculate about the use of the approved Jervoise Bay site.

ALBANY ARTS COUNCIL

210. Hon BOB THOMAS to the Minister for the Arts:

I refer to the decision by the Albany Arts Council to close the Vancouver Arts Centre due to lack of funding and ask -

- (1) Given that the arts centre has been run as a community arts venue for more than 20 years, what steps will the minister take to ensure this important regional arts centre remains open?
- (2) What state government assistance is available for the maintenance of the former Albany Cottage Hospital, which is one of the main drains on the Albany Arts Council's resources?
- (3) What recurrent funding has the State Government provided to the Albany Arts Council on an annual basis since 1993?
- (4) If funding was reduced in any of those years, what were the reasons for this?

Hon PETER FOSS replied:

- (1) The Vancouver Arts Centre remains eligible for funding for its program through the devolved funds provided to Country Arts WA. It is also eligible to apply for project support through ArtsWA funding programs. This support can continue to be provided whether the Albany Arts Council is housed in the Vancouver Arts Centre building or some other venue. The Vancouver Arts Centre is vested in the Minister for Works and leased to the City of Albany, which subleases to the Albany Arts Council. I understand that the lease to the City of Albany is due to expire in 2000. I have asked the Ministry for Culture and the Arts to investigate the lease arrangement and report whether there is any impediment regarding the current situation.
- (2) ArtsWA encourages local government authorities and other relevant bodies to provide direct assistance for buildings such as the Vancouver Arts Centre. The Ministry for Culture and the Arts does not have a capital works or building maintenance fund for community based arts organisations.
- (3) Through ArtsWA the following funding has been provided -

1993:	\$30 000 for the cost of the council's annual arts program and administration.
1994:	\$28 000 for the cost of the council's annual arts program and administration.
1995:	\$30 000 for the cost of the council's annual arts program and administration.
1996:	\$30 000 for the cost of the council's annual arts program and administration.
1996:	\$6 000 towards the cost of an exhibition of artworks of 10 artists from the great southern region.

At this point, ArtsWA funds were devolved to Country Arts WA. Under the Country Arts WA funding program, the Albany Arts Council has been a category A arts organisation since 1997. Funding under this category is available to larger arts and cultural organisations with a demonstrated track record over a period of time. Funding from Country Arts WA was as follows -

1997:	\$30 000.
1998:	\$27 500.
1999:	\$25 000.
- (4) The drop of funds from 1993 to 1994 was due to a high demand on funds. The drop of funds from 1997 to 1998 and 1999 was due to the introduction of a new policy which limited the amounts allocated to the major arts councils for program funding and was to be matched by local government. It was agreed between the Albany Arts Council and Country Arts WA that this would be implemented on an incremental basis.

GOVERNMENT'S LIGHT VEHICLE FLEET

211. Hon CHERYL DAVENPORT to the Minister representing the Treasurer:

I refer to the funding facility for the Western Australian Government's light vehicle fleet.

- (1) How many independent actuary reports have been completed in respect of the above?
- (2) Will the minister table these reports; and, if not, why not?

Hon MAX EVANS replied:

- (1) A draft report has been provided by the actuary.
- (2)-(3) The draft report contains information that is commercially sensitive to other parties in the transaction and its release is precluded by the commercial confidentiality provisions of the contract.

CO-OPERATIVE BULK HANDLING LTD, TAMMIN FACILITY

212. Hon TOM HELM to the Minister for Transport:

Some notice of this question has been given.

- (1) Did Co-operative Bulk Handling Ltd make any contribution to the cost of realigning the Great Eastern Highway at Tammin to accommodate the expansion of CBH's grain receival facility?
- (2) If yes, what was its contribution?

- (3) If no to (1), did the Government receive any advice suggesting that CBH should make such a contribution?

Hon M.J. CRIDDLE replied:

- (1) No.
(2) Not applicable.
(3) As far as Main Roads WA is concerned, no.

BANKSIA FARM, SALE OF LAND

213. Hon GIZ WATSON to the minister representing the Minister for Lands:

In respect of public open space in Mt Claremont known as the Banksia Farm, I ask -

- (1) Will the minister table the financial agreement, including any amendments, between the Department of Land Administration and the Town of Cambridge and the Kings Park Board on the sale of land, including lot 87 Mt Claremont and the other two sections of land?
(2) Will the minister provide any information that DOLA has regarding the flora and fauna of lot 87 Mt Claremont and adjacent bushland?

