



WESTERN AUSTRALIA

Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
SECOND SESSION
1998

LEGISLATIVE COUNCIL

Wednesday, 19 August 1998

Legislative Council

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

ROAD TRAFFIC ACCIDENTS

Petition

Hon Simon O'Brien presented a petition, by delivery to the Clerk, from one person praying that the Legislative Council take steps to oppose the potential for serious road traffic accidents at the Bunbury Highway junctions with the approaches to the townships of Singleton, Golden Bay, Madora and Secret Harbour.

[See paper No 95.]

PARKING CONGESTION

Petition

Hon B.M. Scott presented a petition, by delivery to the Clerk, from one person praying that the Legislative Council take action to investigate the actions of the City of Fremantle with regard to parking congestion in the streets surrounding Ocean View Lodge.

[See paper No 96.]

STANDING ORDERS COMMITTEE

Report Tabling

The President tabled the report of the Standing Orders Committee on proposed amendments to Standing Order No 134 providing for a right of reply.

[See paper No 97.]

TRUTH IN SENTENCING - FAILURE TO INTRODUCE LEGISLATION

Motion

Resumed from 13 August on the following motion -

That this House condemns the Attorney General for his failure to bring before the Parliament "truth-in-sentencing" legislation and in particular his failure to give due priority to the recommendations of the "Report of the Review of Remission and Parole" dated March 1998.

HON PETER FOSS (East Metropolitan - Attorney General) [4.04 pm]: It is rather interesting that today in the other place, the Minister for Police made a statement about a matter which has received some media attention and about which a number of people have made statements on parole and remission. I will read that statement to the House, because it will be useful to have that before us during this debate and it will assist in the discussion of what was said by the Minister for Police. The statement was as follows -

On Monday, 17 August 1998, Mr Vincenzo Leone was tragically killed in a car collision on Wanneroo Road. The other car was reportedly driven by a 19-year-old, who had earlier that evening been released on bail from the Midland lock-up following charges for disorderly conduct and damaging a vehicle. It has been a matter of public discussion that this man was at the time on parole.

Although charges are pending, which means that I cannot go into the details or history of matters that are presently sub judice or may prejudice any future trial, I can confirm that this individual was on parole and was on bail when he was further charged with the minor offences I have mentioned and again released by the police to bail. Because of the minor nature of those particular offences, his release to bail was in accordance with the recommendations of the Royal Commission into Aboriginal Deaths in Custody, which have been used to formulate police standard procedures for all persons charged in this State. The police did not know of any impediment to bail.

Checks by the Ministry of Justice and the WA Police Service have disclosed that the police records branch had not been advised that the individual was on parole due to the omission of his name from the routine reporting from the Parole Board to police records. An error had occurred in batch data produced by the Parole Board which had resulted in some names being missed from the list. That programming error has now been fixed.

This case highlights the importance of ensuring efficient communications between the Police Service, the Ministry of Justice, the Parole Board and the courts. It is vital that each is aware of actions taken by the others. The Parole Board has addressed the specific problems to which I have referred. However, to ensure that the Parole Board is kept aware of police actions, the Commissioner of Police has advised that the Police Service will in future ensure that wherever a person on parole is arrested and charged, the Parole Board is notified as soon as practicable. This will allow the Parole Board to review parole at the earliest opportunity. The Ministry of Justice has also advised that it will take steps to improve after-hours access to its officers by members of the WA Police Service. These measures, which can, and will, be implemented immediately, will improve coordination between the agencies. The agencies will conduct a coordinated review of their processes and the interaction between them to determine whether further improvements can be made.

As was announced by the Attorney General earlier this month, the Government intends to introduce into this session of Parliament a legislative package dealing with bail, parole, remission and sentencing. Following a major review chaired by the Chief Judge of the District Court, the Government will introduce legislation to abolish remission, abolish some forms of early release, amend the parole formula so that offenders must serve at least half of their sentence before consideration for release on parole, give judges greater capacity to order that a person is not eligible for release on parole, and ensure that for the whole of an offender's sentence he or she is under state control and at risk of return to gaol.

The Government will introduce a more easily understood and systematic approach to guide sentencing. Those who impose sentences will be required to state clearly the factors taken into account in determining a sentence. In addition, the legislation will provide that those who fix a sentence should do so within a specified range for particular offences. This will ensure greater consistency in sentencing and ensure that the public can relate seriousness of offence to the sentence imposed. It will also allow Parliament to target particular offences.

The Government will also introduce a major bail amendment Bill. This will include new provisions to ensure that the seriousness of the offence can be the sole factor in refusing bail, create new offences to deal with persons who breach the conditions of their bail, and expand the range of offences for which bail may be denied. A major review of the Bail Act will be undertaken jointly by the Ministry of Justice and the WA Police Service to redefine the role and purpose of bail in the criminal justice process.

It is rather curious that the Leader of the Opposition, and other opposition members, have said that had the Government reintroduced this legislation, that person would still be in gaol. That is incorrect. As was pointed out by Hon Nick Griffiths, the proposition is not that people should receive twice the gaol sentence, but that the time that they would serve in gaol should be more clearly understood by the Parliament. That comes out in recommendation 12, which is to the effect that in sentencing a person to imprisonment, the judge can take into account these changes to ensure that the time spent in gaol is equivalent to that which would have been spent had the changes not been made. In other words, the intent is to make the sentence more understandable.

The reason that approach was followed - I think Hon Ljiljanna Ravlich was the person who made this point - is that there are two different issues: The capacity to understand the sentence; and where the Parliament wishes to do something about the length of the sentence.

That is where the sentencing matrix comes in. One problem with the call for minimum sentences is that they are just that. A minimum sentence must cater for the least offensive situation. We do not want to punish everybody for the most aggravated circumstances, so we normally punish for the least aggravated circumstances. Minimum sentences are a very delicate operation because they do not have the capacity to suit the punishment to the crime.

If a person has done a terrible thing, it should be possible to make certain that he receives a significant penalty. Some offences, of course, have the widest possible range of circumstances. Assault causing harm is one, and assault causing grievous bodily harm is another. We dealt with that matter in the previous session of Parliament. We dealt with the fact that with grievous bodily harm in particular, although it is an unlawful act, somebody ends up, quite by accident - not accident as far as the law is concerned but accident as far as intent is concerned - with a highly serious consequence, and that is assault causing grievous bodily harm, whereas on another occasion somebody may carry out a vicious assault in the most vicious of circumstances and may not succeed in causing as much harm as he intended to do but the nature of the attack is far worse.

A classic example is somebody involved in a fracas. One person hits another; the person falls over and breaks his skull. We could have the same sort of fracas but the person's head goes back and he suffers a bit of a bruise on the chin. That would be assault causing bodily harm. In the first case of the person falling over and breaking his skull it is assault causing grievous bodily harm. If a group of people sets on somebody in a cowardly fashion and all that they do is cause bruises, they do not break any bones, that would be assault causing bodily harm, not assault causing

grievous bodily harm. The maximum penalties, of course, are much greater for assault causing grievous bodily harm than they are for assault causing bodily harm. The evil which is intended is much greater in the case where people set on somebody in a cowardly fashion and cause him those bruises.

I have cited extremes, but it is clear that in human behaviour the circumstances can be very broad indeed, and they are the sorts of matters in which we rely on judges to impose an appropriate penalty for what has happened in a particular case. All that Parliament can do at the moment is set the maximum penalty. If we set a minimum penalty, we will have to attune it to the minimum set of circumstances. The problem, if we were not to have recommendation 12 and if we were to have everybody as a result spending twice the period of time in gaol, is that the whole range of sentences would be virtually doubled.

Parliament has clearly identified those offences of assault and property damage for which it would like harsher penalties. I cite offences such as home burglaries. Parliament has already moved by putting in place the three-strikes legislation. Robbery is another crime about which people have severe concerns, particularly robbery against vulnerable people. Car stealing is another crime that causes considerable concern in the community. Obviously, people are concerned that there be adequate penalties for sexual offences such as rape. Parliament would like to be able to indicate slightly more specifically to the courts that those offences, accepting that there is a broad range, where not only are those offences carried out but also the circumstances are such that people regard them as highly aggravating, should be dealt with. Presently, the system of maximum and minimum penalties does not allow that degree of subtlety.

The problem, if we did not have recommendation 12, is that the net effect would be no subtlety whatsoever across the entire range of offences, and a doubling of sentences. I do not believe that that is what we intend to occur. Parliament would far rather target any more severe penalties to a particular area. There are separate issues. The important point is that truth in sentencing is a matter not so much of more severe sentences but of the public having some knowledge of what the sentences are.

One of the difficulties in the whole inquiry was how we should treat parole. Should we have parole? The report indicates that there are good reasons for having parole. The desirable situation is no offences in the community. We would prefer to have no crime at all than to have the appropriate response to crime. The ideal situation would be no crime. Unfortunately, no community that I know of has ever achieved that. Chapter 3 of the report asks whether parole works. I will read it because it is important that members understand it. It states -

Before proceeding to consider alternatives to the present system, it is relevant to ask the question whether parole "works".

The first question to ask is this: What is working? Paragraph 3.1, on the rationale for parole, states -

Parole is a mechanism whereby a prisoner may be released from prison upon completion of the minimum term of his/her sentence and thereby serve the balance in the community. The primary purposes of parole are to: (1) support the re-integration of offenders from prison to the community, and (2) reduce the risk of re-offending.

Parole also serves as an important "ally" of victims of crime, keeping victims informed of the offenders' release status, and often soliciting victims' views on release conditions. Given adequate support, parole may also serve as a means of satisfying public desire for a system that protects both its safety and "peace of mind".

With certain conditional parole, the victim support service actually goes to victims and there is a parole release agreement before the person comes out. It is not permissible under the law for a victim to veto a person's being released, but he or she is able to say, "These are the conditions upon which I would feel a relative degree of safety if they were applied." If people do not have parole, when they are out, they are out, and there is nothing to stop them going around to see their victims. The ones to whom that is most applicable are those on life sentences and those with Governor's pleasure. Obviously, major crime is involved and it is important that we ensure that the victim is looked after. Of course, it is usually many years after the event.

Frequently there are conditions such as "you are not allowed to go anywhere near the person", so we might exclude somebody from entire suburbs and say that he is to avoid contact and that if there is any accidental contact he is to walk away from it. There are other matters where people must continually be involved in anger management and have regular tests. For many people the problem arises from the consumption of deleterious substances such as alcohol and drugs. They might be perfectly well behaved in prison when they are not on those substances but as soon as they get out and consume alcohol, the demon drink takes over and their behaviour is affected. We might prevent them from being involved in certain situations. For instance, we would obviously make certain that paedophiles were not put in any place where they might be put in the way of temptation. If they get into such circumstances, that is the

end of it; they go straight back into prison. There are opportunities to provide some control over such people while they are being reintegrated into society.

It continues -

Abolition of parole has re-emerged, particularly in the United States . . .

That is certainly the case here. We have had those calls and Hon Nick Griffiths quoted one. Many people would say that we should not have parole at all. It continues -

Parole abolition has failed to produce more severe sentencing and to reduce crime, and this failure has led to its re-instatement in a number of States of the United States. Parole can actually toughen sentencing: instead of automatic release under "reform" policies, discretionary parole can keep dangerous and violent offenders in prison for longer periods.

What happens so often is that people who are a risk to society and who are out on parole tend to go back in again. They are the ones who serve the longest sentences rather than those who reform and have reduced recidivism. It continues -

Moreover, parole is a strong and comprehensive approach to controlling violent and dangerous offenders because of its constant review of offenders in prison; continual re-evaluation of risk; leverage of offenders before release to ensure good behaviour in the community; supervision after release; and potential to re-imprison parolees who appear to present a threat to the community.

Conceptually, at least, there would seem to be a sound basis for a system of parole.

3.2 Effectiveness of parole.

Evaluations of parole are scarce and therefore comparing the effectiveness of different parole systems is inexact. Comparative analysis is difficult due to differences in legislative frameworks, definitions of failure, release eligibility criteria and the nature of supervision regimes and conditions. By one measure, the percentage of offenders released on parole who complete their parole orders successfully, parole may be judged to be effective. The 1996/97 Annual Report of the Ministry of Justice shows that 78% of offenders released on parole completed their orders successfully. However, recidivism (the proportion of those released who subsequently re-offend) is generally regarded as the accepted measure of the effectiveness of parole.

General estimates of recidivism were calculated in a study undertaken in 1988 by Broadhurst et al. These estimates are compared with a subsequent follow-up study conducted in 1990 by Broadhurst and Maller. Both studies were based on the population of prisoners released for the first time from Western Australian prisons between July 1975 and June 1987 and involved some 16,400 prisoners. Summary details of general recidivism found in both studies appear in Table 1 below.

I will not read table 1, but I seek leave for it to be incorporated in *Hansard*.

[Leave granted for the following text to be incorporated.]

Table 1				
General Recidivism in Western Australia				
Category	Probability (%)		Median Fail Time	
Year	1984	1987	1984	1987
Male Aboriginal	80%	76%	11 mths	11 mths
Male non-Aboriginal	48%	45%	18 mths	18 mths
Female Aboriginal	75%	69%	16 mths	16 mths
Female non-Aboriginal	29%	36%	20 mths	23 mths

Hon PETER FOSS: It continues -

Some 16 per cent of the study population were released to parole on their first term of imprisonment.

Broken down by release type, the data (Table 2) show that there is strong evidence that the failure of parole prisoners is significantly less than that of prisoners released unconditionally. . . .

On the basis of these data, Broadhurst and Maller concluded that:

" . . . those released unconditionally (after serving finite sentences) had higher reincarceration than those released on parole, while those released after the payment of fines fell between. This suggests that parole has positive effects in reducing the probability of returning to prison and/or that parole procedures select for a group with improved prospects."

Much of the public concerns about parole centres on procedural faults and failures particularly by offenders with notoriety. It must be remembered that parole does not prevent offenders from committing crimes, although, the data relating to successful completion rates whilst under parole supervision and the data in Table 2 above suggest that it may assist in doing so. As the majority of offenders will eventually be released into the community these data would suggest that it is preferable for them to be released under some form of parole supervision and support. For this reason it is important that a system of parole be retained.

I also seek leave to incorporate table 2 in the *Hansard*.

[Leave granted for the following text to be incorporated.]

Table 2

Recidivism by Release Type (Males only) 1975-87

Release Type	Aboriginal	Non-Aboriginal
Parole	67%	32%
Finite	77%	49%
Fine	70%	46%

Hon PETER FOSS: The question then is that if one wants truth in sentencing and parole, how does one achieve it? Theoretically one could say that a person is sentenced to a period in gaol and is further sentenced to a period on parole. There are a number of difficulties with that. The first of course is that parole should be conditional, and for the majority of long term prisoners it is; in other words, they are not entitled to parole but get parole only if they satisfy certain conditions, whereas of course it becomes a little problematic when one says that they are entitled to release at the end of a sentence and then they are on parole. How does one administer that if one thinks at that stage a person is not suitable for parole or should not be out in the community? Does one impose conditions that the person will fail? It is not satisfactory to have parole as an add-on; it must be part of sentencing. We discussed earlier the question that a person on parole is under sentence of imprisonment but is temporarily allowed out of gaol. What has been recommended by the committee is that at least half the period be spent in gaol and the person be then admitted to parole for a period of time.

Hon N.D. Griffiths: As a general rule it should not exceed two years.

Hon PETER FOSS: That is right. For the rest of the time those people are still at risk, so if they misbehave they will be brought back into the system and be liable to spend the rest of their time in gaol. They are still able to be admitted to parole. The idea is that the sentence will have some impact somewhere along the line. It does not necessarily mean that people will spend all of that time in gaol. Half of it will be spent in gaol and the other half will be spent at risk and much of it under active supervision.

Hon Derrick Tomlinson: Why apart from one and two-thirds is one-third earned remission?

Hon PETER FOSS: Perhaps I should deal with the question of remission. The committee came to the conclusion that there was considerable concern that remission ever worked. Chapter 5 deals with remission. I have a copy of the pages before everybody else's were printed. I hope my page numbers match everyone else's. At my page 20 the last paragraph reads -

It is the view of this Committee that remission or the threat of its removal can provide a degree of positive influence over a prisoner's behaviour and may therefore assist in the day to day management of prisoners whilst in custody. However, the Committee notes that since the abolition of the 10% reduction form the Non-parole period in November 1994, the Western Australian prison system has been able to resort

successfully to other sanctions when punishing prisoners for unacceptable behaviour. There has not been a demonstrable increase in prisoner misconduct. In the view of the Committee, this demonstrates that the "remission sanction" is not necessary as a motivator of positive prison conduct.

There are also arguments that some form of incentive should apply to prisoners who cooperate with prison authorities. The one issue that the Committee could agree on in relation to this matter -

I must make quite clear that there was a huge amount of disagreement, and there still is. It continues -

- is that the introduction of such an arrangement could further "muddy the waters" in respect of the public's understanding of sentencing. The Committee is aware that a separate Committee has been formed by the Ministry of Justice to review the *Prisons Act 1981* and believes that issues relating to sanctions for poor conduct and/or rewards for good conduct, which are more appropriately a prison management issue, would more properly be addressed by that Committee.

The essential thing is that there is one-third automatic remission.

Hon Derrick Tomlinson: It is not earned?

Hon PETER FOSS: It is not. It supposedly can be lost, but the most people can lose is about 10 days. There has certainly been a lot of talk about this. How does one set up a system of earned remission which is fair?

Hon Derrick Tomlinson: Credit points?

Hon PETER FOSS: One can give credit points, but who hands them out? The problem is that if the points are allocated by management, although it may be said that it is not a management imposition of time in gaol, that is exactly what it becomes. The present system of punishment is that people are entitled to be tried - it is a very summary system - before a visiting justice of the peace. Evidence is provided and further terms are imposed on them. If it worked on the basis of people being given points, it would give huge control to those people who allocate the points. They are not like brownie points where, at the end of the day, people receive a merit certificate from the principal; they translate into further days in gaol. We have some concern at the moment that we need a better, more open and obvious system of imposition of discipline and punishment within prisons. That will come out in the Prisons Act. The current system breeds a feeling of injustice - and there may possibly be some injustice - in the way punishment is delivered. People may complain that they were busted for doing something fairly minor, such as using electrical equipment in a way it was not meant to be used, writing obscene messages on a computer or getting hold of some pictures that should not be on the computer.

Hon N.D. Griffiths: That could be very serious.

Hon PETER FOSS: I know it can be serious. The problem is that it must be dealt with evenhandedly. It is open to people in the gaol to tell the prisoner to delete the material on the computer and not do it again, or to bring a charge against that person. In that case, the person will undoubtedly be found to have broken prison discipline and some punishment will be imposed. It is all too easy in a prison for that decision to be made in such a way that it is oppressive. People complain about police behaviour, but they do not deal with those people every day. People may complain about the way they were treated by the police, but they are not in day-to-day contact with those same people and if it happens to some extent, it is not due to a past history of events. There is often a feeling of injustice by prisoners, and it may seem strange that prisoners should have such a keen sense of justice and fair treatment. One of the problems with the whole idea of remission is that it gives to the prison officers an enormous discretionary power to punish.

Hon Derrick Tomlinson: Surely that is as it should be. If the power of parole is given to the judge, it is part of the penalty and control of the judicial system. If earned remission is a management tool of the system, it should be within the control of the prison system.

Hon PETER FOSS: It has been shown that it is not necessary for the management to have that power. The managers can manage without it. Under those circumstances, should it be there even if it is not needed? The concern is, first of all, that it is never applied. I know of no place where it has worked as a system in terms of proper, earned remission. It has been tried in the United Kingdom, but in no place has it been carried out in a fair and effective manner.

Hon N.D. Griffiths: The matter is reasonably addressed in chapter 5, pages 15 to 17, of the tabled paper.

Hon PETER FOSS: It is not necessary and it can lead to injustice. More importantly, at the moment all it does is confuse because people automatically get one-third off for remission. They can even earn remission on top of that.

Hon N.D. Griffiths: It confuses the public and the prisoner.

Hon PETER FOSS: Exactly. Nobody benefits from it.

Hon N.D. Griffiths: And it confuses some members of Parliament.

Hon PETER FOSS: Exactly. The only problem with abolishing it, is the impact it will have on prisoners. Is anything gained by merely adding that to the time people spend in gaol? There is nothing to be gained from that, because it is an arbitrary doubling of penalties across the board for all crimes, irrespective of whether that is desired by the Parliament or justified by the crime. If we wish to increase the period people spend in gaol, it should be done advisedly by the Parliament indicating that certain crimes deserve higher penalties. That is where recommendation 12 comes in. If 50 per cent were adopted, it would retain the existing situation. What was previously one-third of three-thirds will become 50 per cent of two-thirds.

Hon Ljiljanna Ravlich: Criminals will not spend longer in gaol?

