Parliamentary Debates
(HANSARD)

THIRTY-FIFTH PARLIAMENT
THIRD SESSION
2000

LEGISLATIVE ASSEMBLY

Wednesday, 10 May 2000

THE SPEAKER (Mr Strickland) took the Chair at 12 noon, and read prayers.

TUART FOREST, LOTS PT 302 AND PT 303 SOUTH BUNBURY STRUCTURE PLAN

Petition

Dr Gallop (Leader of the Opposition) presented the following petition bearing the signatures of 372 persons -

> To the Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.
>
> We the undersigned do hereby ask the Minister for Planning to prevent Homeswest and associated agents from clearing the old-growth Tuart forest on Lots Pt 302 & Pt 303 of the South Bunbury Structure Plan (extension of Shearwater)
>
> Your petitioners therefore humbly pray that you will give this matter earnest consideration and your petitioners, as in duty bound, will ever pray.

[See petition No 116.]

WESTERN POWER AND ALINTAGAS, PROPOSED SELL OFF

Petition

Dr Gallop (Leader of the Opposition) presented the following petition bearing the signatures of 23 persons -

> To the Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.
>
> We, the undersigned citizens are opposed to the sell off of Western Power and AlintaGas.
>
> We believe they are people's assets and should continue to be publicly owned and put service to the communities of Western Australia before investors profits.
>
> Your petitioners therefore humbly pray that you will give this matter earnest consideration and your petitioners, as in duty bound, will ever pray.

[See petition No 117.]

8792 DUNCRAIG ROAD, APPLECROSS

Statement by Minister for Planning

MR KIERATH (Riverton - Minister for Planning) [12.05 pm]: This amendment deals with the site at 8792 Duncraig Road, Applecross in the City of Melville. It is a crown reserve vested in the Minister for Works. The western portion contains the decommissioned Heathcote Hospital buildings while the eastern area is vacant. The entire site is reserved for public purposes (hospital) in the metropolitan region scheme.

The Western Australian Planning Commission was requested to amend the MRS reservation of the site to facilitate an agreement between the State Government and the city. This involved the refurbishment of the former hospital buildings by the city to allow for a variety of community-orientated land uses. The State Government initially agreed to reimburse the cost of the refurbishment, through funding generated by selling most of the eastern portion of the site for residential use.

The changes to the MRS were supported by the Western Australian Planning Commission and the amendment was advertised from 30 March to 2 July last year. Twelve submissions were received - seven supported the amendment or raised no objections and five objected. The primary source of objection concerned the urban zone for the eastern portion and the desire that it be reserved for parks and recreation. On advice, the Western Australian Planning Commission resolved to dismiss the objecting submissions. However, some time later the State Government and the city came to a new set of arrangements over the site involving the proposed eastern portion of the urban zone and avenues for funding the former hospital buildings' refurbishment costs. The new funding measures included the sale of Duncraig House, the creation and sale of two residential lots, the transfer of a portion of the scout hall site to be sold as residential and the sale of unrelated city properties.

The modifications involved deleting the proposed eastern portion of the urban zone and the portion of the proposed parks and recreation reserve adjoining the south east boundary of the scout hall site so that both areas remain public purpose (hospital) in the MRS. It was not considered necessary to readvertise for the modifications. However, a second amendment will be required to rationalise the MRS classifications to further reflect the new agreement which will be subject to a separate submission.

In conclusion, the WAPC has recommended the amendment proceed in the modified form to reflect the new agreement between the State Government and the City of Melville. I table two copies of the documents and one map. I commend this amendment to the House.

[See papers Nos 878A-878D]

AUSTRALIAN ENCEPHALITIS - PUBLIC HEALTH ALERT

Statement by Minister for Health

MR DAY (Darling Range - Minister for Health) [12.08 pm]: I take this opportunity to inform the House of an important current public health alert concerning Australian Encephalitis. Eight cases of mosquito-borne Australian encephalitis have now been diagnosed this year, the second highest total in Western Australia since 1993.

Australian encephalitis is a rare but potentially fatal mosquito-borne disease that can affect all age groups, but children and infants and anyone living in areas where the virus is seldom active are most at risk during outbreaks. Only about 1 in 500 to 1 000 people infected by the bite of an infected mosquito will develop symptoms, which include severe headache, neck stiffness, fever and delirium. In severe cases, this can progress to coma and death. On average about a quarter of people who develop symptoms will die and many others will be left with permanent brain damage and paraplegia.