Hon MAX EVANS replied:

I ask that the question be placed on notice.

WA SYMPHONY ORCHESTRA, NEW YEAR'S EVE CONCERT

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

- (1) Is the Minister for Local Government aware that the Town of Cottesloe is considering allowing the WA Symphony Orchestra to hold a large concert on New Year's Eve?
(2) Should the council resolve not to allow this concert, is there any appeal mechanism to the minister which could allow it to take place?

Hon M.J. CRIDDLE replied:

- (1) Assuming the proposal is for the concert to be held on land owned by, or under the control of, the council, it is entirely a decision for the Town of Cottesloe to make.
(2) If the council decides not to let the concert proceed, there is no right of appeal to the Minister for Local Government.

MR FLETCHER, REVIEW OF POSITION

215. Hon LJILJANNA RAVLICH to the Leader of the House representing the Premier:

In relation to the review of Mr Fletcher's chief of staff position ordered by the Premier in mid 1998, will the Premier advise -

- (1) When did the review commence?
(2) When was it completed?
(3) Who carried out the review?
(4) To whom did the reviewer report?
(5) Will the Premier table the review?
(6) If not, why not?

Hon N.F. MOORE replied:

- (1)-(6) The Premier has advised that Mr Fletcher's termination is currently the subject of a review by an independent inquirer appointed by the Commissioner for Public Sector Standards.

ARK ROAD SAFETY CENTRE

216. Hon TOM STEPHENS to the Minister for Transport:

- (1) Given that the Government is expecting to receive \$54m from speeding and red light fines this financial year, why is the Department of Transport prepared to provide only \$19 000 a year to fund the Ark Road Safety Centre, even though the centre costs a minimum of \$40 000 to run?
(2) Is the minister aware that the resulting introduction of fees has seen the number of children receiving road safety training drop from 8 000 in 1998 to 1 000 this year?
(3) In the light of this, will the minister increase the funds available for the centre's important work; and, if not, why not?

Hon M.J. CRIDDLE replied:

- (1)-(3) To develop the Ark Road Safety Centre, the Road Safety Council supported the initiative in 1998 with a \$180 000 grant from the road trauma trust fund, and specified there was no promise of continuing funding. BikeWest has continued to support the centre on the understanding that it is not expected to be the sole supporting agency. A change in the funding policy arose when BikeWest funded the establishment of a second instructional facility at Midvale, at a cost of \$98 850, including the first six months of instructional costs. As a consequence of having two centres to support, BikeWest, in consultation with the centre's management, opted to split the recurring funding available and operate each centre on more of a cost recovery basis. It is recognised that this resulted in a reduction in student numbers in the case of Armadale. In response to the reduction in student visits, BikeWest has allocated an additional \$4 000 for a bus subsidy for children travelling to the centre, and has earmarked \$5 000 solely for the promotion of the Ark centre to local schools. Working within its limited budget, BikeWest is committed to contribute towards the maintenance of the centre, having expended approximately \$79 000 for school-based instruction at the Ark centre since it opened in 1996. Continued funding of \$20 000 per annum is earmarked for the Ark centre. This matter was also raised with me during the recent regional cabinet meeting in Gosnells, and I have undertaken to request the Director General of Transport to examine additional avenues of assistance for the Ark centre.

DISABILITIES SECTOR, WAGES AND CONDITIONS

217. Hon KEN TRAVERS to the minister representing the Minister for Disability Services:

I refer to wages and conditions for staff in the disabilities sector.

- (1) Is the minister aware that people doing similar work receive vastly different weekly wages depending upon who their employer is?
- (2) Is the minister aware that this is caused by a failure to fund non-government agencies for award safety net increases if they have an enterprise agreement with their staff?
- (3) Is the minister aware that non-government agencies which entered into enterprise agreements at an early stage with their staff have been penalised compared with other agencies which did not?
- (4) Is the minister aware that for many staff the only recent increases in income have been through salary packaging?
- (5) Is the minister aware that the goods and services tax and proposed changes to fringe benefits tax will make salary packaging a less favourable option?
- (6) What action has the minister taken to address these issues, and does the Government intend to provide additional funding to agencies to address these inequities?