Hon PETER FOSS: No, unless the Parliament says that they must. That is where the matrix is important, where the Parliament will have the capacity to influence the sentences for particular offences. There is a significant call by many people for prisoners to spend more time in gaol.

Hon Ljiljanna Ravlich interjected.

Hon PETER FOSS: That is true, and it is appropriate but in particular cases. If it were done across the board, it would impose an enormous burden on the taxpayer, without there necessarily being a benefit. There are clear cases where a longer period in gaol would not only be justified, but also meet many expectations of the public. In many other cases, the public would say they did not have those cases in mind.

Hon Ljiljanna Ravlich: Like fine defaulters?

Hon PETER FOSS: Fine defaulters do not go to gaol as much as they used to. It is another area I wish to address. We must put back in line the relationship between the amount of the fine and the period served.

The one I am concerned about relates to maintaining the rather strange formula. Recommendation 4 states -

The existing formula be modified so that, where a parole eligibility order is made, the offender will become eligible for consideration for release on parole after serving one half of the term, except in the case of sentences of more than 12 years, where the offender will become eligible for release after having served 2 years less than two thirds of the term.

I have recommended that it be deleted and that recommendation 12 be appropriately adjusted. Recommendation 12 can deal not only with the situation where the sentence must be rounded down, but also with how far it is rounded down. The problem is that the exception in recommendation 4 was retained that way to be consistent with the current Sentencing Act. However, most people do not know it exists. They think offenders will serve only one-third of their sentence, but in some cases they will serve more. The remission is one-third only up to a certain period. The public do not know how it works and I am sure will never understand it. In any case, one needs a calculator to work out how long the person will spend in gaol. At the same time as the mental exercise is being carried out in recommendation 12, to bring it back to the same period in gaol, it can be done for the exception that has been deleted. In other words, it will be 50 per cent right the way through. In imposing the sentence, the judge will take into account the difference in the formula at that stage. The public will know that no matter how long the sentence is, remission will be 50 per cent, except for sentences under 12 months. That has been a strange situation until now. At the moment, a person who is sentenced to 12 months' imprisonment will serve nine months, because that person receives one-third remission but no parole. If on the other hand a person receives a sentence of 15 months, he will have the one-third remission and the one-third parole. Normally, magistrates are involved at this level and impose sentences of 12 months or less, knowing full well that the period a person spends in gaol will be longer than if they impose a longer sentence. Although some people have expressed concern that judges cannot handle recommendation 12, magistrates are already handling it rather effectively. Magistrates know the system, are taking into account how long a person will spend in gaol and are making adjustments for it.

Hon N.D. Griffiths: You see no difficulty in implementing recommendation 12.

Hon PETER FOSS: I do see difficulties. However, there should be no difficulty in implementing recommendation 12. It is only because some elements of the judiciary have seen difficulty with recommendation 12.

Hon N.D. Griffiths: But you do not share their view.

Hon PETER FOSS: I have to take it into account because it is as much what the judiciary perceive to be the difficulty that can be the difficulty, rather than the actual situation. I cannot ignore it. Certain members of the judiciary see it as perfectly acceptable and others do not. Virtually the same thing happened in New South Wales and Victoria.

New South Wales did not put the provision in the Act; it was put in the second reading speech and no recommendation 12 adjustment took place. Victoria put it in the Act. Victoria did a great deal of work taking judges through the situation and giving them all the information - they were even given ready reckoners. A judge could read the ready reckoner and know instantly what should be the period.

Hon N.D. Griffiths: As the committee pointed out, you have a model to work on, so why is there a delay?

Hon PETER FOSS: There is no delay. I just want members to understand some of the quite strongly held objections. The first question was: Should we get rid of remission? That is a fairly easy question. As members can tell from the report, there are strong objections from the legal profession and certain elements of the judiciary which feel that the one-third remission should not go. The report came down with a recommendation, even though it was not agreed that it was the right thing to do, because a recommendation had to be made in the end. Provided we prepare for it appropriately and ensure that it is clearly understood, we can give effect to that through the ready reckoner method.

Hon Nick Griffiths said that it is taking too long to implement. I will indicate what has happened over this period. Originally, my request to prepare the review was made in July 1996. In August I received draft terms of reference; in September they were agreed to; the committee was established and notified in October; and we then called for public submissions. The committee met on many occasions, took public submissions, continued to discuss the various models and came up with the options paper in December 1996. It is interesting to note that at that stage it was quite clear from the committee that members were not as one as to what should happen. They said the paper provided a number of options, but they were having considerable difficulty with it. I received a report from the committee because the options paper contained a number of alternatives some of which were quickly dismissed. The options paper stated -

In the view of the Committee, a decision regarding the preferred approach should not be made until the models have been further elaborated.

In order to further progress its work, the Committee would appreciate your guidance in respect of which of the models, if any, should be further developed. The comments of key stakeholders including the judiciary, the Law Society, the Criminal Lawyers Association, the Law Reform Commission, Legal Aid, the Aboriginal legal Service and the Crime Research Centre might also usefully be sought, on a confidential basis.

A matter of concern is the potential impact of any changes to the systems of parole and remission on the rate of imprisonment in Western Australia. The Victorian approach of including specific provision in legislation that the court must adjust sentences so that the actual time expected to be served under any new sentencing scheme is no greater than under the existing provisions would seem to offer the best solution. However, it is noted that the changes to the sentencing arrangements in Victoria were a product of deliberation and consultation over several years. It is strongly recommended that the Chief Justice be consulted on this issue as a matter of priority.

The committee pointed out that, if the system was to work, the involvement and cooperation of the judiciary was essential. In Victoria it took several years.

As a result of that options paper, I had a discussion with the chief judge and indicated what I felt were the better options and the committee then reviewed the matter. In fact, the committee also discussed the matter with many other people. Members of the Law Society of WA were added to the committee because they were not included originally.

The second options paper was received in July and was sent to the chief stipendiary magistrate in the Law Society. We received a number of responses from some of those people. However, the final response was not received until December 1997. Nothing happened in the mean time. Several responses were received from those people on an interim basis, but a final response was not received until December 1997. That was proper and appropriate. It might appear to us that it took a very long time for people to submit their responses, but it must be acknowledged that they submitted interim responses during that time.

I received those stakeholders' comments and I asked that they be incorporated in the review. Members will notice that the report has gone out with those comments incorporated. The report was then released for public comment the period for which was due to close in May. Some substantial stakeholders - including major legal stakeholders - asked me to extend that period. To this day, one still has not responded. I do not like to cast aspersions by referring to him by name, but one of the major stakeholders has not responded.

Hon N.D. Griffiths: The major stakeholder in this is the general public.

Hon PETER FOSS: I agree with that, but our concern is to make sure it works. As I said at the beginning, the initial

problems we experienced with parole arose from a well-intended, well-thought out and well-reasoned report which was intended to achieve a particular result. It did not achieve that result for a number of reasons, the most important one being that decisions were made by various courts which interpreted how the provisions should work. Also, people had not seen the consequences of human beings reacting to a particular set of circumstances. That was the real problem that we faced at that stage. This did not occur because people did not do the right research or because they disregarded what the public had to say; the big concern was to establish the reason it had failed.

The situations in the United Kingdom, New South Wales and Victoria are intended to tackle the same problem, but have led to results which are different from what was intended. Everyone was trying to achieve the same end, and each situation was ending up with different results. It does not matter what is intended if the system is not prepared to make it work. The people who have the greatest capacity to ensure it does not work, if they do not agree with and do not sympathise with it, are the judiciary. I know the views of Hon Nick Griffiths. He does not believe we should give too much emphasis to the views of the judiciary and we certainly should not quote them.

However, if we want the thing to work in any real system we cannot ignore the fact that the judiciary will be administering the law. Unless the judiciary carries it out in the way it is intended by Parliament the result could be very serious. I am pleased to see Hon Cheryl Davenport in the Chamber. She represents a view in society with which I sympathise; that is, merely increasing penalties across the board will have the reverse effect to that which some people think it will have. I do not want to bring in a system and say it is up to the judges and it is too bad if they make a mess of it. We must have a system which will work. The part of the group which still resists this and doubts if recommendation 12 will work is the judiciary.

It is important that we want to achieve something - elucidating that is not a problem - but we need a system which will achieve it. People from all over the place in this Parliament will want to say they do not believe these offenders should receive parole. Their view will be "Take out recommendation 12, parole and remission. Let the offenders stay in gaol for the period of their sentence, irrespective." We will find that spectrum of belief in this Parliament on both sides of the Chamber. Obviously, members will adopt a view in the Chamber which is dependent on discussions in the party room. However, we are human beings and as human beings we have our own views and many people see "let them stay there for the full period" as the solution. I believe the social ills caused by that would far outweigh the benefits.

Appropriate penalties and responses from the public are needed. It is quite right that the public should know how long people are gaolled for and that serious crimes have serious consequences, but members should not lose sight of the fact that ultimately we want to address crime. One addresses crime by addressing its causes. Some people suggest making parents responsible for their children, but most of those parents are in gaol. At times I let people out of gaol to attend funerals. The Royal Commission into Aboriginal Deaths in Custody recommended that important events like funerals be honoured. I have let people out of out of almost every single gaol in Western Australia including Bandyup, Casuarina, Canning Vale, Banksia Hill and Kalgoorlie. At times a whole generation of people has been let out - uncles, aunts, brothers and sisters. Those families are in gaol because it is almost a family tradition. One can list the factors: poverty, lack of education, lack of employment, single parent families, child abuse, sexual abuse, illiteracy, and innumeracy. These are not excuses, people with exactly those same backgrounds have become worthy citizens. However, these are risk factors we must address.

Hon Derrick Tomlinson: High-risk factors.

Hon PETER FOSS: Yes, high-risk factors.

Hon Barbara Scott interjected.

Hon PETER FOSS: It is a reason but not an excuse. No matter what we do with penalties, unless we address the causes of crime we are wasting our time. If we are not careful, a mere doubling of penalties will mean that the time a parent spends in gaol will double.

Hon Derrick Tomlinson interjected.

Hon PETER FOSS: They might have; that is interesting. Unfortunately, some of these families continue to increase in size even though the father is in gaol.

Hon Derrick Tomlinson interjected.

Hon PETER FOSS: I do not think that is the cause. That sort of thing happening while somebody is in gaol is a major management problem.

I hope this Parliament is generally of the view that recommendation 12 is a vital part of this scheme and that parole is still a vital part of this scheme. If we bring this in and have a New South Wales result we will have two major

problems: The first will be an exacerbation of the social problems which lead to crime. The second will be the need to take taxpayers' money away from dealing with those problems. It costs the community \$66 000 a year to keep somebody in a maximum security prison.

Hon Bob Thomas: Is that the marginal cost for the next person who goes in?

Hon PETER FOSS: No, it is the average cost. It does not include the capital cost; it is the day-to-day cost. To build a large prison costs \$150m; it will cost \$115m for the 750 bed prison. If we double the amount of time people spend in jail, within 2.5 years we have double the number of people in gaol. That will require many new gaols. It will divert capital and recurrent moneys away from education, health, training and housing; the very matters that need to be addressed to reduce crime. We may end up with the reverse of what we seek to achieve. The concern we have expressed today can be addressed by ensuring that recommendation 12 is in the recommendations and that it works.

Hon Bob Thomas: Has the Government made a mistake in cutting funding to a lot of intervention and diversion programs?

Hon PETER FOSS: I do not believe it has. Hon Kim Chance may be aware of a program which addresses Aboriginal cyclical reoffending. It is in its early days. The program came about because of my experience in the Health Department. Hon Kim Chance will remember that when I became Minister for Health, I recognised that a big problem in health was not that we were not spending money on Aboriginal health but that we were not spending it effectively. I gave a tremendous amount of leeway to the Director of Aboriginal Health. We established a good rapport between Aboriginal medical services and the mainstream health services. Up to that stage they would not talk to one another and certainly did not trust one another. We arranged for the mainstream health services to give support and money to the Aboriginal medical services to allow them to deliver culturally appropriate health care. We also arranged for the Aboriginal medical services to provide epidemiological information because they had an amazing amount of information. That assisted the department in the delivery of services. It will take 20 or 30 years for some of that to work through. People will continue to fall ill because of past dietary problems. We found that Aboriginal people can deliver that health care because it is culturally appropriate and that we can educate the mainstream health people as to how they should do it. These initiatives have made a fantastic difference in the relationship between the Aboriginal and mainstream health services.

Hon Kim Chance: And not only to Aborigines.

Hon PETER FOSS: Exactly; that is very true. When I become Minister for Justice, I walked through the Ministry of Justice. I found exactly the same problem. It was not another problem. The people who were a problem in the justice system were the same as those who were a problem in the health system, and for the same reasons - lack of education, lack of health. It is just that we had the other part of the problem. In the Health portfolio, when people were in gaol, it was a health problem. In the Justice portfolio, people with bad health were seen to be a justice problem. It seemed to me that the biggest problem was that we were each beavering away at a solution independently.

Hon Cheryl Davenport: That is what we found; there was no coordination.

Hon PETER FOSS: Exactly. In the Geraldton program we decided that we must have some framework for attacking the biggest problem - cyclical reoffending. We set up the concept of a state agreement between us and the AJC and between us and Aboriginal people, setting out what we expected of each other. There was a similar agreement on a local basis. There were a number of other agreements including those between agencies to cooperate, and an authority from the chief executive officers for people to do those things that were necessary for cooperation. In that way requests did not have to go up to the minister and all the way down the line again to get approval to work with another person.

Debate adjourned, pursuant to standing orders.

[Questions without notice taken.]

DANGEROUS GOODS (TRANSPORT) BILL

Introduction and First Reading

Bill introduced, on motion by Hon N.F. Moore (Minister for Mines), and read a first time.

Second Reading

HON N.F. MOORE (Mining and Pastoral - Minister for Mines) [5.35 pm]: I move -

That the Bill be now read a second time.

I take pleasure in introducing the Dangerous Goods (Transport) Bill 1998. This Bill will enable implementation of the latest thinking on public safety for the transport of dangerous goods as endorsed by the Ministerial Council on Road Transport. In addition, the Bill will implement compatible requirements for rail operation.

The transport industry, in its widest application, plays a central part in the efficiency of our industries and our national and international competitiveness. For these reasons, agreements were reached between State Governments and the Federal Government regarding micro-economic reform for the transport industry. The National Road Transport Commission has been developing nationally uniform road transport law since 1992 under the Heavy Vehicle Agreement signed by heads of government. In Western Australia the Minister for Transport has supervised these developments through the Australian Transport Advisory Council and the Ministerial Council on Road Transport.

Large amounts of chemicals are now being transported within Western Australia and this will grow with the planned \$6b expansion of the chemical industry. Our State must have transport legislation of the highest standard to ensure public safety is maintained at the optimum level in order to satisfy the broader community needs as far as safety standards and the cost-effectiveness of the administration is concerned.

The requirements of this Bill are the result of extensive consultations with industry and other States. As drafted, it will provide Western Australia with a nationally consistent scheme that will support dangerous goods transport regulations and the Australian Dangerous Goods Code, which is the industry code of practice. It will ensure that the Western Australian Parliament will control Western Australian legislation and the provisions of the commonwealth model legislation have been applied in this Bill in a manner best suited to Western Australia. For example, the scope of the Bill is much broader than the commonwealth Act as it includes rail transport. Rail transport rules and a national code have also been reviewed - by industry and States - and the enabling provisions are included in the Bill to ensure that road and rail regulations involving dangerous goods remain in harmony.

The Bill extends responsibility for compliance to all parties in the transport chain, thereby creating a comprehensive regulatory framework for the safe transport of dangerous goods.

Clause 20 of the Bill obliges a person to answer the questions of an authorised officer even if the answer may incriminate that person. However, this clause also provides that such evidence cannot be used in criminal proceedings against the person. The purpose of clause 20 is to facilitate the investigation of dangerous goods accidents so that preventive measures can be put in place to safeguard the public from further accidents.

Regulations under the Bill will implement in this State the provisions of the commonwealth Road Transport (Dangerous Goods) Regulations and the Australian Code for the Transport of Dangerous Goods, as applicable to both road and rail transport. The regulations will cover matters such as the classification of dangerous goods, the packaging of dangerous goods for transport, the management of bulk containers of dangerous goods, the marking of containers and vehicles, the procedures to be adopted in the course of land transport, and the procedures to be adopted in emergencies.

Key features of the dangerous goods transport reform include -

- a nationally consistent licensing scheme for drivers and vehicles;
- clear duties and responsibilities for all parties;
- legal liability on prime contractors and consignors;
- compulsory training for all dangerous goods tasks;
- rights for industry to appeal decisions; and
- national coordination of exemptions, approvals and other administrative decisions.

The measures in the Bill have no impact on state revenue or expenditure.

In conclusion, this Bill gives effect to uniform requirements for the transport of dangerous goods by road and rail. The development of these requirements is supported by intergovernmental agreements and extensive national and state consultations were undertaken during development.

This Bill will ensure that safety issues in dangerous goods transport continue to be addressed in a manner consistent with international developments. It will establish legislation in a manner best suited to Western Australia, but it will apply the national perspective in a manner which will allow the transport industry to operate safely, efficiently and effectively within Western Australia, across Australia and internationally. I commend the Bill to the House.

Debate adjourned, on motion by Hon E.R.J. Dermer.

DANGEROUS GOODS (TRANSPORT) (CONSEQUENTIAL PROVISIONS) BILL*Introduction and First Reading*

Bill introduced, on motion by Hon N.F. Moore (Minister for Mines), and read a first time.

Second Reading

HON N.F. MOORE (Mining and Pastoral - Minister for Mines) [5.41 pm]: I move -

That the Bill be now read a second time.

This Bill amends the Explosives and Dangerous Goods Act 1961 as a consequence of the enactment of the Dangerous Goods (Transport) Bill 1998, which was the subject of the last second reading speech. The Bill is intended to come into operation on the day on which the Dangerous Goods (Transport) Bill 1998 comes into operation.

Currently all matters to do with explosives and dangerous goods such as storage, handling and transport are dealt with by the Explosives and Dangerous Goods Act 1961. The Bill will repeal all outdated provisions on the transport of dangerous goods from the Explosives and Dangerous Goods Act 1961. I commend the Bill to the House.

Debate adjourned, on motion by Hon E.R.J. Dermer.

WEAPONS BILL*Introduction and First Reading*

Bill introduced, on motion by Hon Peter Foss (Attorney General), and read a first time.

Second Reading

HON PETER FOSS (East Metropolitan - Attorney General) [5.43 pm]: I move -

That the Bill be now read a second time.

The Weapons Bill 1998 makes provision to control the use and availability of replica firearms and non-firearm weapons in our community. The Bill replaces section 65(4A) of the Police Act, which has provided police with the only powers they have had, until now, to deal with the problems of non-firearm weapons in the community. This section may have been adequate to deal with the problems in 1956 when it was introduced but it has been found wanting in recent times.

Day after day members will have seen and read of knives and other offensive weapons being used in robberies and assaults, and of gangs fighting in our streets with nunchakus, knives, machetes, baseball bats, pickets and so on. The lack of specific powers in relation to these weapons has made it difficult for police to contain these offences. For example, under current laws, when police have cause to suspect a person is armed for inappropriate purposes they are powerless to act unless they actually sight a weapon.

This Bill, in addition to combining into one piece of legislation the powers that police need to protect our community, incorporates controls relating to replica firearms and non-firearm weapons and reflects the recent resolutions of the Australasian Police Ministers Council.

In drafting this Bill, the legislation of other States was evaluated. It became apparent from this process that other States had experienced similar problems with non-firearm weapons as have been experienced in Western Australia and, in many cases, were in the process of providing police with powers to deal with these weapons.

It should be noted that in Victoria, the introduction of like legislation, the Control of Weapons Act 1990, resulted in an immediate reduction in reported crimes involving knives.

The Bill divides non-firearm weapons into three distinct categories. The first category is prohibited weapons. These are weapons that have no other purpose than to cause injury and include most of the non-firearm weapons of the type defined in schedule 2 of Federal Customs (Prohibited Imports) Regulations.

Possession of these weapons will be limited to Police Service personnel, museums and persons and groups of persons exempted under clause 10 of the Bill.

The second category is controlled weapons. These are weapons prescribed in regulations to be controlled weapons; or any other article, not being a firearm or a prohibited weapon, made or modified to be used -

- (i) to injure or disable a person;

- (ii) to cause a person to fear that someone will be injured or disabled by that use; or
- (iii) in the practise of a martial sport, art or similar discipline.

The reference to any other article made or modified to be used to injure or disable a person is a catch-all for all other non-firearm weapons not listed in regulations and includes articles physically modified to become weapons. In addition to providing coverage of weapons currently available that are not listed, it is intended that the catch-all will provide coverage of any non-firearm weapons developed or becoming available after enactment of the legislation, without the specific reference having to be added to regulations.