High levels of activity of this virus are associated with heavy rains and flooding which enable overt breeding of the mosquitoes that transmit the virus, and also proliferation of water birds, which are the natural host of the virus. Record high rainfall between October last year and March this year has been reported from many areas in the north of the State, creating ideal conditions for transmission of this virus. This year one case has occurred in the Kimberley region, two in the Pilbara, one in the Murchison, and three in the mid west, including the Mullewa-Dongara and Kalbarri areas. Another case has a travel history throughout the affected regions and the place of exposure is therefore uncertain. The Health Department of WA is particularly concerned about activity of the virus south of the Murchison River catchment in the mid west region. This is unprecedented and means that the virus is active in a region where few people will have immunity to the virus.

The high level of activity this year was predicted in January because of heavy rains and widespread flooding forecast for the north of Western Australia. The Health Department has already issued three media warnings about the increased risk this year, with another warning issued today. Recent monitoring in the mid west region around Dongara has revealed continuing presence of the virus and the types of mosquito that transmit it. This means that people living in or travelling to this region as well as further north in the State must take appropriate precautions to avoid exposure to biting mosquitoes.

The Health Department has a sentinel chicken program in place to monitor and warn of continuing activity of the virus that causes Australian encephalitis. This has recently been expanded with the assistance of local government authorities and additional warnings will be issued if necessary. It is important for people to realise that mosquito eradication is not an option as breeding is occurring over vast areas throughout many parts of the north. People must therefore assume responsibility for protecting themselves from biting mosquitoes by avoiding being outside at times when mosquitoes are most active, from just before sunset until mid-evening; covering up as much as possible with loose, long clothing, preferably of a light colour; and, keeping a bottle of repellent handy to put on exposed areas of skin whenever biting mosquitoes are noticed. The most effective repellents for mosquitoes contain 5 per cent - 20 per cent diethyl toluamide, or DEET, and are most effective and long-lasting in lotion form. Infant-strength repellents should be used for young children. People should ensure that fly screens in houses or caravans are in good repair, and, if camping out, they should sleep either in a mosquito proof tent or under a mosquito net. It is important to appreciate that repellants protect against mosquito bites for only up to four hours, not all night. The Health Department will continue to closely monitor the situation and provide advice as appropriate.

STATE IMAGES COMMUNITY ART COMPETITION

Statement by Minister for the Arts

MR BOARD (Murdoch - Minister for the Arts) [12.12 pm]: Last October I informed the House of the State Images Community Art Competition. It is my pleasure today to announce the 10 winners. Each winner has produced artwork which represents their region at the change of the millennium and will be interpreted into a tile mosaic to be laid at the Barrack Square redevelopment. These 10 artworks will become a spectacular part of the Perth landscape situated in what will be one of the most significant drawcards for tourism in Western Australia. Launched in October last year, State Images has provided people throughout Western Australia with the chance to create a visual image of their region's culture, community and lifestyle. As each region has its own judging panel, the resulting mosaic will be a true reflection of those communities. The support that was received for this project has been outstanding. Service organisations and regional development commissions throughout the State have worked hard to ensure that the competition was well publicised and organised. The fact that more than 400 entries were received, many of them from community groups, demonstrates the success of the competition.

I would like to acknowledge the Community Services Steering Committee which oversaw State Images. The organisations involved are Apex, the Country Women's Association of WA, Zonta, Lions, Rotary and Soroptimists International. Without the coordination of those groups State Images would not have come to fruition. The mosaics are scheduled to be installed at the Barrack Square site in September.

The 10 winners are: Markham Boston of Carnarvon for the Gascoyne region; Lauren Burke of Carnarvon for the goldfields

region; Natalie Radivojevic of Albany for the great southern region; Lyn Ailakis and students from Derby District High School and the Mowanjum Aboriginal Community for the Kimberley region; Julie Anne Kennedy of Subiaco for the metropolitan region; Julie Nunn of Dongara for the mid west region; Beryl Hart of Parklands for the Peel region; Nikita Dahiya, formerly of Karratha, for the Pilbara region; Deana Carbone of Bunbury for the south west region; and Anne Sutherland of Merredin for the wheatbelt region.