Hon MAX EVANS replied:

I ask that the member place the question on notice.

YARRAGADEE AQUIFER

218. Hon KIM CHANCE to the minister representing the Minister for Water Resources.

- (1) Was the proposal to allocate water to Moltoni Holdings from the Yarragadee aquifer put out for public comment?
- (2) If so, when did this occur?
- (3) In what form was it advertised?
- (4) How many responses were received?
- (5) If it was not subject to a public comment period, why not?

Hon MAX EVANS replied:

I thank the member for some notice of this question, which is similar to two questions that were asked yesterday. I tried to catch the member's eye yesterday to tell him that I could provide the answer to his question.

- (1) No.
- (2)-(4) Not applicable.
- (5) It was not part of the process. The application was considered by the Gingin Water Resources Advisory Committee.

That was the answer that was provided yesterday.

ORD RIVER SCHEME EXPANSION

219. Hon GREG SMITH to the Leader of the House representing the Minister for Resources Development:

Will the minister provide an update on the proposed expansion to the Ord River scheme and indicate what delays are being caused through native title claims?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

The proponents for the major part of the Ord expansion, Wesfarmers-Marubeni, are well advanced with their feasibility study, but have recently applied for an extension of 12 months from 30 December 1999 to the expiry of their memorandum of understanding with the Governments of Western Australia and the Northern Territory. The extension request is due in part to the complexity of resolution of Aboriginal land issues. There is a backdrop of legal uncertainty because of the appeal against Justice Lee's determination of the Miriuwung-Gajerrong claim No 1 and because of a Northern Territory Government appeal against the Aboriginal Land Rights (Northern Territory) Act claim over the Spirit Hills pastoral lease - part of stage 2. These legal processes are to some extent distracting the Miriuwung-Gajerrong people and their representatives from Ord stage 2 discussions and negotiations.

The proponents are seeking to resolve native title and related issues by means of an indigenous land use agreement, and a draft framework agreement is being reviewed by the Kimberley Land Council, the Aboriginal Legal Service of Western Australia and the Northern Land Council. The KLC is endeavouring to form a body corporate as a decision-making authority for negotiations and execution of an ILUA. The proponents consider it is unlikely that resolution of Aboriginal land issues will be completed prior to mid-2000.

There have also been delays in developing and issuing Environmental Protection Authority guidelines. Considerable time was taken to ensure biodiversity issues were properly addressed and to allow the proponents to complete their environmental report. The public review process is not expected to commence until late 1999.

Raw sugar prices remain depressed largely due to recent dramatic increases in exports from Brazil and the decline in demand from South East Asia. The proponents continue to assess appropriate sugar prices for the start-up years of the project and to do everything possible to maintain a production cost advantage over significant sugar-producing regions.

STUDENT OUTCOME STATEMENTS

220. Hon E.R.J. DERMER to the Leader of the House representing the Minister for Education:

Does the Minister for Education anticipate that the implementation of student outcome statements in Western Australian government schools will increase the workload of teachers?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

The question of workload increase is relative to the implementation of the curriculum framework, as the student outcome statements are support for the implementation of the framework. Schools have been given a five-year time line to implement the framework to enable teachers to address any required change from the current to the future curriculum. During this time teachers will be engaged in professional development to ensure that they are prepared to implement the curriculum framework fully by 2004.

During 1998-99, government schools received approximately \$1 087 200 for professional development. A further \$725 555 is available in 1999-2000. These amounts are being matched dollar for dollar by the school sectors. One of the professional development strategies for which these funds are being used is to buy time for workplace learning, which includes classroom-based action research. This involves collaboration with other teachers and trying strategies for putting the new ideas in the framework into practice in their classrooms.

DEPARTMENT OF CONSERVATION AND LAND MANAGEMENT, MONEY OWED BY SAWMILLS

221. Hon J.A. COWDELL to the minister representing the Minister for the Environment:

- (1) In relation to the amount owed to the Department of Conservation and Land Management by log buyers - sawmills - as at 30 June 1999, how much was owed -
 - (a) in the previous 30 days;
 - (b) from 31 to 60 days;
 - (c) from 61 to 90 days;
 - (d) over 90 days?
- (2) For the amount owed over 90 days, which companies were involved and what amount was owed in each case?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1)
 - (a) \$7.437m;
 - (b) \$1.937m;
 - (c) \$1.172m;
 - (d) \$4.566m.