Possession of these weapons will be limited to persons who have a lawful excuse for possession, such as use in lawful activities related to sport, employment, duty, recreation, entertainment, collection, display or exhibition. Possession of these weapons for defence will not be a lawful excuse except where the weapon concerned is expressly exempted in regulations. People having these weapons will be required to carry or possess these articles in a safe manner so as not to injure people or cause them to fear injury.

The third category is other articles carried or possessed as weapons. These are articles, not being firearms, prohibited weapons or controlled weapons, carried or possessed with the intention of being used, whether or not for defence, to injure or disable any person or to cause any person to fear the same. This category relates to household items and includes articles such as boning knives, axes, tomahawks, baseball bats and so forth, which can be as lethal as many of the specifically designed prohibited and controlled weapons.

However, it is recognised that many people have baseball bats, torches and the like around their houses which they can use for protection should the need arise. The Government does not believe these people should be in breach of the legislation simply for seeking to protect themselves or their property from attack in their own home. Accordingly, clause 8(3) allows for possession of these articles for defence in a person's own dwelling.

The intent of this provision is to enable police to intervene if a person carrying one of these articles away from his dwelling is acting in a manner to suggest he intends to use it as a weapon.

The fact that this Bill limits people from carrying or possessing any article or weapon solely for self-defence does not mean people cannot defend themselves.

Section 25 of the Criminal Code will apply to offences against this Bill. This section provides that in relation to acts done upon compulsion, or provocation or in self-defence, a person is not criminally responsible for an act or omission done or made under such circumstances of sudden or extraordinary emergency, that an ordinary person possessing ordinary powers of self-control could not reasonably be expected to act otherwise. This would mean that people who used a weapon in reasonable circumstances would not be held responsible at law for the use of the weapon. However, it is not intended that this section would provide a defence for possessing a prohibited or controlled weapon without lawful excuse prior to the emergency occurring.

The Bill will allow for exceptions under which a person, a class of person or a type of weapon can be exempted from some or all of the offence provisions of the Bill. This provision is intended to allow for exemptions to be implemented expeditiously, where circumstances dictate. These exemptions will be granted on occasions where people are able to provide a valid reason for possession of these weapons or where it is deemed to be in the public interest to exempt a class of persons or type of weapon. It is with the public interest in mind that the Government will use this provision to allow persons under specified conditions to possess oleoresin capsicum sprays for lawful defence. Members will note that the burden to provide any lawful excuse or exception on which a person seeks to rely, in relation to an offence under the Act, rests with the person himself.

If community safety were the only issue considered, items such as crossbows, swords, spears and throwing knives would be prohibited. However, recognising that there is a sizeable proportion of the community who use these weapons for lawful pursuits such as competitive sport, hunting and martial arts training, controls on these articles have been developed pragmatically. The cornerstone of cost-efficient, non-invasive control is the requirement that people possessing such a weapon have a reasonable lawful excuse for having the weapon, and that they should be compelled to provide that lawful excuse when required. This onus of proof is made on the basis of the relative ease of proving or disproving a lawful excuse. It is far easier for a possessor to provide a lawful excuse, if he in fact has one, than it is for the prosecution to prove the lack of a lawful excuse where no excuse is tendered.

Similarly, if a person is claiming to be lawfully carrying or possessing a weapon under the provision of an exception granted under clause 10 of the Bill, it is considered reasonable that the person should be required to prove the existence of the circumstances he is claiming in his defence.

Further, if the defendant were not required to prove the lawful excuse or exception it would severely compromise the effectiveness of the legislation, as people found with weapons in suspicious circumstances could, in many

instances, avoid prosecution simply by not providing an excuse. It is considered that the requirement of a person to prove a lawful excuse or exception is a reasonable quid pro quo for the continued public availability of these weapons.

As stated at the beginning of this speech, this Bill will provide police with the powers they have needed to combat the increasing use of non-firearm weapons in crimes against our community. In summary, the Bill will provide police with powers to -

search a person or conveyance without warrant, on reasonable suspicion, and to seize weapons or evidence found relating to an offence;

search with a warrant, granted by a justice, any place in which it is suspected a weapon or evidence relating to an offence may be found, including people in such a property, on or under the property, and within any building, structure, equipment or conveyance on the property;

seize anything that they find;

use such assistance to perform the search as the officer deems necessary;

use such force as is necessary;

retain anything seized until such time as the appropriate judicial or diversionary process has been completed, or until the lawful owner of the seized property has been identified; and

dispose of any seized weapons not claimed within a specified time.

It should be noted that provision has been made for a third party claiming lawful possession of a seized weapon to have their claim heard in a court, even in cases where the matter does not proceed to trial or where no conviction is recorded.

This Government recognises that people who currently lawfully possess weapons which are to be prohibited will need time to either lawfully dispose of them or apply for an exemption under clause 10 of the Bill. Accordingly, it is proposed that the offence provisions of the Bill will not come into effect until six months after the Act is proclaimed.

In view of the nature of the legislation and its reliance on what is detailed in regulations, I earlier took the unusual step of tabling a draft of the weapons regulations. Although this may not be the final draft, it does give members a clear indication of the nature of the weapons which will be covered by this legislation. I commend the Bill to the House.

Debate adjourned, on motion by Hon Bob Thomas.

LIQUOR LICENSING AMENDMENT BILL

Introduction and First Reading

Bill introduced, on motion by Hon Norm Kelly, and read a first time.

Second Reading

HON NORM KELLY (East Metropolitan) [5.50 pm]: I move -

That the Bill be now read a second time.

The purpose of this Bill is to amend the Liquor Licensing Act 1988. Its intent is to introduce into the Act a requirement to limit the number of licences that can be held by any individual, company or associated groups of individuals or companies.

These amendments were not put forward in the recently passed Liquor Licensing Amendment Bill 1997 to facilitate the speedy passage of that Bill, which had received strong support throughout the liquor industry and wider community. However, it was noted during debate on that Bill, by me and others, that it failed to address one of the most serious concerns that confronts the industry today, and has become stronger in recent years; namely, the growing dominance of Coles Myer in the liquor store sector of the market through its Liquorland, Vintage Cellars and Charlie Carters chains.

Historically, the tertiary sector of the liquor industry in Western Australia has been characterised by a healthy diversity of wholly owned groups, marketing groups of independents, and independents. However, this traditional spread has become more concentrated over the past few years. As of 15 July 1998, there were 440 liquor store licences in Western Australia, of which 74 were controlled by Coles Myer. That represents 16.8 per cent of the total

number of liquor store licences. More importantly, the market share that Coles Myer controls is approximately 32 per cent of the market, based on the most recent figures available from the Office of Racing, Gaming and Liquor. Coles Myer owned 50 liquor store licences at the beginning of 1994, so this represents an increase of 48 per cent over the past four years in the number of licences held.

This policy of acquisition is heading towards a domination of the Western Australian market which could be disastrous for the future vitality of the industry sector. The trend towards an oligopoly will devastate an industry sector that is largely made up of independent small businesses. However, this legislation should not be seen as an attack on Coles Myer. It represents a limit on any individual or company that seeks to control a market share that can result in anti-competitive behaviour. At the moment, although Coles Myer is the dominant player in the liquor store market, Woolworths also has substantial holdings, owning five of the top 10 stores based on turnover in the State.

With the passing of the recent Liquor Licensing Amendment Bill, a distinct advantage has arisen for existing licence holders to preclude others from entering the market in their catchment area: It is required in applying for a new licence to show that an unmet public need exists for such an outlet, and this can lead to localised monopolies.

Hon Derrick Tomlinson: What about the mail order ones?

Hon NORM KELLY: For example, five of the six liquor store licences in the Innaloo state electorate area are currently owned by the one corporation. The development of state, regional or local monopolies or oligopolies involves the steady destruction of competitors and, therefore, competition. This can lead to higher prices for consumers and a limited range of product.

As public policy requires that liquor be a controlled and regulated product, due to the massive social and health impacts of alcohol, the liquor industry necessarily becomes a restricted market. Therefore, it is incumbent on the Government to ensure that although competition is restricted, it also remains as competitive as possible and open to new operators.

The recent national Small Business Summit held in July in Perth identified monopolies as a key issue in regional small business development. An outcome from summit States was that "In order to enhance the environment for small business growth, the Government must intervene to prevent big business dominating to the extent that small business employment suffers and regional shrinkage occurs." There is a legitimate concern that major corporations could dominate the Western Australian market by their increased purchasing power, and other corporate policies could squeeze out independent operators.

It is not only independent liquor stores that can be affected by further market penetration by the major liquor store chains. Hotels and taverns, often owned by small, family owned and operated businesses, are also vulnerable to domination. Many of these hotels and taverns rely on takeaway sales to support the other services they offer patrons on-site. If the only competitor to a liquor chain store in a local market is a hotel or tavern, the hotel or tavern is generally unlikely to be able to compete on price because cash flow and profit are needed to subsidise their on-premises consumption operation, which requires a much higher level of capital investment and working capital than does a liquor store.

There is a trend for independent liquor store owners to form buying groups to compete against the buying power of national companies. However, the two largest buying groups in Western Australia, having 107 and 97 members respectively, are unable to compete on equal terms with the much larger purchasing power of Liquorland, which has 407 stores nationally, and Woolworths, which has 234 stores nationally. The other important difference is that buying groups are made up of individually owned stores as distinct from Liquorland and Woolworths where individual stores are all owned by the one company, with all the associated advantages. An associated disadvantage to this State is that national groups tend to buy from national suppliers, and by so doing, place local liquor wholesale businesses at a disadvantage.

It is important that a protected but fair and competitive market is maintained for the sale of liquor in this State. If the financial viability of a store is threatened as a result of the unfair practices of a dominant competitor, a temptation can arise to resort to promotional practices which are not conducive to the responsible sale and consumption of liquor in our society. These practices can have a negative social consequence and expense for the wider community.

There is concern among competition authorities that when market share exceeds 20 to 30 per cent, the potential arises to restrict open and fair competition in an open market. In a restricted market, such as liquor, there is an even greater potential for exploitation. Ideally, a restriction on the number of licences held by one operator would be based on the percentage of turnover which the operator controls. However, there is no realistic way of doing that. Therefore, a limit on the number of licences, in this case set at 15 per cent of the market, is seen as the most effective way of ensuring that an operator in the industry does not attain a market share which could be used in anti-competitive ways.

As a result of the likelihood of the Coles Myer group being above the 15 per cent limit when this legislation is enacted, a transitional clause is included to allow for a five-year period for any such groups to comply with the new requirements. It is the understanding of the Australian Democrats that this legislation is in line with state and federal legislation regarding trade practices. In particular, legal advice has shown that the provisions of part IV of the Trade Practices Act do not create any legal impediment to the enactment of a limit on licences. Likewise, this legislation is not in breach of the Competition Principles Agreement, which states that "the benefit of the restriction to the community as a whole outweighs the costs." Furthermore, as Malcolm McCusker, QC, has stated -

... its purpose, objectively viewed, is to ensure that competition is preserved and promoted by preventing one licence holder from dominating the industry. To limit the number of licences that may be held by any single person or corporation, far from being restrictive of competition, will prevent monopolisation of the industry and promote "workable competition" - the underlying object of the CPA and part IV of the TPA.

The introduction of a cap on licences is fully supported by the Liquor Wholesalers Association, the Australian Wholesalers Association and the individual members of the Liquor Stores Association. I commend the Bill to the House.

Debate adjourned, on motion by Hon Muriel Patterson.

ADDRESS-IN-REPLY

Amendment to Motion

Resumed from 18 August on the following amendment -

However, the Legislative Council regrets to inform His Excellency that this House finds much of the Government's policy outlined therein to be ineffectual, offensive and out of date.

HON KIM CHANCE (Agricultural) [5.58 pm]: I was about to conclude my comments to the amendment last night, and I may be interrupted again with the approach of the dinner suspension. However, I make a point subsequent to an item referred to in the Governor's speech, on page 16. Commenting about the general concept of commerce, trade and technology, the Governor said that Western Australia was attractive to new investors because of its commercial and business expertise, its infrastructure and political stability. I felt words needed to be added to the Governor's speech. Of course, I am not in a position to move a further amendment. However, I make the point that other issues apparently were involved in the attraction of at least one new enterprise to Western Australia; namely, the Narrikup abattoir. I suggested last night that some of the assistance provided to the Narrikup abattoir stepped far outside those four qualities outlined in the Governor's speech.

Sitting suspended from 6.00 to 7.30 pm

Hon KIM CHANCE: I have already spent some time commenting on the matters detailed on page 16 of the Governor's speech. I will also draw the attention of the House to comments made on pages 2 and 3 of that speech. On page 2 the Governor said -

Accountability and financial responsibility have been important driving forces behind the Government's management philosophy.

I am happy to accept that statement at face value. However, its affirmation in the Governor's speech means that the Government has a responsibility to provide adequate answers to the questions which have been raised about the Narrikup abattoir. So far, I have not seen those answers. I do not deny that adequate answers may exist. However, so far I have not seen those answers about this \$5.2m investment of taxpayers' money. On page 3, His Excellency said -

We are finding alternative markets and in the 12 months to June this year exports were up by 18 per cent. New private sector business investment committed and under consideration in Western Australia represents 35 per cent of the national total which augers well for our future growth.

Again, I do not take issue with that statement, but in respect of the Narrikup abattoir and the associated statement from the Minister for Commerce and Trade which said that as a result of the abattoir's opening \$100m-worth of new exports will be generated, the Government should show the people of Western Australia - who have made this investment of \$5.2m - where that \$100m-worth of new exports will come from.

We received part of an answer from the Minister representing the Minister for Commerce and Trade during question time today. It is an inconclusive answer but I suspect it is the only answer that the Minister representing the Minister for Commerce and Trade can give. However, I point out a statement made by the person who is central to this issue,

Mr Roger Fletcher, the principal of Fletcher International. In the *Albany Advertiser* of 18 August Mr Fletcher was reported as saying that -

He could not guarantee that the State's lamb kill would rise as a result of the new facility . . .

He could not guarantee that it will rise! Where on earth will these approximately 11.5m additional lambs come from, if indeed the \$100m increase in exports is predicated on lambs? If it is not, where will the increased value-added component in the mutton industry come from at a time when we have surplus capacity in the abattoirs in this State? The question rests upon that issue. Why is the Government investing \$5.2m of taxpayers' money in providing additional capacity in an industry which is already oversupplied? I look forward to receiving the answers to those questions but more importantly the people of Western Australia are looking forward to receiving the answers to justify -

Hon M.J. Criddle: Couldn't that be a matter of efficiency? There is a discrepancy.

Hon KIM CHANCE: That could be true in the case of the \$100m-worth of new exports, but it can hardly be true of the 400 new jobs. The Government has a responsibility to prove to the public of Western Australian that those 400 new jobs have been genuinely generated and are not simply jobs which have been cut out of other abattoirs such as the one at Katanning. I am not alone in believing that to be the case. The people at Metro Katanning believe those jobs will be drawn from other abattoirs. It is speculated that Metro Katanning will be reduced to the level of a seasonal works. That will not do any great favours for the people of Katanning in the great southern.

We can argue that this is a great move forward for the great southern; I am not necessarily debating that. It will certainly be a tremendous boost for that part of the State. However, it needs to be remembered that if the effect of that initiative is to reduce the abattoir at Katanning to a seasonal works, then largesse is simply being shifted from one part of the great southern to another.

In another part of my electorate, a major expenditure has been made at the Tammin abattoir by a Malaysian company. The abattoir currently employs 40 people which will double to 80 if it goes to a second shift. What is the future for that abattoir if jobs are drawn out of that area? I will not go any further with this because I have imposed on your patience, Mr President, and that of the Deputy President.

Hon N.F. Moore: And the standing orders slightly.

Hon KIM CHANCE: Perhaps I have pushed the standing orders a little as the Leader of the House advises. Nonetheless, we have standing orders against which to measure our contributions. When an issue as significant as this has arisen, the Address-in-Reply, albeit in the form of an amendment, is the appropriate place for it to be raised. I shall not press the patience of the House any further; I rest my case.

HON M.J. CRIDDLE (Agricultural - Minister for Transport) [7.38 pm]: I put on record the work done by the departments in my portfolio. To counter the effect of the words "ineffectual", "offensive" and "out of date" which have been used, we need to consider the road program which has been established as a result of the work of my predecessor and the future benefits it will bring to the State. The Narrows Bridge project has been mentioned in the papers recently. The effect of that project on the flow of traffic through Perth will be of great benefit to the people who use that road system to travel to work.

Hon Ken Travers: What about the environment?

Hon M.J. CRIDDLE: We are told that 30 per cent of the fuel expended in Perth comes from vehicles travelling under 5 kmh. Clearly the people who worry about the environmental and other aspects of that project should take that into account.

Hon Ken Travers: You will increase the number of vehicles.

Hon M.J. CRIDDLE: We want to make it possible for vehicles to travel from one place to the other faster. The report of the environmental study on the widening of the Narrows Bridge states clearly that more people will use public transport. That was also highlighted in *The West Australian* the other day. The tunnel will also be of great benefit in taking a lot of traffic off Riverside Drive and across Perth.

I have not had the benefit of studying the impact of the tax package on heavy transport in country areas, but a major benefit will flow from the fact that the cost of fuel will fall from 43¢ a litre to about 18¢ a litre. That will have a fantastic impact on the cost of shifting produce from the productive areas of this State. Hon Norman Moore has pointed out the great advantages to the mining industry. About 150 million tonnes of produce is shifted from inland areas to the ports each year.

Hon Ljiljanna Ravlich: What impact will a GST have on the cost of building a second bridge across The Narrows?

Hon M.J. CRIDDLE: It will have some impact, but it will also have some tremendous benefits. The fact that the GST -

Hon John Halden: You do not know. That is the answer.

The PRESIDENT: Order! As I recall, the GST was not mentioned in the Governor's speech. I know that the Minister is addressing his comments generally to that matter in respect of transport, but he has spoken previously and he is very much constrained to the narrow parameters of the motion.

Hon M.J. CRIDDLE: Thank you, Mr President, for bringing that to my notice. The tax package will have tremendous benefits for the transport industry and for the movement of produce from agricultural areas, as Hon Kim Chance will know, whether that be by road or by rail. I have not had the benefit of a question from the Opposition about the tremendous benefits that will be gained from the tax package for the transport industry. I wanted to highlight those issues with regard to this motion, which refers to the Government's policy as outlined in the Governor's speech as being ineffectual, offensive and out of date. We have done great things for our road transport industry, and for all the transport industries, and the State will benefit from that.

Amendment put and a division taken with the following result -

Ayes (10)

Hon Kim Chance
Hon J.A. Cowdell
Hon John Halden

Hon Tom Helm
Hon Ljiljanna Ravlich
Hon J.A. Scott

Hon Christine Sharp
Hon Tom Stephens
Hon Giz Watson

Hon Bob Thomas (*Teller*)

Noes (13)

Hon M.J. Criddle
Hon Dexter Davies
Hon B.K. Donaldson
Hon Max Evans

Hon Helen Hodgson
Hon Norm Kelly
Hon Murray Montgomery
Hon N.F. Moore

Hon M.D. Nixon
Hon B.M. Scott
Hon Greg Smith

Hon Derrick Tomlinson
Hon Muriel Patterson
(*Teller*)

Pairs

Hon N.D. Griffiths
Hon E.R.J. Dermer
Hon Cheryl Davenport
Hon Ken Travers
Hon Mark Nevill

Hon W.N. Stretch
Hon Peter Foss
Hon Ray Halligan
Hon Simon O'Brien
Hon Barry House

Amendment thus negated.

Debate (on motion) Resumed

Debate adjourned to a later stage, on motion by Hon B.K. Donaldson.

[Continued on page 460.]

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

Proposal to Travel

Hon Muriel Patterson, on behalf of Hon Mark Nevill, presented the twenty-third report of the Standing Committee on Estimates and Financial Operations in relation to a proposal to travel, and on her motion it was resolved -

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

[See paper No 98.]

SCHOOL EDUCATION BILL

Discharge and Referral to Standing Committee on Public Administration - Amendment to Motion

Resumed from 13 August on the following motion -

That the Order of the Day for the second reading of the School Education Bill be discharged and the Bill be referred to the Public Administration Committee.

To which the following amendment was moved -

That after the words "Public Administration Committee", the following words be added -

and that the committee report to the House not later than 8 September 1998

HON DERRICK TOMLINSON (East Metropolitan) [7.49 pm]: When I last spoke in support of the amendment to the motion, I was responding to the proposition put by members of the major and minor opposition parties that the intention of referring the Bill to the Standing Committee on Public Administration was to expedite the passage of the Bill through this House. I indicated that even with the very best of intentions, if the committee followed the path outlined in its interim report on the School Education Bill, there would inevitably be a delay until the end of October or early November before the Bill could proceed to a second reading debate. The committee's interim report indicated that it would seek written submissions from primary stakeholders, evaluate those written submissions, and then invite some or all of the stakeholders to appear before it to present evidence. That would unavoidably take several weeks, even with the best of intentions. Much of the information has already been gathered through the processes of public consultation over a long period, and to expedite matters the committee could call upon the two officers of the Department of Education Services who were responsible for the public consultation. Some opposition members attended the public meetings, so they would know the general tenor of the -

Hon Kim Chance: I am sure that we will be doing that.