(2)	Whittakers Ltd	\$3 169 105.56
	Steffanelli Sawmills	\$114 686 96
	McLean Recycling Industries	\$113 084.89
	Rocky Gully Sawmills	\$92 671.39
	Pempine	\$91 065.08
	Pickering Brook Sawmills	\$81 491.96
	Smithbrook Milling	\$66 437.62
	Cockburn Sawmills	\$64 840.89
	Coli Timber Products	\$58 450.73
	T. Tilbrook	\$51 700.37
	Southwest Timber Supplies	\$48 451.90
	Thomson N.G. and L.B.	\$39 614.45
	Gisborne Timber Products	\$38 108.39
	S.F. and P.J. Contracts	\$23 107.90
	De Rusett B.L.	\$22 969.58
	Wespine Industries	\$22 235.27
	Pallet and Timber Sales	\$11 507.23
	Firewood accounts and other small accounts	457 373 25

INTERGOVERNMENTAL AGREEMENT ON THE REFORM OF COMMONWEALTH-STATE FINANCIAL RELATIONS

222. Hon N.D. GRIFFITHS to the Minister for Finance:

I refer to the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations and the impact of these changes on the state budget.

- (1) Has the Federal Government promised any compensation by way of grants or loans to Western Australia in the years 2000-01 to 2003-04?
- (2) If so, what amount of compensation will be paid in the years from 2000-01 to 2003-04 and in what form will that compensation be paid?
- (3) Has the State Government sought specific compensation for the years 2000-01 to 2003-04; and, if so, what was the amount sought for each year?
- (4) What is Western Australia's expected share of the goods and services tax revenue for the years 2000-01 to 2003-04, and what is the expected cost to the Western Australian budget of -
 - (a) the first home owners' scheme;
 - (b) Australian Taxation Office costs for administering the GST; and
 - (c) the impact of the GST on Western Australian departments and agencies for the years 2000-01 to 2003-04?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1)-(3) Under the intergovernmental agreement, the Commonwealth has guaranteed to provide additional funding to ensure that the stage budget is no worse off during the transitional period. In 2000-01, this assistance will be in the form of an interest-free loan or grant, and in subsequent years, for as long as necessary, it will be in the form of grants. The amount of assistance will be determined, inter alia, on the basis of actual GST revenue collected in those years.
- (4) Each State's share of the GST revenue will be determined by the Commonwealth Grants Commission process, as is done currently for financial assistance grants. Under these arrangements, Western Australia will likely receive slightly less than its share of the national population - around 10 per cent.

The Commonwealth has estimated the following national costs/savings -

	\$ million			
	2000-01	2001-02	2002-03	2003-04
(a) First home owners' scheme	727	743	758	774
(b) ATO's administration costs	820	360	350	357
(c) Expected state agencies' savings	451	481	514	548

After taking account of the Grants Commission process, Western Australia's share of these national costs/savings is expected to be about 10 per cent. However, the Commonwealth's guarantee will ensure no net budgetary impact from these arrangements during the transitional period.

To explain, we have done our projections of income based on the past four years, and we have projected those. On the basis of what we project our income will be, the Commonwealth has guaranteed that we will maintain that position.

WA SYMPHONY ORCHESTRA, NEW HOME

223. Hon TOM STEPHENS to the Minister for the Arts:

I refer to the need for a new home for the West Australian Symphony Orchestra and the fact that a decision must be made in six to 12 months with regard to a future location for WASO.

- (1) What commitment will the minister give to provide state government assistance for WASO's preferred option of a music access centre attached to the Perth Concert Hall?
- (2) Failing that commitment, what commitment will the minister give to replace the facilities currently available to WASO at the Australian Broadcasting Commission premises with a facility at the Concert Hall or at any other site?
- (3) When will the minister make a decision about the form of any state government assistance, and when will that assistance be made available?

Hon PETER FOSS replied:

- (1)-(3) The West Australian Symphony Orchestra is a wholly owned subsidiary of the Australian Broadcasting Commission, which is a federal agency. The reason that WASO will be deprived of its premises is that the ABC has decided to sell its premises and not build new premises for WASO. I should say, firstly, that that decision was made by the ABC and not by the State Government; and I believe the Federal Government and the ABC, in particular, have a responsibility. I met with Senator Alston this morning and raised this point with him, so I am glad the Leader of the Opposition happened to mention it! It is interesting that during that meeting, Senator Alston happened to announce that, in response to the many representations made to him from Western Australia that a Western Australian should be appointed to the board of the ABC, he had done so, which is really good news.