Hon DERRICK TOMLINSON: It would make repetition of the exercise unnecessary.

Hon Kim Chance: It will narrow the exercise at the very least.

Hon DERRICK TOMLINSON: Yes, if the committee narrows the debate to pertinent issues that would be worthwhile, but given that much of the information is already available the process of narrowing the issues and identifying the salient issues can be done simply by referring to information that is already on the public record or, if not on the public record, available through officers of the Department of Education Services. Therefore, the amendment is commendable. It gives the committee the opportunity to do what it intends to do - to expedite and focus upon salient issues of the Bill. I commend the amendment to the House.

Amendment on the Amendment

HON BOB THOMAS (South West) [7.51 pm]: I move -

That the amendment be amended by deleting "8" and substituting "23".

HON TOM STEPHENS (Mining and Pastoral - Leader of the Opposition) [7.52 pm]: I support the amendment. The date represents a reasonable compromise in the process of trying to ensure that the Standing Committee on Public Administration has a reasonable time frame in which to take on board additional public comment on the Bill and to make sure that those referred to in the report that was presented to the House last week by the chairman, Hon Kim Chance, are adequately taken on board. The report-back date of 23 September would allow the Bill, together with the committee's report, to be back before the House before the scheduled two-week break. The House would after that break then have an opportunity to deal with the legislation.

Hon N.F. Moore: If it is any help, we will support the amendment.

Hon TOM STEPHENS: I am pleased that the Leader of the House is convinced of the merits of the amendment.

Hon N.F. Moore: It might save more time.

Hon TOM STEPHENS: I am sure that the Leader of the House understands the circumstances.

The PRESIDENT: Order! The Leader of the Opposition is restricted to a very narrow debate, which is about deleting a numeral and substituting another numeral, and no doubt that is why he is consulting his calendar.

Hon TOM STEPHENS: That is exactly right, Mr President. I knew there was a reason I was consulting my calendar. It is specifically because I find that the date "8 September" is to be replaced by the date "23 September". As members will know from their calendars, we would then have just two subsequent scheduled sitting days in September. It would be appropriate for the House to be ready, if it is the Government's will, to start consideration of the committee's report in the sitting week commencing 13 October. That might not be an ideal time frame for the Government. The Labor Government preferred legislation to be advanced according to its timetable, and it wanted the House to march to the beat of its drum. Of course, it did not work like that when we were in government. However, we now have an opportunity to canvass the report, so in the circumstances I commend the amendment to the House.

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [7.57 pm]: The Government is prepared to accept the amendment. It gives the committee a little more time, although all the reasons I used the other day as to why it should not go to the committee still stand, but in the event that the ultimate motion should be agreed to, it is a better time limit. There needs to be a time limit other than the one moved by Hon Barry House, so we are prepared to accept it.

Amendment on the amendment put and passed.

Amendment, as amended, put and passed.

Question (motion, as amended) put and a division taken with the following result -

Ayes (13)

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

Hon Tom Helm
Hon Helen Hodgson
Hon Norm Kelly
Hon Ljiljanna Ravlich

Hon J.A. Scott
Hon Christine Sharp
Hon Tom Stephens

Hon Giz Watson
Hon Bob Thomas (*Teller*)

Noes (12)

Hon M.J. Criddle
Hon Dexter Davies
Hon B.K. Donaldson
Hon Max Evans

Hon Barry House
Hon Murray Montgomery
Hon N.F. Moore

Hon M.D. Nixon
Hon B.M. Scott
Hon Greg Smith

Hon Derrick Tomlinson
Hon Muriel Patterson
(*Teller*)

Pairs

Hon N.D. Griffiths
Hon E.R.J. Dermer
Hon Mark Nevill
Hon Ken Travers

Hon W.N. Stretch
Hon Peter Foss
Hon Ray Halligan
Hon Simon O'Brien

Question thus passed.

JOINT STANDING COMMITTEE ON THE ANTI-CORRUPTION COMMISSION

Assembly's Message

Message from the Assembly requesting concurrence in the following resolution now considered -

The Legislative Assembly acquaints the Legislative Council that it has adopted a Standing Order to establish a Standing Committee on the Anti-Corruption Commission, as follows -

" **415A.** At the commencement of every Parliament, a Joint Standing Committee of the Legislative Assembly and the Legislative Council on the Anti-Corruption Commission be appointed. The Committee's power to act shall continue until the Assembly is next dissolved or expires by effluxion of time, notwithstanding any prorogation which may occur prior to dissolution or expiry of the Assembly.

415B. The functions of the Committee shall be -

- (a) to monitor and review the performance of the functions of the Anti-Corruption Commission established under the Anti-Corruption Commission Act 1988;
- (b) to consider and report to Parliament on issues affecting the prevention and detection of "corrupt conduct", "criminal conduct", "criminal involvement" and "serious improper conduct" as defined in section 3 of the Anti-Corruption Commission Act 1988. Conduct of any of these kinds is referred to in this resolution as "official corruption";
- (c) to monitor the effectiveness or otherwise of official corruption prevention programs;
- (d) to examine such annual and other reports as the Joint Standing Committee thinks fit of the Anti-Corruption Commission and all public sector offices, agencies and authorities for any matter which appears in, or arises out of, any such report and is relevant to the terms of reference of the Joint Standing Committee;
- (e) in connection with the activities of the Anti-Corruption Commission and the official corruption prevention programs of all public sector offices, agencies and authorities, to consider and report to Parliament on means by which duplication of effort may be avoided and mutually beneficial co-operation between the Anti-Corruption Commission and those agencies and authorities may be encouraged;

- (f) to assess the framework for public sector accountability from time to time in order to make recommendations to Parliament for the improvement of that framework for the purpose of reducing the likelihood of official corruption; and
- (g) to report to Parliament as to whether any changes should be made to relevant legislation.

415C. The Joint Standing Committee shall not -

- (a) investigate a matter relating to particular information received by the Anti-Corruption Commission or particular conduct or involvement considered by the Anti-Corruption Commission;
- (b) reconsider a decision made or action taken by the Anti-Corruption Commission in the performance of its functions in relation to particular information received or particular conduct or involvement considered by the Anti-Corruption Commission; or
- (c) have access to detailed operational information or become involved in operational matters.

415D. The Joint Standing Committee consist of 8 members, of whom -

- (a) 4 shall be members of the Legislative Assembly; and
- (b) 4 shall be members of the Legislative Council.

415E. No Minister of the Crown or Parliamentary Secretary to a Minister of the Crown be eligible to be a member of the Joint Standing Committee.

415F. A quorum for a meeting of the Joint Standing Committee be 5 members, each House of Parliament being represented by at least one member.

415G. The Joint Standing Committee have power to send for persons, papers and records, to adjourn from time to time and from place to place, and, except as hereinafter provided, to sit on any day and at any time and to report from time to time.

415H. The Joint Standing Committee will not sit while either House of Parliament is actually sitting unless leave is granted by that House.

415I. A report of the Joint Standing Committee be presented to each House of Parliament by a member of the Joint Standing Committee nominated by it for that purpose.

415J. In respect of matters not provided for in this resolution, the Standing Orders of the Legislative Assembly relating to Select Committees be followed as far as they can be applied."

and invites the Legislative Council to concur in the appointment of the Committee and accordingly requests the appointment of four members of the Legislative Council.

Motion to Concur

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [8.02 pm]: I move -

That the Legislative Assembly be informed that the Legislative Council concurs in the appointment of the joint standing committee subject to the Legislative Assembly amending its Standing Order 415A by deleting all words in the order after the words "effluxion of time".

I will quickly explain to the House what the amendment is about. Paragraph 415A states -

The Committee's power to act shall continue until the Assembly is next dissolved or expires by effluxion of time, notwithstanding any prorogation which may occur prior to dissolution or expiry of the Assembly.

It is the view of the Government, and of other members, that the words "notwithstanding any prorogation which may occur prior to dissolution or expiry of the Assembly" is ultra vires and not something we can accept. Obviously, it is a strongly held view that committees are dissolved at prorogation and must be reinstated if they are to continue to operate. Our view is that having a committee such as this survive prorogation is not something we can simply do.

Hon Kim Chance: It is novel.

Hon N.F. MOORE: It has been tried before. A Bill was passed in this House trying to achieve that very end.

Unfortunately Hon Kim Chance's Government and the Assembly would not agree to it. However, that is another story. All that changes are the faces; they just go from one side to the other. I am asking the House to advise the Assembly that we will agree to the setting up of the committee. However, like all other committees, it must terminate at prorogation. I commend the motion to the House.

Question put and passed.

Appointment of Members

On motion by Hon N.F. Moore (Leader of the House), resolved -

That Hons Derrick Tomlinson, Murray Montgomery, J.A. Cowdell and N.D. Griffiths be appointed as members of the Joint Standing Committee on the Anti-Corruption Commission and that their appointments have effect contingent upon the Assembly making the amendment to Standing Order 415A requested by the Council.

ADDRESS-IN-REPLY

Motion

Resumed from an earlier stage.

HON TOM HELM (Mining and Pastoral) [8.04 pm]: Notwithstanding the amendment that was just lost, I too share the concerns of members in this House about what was in the Governor's speech. However, I am more concerned with what the speech did not say, and once members have listened to what I have to say, they will agree that if the speech contained some of the thoughts that it should have contained, there would have been no need for us to debate Hon Christine Sharp's amendment.

I thank the Governor for his speech. I am disappointed that it did not contain reference to issues for which I was looking. I wish the Governor and his family all the best, but I hope that the number of times we must listen to a Governor's speech is limited. With the advent of a republic, we will have no need to listen to a Governor's speech outlining the Government's program - it will be the Government of the Labor Party then. Although it is a pleasure to listen to our programs being outlined by anyone, I hope that it is not a Governor at that time, because we will be a republic and will have someone who represents Australia in the Chair at the opening of Parliament.

Hon Kim Chance: It might even be the same person.

Hon TOM HELM: He is an Australian; I just wish he represented himself. It is also interesting to note - and this should be commented upon - the advice that was proffered by my friend Mr Larry Graham, the member for Pilbara, that the Governor may wish to make fewer comments about subjects of a social or political nature in the media and elsewhere. We would be better served for that. The Governor is a well-respected man, but his position should not be - I do not think it is at this time - used for a political purpose. We owe a debt of gratitude to Mr Larry Graham for passing on that advice to the Governor, which he seems to have taken on board.

It surprised me that the Governor made no comment in his speech about a meeting that was held recently in Broome to celebrate the twentieth anniversary of the Kimberley Land Council. I was lucky enough to be invited to attend that meeting. A number of invitations went out to politicians, including state and federal Ministers for Aboriginal Affairs. I was the only politician who attended that meeting and I am glad I did because it was a welcome sight to see representatives of every aspect of work, life and humanity from the Kimberley come together in one place and make a concerted effort to agree on the direction the Kimberley should take.

It was also pleasing to see that the Kimberley Land Council took the initiative in calling that meeting. The Executive Director of the Kimberley Land Council, Peter Yu, played a major role in putting the meeting together. The pastoral industry, the Ord River collective farmers, the Kimberley Development Commission, through its president and deputy president, indeed every aspect of the Kimberley life was represented, both Aboriginal and non-Aboriginal. It was a microcosm of the direction that this State should take in the future and an example of how we should work together as a group of people who are closely tied together and have a stake in how the future pans out. It was good to see pastoralists and farmers coming to terms with the native title holders and claimants in the Kimberley. They sat down with some of the mining companies and unemotionally discussed the issues. They spent some time recognising each other's aspirations and discussing ways to achieve them.

The only mention of the conference in the Press related to the federal minister's churlish, derogatory remarks. He did not point out that the conference was partly paid for by the Kimberley Development Council or that the council wanted to work alongside the Kimberley Land Council to ensure that the record of the meeting was true and correct and to provide the facilities to ensure that all the issues discussed were recorded and acted upon.

I was proud to be a part of that conference. I would not have missed it for quids. I do not like to admit this, but it is probably the first time I have attended a conference which lasted more than a day and in which I participated for the entire program. It was good to be there and I am glad I went. Perhaps it could be used as a model for all land councils and development commissions across the State. The fact that I was the only politician there might have been a plus. Politicians did not have much to say, except John Herron, who was disparaging of the conference.

I recommend the conference report, particularly in view of the publicity that One Nation is getting. My comrade Greg Smith should read it. If he does, he too will understand how easy it is for indigenous and non-indigenous people to work together. If we used this conference as an example, groups like One Nation would find their popularity waning; they would not count on the political scene of this nation. It is something of which we should be proud. I am surprised that the Governor did not make any comment about the fact that the conference took place. It was historic and it is an example for everyone.

I am also surprised that the Governor did not comment on the spate of deaths that have occurred in the goldmining industry over the past 12 months. I am sure it has concerned every member of this House. I suspect that everyone in the State has been affected by the fact that we have had more than our fair share of deaths in the goldmining industry. I will spend some time explaining why that might be the case.

The Governor seems to be a charming person, a person with a large heart. I am sure that if the Premier had thought about the speech he gave to the Governor he would have mentioned those people who have died earning a living. Clearly, we all agree that those people died unnecessarily and that every effort should be made to reduce the number of accidents and deaths in the mining industry.

It would be useful if I told the House how I spent the recent recess. Like most members, I, and my wife, Debbie, wanted to take a holiday. We thought about going overseas to the northern hemisphere - to the sun and heat. We agreed that the best place to go to have a good break would be Kalgoorlie. It is the centre of the universe to those who live there. My wife and I have spent some time there previously.

Hon Barry House: Did you see Graeme Campbell?

Hon TOM HELM: I did visit him on one occasion. However, on this occasion I did not go looking for him; I do not think he was there while we were there. We went to Kalgoorlie because there were some people I believed it was important to meet, and Debbie understood that. We might have thought we were in England because it was so cold. Debbie took the same sort of clothing she would take to her home in Wales.

I intended to meet with some people I heard about from a good comrade of mine, Bob Bryant, the safety officer for the Trades and Labor Council. Members will know that Bob was the TLC representative on a committee of inquiry investigating the number of deaths in the goldmining industry. He spent some time in Kalgoorlie as a member of that committee representing the TLC's views. The committee gathered evidence about whether anything could be done to reduce the number of deaths. Bob is a friend of mine from my Hedland days. He is a plumber and was a member of the plumbers' union, if not an official. As a member of that committee, he heard some things that disturbed him. A number of residents, not necessarily miners, of a place called Williamstown, to the east of the Kalgoorlie bypass, had been affected by mining activities. During the holiday we decided to meet with them and with miners and prospectors who had been affected by the goldmining industry.

One of the most significant things I learnt was that people who had lived in Kalgoorlie for a long time were not equipped to deal with the changing culture in the goldmining industry. I had never come across that before, because the iron ore industry - a new industry - in which I had worked, developed its own culture. It was not an established culture like that surrounding the goldmining industry, which has existed for over 100 years. However, because there were two or three generations of miners in Kalgoorlie and some of the surrounding towns, there was a stoic outlook about how they lived and where they lived. They thought that being affected by dust, fly rock, vibrations, noise and even deaths was all part of the industry. The bottom line was that it was important to get gold out of the ground, to live together as harmoniously as possible, to ensure the success of the industry and to keep the goldfields alive and prosperous. All of those dangers and inconveniences were suffered by everyone. The principals of the major goldmining companies would live in Kalgoorlie or in one of the outlying towns, the mine manager would live next door - perhaps in a better house than the miners - and everyone shared the same dangers and inconveniences. It was a social grouping that had its own distinct feel. They were proud to be goldminers and they were goldminers together. Those days have gone. It is very difficult for the people in the goldfields to understand that they have gone. That situation has developed because the people who take out the ore do not necessarily work for the people who own the mine. They more than likely work for a contractor. The people who own the mine may or may not be a management group. The togetherness people felt in the goldfields has changed. More of a them-and-us situation exists, not as a result of a class system, but as a result of the dangers and experiences faced when working on the goldfields.

Hon Greg Smith: Ross Atkins still mines like that.

Hon TOM HELM: A few people do, but the major goldminers do not; they employ contractors. I was trying to explain to people that it was counterproductive to hate the people who own the mines. The whole culture of our society has changed. Gold production has had to become more cost effective in the light of greater competition.

The contract miners work to a written contract. In the past miners would advise residents in the vicinity when they intended undertaking a blast or sinking a shaft. The residents could choose to go shopping, close the windows or not do the washing, for instance. The miners had consideration for people's situations; there was a neighbourliness among all parties.

Contractors cannot afford to do that; they are paid for the amount of dirt they move. However, that has other connotations. Fundamentally, those economics change people's outlooks. The people of Williamstown feel very strongly that the owner of the superpit there, Kalgoorlie Consolidated Gold Mines Pty Ltd, is not the best employer or neighbour they have ever had.

I had the good fortune of talking to a lady who lived in the same house in Williamstown for 62 years, within 100 metres of a mine shaft. She was there 40 years after the Cassidy shaft, which used to be called the Lady Charlotte mine, was sunk. I asked her how she put up with the blasts and inconvenience of the digging, etc. She said that in the past they were warned about blasts. The owners and workers lived and worked together. Every one of the previous owners of the mine had been a neighbour as well as a goldminer. They suffered all those inconveniences and dangers together. However, KCGM arrived on the scene and began using contractors. As KCGM is mostly a management firm and has a different culture, it has not taken into account the people who can be immediately affected by its activities. I love the lady to bits, but I was taken aback by the way she spoke. Although she is strongly religious she referred to the company in strong language. She made a point of saying she did not regret saying those things about the company. I said she did not need to go down that track because it might not necessarily be the fault of KCGM; there could be others to blame.

I then saw some more people. We are not talking about blow-ins but about second or third-generation mining people who spent a lot of time in the goldmining industry. They spoke to me about breaches of the Mining Act. My obvious response was to ask whether they had told the Mines Department. They said they had, but that the Mines Department investigates only matters that are open and shut cases.

As members know, I spent six years in the iron ore industry during which time I heard some very disturbing tales. I was made aware of the attitudes of some of the staff in the Mines Department towards breaches of the Act. At that time people had a disparaging view of the Department of Minerals and Energy because the inspectors paid attention only after accidents had occurred. They also advised the shift bosses that they were visiting sites. My colleagues and I may have been suspicious, but we thought that was inappropriate. We believed the inspectors should make site visits when the company was not expecting them so that they could catch companies breaching safety regulations.

I was exposed to something worse than that. I was exposed to correspondence that acknowledged some of the allegations. However, the acknowledgment accompanied a request for people to write statutory declarations, to get geologists' reports and to undertake sampling themselves. The Mines Department was asking people who had limited resources to put in major efforts to do its job. I inquired a bit further and heard a story from not only miners, but also residents, prospectors and explorers - people with a wide range of skills and involvement in the goldmining industry. I went a bit further than that. I was advised that in answer to questions I had put on notice the Department of Minerals and Energy and the Minister for Mines, the Leader of the House, had answered incorrectly.

I advised the Minister's advisers of that. Most of the questions I asked concerned a dispute between KCGM and a small miner, Optimum Resources, which held a lease in dispute. The dispute was about the lease holding between the Oroya tailings dam and the Fimiston 1 and Fimiston 2 tailings dams. Optimum Resources contended that, because of the location of the tailings dams, the watertable on its property had risen to such an extent it could no longer mine. The company had assay reports that prospective mineral deposits were underneath its lease. That can always be contested. However, in addition it claimed that it was demonstrable that the watertable had come to approximately 2 to 4 metres below the surface of the lease. Under section 98 of the Mines Act, no mine operator should encroach on or interfere with the workings of somebody else's lease irrespective of whether it is residential or mining. Optimum Resources contended that because the tailings dams were placed either side of its lease, the watertable had been forced up.

When I went to the area I saw evidence that the watertable was about 2 m to 4 m below the surface, although the company's reports say that it is 90 m below the surface. There is a big difference between 4 m and 90 m. I am not a surveyor, and I have no skills in that area at all, but I saw what I saw. Under section 98 of the Act, the Department of Minerals and Energy is obliged to act.

Hon Greg Smith: Did Julian Grill help?

Hon TOM HELM: Yes, Julian did some good work.

Hon Kim Chance: He is a first-class local member, which is the reason for the 6 per cent swing to him at the last election.

Hon TOM HELM: That is right, and no doubt he will do well again. Julian Grill is a man of the goldfields; I am a man of the Pilbara, if anywhere. I do not know whether Hon Greg Smith has been to Kalgoorlie.

Hon Greg Smith: Were you there during the negotiations?

Hon TOM HELM: Yes, with Bob Bryant. We are looking forward to a resolution to that. I will make that case clear: With the help of Bob Bryant and the Trades and Labor Council, the dispute between those parties is on its way to being resolved.

I am bringing to the attention of the House the alleged or perceived behaviour of the Department of Minerals and Energy. We have a situation in which, for some reason, the Department of Minerals and Energy has a problem doing the job that it is expected to do. As a result of my investigations, I will be asking this House at some time in the future to agree to an inquiry into how the Department of Minerals and Energy does its job. At this stage we have yet to determine the terms of reference. I want to spend some time explaining why we should hold an inquiry into the department.

I will show that some questions have been answered incorrectly by the minister. I could make a case against the minister for misleading the House, but I do not believe that we get anywhere by laying blame, punishing people or making a political point about the things we do here. However, we need to take steps to ensure that people are not in danger, that miners' lives are not threatened and that people can live in peaceful surroundings while working in one of the major export producing sectors of our State's economy. The questions were not all asked by me. The first question which I bring to the attention of the House was asked by Hon Giz Watson on 11 November 1997. Question 1125 is in 17 parts, but we need concern ourselves with only a couple of parts. Part (1) reads -

Can the Minister state what evidence has been collected by the department which shows exploration drilling using normal equipment can be undertaken to at least 90m in the immediate vicinity of these particular leases?

They are the leases that are owned by Optimum Resources. The answer reads -

The evidence is comprised of two drilling programmes. The first was conducted by Optimum Resources in December 1996 and comprised drill holes located close to those portions of the perimeter of P26/1848 nearest to the Fimiston I and Fimiston II tailings storage facilities. The second drilling programme was conducted by KCGM in March 1997 comprising 4 holes, 2 north and 2 south of Optimum Resource leases, that is, they were both up-stream and down-stream and in the same drainage channel as Optimum Resources leases. Video and photographic evidence shows a front end loader digging a sump up to 1.5 metres deep in dry material and dried drill samples being collected before reaching significant ground water at 90 metres below the surface.

I visited that site. I saw those drill holes that were close to Fimiston I and II - in fact, they were close to the railway line which runs close to the lease. We did a rough sounding of one of them and we reached water at about 4 m. I also saw another two drill holes that were actively drawing water from the table just in front of the drill hole. We were told that was to ensure the amount of water flowing onto the Optimum Resources lease was reduced. Even though KCGM tells us that the water table is at 90 m, it would have to be a strange geological formation in which a plume of water which was 90 m deep at the north end of the lease and 90 m at the south end of the lease rose to 2 m below the surface in the middle. That was not the evidence of an untrained eye.

Part (11) of question 1125 reads -

Can the Minister state why "access problems" on P26/1848 and P26/1858 caused by the leakage and seepage of mine water and pollutants from Fimiston I and Fimiston II tailings dam is not an inconvenience to the holder of P26/1848 and P26/1858 and a breach of regulation 98 of the Mining Act 1978 and Regulations?

The answer that was provided by the minister reads -

... As you state in your question 1131, a report initiated by the Water Authority indicates that seepage velocities beneath the surface around P26/1848 and P26/1858 are in the order of 1 to 10 metres per year.

I will be able to present a report that shows rates of up to 100 m a year of seepage into that lease. That is being disputed too. The next question that was asked was on 30 April by Hon Giz Watson to the Minister for Mines. Question 1680 is in four parts, the first part of which reads -

- (1) Is it correct that "There is no indication on Mines Files 705/93 or any other files as to why the article is on the file, and it is not known who may have been responsible for either making the handwritten note on the side of the article or placing the article on the file"?

The answer is yes. However, evidence which has been retrieved under the Freedom of Information Act shows that the file at issue contains a handwritten note which refers to a recent article in the *Kalgoorlie Miner* concerning our friend Steve Kean. He is one of the principals of Optimum Resources.

That is another example of a question that we think was answered incorrectly. I remind the House that before I took this action, I approached the minister's department and said that I would be prepared to go to Kalgoorlie, with a ministerial adviser, and talk to these people about their allegations. I would try to act as an arbiter in the hope that I could demonstrate that, because I came from the Pilbara, I had no connection with the goldminers. I might tell members that these miners caused me and the Trades and Labor Council some distress because very few of them are union members. I hoped that I would not display my union bias or be thought to be working for a union-inspired program. I offered my services but the minister and his advisers chose not to take that opportunity and said, "Come and see us with these six questions and we shall see what we can do." They confirmed my suspicions that the Department of Minerals and Energy had some major problems that needed to be looked at in a non-biased and sustained way, and that perhaps a committee of this House might need to deal with these matters to see how we could make the department more responsive to what is going on in the industry.

Question 1709 asked by me on 19 May 1998 contains two parts. The first part reads -

- (1) Can the Minister state the specific dates on which investigations by the department indicated that KCGM was in breach of the condition requiring that the District Mining Engineer be immediately notified when leakages occur?

The answer is -

- (1) Yes. Departmental records indicate that a site inspection took place on 5 August 1993 and that there was a subsequent investigation of Departmental files after that date. Departmental files do not specify a date on which the Department investigated the District Mining Engineer's records.

There is no specific date. The date on this file note is 27 September 1993. It goes further from there for quite a while. An investigation is needed to ascertain why these incidents happened. I guess it would be rather childish of me to continue. I shall be talking to the minister later.

Those concerns bother me a great deal. On reflection, if we were cynical about the activities of the Department of Minerals and Energy up until the time I left the iron ore industry in 1986, the substantial changes that have taken place within the mining industry, the reduction of the effect of the trade union movement in the goldfields, the movement towards contracting out and the movement towards more bonuses, mean that the referee should be more active. Yet, we have evidence to suggest that the referee, which is the department, is less active. An examination of that fact needs to take place to ensure that the level playing field is maintained. I have heard stories of real hard-case underground miners who do not want to go down below in the mines any more. I am talking about some of the guys who are taking home in excess of \$1 000 a week. Some of them are hard-nosed bikies, people who have a keen disregard for their own safety. They now have a major problem going down the mines because of the changeover in staff, the youth of mine managers and shift bosses, and the real push to earn the money to get the tonnages out.

I spoke to John Shipp, the Managing Director of KCGM in Kalgoorlie. I explained to him one of the concerns of a resident of Williamstown. There was a major blast down below in the mine - they call it a pillar blast. A resident of Williamstown knew it would take place at a quarter past seven one night so he set up a video camera facing a Welsh dresser that had a number of dinner plates, cups and saucers and other things on it. He watched this for a few minutes, and then there was a strong whooshing noise such as air being pushed; it just sounded like a gush of air. Then the video camera leapt off the ground, the Welsh dresser went one way, the plates went another way, and cups and saucers went everywhere. The guy who owned the house was swearing, cursing and carrying on. It was a frightening set of circumstances. We visited a number of houses that were knocked off their stumps by this blast. We saw one which had an outside dunny built with approximately nine-inch-thick reinforced concrete - it would have withstood an atomic blast - but because of this pillar blast, another blast had taken place which shattered so much that the structure looked like it was about to fall in. It was a sight to see. I talked to the managing director of KCGM about this and said, "Your blast has caused a major problem."

Hon Barry House: You cracked his dunny!

Hon TOM HELM: He said that was incorrect. Yes, the blast took place, but the results of the blast were brought about by a seismic event. In other words, the miners now tell us that the mine is under so much stress that at any time rocks can fly out when miners are drilling into the rock. People say that the mining down below is getting so dangerous now that they will use a steel mesh, rather than the rock bolts that they used to use, to hold the rocks in. The rock is under so much stress, and corners are being cut so much in the industry, that people are afraid to work down there any more, even though the money is quite good. The work is still very hard.

Hon Kim Chance: How long has it been since that they have been allowed to blast at that time of the night? It is news to me. I have never heard of it at that time of night.

Hon TOM HELM: It can happen 24 hours a day as long as it is underground. However, this is a particular kind of blast to bring down the walls of a cavern. As the mining has been carried out for so long, huge cavities have been left underground which are riddled with holes where the drives are, so it is a matter of stabilising that ground in the pit. The miners now carry out what they call a pillar blast which brings down about 260 000 tonnes of material which stabilises the shaft. The companies brought in South African experts because they are at the leading edge of technology involving the use of explosives to bring this material down. The miners are heading towards using it, rather than going underground. They are developing open cut mines so that there is a need for them to do that.

We are talking about a culture that is changing, yet the people of Williamstown and Kalgoorlie have not changed much with that culture and still think that gold is being mined in the old way. They are having trouble coming to terms with the fact that they are working for contractors, and the contractors could be based anywhere else but in Kalgoorlie. They may be living in Perth or anywhere else for that matter.

Hon Kim Chance: Or Johannesburg.

Hon TOM HELM: That is causing problems. My argument is that the Department of Minerals and Energy too is causing a time warp. The minister was probably an innocent victim.

Hon N.F. Moore: This is all through one visit to Kalgoorlie.

Hon TOM HELM: Has the minister been listening?

Hon N.F. Moore: I have been listening to the member. He has been sold a pup.

Hon TOM HELM: I have not yet been disparaging of the minister. However, if he opens his mouth he should be very careful.

Hon N.F. Moore: You should say some of these things outside the House sometimes.

Hon TOM HELM: I have no problem with that.

Hon N.F. Moore: He has been to Kalgoorlie once in his life and thinks he is an expert on goldmines.

Hon TOM HELM: Once in my life? I have probably been to Kalgoorlie a few more times than the minister.

Hon N.F. Moore: I think the member is here because he is trying to get Mr Neil to sue.

Hon TOM HELM: I do not think so.

The DEPUTY PRESIDENT (Hon J.A. Cowdell): Order!

Hon TOM HELM: Members will have noticed that I have not made any disparaging remarks about this minister.

Hon Kim Chance: I thought the member said the minister was a nice person.

Hon TOM HELM: He is a nice person and I have said outside and inside this place that I recognise the minister's attempts to look into these incidents and deaths in the goldmining industry. What I suggest now is that his department is not able to deliver what the minister would like to see delivered; that is, the reasons why people are dying.

Hon N.F. Moore: Quite frankly, they are doing a good job.

Hon TOM HELM: They are doing an excellent job. However, it may be that some of the minister's cabinet colleagues, not the minister, would like to see a reduction in the funds available to the Department of Minerals and Energy.

Hon N.F. Moore: Who does?

Hon TOM HELM: Some of the minister's colleagues in the Cabinet.

Hon N.F. Moore: That is absolute rubbish. Name one of these miners who will not go underground for \$1 000 a week because they are too frightened.

Hon TOM HELM: I can name a miner for my comrade.

Hon N.F. Moore: Give me some names of people who will not go underground.

Hon TOM HELM: I will give the minister names but not in this place. I will do it outside if that is what the minister wants.

Hon N.F. Moore: Yes. I would like a list of people who will not go underground.

Hon TOM HELM: The minister should understand this: I am not flapping my gums because I like the sound of my voice. I am just trying to explain to him, as I explained to John Shipp, the General Manager of KCGM, that it does not do us any good to attack the department, and I am not doing that.

Hon N.F. Moore: It sounded like that to me.

Hon TOM HELM: Also I am certainly not joining the chorus of people attacking the goldmining companies, because that is also unfair. However, I am pointing out that we have a problem. If the minister does not think that that number of deaths is a problem, and if he thinks that the report that was brought down into those deaths will solve the problem, he is sadly mistaken.

Hon N.F. Moore: Nobody said it would. However, if the member has the answers, he should tell us. Does the member think that getting the unions back in there is the answer?

Hon TOM HELM: No, I never said that either.

Hon N.F. Moore: He did. I heard it a while ago.

Hon TOM HELM: If the minister was paying attention, he would have heard me say that I thought this place had the ability to look into those incidents, accidents and allegations and that the Department of Minerals and Energy is unable to do the job that people expect it to do.

Hon N.F. Moore: The member seems to lack an understanding of how things work these days.

Hon TOM HELM: I have a lack of understanding of how the goldmining industry works.

Hon N.F. Moore: We would be happy to provide the member with any briefing he wishes from anybody.

Hon TOM HELM: I have had the briefings and have read the reports. There is a body of work on this whole set of circumstances, but we have never had a committee of inquiry from this Parliament into what is happening.

Hon N.F. Moore: I know. However, the member should look at the dramatic fall in the number of injuries and fatalities in the industry over a long period of time. I do not recall him calling for an inquiry when he was in government when those numbers were much higher.

Hon TOM HELM: The minister has no evidence to refute those figures.

Hon N.F. Moore: I can provide all the figures on fatalities.

Hon TOM HELM: The minister can give me figures until he is blue in the face.

Hon N.F. Moore: They are actual numbers.

Hon TOM HELM: I am telling the minister, but I cannot prove it -

The DEPUTY PRESIDENT (Hon J.A. Cowdell): Order! Members, Hon Tom Helm should be telling the Chair, and the minister should not be conversing with him.

Hon TOM HELM: I advise the House that there are tales, reports, statistics and allegations. Aside from those things, there is an enormous number of deaths. We have too many deaths and too many people affected by mining operations. Not only are the people of Williamstown affected by mining but also the people east of the Kalgoorlie-Boulder bypass.

Hon N.F. Moore: What does Williamstown have to do with deaths underground?

Hon TOM HELM: Exactly. Why are they related?

Hon N.F. Moore: Because the Keans told the member they were.

Hon TOM HELM: There are sections of the Mining Act that look after the welfare of the people who live in the vicinity of mining. There are sections in the Mining Act that regard it as an offence for a mining operation to interfere with the lives of anyone who lives within 100 metres of a mine. I am told that there are offences. I will repeat what I told this House, in case the minister missed it when he was on parliamentary business: I am told that people who allegedly breach the Mining Act are told by the minister's inspectors that they must provide, chapter and verse in statutory declarations, information on investigations and the results of the investigations before they go any further.

Hon N.F. Moore: The member believes what Mr Kean told him?

Hon TOM HELM: No, I do not believe -

Hon N.F. Moore: The member's other colleagues in the goldfields have had enough of him already. They are sucking him in.

The DEPUTY PRESIDENT: Order!

Hon TOM HELM: We will see if that is the case. It concerns me that these allegations are not being followed up. I say to the minister that at the very least the people need to be assured that someone is listening to them.

Hon N.F. Moore: They write a letter a day, and have done for five years. They are listened to. Their letters are responded to at great length. They get people like Hon Giz Watson and the member to ask questions. All those questions are answered.

Hon TOM HELM: Is this people like Diane Mills?

Hon N.F. Moore: No, I am talking about the Keans, who are putting the honourable member up to this.

Hon TOM HELM: The minister should not worry about the Keans; they are only one aspect.

Hon N.F. Moore: I do not worry any more; I did for a while.

Hon TOM HELM: I know that, and that is another problem.

Hon N.F. Moore: It is not a problem.

Hon TOM HELM: If the minister thinks that is the issue and that I am stupid enough to bring to this House an issue involving one person, he has rocks in his head.

The DEPUTY PRESIDENT: Order!

Hon N.F. Moore: The member knows, as I do, that they are causing the problem.

Hon TOM HELM: I do not know that. I want to know why we cannot do something about the problems, particularly in the goldmining industry. If the minister talked to anyone in mining, he would be told that miners are concerned that the department either does not have enough inspectors or does not have inspectors who can do the job. It is no good the minister shaking his head, the issue will not go away.

Hon N.F. Moore: You think if we have an inspector standing alongside every miner there will be no fatalities. We had more fatalities in the industry when there were unions and inspectors all over the place like a rash.

Hon TOM HELM: That is not true.

Hon N.F. Moore: It is.

Hon TOM HELM: I do not know why the minister would mislead the House. He should be very careful about misleading the House.

Hon N.F. Moore interjected.

The DEPUTY PRESIDENT (Hon J.A. Cowdell): Order! This is not a committee stage.

Hon TOM HELM: Some people really cannot get themselves out of the seventeenth century. Because they are called ministers or mine bosses, they think they know everything.

Hon N.F. Moore: Here we go! I had a feeling the ideology would come through.

Hon TOM HELM: I am not making any accusations. I have said, and the evidence is there, that the minister misled the House. I do not intend that issue to be pursued. Do members know why? It is a side issue.

Hon N.F. Moore: It is not true.

Hon TOM HELM: If the minister wants to get on his hind legs and make a speech he should do so.

Hon N.F. Moore: I cannot now because of the way you have organised the debate.

Hon TOM HELM: The minister should not drop himself any further into it.

The DEPUTY PRESIDENT: Order! Hon Tom Helm will continue his speech and ignore the interjections.

Hon TOM HELM: The minister may be able to pull the wool over my eyes and he is certainly successful in sidetracking me, but that does not provide an answer to the problems I have discovered through correspondence, telephone calls and a visit to Kalgoorlie. When was the last time the minister spent five days in Kalgoorlie? I bet he cannot tell me that he has ever spent five days there, yet he has been representing the area for over 12 years.

Hon N.F. Moore: I lived there for five years.

Hon TOM HELM: That was before he was a member.

Hon N.F. Moore: It was just after I was born.

Hon TOM HELM: The minister has not grown up much.

This House must understand that there are major concerns there. I do not know some people in Kalgoorlie from a bar of soap. They are blaming the industry and the miners. I suspect that we, as members of Parliament, have some responsibility for the activities of the Department of Minerals and Energy and the role it plays in the mining industry, and we must ensure that department looks after not only the welfare and the promotion of the goldmining industry but also the welfare and safety of the people who work in the industry and those who are affected by living where the industry is situated.

People have given their lives to the industry. I do not mean that they have died, but they have worked for the industry all their lives and their children are working for the industry. They know what they are doing. Those people have some major concerns about how the industry is operated. I want to make sure that the minister knows this.

Hon N.F. Moore: I know all that you are talking about. I have taken a lot of interest in this particular issue.

Hon TOM HELM: I will tell the minister this because it is probably the last accolade he will get from me. I have told everyone that he has demonstrated as much concern as anyone can about the events that are happening in the goldmining industry. The record shows that. However, there appear to be problems in his department. I am asking the minister to take on board those concerns. It will not cost him an arm and a leg and I am not asking for a revolution to take place. As a result of talking to the people involved, who have given their lives to the industry, I am asking on their behalf for an inquiry into the department. If there are no problems, nothing will be lost.

Hon N.F. Moore: What an outrageous suggestion. You have just denigrated hundreds of dedicated public servants who work in the mining industry and have done so for many years. You have gone there once and had a look. Now you have come into this House and asked that there be an inquiry into what they do.

Hon TOM HELM: Is there something wrong?

Hon N.F. Moore: Why do you not talk to Jim Torlach?

Hon TOM HELM: I call Jim Torlach a friend of mine.

Hon N.F. Moore: Why do you not listen to what he tells you and take on board what he says instead of listening to the union heavies that you talk to?

Hon TOM HELM: The minister has good men. Without going any further, it might be that those people are not given the time or the resources they need to do what they want to do.

Hon N.F. Moore: They are.

Hon TOM HELM: If that is the case, let us find out. Let us get away from this mind-set that the minister seems to be developing.

Hon N.F. Moore: Everything is not rosy and never has been, but it is a lot better than it was.

Hon TOM HELM: The minister cannot do it on his own and has not done it on his own. An inquiry needs to take place so that we can look at the whole issue, get to the bottom of it and prove that the allegations are unfounded.

Hon N.F. Moore: Give me some substance. Give me a copy of that letter which you showed me, which has been forged and which you will not show to anybody else.

Hon TOM HELM: The minister is a detective now, is he? The gold squad does not know whether it is forged but the minister does. What is the minister holding back?

Hon N.F. Moore: Give me a copy of the letter.

Hon TOM HELM: Does the minister know something that we and the gold squad do not know? The gold squad has never said it is forged.

Hon N.F. Moore: I would like to know where you got it from. Who produced it?

Hon TOM HELM: I would like to know that too, but I do not know. When did the minister pass a police academy exam which allows him to make these allegations?

The DEPUTY PRESIDENT: Order! Members are turning this debate into a dialogue.

Hon TOM HELM: One comes into this Chamber to try to make what one thinks are constructive suggestions. Bearing in mind my comments in the past about this minister and his actions regarding deaths in the industry, I think that he should take on board that I am not trying to make political capital out of this. I am not calling him incompetent. I am certainly not calling the members of the Department of Minerals and Energy incompetent. I really do not know why we are in this situation. It may be that all the allegations are fallacious. However, we should take whatever steps we can to find out the truth. We have the facilities and the willingness to do so. All we need is an inquiry. If that does not take place, we will never get a result. People do not necessarily need the minister's cooperation for this because it gives strength to his arm.

[Extension of time denied.]

HON JOHN HALDEN (South Metropolitan) [9.06 pm]: I relish the opportunity to rise in this debate and continue my remarks on the Government's new tax package. Although we are faced day to day with the onslaught of the \$10m, perhaps soon to be \$15m, taxpayer-funded campaign by the coalition Government, it is important that we step aside from the slick, snake-oil salesmanship of that campaign and look at the underpinning arguments.

Hon N.F. Moore interjected.