Hon Derrick Tomlinson: Tell us who!

Hon PETER FOSS: I am not sure whether it has been fully announced, but I am pleased to say it has happened.

Hon Max Evans: It is not Hon Tom Stephens, is it?

Hon PETER FOSS: No. Obviously at this short notice, and being the sort of Government that we are, we do all these things with regard to capital works programs in an ordered fashion -

Hon Tom Stephens: The belltower? Come on! Don't be a joke!

Hon N.F. Moore: It's in the budget. Have a look!

Hon PETER FOSS: I know that Hon Tom Stephens is against any expenditure on the Arts. His first speech in this House was to condemn this Government for spending money on a museum, and I will speak about that matter later. The fact is that the Leader of the Opposition is against spending money on the Arts, because he has already said what he believes the priorities of the Government should be. Yesterday, I raised this matter with the Premier. I have already sent to the Premier a series of propositions for capital works on this matter. I spoke to WASO yesterday, with the Premier, and I spoke to Senator Alston today. The Leader of the Opposition will be pleased to know that every possible avenue whereby we can get both commonwealth and state involvement in this matter is being explored. However, as the Leader of the Opposition knows, I cannot just click my fingers and spend some \$26m. I do not have that money in my back pocket, nor do I have the ability to tell the Treasurer that I would like that money to be spent tomorrow. It must go into a proper capital works program, and that is what we will be doing. We are preparing the appropriate costings. Although WASO does have some preliminary ideas about this matter, that is hardly up to the standard we can put to Treasury, either federal or state, for capital works approval. We will be working with WASO to try to assist it.

Hon Tom Stephens: What about the location of the Concert Hall?

Hon PETER FOSS: That is the next point. The other party involved in this matter is the owner of the Concert Hall. The Concert Hall is owned, as the Leader of the Opposition may be aware, by the City of Perth. I have also taken the measure of sending to the City of Perth a proposition for its involvement. Therefore, I have covered the City of Perth, the State and Federal Governments, the federal Minister for the Arts, and the Treasurer in Western Australia. I think I have covered most of the bases at this stage.

Hon Tom Stephens: You have not produced an outcome yet!

Hon PETER FOSS: Perhaps under the Leader of the Opposition's system when he had to spend about \$1m on the PICL project, he could have a little weekend meeting with his mates and suddenly money would come out of nowhere and would be divided up between Laurie and that other person -

Hon Max Evans: At the casino!

Hon PETER FOSS: Yes! We were talking about the casino earlier! That is not the way things happen under this Government. Under this Government, there is a process by which we weigh up these things -

Several members interjected.

The PRESIDENT: Order, Hon Ljiljana Ravlich and the Minister for Finance! Let us listen to the Minister for the Arts.

Hon PETER FOSS: We try to ensure that all our responsibilities are dealt with, unlike the Leader of the Opposition, who suggests we should spend money only on Police, Health and Education, and although we do spend huge amounts of money on those areas, we also believe in spending money on the Arts. The Leader of the Opposition, in his first speech as opposition spokesperson for the Arts in this place, condemned a major expenditure on the Arts, and he condemns expenditure on anything which he does not regard as a core function of government. I am amazed the Leader of the Opposition had the cheek to ask this question, when he has spent hours in this House telling us we should not be spending

money on the Arts and on, for instance, a convention centre, which has a theatre as part of the proposal. The Leader of the Opposition is the one who is saying we should not do it. I am pleased to tell the Leader of the Opposition that I am following the proper processes, and I hope all governments with an interest in this matter - local, state and federal - get together to see whether we can come up with a properly arranged and documented -

Hon Tom Stephens: It is no wonder they all booed you!

Hon PETER FOSS: The Leader of the Opposition does not like it. He asks these questions - I know it is naughty, because it means he gets an extra five minutes - and they are real lollipops, and always show that he does not know what is he is talking about. When the Leader of the Opposition asks these questions, he gives me a perfect opportunity to tell him that this Government knows what it should be doing and is doing it.