Hon JOHN HALDEN: I will not listen because I am not as silly as Hon Tom Helm was to do that. When it comes to blatant politicisation of the Public Service and blatant abuse of taxpayers' money to fund a coalition campaign, nothing is more absurd than this little exercise, which is absolutely beyond the pale.

Let us deal with some facts in this very significant and important debate. It is important that members acquaint themselves with what underpins the Federal Government's tax reform package, but the Treasurer will not come to the party and tell us the detail of that. That is despite the much-vaunted charter of budget honesty.

Several members interjected.

Hon JOHN HALDEN: As I will not have the Leader of the Government interjecting on me, I will not have that member interject on me.

If there is to be budget honesty, this tax reform package leaves much to be desired. It is fair to say that the Australian community is sceptical about many of the facets in the package as presented in its totality. It contains some good points; I would be very silly not to suggest that to members, but at the same time I have a responsibility to point out the problems and perhaps the misguided assumptions which underpin the proposal. Senior economic analysts throughout Australia are saying that the factors which underpin the package are too optimistic. In this speech I will develop the factors that are too optimistic. One need go no further than to look at the issue of economic growth. The reality is that the whole tax package as proposed is underpinned by a belief on the Government's part before the figure is officially revised by Treasury that economic growth will be 3.5 per cent for the next four years.

Hon Greg Smith: That is what good economic management does.

Hon JOHN HALDEN: The reality of that expected 3.5 per cent economic growth over the next four years is that, in the past 30 years, we have never had four consecutive years of 3.5 per cent economic growth. In the past 30 years we have not faced some of the significant problems that we are about to face, the most notable of which is the Asian economic crisis. Most reasonable analysts of the Asian economic crisis believe that economic growth in this country by the year 1999-2000 will be 2 per cent. People such as those who work for Westpac Banking Corporation and HSBC-Australia say it will be in the order of 2 per cent, and not 3.5 per cent, for four years. If it is in the order of 2 per cent, without doubt it will have a significant effect on the budget bottom line. Those members opposite who

worry so much about the budget bottom line know better than I what that means. It will mean that the revenue estimates, which are at the heart of this Government's reforms, are wrong. It will mean that the current projections will bear little resemblance to the reality in the next financial year and the three subsequent financial years. If there is an economic slowdown, employment and output growth will drop but, most significantly, government revenue will also drop. Again, that government revenue underpins the totality of the Government's proposal in this tax reform package. The Government admits that its tax reform package will reduce the projected size of the budget surplus in 1999-2000 from \$4.73b to \$3.57b. In 2000-01, it will drop from \$8.61b to \$3.85b, a total decrease of \$4.76b. In subsequent years it will continue to go down. The Government admits that over the four years the package itself will take \$18b from the underlying budget surplus. Of course, those figures are not based on the expectation of an Asian economic crisis. The figures indicate that gross domestic product will not slow down at all as a result of an Asian economic slowdown.

I ask members opposite, who have been so vigorous in defending this position - I understand that in a political sense - whether they believe that nonsense. Do they believe the Asian economic crisis will have no effect at all on GDP? The silence probably suggests that nobody is silly enough, except the Federal Government going into an election, to believe that. Nobody is that silly. In essence, members opposite know, and we all know, the size of the problem in Asia. We know it will have an impact on Australia, but to suggest it will have no impact whatsoever on our GDP for the next four years is complete fantasy. It is fallacious to the extreme to suggest that, but that is in the document put forward by the Prime Minister to the people of Australia to substantiate this package. It is lunacy and no-one can suggest anything to the contrary.

Hon Greg Smith: Has it bottomed?

Hon JOHN HALDEN: I accept that interjection, and I will refer to that point later. It has been suggested by a number of economic analysts that the budget surpluses which the Government is now predicting - which are due to be revised but, of course, will not be if an election is called - indicate that the Government's forecasts are wrong. They are wrong and they are unrealistic.

Hon Barry House: Which set of figures will Beazley use?

Hon JOHN HALDEN: Whatever he chooses, because I do not know.

Hon Barry House: I bet he uses the same figures.

Hon JOHN HALDEN: He is entitled to. If the Government makes these predictions using the Federal Government's figures, it must understand that they are rubbery figures. If those figures are applied on one side, it is legitimate to apply them on the other side, while understanding the criticism that they are rubbery. That is as fair as I can be.

The budget surplus in the first year of the new system, by whatever criteria, singularly, not collectively, is likely to be half that predicted in March this year. The budget surplus of \$8.6b for 2000-01 is likely to be half that figure. In fact, once the effects of this change are accumulated, it will be found that the budget surplus will decrease from \$8.6b to \$4.3b, and more changes will be taken in along the way. The budget surplus will quickly become a budget deficit. Members know of the propensity of the Federal and State Governments to extol the virtues of budget surpluses. However, at the end of the day, in the opinion of far more qualified and experienced people than I, it is highly likely to be a budget deficit.

I now refer to the next factor which deals with the issues that affect the bottom line of a budget. The Government has predicted that in the next four years employment growth will be 2.25 per cent for each of those years. If that is not the case, the impact on the bottom line will be significant. At the moment, on the basis of the most recent figures for employment growth, 2.25 per cent looks particularly optimistic. That figure will be challenged repeatedly. We know that as government expenditure increases, outputs decrease and government revenue decreases as well. One need not drop far below 2.25 per cent per annum to experience a significant impact on the bottom line.

As I said in my earlier remarks, the further we go into this package, the more we realise that it needs all the underpinning criteria to remain constant; that is, 3.5 per cent growth and 2.25 per cent employment growth over four years. Of course, the Asian economic problems will impact upon employment growth. This State may be sheltered to a degree from the worst effects of that problem, but undoubtedly the nation as a whole will suffer.

It is interesting to know that John Edwards, senior economist with HSBC Markets, makes exactly the same point: If the unemployment situation weakens and output growth decreases, it is likely that by 2000-01, the first financial year of a GST, economic growth will be zero, and revenue to the Government will decline. Mr Edwards also challenges some really rubbery assumptions in the Government's package.

To answer Hon Barry House, it is probably fair to assume we will use the same figures as he. Why should we not if the member has established some "legitimacy" for them? We will have a \$500m growth dividend as a result of

a GST, which will boost GDP. I am not sure upon what that is based. We could dawdle through that. However, if the member accepts it and owns it, we will own it too. We might find that figure. We want to know how one will get that figure.

Hon Barry House: Perhaps the feds would do well to follow the lead of the Court Government prior to the last state election and open its books.

Hon JOHN HALDEN: That is the charter of budget honesty. We have no honesty at the moment because the revised Treasury figures are being withheld from us. They have been calculated for not only this year but also the projected four-year period, but are not in the public domain. An election is looming and they are not out there. It is not impossible to be cynical about this. I wonder why they are being withheld. We all know the answer. We need to know the figures to make a realistic assessment of the package. The premise of my argument is that the figures are on the way down. Therefore, we must revise the Government's entire package, which is based on what are described as optimistic figures. Let us have the real figures. I will be happy to say that I was wrong, but I bet that it will not be necessary. We all know where growth and the budget surplus is headed, and that the entire package will be in great jeopardy once the revised figures are presented to the Australian public.

We have a \$550m growth dividend as a result of the GST. We also have an \$800m enhanced compliance as a result of the new tax package. Having had some experience in putting forward balanced budgets, and having watched the Government do the same at the last election, I know what enhanced compliance means: It is a euphemism for dreaming up something to show that the books are balanced because the figures do not add up. We are all guilty of it. I do not want to put myself on a pedestal and say I have not been involved in such a jargonistic exercise. Members opposite did it last time, and we did it in government at the state level. We know what it means. However, in this case, \$0.8b will ensure that the books add up.

Two elements of the package amount to \$1.35b. In essence they are rubbery figures. There is potential for a growth dividend as a result of a GST. I have not looked at that area, but I am prepared to believe an aspect of it. There is probably some potential for an enhanced compliance dividend, although I would not know whether it is \$800m. I bet it has been dreamt up.

Hon Barry House: There is some historical evidence from New Zealand.

Hon JOHN HALDEN: I can see that some evidence is available, but the \$800m is used to balance the figures.

Hon Barry House: It is a ballpark figure.

Hon JOHN HALDEN: I cop that.

The next one is \$1.7b to rein in the black economy. Come on! There is some evidence, I agree with Hon Barry House, that a GST can have an effect at the fringe of a cash economy.

Hon Kim Chance: Evidence is the reverse in the UK and Canada.

Hon Barry House: But not in New Zealand.

Hon JOHN HALDEN: There is significant evidence to the contrary.

Hon Bob Thomas: The GST never increased the size of the economy in New Zealand or the UK. Therefore, it was not able to deal with the cash economy. People found other ways around the VAT and GST.

Hon JOHN HALDEN: That is my point. If people are keen as mustard to avoid paying tax, and they are providing a service, it does not matter whether it is a wholesale sales tax system, an income tax system, a fringe benefit system, a GST, or any combination of the above: The reality is that if one wants somebody to perform a service more cheaply, one pays for it in cash. People take the cash and say, "Thank you very much." What is the incentive in the proposed system which will see \$1.7b collected annually?

Hon Kim Chance: The incentive is the reverse. A mechanic and lawn mowing contractor, those not in the cash economy now, are more likely to move into the cash economy.

Hon Barry House: You are ignoring the other side of the argument. What about all the trade-offs with the other taxes involved?

Hon JOHN HALDEN: Input tax.

Hon Barry House: State taxes. It is looking at all taxes, as they are disincentives.

Hon JOHN HALDEN: I do not want to be offensive to this group of people, but the lawn mowing contractor's ability to reduce his tax burden by input tax on his income is negligible.

What is his input tax? Once every two years he buys a lawnmower, he buys a bit of petrol, drives his car and has a trailer - he has very low overheads. His input potential to offset that is not spectacular vis-a-vis his income. Such people are given no great incentive to deal with anything but the cash-in-hand economy. Why would a person do anything else? Why would a person want to accept the burden of running his books properly and going through all the imputations of, "This cost me this, and I received this amount. Therefore, I pay this much GST, and take off all these input costs"? He will not; he is mowing lawns. No-one will do that. Basically it is a matter of, "I want to feed myself and my family, and we will do that." The less intervention possible by the State, the better.

Hon Barry House: You are starting to sound like a Liberal.

Hon JOHN HALDEN: I thought it was a tax avoider, but if there is some commonality, I will be involved.

Hon Kim Chance: We have always been a bit worried about that.

Hon JOHN HALDEN: This taxation system, whatever members say about it, has no more likelihood of stamping out the black market than have other members or I, collectively or individually. It will not happen. In essence, we know some basic economics -

Hon Greg Smith: We take less tax off the taxpayers.

Hon JOHN HALDEN: Let us be real. If a person wants something and is prepared to pay less, and in doing so will not have to contribute a tax component, and the person wanting to do the job is prepared to do it for the same rate, less the tax component, they will get together; that is human nature. Let us not have this nonsense of one taxation system over the other stamping out the black economy. It will not happen.

Hon Bob Thomas: It has not happened anywhere else in the world.

Hon JOHN HALDEN: Exactly, and it has not happened for as long as taxation has existed.

Hon Barry House: The difference is that when that lawnmower man spends his dollar on food or clothing for his kids, he pays his share of tax.

Hon JOHN HALDEN: The member knows that if someone wants to get around that, he will barter. As the son of a mechanic, I ate more crayfish, fish and poultry as a child as a result of the jobs my father did - quite illegally I am sure in terms of the tax regime - than anything else. The whole system is obviously exploitable. Let us not be silly about that; we know that. The Government wants to gain revenue of \$1.7b because that amount will stamp out an enormous proportion of the black economy. How members could know what it is and what could be raised from it, is in the realms of the unknown.

Hon Greg Smith: How else can you give tax cuts to people who are on \$35 000, \$50 000 or \$60 000 a year? At least our lawnmower man will pay some tax when he spends his money.

Hon JOHN HALDEN: The lawnmower man still pays tax. I will have every lawnmower man in the world telephoning me in a moment.

Hon Dexter Davies: Just one little bit at a time. Do not get too many balls in the air, otherwise you might drop them.

The DEPUTY PRESIDENT (Hon J.A. Cowdell): Perhaps question time should be curtailed temporarily while the member gathers his thoughts to continue his speech.

Hon JOHN HALDEN: I have a long wait in store for me before I am answering questions, rather than asking them, during question time - but one never knows one's luck.

Hon Greg Smith: I wish the Labor Party had such economic wisdom when it was in government.

Hon JOHN HALDEN: Hon Greg Smith made a reasonable interjection.

It is a reality that all people have to pay some tax because of the current system and all people will have to pay some tax under this system; we accept that. However, a huge proportion of people will minimise their tax obligations. Let us not blame the lawnmower man or woman for that. We know who minimises tax the most - those with the most. It is an absolute industry on which accountants, lawyers and God knows who else are hugely dependent.

Hon Bob Thomas: Is it not ironic that the people who pay the least tax support this and say make us pay more? The lawyers always double their costs.

Hon B.M. Scott: You will find that they do not.

Hon JOHN HALDEN: The whole world has a problem of collecting appropriate taxation at appropriate levels. If

we look at any system throughout the world, we will find those who choose to minimise their tax and those who choose to rot the system. One group will minimise and another group will rot.

Hon Barry House: You reckon Robin Hood had it right.

Hon JOHN HALDEN: He may well have.

Hon Kim Chance: In that he drew a long bow.

Hon JOHN HALDEN: This system has no more intrinsic worth in how it will make people pay more, than any other system.

Hon Greg Smith: But it is unfair.

Hon Bob Thomas: Your system is unfair.

The DEPUTY PRESIDENT: Order, members!

Hon JOHN HALDEN: At 47¢ in the dollar for those who earn over \$75 000 -

Hon Greg Smith: Someone who is on unemployment benefits is worse off if they get a job. We are going to change that.

The DEPUTY PRESIDENT: The member speaking does not have the call!

Hon JOHN HALDEN: Let us deal with that point, because it is a reasonable one. Those people who earn over \$75 000 a year and are pay-as-you-earn taxpayers - assuming that is the only device available to them, and we know that there are others, many encouraged by the Government - have little ability to reduce their tax liability. If a person earns \$75 000 a year, before going through the various accounting hoops and devices, and is not a PAYE earner, that person knows he can reduce his tax liability quite easily. We, as members of Parliament, have that ability in how we use our electorate allowance. We also have other avenues available to us. We have trusts and income splitting by virtue of the trusts and can now consider the issue of income splitting per se. We also have the ability to deduct "legitimate work-related expenses", something that the PAYE taxpayer does not have. The system always lends itself to abuses. It depends on whether people want to accept that opportunity, either at the legitimate extent or at the illegitimate extent.

Hon Dexter Davies: Has that been the best of the package?

Hon JOHN HALDEN: Hon Dexter Davies does not believe in fairies at the bottom of the garden any more than I do. He knows this tax package -

Hon Dexter Davies: You only read the first bit.

Hon JOHN HALDEN: It is an interesting comment.

Hon Bob Thomas: You wonder why One Nation is taking votes off the National Party.

Hon M.J. Criddle: How are you going?

The PRESIDENT: Order!

Hon JOHN HALDEN: This package still has an income tax component. Do members think that people will not minimise their tax liability or illegitimately minimise their tax liability? Of course they will, and they know it, because there is still an income tax and there is a sliding scale. They will want to get down to a scale below the one on which they are currently, or even below that scale. Some people will want to pay no tax at all. We will still have income tax, and I have not heard anyone suggest that we should not have income tax. It is income tax that creates the greatest potential for people to minimise their taxation liability. Therefore, members opposite should not tell me that the package will fix that problem, because it will not. It is also a nonsense to suggest that a GST will stamp out the black market. That loophole will still be unfettered and open to abuse. This package will not do what members opposite have suggested it will do; that is, close those loopholes.

I am enjoying reading the package, and I have prepared a number of speeches on this subject. Let us not go to silly extremes such as saying that. Let us be real about this matter. Under the Federal Government's package, or under whatever the Federal Opposition will propose, presumably on Thursday week, we will still have abuse of the tax system. Members opposite should not claim that the package will fix it. If they say it will fix it, I have a word for that, but it is unparliamentary and I will not use it.

Hon J.A. Scott: Is there an estimate of how the total tax take will vary?

Hon JOHN HALDEN: It is suggested that the total tax take will be \$30b, but it will include a range of compensating factors. The Federal Government has tried to develop a package - it contains some very rubbery figures - that will be cost neutral. I suggest it will not be cost neutral but will be cost negative and in deficit. Members opposite know, despite all their preaching about the evil of deficits, that bearing in mind growth, unemployment and a few other factors which I am about to raise, the only direction in which this package is heading is towards a deficit; and the moment we hit a deficit, we have problems.

Hon Greg Smith: On the history of the Labor Party in government, that should not worry it one bit.

Hon JOHN HALDEN: It did not worry Bob Menzies either. What did Bob Menzies do in 1961, after the 1960 economic recession?

Hon Barry House: He won an election!

Hon JOHN HALDEN: Exactly - by one seat. He ran a deficit.

Hon Kim Chance: Hawke inherited a black hole worth \$25b on today's figures.

Hon JOHN HALDEN: Yes. The problem with the Japanese economy is that it will not run a deficit, and the impact of that is stifling the whole world. The reason that it will not run a deficit is probably that some economic troglodyte in Japan, like some people here, has suggested that nonsense. There are times to run deficits and there are times to run surpluses. Let us not fantasise about the intrinsic value of one or the other, because we need to do one or the other when the circumstances demand.

I have enjoyed this interchange across the Chamber, although I know it is probably unparliamentary. The Federal Government has predicated its promises on employment growth of 2.25 per cent. That means that employment growth will need to increase, because 2.25 per cent employment growth is not enough to reduce the current unemployment rate. We will need employment growth of between 3.5 per cent and 4 per cent to reduce the unemployment rate.

If that criterion is not met, it is likely that national savings will be reduced and the current account deficit will be increased. In 1996-97, the Federal Government made significant spending cuts to ensure that national savings would be increased and the current account deficit would be reduced. However, if unemployment were to increase and output and growth were to decrease, national savings would decrease and the current account deficit would increase. The reality of that is that all of the pain that the Government caused in 1996-97, when it put people out of work, reduced the size of the Public Service and reduced a range of government services across-the-board, will have been for nothing.

We cannot consider this tax reform package and not consider the issue of inflation. This is just another example of absolute snake-oil salesmanship. The Government has said that this policy will have a 1.9 per cent inflationary impact.

Hon Bob Thomas: Keep your fingers crossed and hope like mad!

Hon JOHN HALDEN: Warren Hughes, the senior economic analyst of Westpac Banking Corporation, has said, firstly, that this figure is optimistic; and, secondly, that this figure is wrong, because a 1.9 per cent increase in inflation will not include, for example, the increased cost of tobacco. Regardless of what we think about people smoking tobacco - and we all know the health consequences of smoking, and why people want to smoke - that figure of 1.9 per cent inflation does not include the increased cost of tobacco.

Hon Greg Smith: Is it not included in the CPI?

Hon JOHN HALDEN: It does not matter whether it is included in the consumer price index. The CPI is an artificial construct. We are talking about the impact of a GST on people. If we included that one factor - which of course the Government, knowing full well that a GST will have an impact on that area, has left out - the impact of a GST would be 2.1 per cent inflation. Therefore, the figure of 1.9 per cent inflation is wrong from the very beginning by virtue of that one factor.

I turn now to Treasurer Costello's comments about whether the increase will be above 1.9 per cent inflation, as he defines it. He has said that because the GST package will contain compensatory mechanisms, workers will be adequately compensated and will not seek an increase in salary. However, a compensation package of 1.9 per cent will exist only for pensioners. The remainder of the community will receive no compensation for that inflationary impact.

Hon Kim Chance: Why would you need to compensate for a fair system anyway?

Hon JOHN HALDEN: What the Treasurer knows, but refuses to tell us, of course, is that even if we were to accept his scenario, inflation is created not just by a wages push. We know that, because we know that there is another side to the equation. What happens if businesses want greater margins? We know that business margins have been tight for a long time, particularly in certain industries; it always varies. It is just as easy to create inflation from business margins increasing as it is from a wages push. The Treasurer fails even to acknowledge the existence of that possibility. Most economic analysis indicates that the Government's position on inflation is optimistic. If there is a push in terms of business margins or a wages-prices spiral, the package will be blown out of the water because the totality of the package is very finely balanced on principles that are outdated - we know that - and enormously rubbery.

Hon Barry House: What happens if we have the recession that Australia has every 10 years?

Hon JOHN HALDEN: We do not even need a recession. We are dealing with the nation. I understand the point and I am happy to deal with it, but, as I have suggested, the growth rate will decline.

Hon Barry House: Yes, but if the Labor Party's tax package, which is due next week, is based upon some base-line assumptions, even if they are not the same, which is expected, surely a reasonable comparison can be made by the Australian electorate.

Hon JOHN HALDEN: That is a reasonable point. It is predicated on 3.5 per cent growth over four years, 2.25 per cent employment growth over four years, 1.9 per cent inflation to start with and low inflation for the next four years. We all know that those three variables are highly unlikely to be sustained over four years. When we have predicated a tax package so finely on such principles, the moment they decline below that point there is no margin for error. I hope that any tax package that we put forward has an element of margin for error; if not we will play a very dangerous political game. We must not take the best-case economic scenario but be much closer to the median-case economic scenario. If we do not do that we will raise expectations that are likely to be totally unjustified, and when expectations are unjustified - I say this in a political sense - by God, the Government will wear it. If that is the case, the debate here and in the broader community will have to be informed.

Hon Greg Smith: Have you ever run a business?

Hon JOHN HALDEN: No.

Hon Greg Smith: There are variables. You come up with the best figures you possibly can.

Hon JOHN HALDEN: Of course. I could not agree more with Hon Greg Smith, but we know that the best figures are in Treasury - they are not in the public domain. The Government should let us have them. It should tell us the revised forecast figures for GDP, for budget surpluses, for inflation, and for the true impact of the Asian economic crisis. Hon Greg Smith is right; one makes guesses from there; but those guesses are not based on figures put forward in May to build the economic package. I do not know the figures, but I will bet that they are universally down, and we do not have them, in spite of the Government's commitment to budgetary honesty, as we are debating the crucial issue of tax reform and the outcome of the next election. If the Government were serious, it would give us those figures.

Hon Barry House: A most important variable is exports which can generate some confidence that the figures could be in surplus.

Hon JOHN HALDEN: I agree that confidence in the domestic market is important, but how much confidence is there in international markets, particularly in the region in which we live? There is not a great deal. It varies, but there is not a lot. Confidence is not up to the level it was at two years ago, and it is going down. It was suggested that the situation has bottomed, but the vast majority of people who say that they are experts in the matter would say that it has not. Whether the situation has or has not bottomed - I do not claim to be an expert or to know enough about the matter to give any opinion whatever - its first-wave, significant impact on Australia has not yet hit, but we know it will hit in the next quarter and to a greater extent in the quarter after that. Not one economic analyst, lay or employed, would disagree with that. We know that the wave is coming in the next two quarters. Whether or not the situation has bottomed - let us be real; all of us hope that it has - will not matter, because it is going to hit us and it is just around the corner.

Hon Greg Smith: People are buying consumables to keep going. Iron, gas and food cannot be stockpiled. People are not buying colour televisions and computers from us - they are luxury items - they are buying consumables.

Hon Kim Chance: They cannot sell their products.

Hon JOHN HALDEN: Hon Kim Chance will correct me if I am wrong but I think that the beef industry's significant sales to Indonesia -

Hon Kim Chance: They have gone. That is live cattle. Sales of beef to Korea have been cut to shreds.

Hon JOHN HALDEN: I agree. There is a compensatory factor in terms of Libya.

Hon Kim Chance: I am not aware of that.

Hon JOHN HALDEN: There is some compensation, but the reality as it was put to me is that one must keep eating or buying those goods. In the case of beef exports to Indonesia, whether or not the Libyan example is right, the Indonesians are not buying beef from us.

Hon Greg Smith: That would be a luxury item for them.

Hon JOHN HALDEN: Whether or not they are luxury items, they were buying X amount 12 months ago and they are now not buying anything.

Hon Kim Chance: The whole Kimberley cattle industry was based on it.

Hon JOHN HALDEN: I do not care who ate them, but the sales went from X amount to nothing. That is the problem we face. Hon Kim Chance made a very reasonable interjection about the buying of iron ore. They will continue to buy our iron ore as long as they can sell the end product. The moment those markets become shaky, we have a problem.

Hon N.F. Moore: You are aware that our exports went up 18 per cent in the past financial year.

Hon Kim Chance: He is talking about the pipeline and the slow down.

Hon N.F. Moore: I understand that. But at a time when people said there would be a slow down there was significant growth in exports.

Debate adjourned, pursuant to standing orders.

ADJOURNMENT OF THE HOUSE

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [10.00 pm]: I move-

That the House do now adjourn.

Reinstatement of Bills - Adjournment Debate

HON NORM KELLY (East Metropolitan) [10.01 pm]: I would like to make a few comments and hopefully get some clarification about a procedure that occurred last Thursday relating to the reinstatement of Bills. Members may recall that we reinstated a number of Bills such as the Government Railways (Access) Bill and the Acts Amendment (Sexuality Discrimination) Bill. I moved an amendment to include two Bills in my name from the last session. In response, the Leader of the House pointed out that it was not government policy that Bills that had progressed no further than the second reading explanation be returned to the Notice Paper. I appreciated his comments about facilitating the reintroduction of those Bills, and one was reinstated today.

I raise this matter because I notice that last week the Legislative Assembly also moved to restore Bills to the Notice Paper. At the end of last session that House had 18 government Bills left to be debated. Of those, 17 had not progressed past the minister's introduction and second reading explanation - only one had reached the committee stage - but they were all restored to the Notice Paper.

Hon Derrick Tomlinson: They do strange things in the other House.

Hon NORM KELLY: About 11 non-government Bills remained on the Notice Paper at prorogation. Of those, 10 had been introduced and the second reading explanation had been given but they had progressed no further. We had 29 Bills, of which 27 had not progressed past the second reading explanation.

I raise this matter in the hope that the Leader of the House will indicate whether this is simply an upper House policy or a whole-of-government policy. As members are aware, this is the first time I have come back to this place after a prorogation.

Unfortunately, the Leader of the Opposition is not here, because I notice that for the first time since I arrived in this House members of the Opposition have been afforded a conscience vote on procedural matters, which is a good and progressive move.

Hon N.F. Moore: It is very refreshing.

Hon NORM KELLY: It is a move that I encourage for future occasions. I look forward to the Leader of the Opposition's having the courage to continue with that practice.

HON N.F. MOORE (Mining and Pastoral - Leader of the House) [10.04 pm]: The decision I made was based upon the circumstances as they apply now, and circumstances change from time to time. I remember a number of years ago when an attempt was made to reinstate some legislation and the House rejected it even though the legislation had been around for a long time. There was a view that we should not reinstate legislation or business from one session to another; if it was not dealt with in a session, it should be reintroduced in the next session. That was the case, particularly when we were in government during the Sir Charles Court era. During the Labor Government's 10 years in office, it endeavoured on a couple of occasions to reinstate legislation, but the Opposition - as we were then - had the numbers and refused to do so. The tradition had always been that nothing survived prorogation. Unfortunately, the Labor Government survived prorogation, but there was nothing we could do about that.

Prorogation became an interesting tool for political activity. The then Premier, Brian Burke, nailed the prorogation notice on the door of the Legislative Council while it was sitting, to prevent something taking place.

Hon Kim Chance: Could he not get Sandy Lewis to stop talking?

Hon N.F. MOORE: He wanted to stop a committee inquiring into some expenditure.

I have taken the view that the circumstances have changed. However, I do not believe that prorogation should simply happen and then have no effect. There should be a break between what was on the Notice Paper prior to prorogation and what is reinstated. I took the view that a fair and reasonable line to draw in the sand was that if a Bill had progressed beyond the second reading and had reached the committee stage, it was fair and reasonable to reinstate it because a substantial amount of work may have been done. However, if a Bill had simply been introduced and the second reading speech had been made, the House had done nothing with it and it was not too much to ask the member to restart the process.

That is what I suggested in the member's case. As he has indicated, I have sought to assist him in reaching the same stage with that Bill. That is not to say that that will always happen because, with a Bill such as that which he intends to reintroduce tomorrow in respect of euthanasia, I suspect that a majority of members will not lend their support. They might decide not to reinstate it or allow it to be read a first time.

There is no government position and fortunately the Legislative Assembly and this House do not always act the same way. Thank goodness for that, because they would probably get rid of the Assembly.

Question put and passed.

House adjourned at 10.07 pm

QUESTIONS ON NOTICE

Answers to questions are as supplied by the relevant Minister's office.

VOICE SYSTEMS OF AUSTRALASIA PTY LTD'S CONTRACT*Business Case*

6. Hon LJILJANNA RAVLICH to the Minister for Transport representing the Minister for Family and Children's Services:

Further to the answer given to question on notice 928 asked in the Legislative Assembly in relation to the Family and Children's Services Department's contract with the firm Voice Systems Australasia Pty Ltd worth approximately \$46 208 for the provision of internal auditing, can the Minister for Family and Children's Services advise -

- (1) Was a business case conducted?
- (2) Did it include a comprehensive cost benefit analysis?
- (3) If so, what did it show?
- (4) If not, why not?
- (5) What were the identified inherent risks?
- (6) What other options were considered?
- (7) Was a due diligence check carried out on the contractor before the above contract was awarded?
- (8) If yes, did it include a check of the contractors financial background?
- (9) Who carried out the financial background check?
- (10) If the contractor is a company, when was the company formed and what is its share capitalization?
- (11) Who are the directors of the company?
- (12) Are any of the company directors ministers or senior public servants?

Hon M.J. CRIDDLE replied:

- (1)-(2) Yes.
- (3) The best model for the provision of internal audit services was a mix of contractors and departmental staff.
- (4) Not applicable.
- (5) Nil.
- (6) Full outsourcing and staffing only by departmental staff.
- (7) No. A check on the auditing and accounting skills of the contracted auditor was undertaken.
- (8)-(9) Not applicable.
- (10) Voice Systems Australia Pty Ltd of 100 Colin Street West Perth is a wholly owned subsidiary of Asphar and Associates.
- (11) Information not required as part of the tender process.
- (12) No.

WINDOW LOGIC'S CONTRACT*Business Case*

7. Hon LJILJANNA RAVLICH to the Minister for Transport representing the Minister for Family and Children's Services:

Further to the answer given to question on notice 928 asked in the Legislative Assembly in relation to the Family and

Children's Services Department's contract with the firm Windowlogic worth approximately \$42 820 for the development of pre-adoption computer system, can the Minister for Family and Children's Services advise -

- (1) Was a business case conducted?
- (2) Did it include a comprehensive cost benefit analysis?
- (3) If so, what did it show?
- (4) If not, why not?
- (5) What were the identified inherent risks?
- (6) What other options were considered?
- (7) Was a due diligence check carried out on the contractor before the above contract was awarded?
- (8) If yes, did it include a check of the contractors financial background?
- (9) Who carried out the financial background check?
- (10) If the contractor is a company, when was the company formed and what is its share capitalization?
- (11) Who are the directors of the company?
- (12) Are any of the company directors ministers or senior public servants?

Hon M.J. CRIDDLE replied:

- (1)-(2) Yes.
- (3) Value for money.
- (4) Not applicable.
- (5) None.
- (6) Other proposals from industry.
- (7) Yes.
- (8) No.
- (9) Not applicable.
- (10) Information not required as part of engagement.
- (11) Information not required as part of the tender process.
- (12) No.

CORCOM SYSTEMS' CONTRACT

Business Case

8. Hon LJILJANNA RAVLICH to the Minister for Transport representing the Minister for Family and Children's Services:

Further to the answer given to question on notice 928 asked in the Legislative Assembly in relation to the Family and Children's Services Department's contract with the firm Corcom Systems worth approximately \$43 700 for the provision of specifying scope of CCSS development, can the Minister for Family and Children's Services advise -

- (1) Was a business case conducted?
- (2) Did it include a comprehensive cost benefit analysis?
- (3) If so, what did it show?
- (4) If not, why not?
- (5) What were the identified inherent risks?
- (6) What other options were considered?

- (7) Was a due diligence check carried out on the contractor before the above contract was awarded?
- (8) If yes, did it include a check of the contractors financial background?
- (9) Who carried out the financial background check?
- (10) If the contractor is a company, when was the company formed and what is its share capitalization?
- (11) Who are the directors of the company?
- (12) Are any of the company directors ministers or senior public servants?

Hon M.J. CRIDDLE replied:

- (1) No. Renewal of existing maintenance contract.
- (2)-(3) Not applicable.
- (4) Renewal of existing arrangements.
- (5) None.
- (6)-(9) Not applicable.
- (10) Information not required as part of engagement.
- (11) Information not required as part of the tender process.
- (12) No.

DEAKIN CONSULTING PTY LTD'S CONTRACT

Business Case

- 9. Hon LJILJANNA RAVLICH to the Minister for Transport representing the Minister for Family and Children's Services:

Further to the answer given to question on notice 928 asked in the Legislative Assembly in relation to the Family and Children's Services Department's contract with the firm Deakin Consulting worth approximately \$56 490 for the provision of system Review and Development Plan for the Client and Community Services System, can the Minister for Family and Children's Services advise -

- (1) Was a business case conducted?
- (2) Did it include a comprehensive cost benefit analysis?
- (3) If so, what did it show?
- (4) If not, why not?
- (5) What were the identified inherent risks?
- (6) What other options were considered?
- (7) Was a due diligence check carried out on the contractor before the above contract was awarded?
- (8) If yes, did it include a check of the contractors financial background?
- (9) Who carried out the financial background check?
- (10) If the contractor is a company, when was the company formed and what is its share capitalization?
- (11) Who are the directors of the company?
- (12) Are any of the company directors ministers or senior public servants?

Hon M.J. CRIDDLE replied:

- (1)-(2) Yes.
- (3) Value for money.
- (4) Not applicable.

- (5) None.
- (6) Other proposals from industry.
- (7) Yes.
- (8) No.
- (9) Not applicable.
- (10) Information not required as part of engagement.
- (11) Information not required as part of the tender process.
- (12) No.

WINTHROP TECHNOLOGY'S CONTRACT

Business Case

- 10. Hon LJILJANNA RAVLICH to the Minister for Transport representing the Minister for Family and Children's Services:

Further to the answer given to question on notice 928 asked in the Legislative Assembly in relation to the Family and Children's Services Department's contract with the firm Winthrop Technology worth approximately \$98 800 for the provision of Information Technology help desk, can the Minister for Family and Children's Services advise -

- (1) Was a business case conducted?
- (2) Did it include a comprehensive cost benefit analysis?
- (3) If so, what did it show?
- (4) If not, why not?
- (5) What were the identified inherent risks?
- (6) What other options were considered?
- (7) Was a due diligence check carried out on the contractor before the above contract was awarded?
- (8) If yes, did it include a check of the contractors financial background?
- (9) Who carried out the financial background check?
- (10) If the contractor is a company, when was the company formed and what is its share capitalization?
- (11) Who are the directors of the company?
- (12) Are any of the company directors ministers or senior public servants?

Hon M.J. CRIDDLE replied:

- (1)-(2) Yes.
- (3) That there were efficiencies and cost savings to be made against the then current practices.
- (4) Not applicable.
- (5) None.
- (6) Total outsourcing, distributed responsibility.
- (7) The contract was awarded based on acceptance after suitable service during a 3 month trial.
- (8) No.
- (9) Not applicable.
- (10) Information not required as part of engagement.
- (11) Information not required as part of the Tender process.
- (12) No.

J.M. & E.D. MOORE'S CONTRACT

Business Case

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

In relation to the contract called for tender by the Department of Contract and Management Services, on behalf of the Department of Education and Training and the successful tenderer, JM & ED Moore for Bunbury Campus - South West Regional College of TAFE Industrial Skills Wing to the value of \$1 686 200 -

- (1) Was a business case conducted?
- (2) Did it include a comprehensive cost benefit analysis?
- (3) If not, why not?
- (4) If yes, will the Minister for Education table details of the cost benefit analysis and information on any identified inherent risks to the Government?

Hon N.F. MOORE replied:

- (1) Yes.
- (2) No.
- (3) A rigorous cost planning analysis was, however, undertaken by quantity surveyors Davis Langdon & Silver on behalf of Peter Hunt Architect prior to the tender being called.
- (4) Not applicable.

STANTON PARTNERS

Building and Construction Industry Training Fund Audit

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

- (1) Has Stanton Partners, an auditing company of 5 Ord Street, West Perth been appointed as Internal Auditors for the Building and Construction Industry Training Fund ("BCITF")?
- (2) Had Stanton Partners previously been appointed as Interim Administrators of the BCITF since April 1994?
- (3) If yes to (1) and (2) above, is the review process open to abuse when a company is appointed to audit its own work?
- (4) Have any complaints been lodged regarding the quality of work of Stanton Partners?
- (5) What are the qualifications of Stanton Partners to audit an organisation that deals with training?
- (6) Is this an area of expertise for this company?

Hon N.F. MOORE replied:

- (1) No.
- (2) Yes. Stanton Partners were Interim Administrators up until November 1995 when a Chief Executive Officer was appointed.
- (3)-(6) Not applicable.

QUESTIONS WITHOUT NOTICE

GOODS AND SERVICES TAX

Commonwealth Collections

73. Hon TOM STEPHENS to the Minister for Finance:

I draw attention to the document of the State Government entitled "Revitalising the Federation", wherein it states that 80 per cent of all taxes in Australia have been collected by the Commonwealth. What impact will the proposed goods

and services tax package of the Howard Government have on that percentage figure and what will be the impact of the proposed goods and services tax package on the current vertical fiscal imbalance between Western Australia and the Commonwealth?

Hon MAX EVANS replied:

I have seen the figure of 80 per cent. I am not sure whether it includes income tax and company tax, but the Leader of the Opposition may be right. Under section 90 rulings the States have already lost the ability to raise excise on alcohol, tobacco and fuel. We will now lose a lot of the stamp duty and some of the gaming tax raising powers. We may lose the ability to raise as much as 90 per cent of the taxes. It gets back to the fact that the Federal Government will be raising nearly all of the revenue in all States and that will be replaced by an amount given to the States via the pool of money that is raised under the goods and services tax. A formula will be devised by the Commonwealth Grants Commission on how that money will be distributed to the States. Yesterday, I answered two questions on this matter and I said that an undertaking had been given that the States will not be worse off than they are now.

Hon Ljiljanna Ravlich: How do you know?

Hon MAX EVANS: I am just saying what I have been told; I am not saying that I know anything for sure. As to the vertical fiscal imbalance and the horizontal imbalance, as far as I am concerned it will all come back to the amount we have to spend, to pay wages, etc. The Commonwealth Grants Commission was set up some years ago. As I said yesterday, the new Grants Commission will be finalised in 1999, although it may not be operating then, and will continue for five years. The Commonwealth Grants Commission will be rejigged under the goods and services tax proposal; however, this is subject to the Federal Government winning the next election and the appropriate legislation being passed. The operation of the Commonwealth Grants Commission will be completely different from what happens today.

We have lost \$778m. Our grants have been reduced since we came into government. I remember that in about March 1993, in our first year in office, the Premier and I telephoned the then Treasurer, Ralph Willis, following a loss of \$53m in our grants. The following year they were reduced by \$57m, a total of \$110m, and that amount has continued to increase. We are now subsidising other States on this old formula. That has been a large difficulty for this State. We have tried to convince the other States that we have huge economic growth. We believe 70 per cent of our royalties will bring in \$650m and by the year 2000 the amount will be \$875m. Of those royalties, 70 per cent is taken away immediately under the Grants Commission formula and is distributed to the other States. Under the new arrangement we will probably get a higher percentage of royalties paid to us than will all of the other States put together. The figure is based on the lowest common denominator, and that is the problem we have always had. I am not too certain how that will be cleared up.

ROCKINGHAM RAIL LINK

74. Hon TOM STEPHENS to the Minister for Transport:

Today the Commissioner of Main Roads has admitted that the traffic projections for the Narrows Bridge for 2021 did not take into account the promised rail link to Rockingham.

- (1) Is this due to incompetence on the part of Main Roads Western Australia or has the department been advised that the rail link is unlikely to be built by 2021?
- (2) Will the minister now commission figures that will take into account the likely impact of that rail link; if not, why not?

Hon M.J. CRIDDLE replied:

- (1)-(2) The study covering the rail link to Mandurah through Rockingham, Kwinana and Jandakot will come out later this year. As members opposite may have heard, a master plan is being put in place. With regard to the figures relating to the traffic going across the Narrows Bridge, one good thing is that when the second bridge is constructed, we will see a good deal of traffic flow and we will be able to shift the traffic off the roads in South Perth and other suburbs onto the freeway.

Hon Bob Thomas: More bottlenecks.

Hon N.F. Moore: Don't you travel on the freeway?

Hon M.J. CRIDDLE: The figures that we have given show an uplifting in the speeds at which traffic will move in both directions on the freeway as a result of the new bridge. That was clearly demonstrated in the environmental study that came out recently. This is all good news for the people of Perth, both north and south of the Narrows Bridge, and we can only benefit from it.

LEGAL AID WESTERN AUSTRALIA

*Contract Manager***75. Hon N.D. GRIFFITHS to the Attorney General:**

I refer to the restructuring of Legal Aid Western Australia.

- (1) Has the position of contract manager been filled; if so, when and by whom?
- (2) What is the role of the contract manager?
- (3) What changes will take place with regard to, firstly, duty lawyer services, secondly, legal aid services and thirdly, minor assistance services?

Hon PETER FOSS replied:

As the member will probably understand, the Legal Aid Commission is an independent body. I therefore ask that the question be placed on notice.

PUBLIC SERVICE

*Information Confidentiality***76. Hon HELEN HODGSON to the minister representing the Minister for Public Sector Management:**

My question relates to members of the senior executive service who leave the public sector.

- (1) Does the Government routinely seek commitments from those people about the confidentiality of information obtained directly or indirectly through their employment within the public sector?
- (2) If so, does the restriction extend to information provided by third parties to the Government to which those persons may have had access?
- (3) Does the Government enter into an agreement with those people to limit the field of any future employment or consultancies to exclude matters in respect of which they may have confidential information?
- (4) Does the Government enter into an agreement with those people to restrict the provision of services to any other persons following termination of employment?

Hon MAX EVANS replied:

I thank the honourable member for notice of this fascinating question.

- (1) No.
- (2) Not applicable.
- (3)-(4) In circumstances in which a public sector employee accepts a redundancy payment, some limit is placed on the person being able to accept employment back to the Government. Confidentiality clauses are contained in some offers of redundancy. Chief executive officers are responsible for ensuring that any subsequent contracting arrangements are appropriate.

GOODS AND SERVICES TAX

*Salary Packaging***77. Hon LJILJANNA RAVLICH to the minister representing the Minister for Public Sector Management:**

I refer to the proposed tax changes under a goods and services tax requiring employers to include details of fringe benefits on group certificates and the Australian Taxation Office then including those benefits in the calculation of a taxpayer's assessable income.

- (1) What impact will these changes have on salary packaging arrangements for employees in the 40 public sector agencies that have taken up salary packaging schemes?
- (2) What impact will these changes have on the Government's strategy of enticing public servants into workplace agreements through salary packaging arrangements and will workplace agreements need to be rewritten in light of their reduced benefit to public sector workers?

- (3) In light of the reduced benefits of salary packaging under a goods and services tax, will the 3 200 state public servants currently on workplace agreements and benefiting from salary packaging arrangements be given a choice of returning to the award system?
- (4) If so, what is the likely cost implication of this for the State Government?

Hon MAX EVANS replied:

I am not sure whether that question was an appropriate question without notice. I ask that it be placed on notice.

[See answer provided on page 491.]

COASTAL WATERS AND COCKBURN SOUND STUDIES

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

- (1) Does the minister endorse the actions, recommendations and findings of -
- (a) The Department of Environmental Protection's 1996 Southern Metropolitan Coastal Waters Study?
 - (b) The Environmental Protection Authority's 1998 Cockburn Sound strategic assessment?
 - (c) If not, why not?
- (2) Did the 1998 strategic assessment study find that any more breakwaters constructed in Cockburn Sound would have a negative impact on the water circulation and ecology of Cockburn Sound?
- (3) When will the minister release the findings of the 1998 study?
- (4) Will the minister ensure that the actions and recommendations of the Southern Metropolitan Coastal Waters Study are enforced in Cockburn Sound?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1) (a) The Minister for the Environment fully endorses the intent of the actions and recommendations of the Southern Metropolitan Coastal Waters Study, that is, to bring about the necessary improvements to the environmental quality of these waters. I am particularly pleased to note that the EPA is conducting a very extensive stakeholder and public involvement process as recommended by the study to assist in determining the environmental values, environmental quality objectives and criteria. These values, objectives and criteria will form the basis for ongoing marine quality management.
 - (b) The EPA is yet to report to Government on its Cockburn Sound strategic assessment.
 - (c) Not applicable.
- (2) The EPA is yet to report to Government on its Cockburn Sound strategic assessment.
- (3) The EPA will report on the 1998 Cockburn Sound strategic assessment.
- (4) See 1(a).

STAMP DUTY

Abolition

79. Hon JOHN HALDEN to the Minister for Finance:

I refer to the proposed abolition of stamp duty on -

- (i) credit arrangements, instalments purchase arrangements and rental (hiring) agreements under the Howard Government's proposed tax package;
 - (ii) leases;
 - (iii) mortgages, bonds, debentures and other loan securities; and
 - (iv) cheques, bills of exchange and promissory notes.
- (1) What are the current forecasts of revenue, on the basis that it exists at this date, from stamp duty on each of these categories in 2000-01?

- (2) What is the estimated proportion of stamp duty on each of these categories paid by -
- (a) the business sector; and
 - (b) the residential sector?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1)
 - (a) \$25.5m.
 - (ii) A separate forecast for stamp duty on leases has not been made. However, lease duty is the main component of "other stamp duty", which is forecast to be \$17.5m in 2000-01.
 - (iii) \$64m.
 - (iv) \$9.5m.
- (2) Estimates are not available on this basis.

FLETCHER GROUP ABATTOIR

Statement by Minister for Commerce and Trade

80. Hon KIM CHANCE to the Leader of the House representing the Minister for Commerce and Trade:

- (1) What factors have led the Minister for Commerce and Trade to indicate that 400 new jobs and \$100m of exports will be created by the Fletcher Group abattoir at Narrikup?
- (2) Does this statement indicate that the statewide quantum of kill numbers and exports will rise as a consequence of the new works?
- (3) If so, what will be the source of the increased numbers of stock to provide this increase?
- (4) If not, will the increased kill at Narrikup simply replace present operations at other abattoirs?

Hon N.F. MOORE replied:

I thank the member for some notice of this question.

- (1) Forecast throughput of the facility, combined with the Fletcher Group's focus on export markets and intention to include a fellmongering operation within the facility, provides the basis of estimates of new jobs and exports for the region.
- (2) Yes, it is anticipated that the Fletcher Group operation will assist in increasing the capacity of the Western Australian meat industry, provide for a more uniform processing activity through the year, and provide growers with an alternative to the live sheep trade.
- (3) Stock for the facility is expected to be sourced from the region and neighbouring regions. The facility will provide the stimulus for increased stocking levels in the region, including options for lot-feeding of cattle.
- (4) The operation provides relief from the impact of past closures of facilities and provides security against future closures.

PRIMARY SCHOOL FIRE SAFETY EDUCATION PROGRAM

81. Hon MURIEL PATTERSON to the Attorney General representing the Minister for Emergency Services:

Will the primary school fire safety education program that the Government has introduced be running in regional areas such as Albany? If not, why not?

Hon PETER FOSS replied:

I thank the member for some notice of this question.

The Western Australian Fire Services (Fire and Rescue Service and Bush Fire Service) has developed and introduced a fire safety education program for primary school age children in Years 1 to 3. The program is delivered by local fire brigade members, both career and volunteer, and is being progressively introduced into metropolitan and regional areas of the State.

FORMER CHILD MIGRANTS

*Counselling Services***82. Hon CHERYL DAVENPORT to the minister representing the Minister for Family and Children's Services:**

I refer to the Minister for Family and Children's Services' claim last week that the State Government was offering counselling and financial support to former child migrants. Why has the minister's office been turning away former child migrants by denying knowledge of any counselling service provided by the State Government?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

The minister's office has provided or facilitated assistance to any former child migrant who has requested it. Family and Children's Services provides information, or counselling can be arranged. Departmental staff are aware of the availability of these resources and callers are referred to the Family Information Records Bureau as required.

AMPOL FUEL STORAGE AND BLENDING SITE, FREMANTLE

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

In relation to the Ampol fuel storage and blending site, the Fremantle Port Authority lot 50a -

- (1) Is the Department of Environmental Protection or the Environmental Protection Authority aware that the City of Fremantle has placed a car park on the contaminated site?
- (2) Is the DEP/EPA aware that a portion of FPA lot 50a has been transferred from the FPA to the City of Fremantle and is now classed as parks and recreation?
- (3) Does the DEP/EPA believe that it is acceptable that hydrocarbon-contaminated land be used for recreation without decontamination?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

The issue is currently a responsibility of the Department of Environmental Protection and the questions have been answered on the basis of the information available to the DEP.

- (1) Yes.
- (2) Yes, with the area exhibiting surface contamination which is zoned parks and recreation fenced off from public access.
- (3) The land currently exhibiting surface contamination is not being used for recreation. The DEP is awaiting receipt of a draft technical report due to be completed by the end of August on behalf of the City of Fremantle. The report will be released for public comment which will provide relevant information in relation to proposed land uses.

TAX REVENUE RECORDS

84. Hon TOM HELM to the Minister for Finance:

- (1) What details and records are kept by the State Revenue Department in relation to state revenue which would enable an analysis of the make up of the current tax revenue from -
 - (a) debits tax;
 - (b) financial institutions duty; and
 - (c) stamp duty paid on security documents?
- (2) Specifically, does the department maintain records which indicate the proportion of the current tax revenue in each of these areas that comes from transactions of a particular size or from a particular sector?
- (3) If not, what variables can be analysed with the departmental data?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1)-(3) The State Revenue Department does not collect sectoral information from taxpayers on these taxes. To do so without a need related to revenue collection would lead to an unjustifiable increase in compliance and administrative costs.

Returns from financial institutions for FID separately identify duty charged at the short-term dealing duty rate, the general duty rate and duty on those transactions subject to the \$1 200 duty cap. In other words, if one is banking more than \$2m a day, one still pays only \$1 200 FID. That is why a lot of the big stores bank all their money in Melbourne, pay the cap of \$1 200 over there and do not pay anything in Western Australia. It saves them \$1 200 a day.

Returns from financial institutions for debits tax separately identify the number of taxable debits in each taxable value range for the tax scale.

GOODS AND SERVICES TAX

Formula

85. Hon E.R.J. DERMER to the Minister for Finance:

I refer to the minister's answer to a question without notice yesterday in which the minister said he was not very happy with parts of the formula on which the Commonwealth Government's proposed GST is to be based. With which parts of the formula is he not very happy?

Hon MAX EVANS replied:

I answered the question in two different parts on how the Commonwealth Grants Commission will create a formula to distribute the GST to the States. That is what we do not know. We must take into consideration all moneys needed for the taxes we will forgo. That formula must be considered. As I said at the end of the first question, I would not want to hold my breath waiting for the answer.

REGIONAL FOREST AGREEMENT

"Assessment of Protective Mechanisms for Natural Estate Cultural Heritage Value" Report

86. Hon NORM KELLY to the minister representing the Minister for the Environment:

- (1) Is the minister aware of a report commissioned for the Regional Forest Agreement titled "Assessment of Protective Mechanisms for Natural Estate Cultural Heritage Value"?
- (2) Can the minister confirm that a draft version of this report was available to the RFA steering committee in January of this year?
- (3) Can the minister explain why, seven months later, this report is yet to be released?
- (4) Is the non-release of this report by the Department of Conservation and Land Management-led steering committee connected to the fact that the report contains 29 recommendations related to CALM's management procedures?

Hon MAX EVANS replied:

I thank the member for some considerable notice of this question.

- (1) The report, which was commissioned by the Commonwealth Government, is still a draft report.
- (2) The draft report has not been presented to the RFA steering committee. The Commonwealth Government is collating comments received from respective state government agencies.
- (3) As is the case in other States, the development of protective mechanisms is an ongoing process between the State and the Commonwealth, with completion being anticipated during the implementation phase of the RFA.
- (4) No. Refer to (3).

MAIN ROADS WA

Officers Suspected of Leaking the Matson Report

87. Hon BOB THOMAS to the Minister for Transport:

Today the Commissioner of Main Roads said that three Main Roads Department officers were still under suspicion of leaking the Matson report, yet on 30 June the then Minister for Transport indicated only one officer was still under suspicion.

- (1) How many officers are still actively being investigated?
- (2) Can the minister say what stage these investigations are at?
- (3) Given that this investigation has been continuing now for over eight months, when will it be concluded?

Hon M.J. CRIDDLE replied:

I thank the member for some notice of this question.

- (1) Initially, three employees were asked to explain their involvement in the unauthorised release of information. One of these is currently under active investigation.
- (2)-(3) Main Roads expects to conclude the matter shortly.

GOODS AND SERVICES TAX

Western Australia's Proportion

88. Hon TOM STEPHENS to the Minister for Finance:

- (1) What is the expected contribution of Western Australia as a proportion of goods and services tax revenue in 2000-01?
- (2) What is the expected return to WA as a proportion of GST revenue raised under the Federal Government's proposed tax package in 2000-01?
- (3) What proportion of the GST raised under the Federal Government's proposed tax package will WA need to be allocated by the Commonwealth Grants Commission to replace lost revenue?
- (4) What is the projected loss in grants and state taxes in 2000-01?
- (5) What proportion of grants has WA received from the Grants Commission in each of the past five years?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1) Western Australians, like all other Australians, will be taxed 10 per cent on the consumption of most goods and services. The GST will not apply to exports. Western Australia's contribution will reflect its consumption of goods and services.
- (2) All the GST collected will be returned to the States and Territories. The distribution between the States will reflect horizontal equalisation principles - or basic equity principles. Distribution of the GST will be a topic for discussion at the Special Premiers' Conference planned post-election.
- (3) The tax package will see changes in commonwealth-state fiscal arrangements. In return for 100 per cent of GST revenue, there will be abolition of financial assistance grants; abolition of business franchise fees -

Hon Mark Nevill: Payroll tax?

Hon MAX EVANS: I am not stupid. To continue -

- reduced state gambling taxes to make room for the GST; responsibility for local government will be transferred to the States; introduction of a first home buyers scheme by the State; reduced cost to government from indirect tax reform; States' share of growth dividend; cessation of the state rebate for off-road diesel; payment of administration costs of the GST to the Commonwealth; adjustment factor so that, in aggregate, the States will be no worse off. The distribution of the GST will be subject to discussion post-election.

(4)		\$ billion
	All States	
	Grants	18.18
	Safety Net Revenue	6.65
	Taxes	1.54
		<u>26.37</u>

This loss is to be covered by GST revenues. Estimates for Western Australia are not available. Note that the effect in 2001-02 will be larger due to full-year effects and the abolition of various stamp duties.

(5)	Financial Assistance Grants %	Pool (includes hospital funding grants) %
1993-94	11.0	10.6
1994-95	10.7	10.4
1995-96	10.4	10.1
1996-97	10.0	9.8
1997-98	9.8	9.7

In response to the member who brought up the hardy annual of payroll tax, that is a large amount of about \$650m and is one-third of our State's total revenue. I will keep putting to employers that it is not an impediment to employment if an employer is paying \$10m or \$1m in payroll tax. If it is taken away all at once there will be no more payroll tax. Employers will not put one more person on the payroll unless there is work. If they have a net profit of \$1m more they will pay an average of 40 to 50 per cent in either personal or company tax; the Federal Government will get \$400 000 to \$500 000; and they will keep the balance of \$500 000 in their pocket and spend it - they may take a trip overseas. However, the 6 per cent will not pay for one more employee. Those who run small businesses think that payroll tax is a marvellous thing. However, they do not pay it; the bigger businesses do.

TAX REFORM PACKAGE

Mining Industry

89. Hon GREG SMITH to the Minister for Mines:

What will be the benefits to the Western Australian mining industry under the Federal Government's tax reform package?

Hon N.F. MOORE replied:

I thank the member for some notice of the question. I am happy to answer this question because there is an industry in Western Australia which is the backbone of our economy and which will benefit significantly from the new tax arrangements.

Hon Mark Nevill: The gold industry?

Hon N.F. MOORE: It will benefit because, as the member knows, exports are not subject to a goods and services tax, and the predicted cost to Australian exporters will fall about 3.5 per cent, or \$4.5b a year. It is anticipated that savings for the Western Australian mineral and petroleum exporting sector will be in the region of \$600m. Another beneficial part of this package, which Hon Mark Nevill will support vigorously, is the decision to exempt from fringe benefits tax the tax paid on mining industry employees' housing. That is something that has been argued by this State for many years. Indeed, it was argued by the Labor Party, although without much success, when it was in government. That will significantly benefit the remote towns of Western Australia and, hopefully, will lead to some reduction in the fly in, fly out arrangements that many mining companies have engaged in because of that tax brought in by the federal Labor Party, along with the gold tax that it brought in also, as I keep reminding members.

There will be significant changes also to the diesel fuel excise duty arrangements. For smaller mining companies that are registered businesses the reduction will be about 7¢ per litre. Larger companies will receive a reduction from 43¢ to 18¢ per litre. It is estimated that the diesel changes will yield between \$200m and \$400m in benefits to the State's mining industry. I have had some work done on this, although I do not have any final conclusions yet. However, I understand the total benefits to the mining industry in Australia should be nearly \$3b. Of that, Western Australia should benefit by about \$1.1b as a result of this very significant tax rearrangement. This industry, which is fundamental to the Western Australian economy, has had significant problems in recent times because of the federal Labor Party's native title legislation, on top of its fringe benefits tax and its general anti-mining attitude. It has a chance to grow under this new system. Of course, the great beneficiaries will be the regional towns of Western Australia. I hope that people such as Hon Tom Stephens, who represents those regions, will vigorously support this tax change.

MOTOR VEHICLES

*Environmental Performance***90. Hon CHRISTINE SHARP to the minister representing the Minister for the Environment:**

- (1) Which minister is responsible for environmental performance of motor vehicles?
- (2) Have any tests been conducted in Australia on the environmental performance of various motor vehicles?
- (3) Does the minister intend to apply a vehicle rating for consumer guidance similar to those for other household items and, if not, why not?

Hon MAX EVANS replied:

I thank the member for some notice of this question.

- (1) Environmental performance for motor vehicles is set by Australian Design Rules, which are determined by the National Motor Vehicle Standards Act. Enforcement is the responsibility of the Minister for Transport.
- (2) Yes. The only States that have government vehicle emission testing that complies with the Australian Design Rules are Victoria and New South Wales.
- (3) The federal Department of Primary Industry and Energy has previously produced Australian fuel consumption guides. The automotive industry component of the "Safeguarding the future: Australia's response to climate change" statement by the Prime Minister of Australia in November 1997 indicates that the Federal Government will implement an automotive industry environmental strategy in consultation with the automotive and oil industries and other stakeholders to enhance the industry environmental performance. This strategy will involve several elements including: Mandatory, model-specific, fuel efficiency labelling; harmonised noxious emission standards with international standards by 2006; a 15 per cent fuel efficiency improvement target by 2010 over business, as usual through negotiation with automotive companies; and bringing forward the phase-out of leaded petrol, taking equity considerations into account.

HUDSON COURT PTY LTD

91. Hon J.A. COWDELL to the Attorney General representing the Minister for Planning:

When did the WA Planning Commission advise Hudson Court Pty Ltd that it intended to lodge a memorial on the Certificate of Title Vol 1572, Fol 660, otherwise known as the Mandurah Marina Development?

Hon PETER FOSS replied:

I thank the member for some notice of this question. The Western Australian Planning Commission, at the request of Hudson Court Pty Ltd, endorsed a memorial document prepared by Hudson Court Pty Ltd. That memorial is dated 13 February 1996. The memorial was lodged with the Department of Land Administration and was registered on new titles issued for the development. The Western Australian Planning Commission is not privy to when Hudson Court lodged the memorial at DOLA. The memorial resulted from discussions and agreement between that company and the City of Mandurah in respect of the drainage and filling of the marina development.

GOODS AND SERVICES TAX

Salary Packaging

The PRESIDENT: I believe the Minister for Finance has an answer to an earlier question.

Hon MAX EVANS: Yes, I do. It concerns question 77, asked today by Hon Ljiljana Ravlich, which related to the GST, the Australian Tax Office, fringe benefits on group certificates and so on.

- (1) The impact of the Commonwealth Government's proposed changes to the tax system on salary packaging in the public sector is still to be considered.
- (2) Parties to workplace agreements are free to renegotiate their terms at either the end of their agreement or by agreement during the life of their agreement. The impact of the changes to the tax system, and whether workplace agreements need to be rewritten, will be for the parties to consider.
- (3) Subject to the wording of each agreement, the actions taken by parties at the end of their agreement is for them to decide.

- (4) In view of the response to question (3), it is not possible to estimate. However, workplace agreements generally provide greater benefits to employees than the award.

The maximum benefit an employee can receive is the equivalent of a six-cylinder car or \$17 000. Some people have been receiving mortgage interest up to about 50 per cent of their wages, superannuation benefits and so on. This is an attempt to control the amount that will be allowed. It was only a matter of time before the ATO reduced the size of salary packaging.

Members of Parliament have not been able to access these benefits. At one time the Leader of the Opposition said we should not have any changes or salary packaging. Members wanted the benefit of a car, which was not subject to fringe benefits tax, and they did not want salary packaging. Backbenchers will be about \$5 000 better off. Hon Ljiljanna Ravlich was saying that if there is no salary packaging people will shy away from workplace agreements. There is more to workplace agreements than salary packaging. However, only those on workplace agreements have been able to access salary packaging. That will remain and many people will opt for it. The Health Department and the Legal Aid Commission have much better benefits.