State Images will complement the Sign In 2000 project. This project gave every Western Australian school student the opportunity to sign a tile to be laid at Barrack Square. These two initiatives are a demonstration of the value of community in Western Australia. Barrack Square will become one of the State's most prominent tourist destinations and will be home to a public exhibition of art depicting our varied and distinctive regions showing that Western Australia is all about the people who live here.

STATE SUPERANNUATION BILL 1999

Second Reading - Cognate Debate

Resumed from 9 May

MR KIERATH (Minister assisting the Treasurer) [12.15 pm]: I want to go through some matters that were raised yesterday by various members. The member for Nollamara in particular raised some issues that I want to discuss. I will not delve into it too much, but he raised the issue of a question I answered last week. Page 3 of the second reading speech states -

> As a first step to stem the growth of the State's unfunded superannuation liability, this Government made a commitment to fund all future contributions to the open lump-sum scheme from 1 July 1998. A standing appropriation to support this decision will be incorporated into the Act to ensure that this commitment is maintained by successive Governments.

It clearly states that it will be funded from that point on; but it does not address the inherent unfunded liability that is still in that system.

Mr Kobelke: I congratulate you on that and point out that that is not what you said in question time.

Mr KIERATH: It is what I said in question time. I put it very clearly on the record that there was unfunded liability prior to that date; in fact, we are trying to work up some proposals to go back and fund that liability. We gave a commitment to fund it from that point on, and from that date it has been funded. An amount in excess of $131m was allocated for that purpose. We still must address the unfunded liability.

The member for Nollamara raised the issue of the funding of the West State Super. There appears to be some confusion about the level of unfunded liability, and I want to clarify the situation. The figure quoted by the member of $565m was presented in the context of the State's ongoing liability to meet future payments out of the scheme. In accounting terms, they are the present, or current, value of a future liability and are based on various assumptions by actuaries as to inflation, investment returns and retirement rates. These figures are useful when considering the management of the State's finances, but the important figures for members of the schemes are to be found at page 53 of the 1999 annual report of the board. Note 7 at the top of the page details the vested benefits in the three schemes administered by the board. For West State Super, as at 30 June 1999 the gross vested benefits, or in simple terms, the total dollar value of member account balances, was just over $868m. The proportion of those benefits that were funded was just over $257m, and the difference of $611m is the unfunded amount. Compare those figures to the previous year when total account balances were just under $757m, the funded proportion was about $131m, and the unfunded amount was $626m. That indicates that the Government's decision to fully fund the State's contributions from 1 July 1998 resulted in the funded West State Super benefits increasing by nearly double in only 12 months, and the unfunded amount falling by $15m during the same period.

That funding decision was continued in the current year, which will further increase the level of funded benefits. The Bill that is before the House provides for a permanent appropriation so that that funding will be locked in for successive Governments. I table a document indicating the change in unfunded liability over recent years based on the vested benefits.

[See paper No 880.]

Mr KIERATH: That document shows that the unfunded liability in West State Super was increasing at around 20 per cent a year until the decision to fully fund the State's contributions, which had the immediate effect of capping the amount of unfunded liability.

I think the member for Nollamara and some other members raised the issue of various regulations,so I will respond to it. The member for Nollamara said that the Government has a good story to tell regarding this legislation, and he highlighted the importance of this Bill to establish a new legislative framework for the Government Employees Superannuation Board. I agree with him; he is right. This is good news. During debate on this Bill, some members expressed concern about the uncertainty regarding what may be prescribed in the regulations because the exact nature of the changes is unknown.

I can provide an indication of the nature of the changes which are under consideration by the Government and which have the support of the board. They are as follows: The Government wants to address issues relating to Gold State members being paid at casual rates; remove restrictions on seconded employees accessing other schemes; remove anomalies regarding contribution rates for Gold State Super and pension scheme members on fixed-term appointments; remove gender

discriminatory provisions in the pension scheme; provide salary packaging for pension scheme contributions; allow for rollover of small preserved benefits to eligible rollover funds; develop a consistent salary definition between Gold State Super and the pension scheme; provide members of West State Super with access to more modern investment arrangements, such as market-linked investment returns; improve portability arrangements for rolled in benefits; improve member reporting; recognise retirement savings accounts; and implement commonwealth preservation requirements. Those are the issues the Government is presently considering in terms of regulations.

Mr Ripper: Will the minister table that list of issues?

Mr KIERATH: Yes, certainly.

[See paper No 881.]

Mr KIERATH: Another issue I will put on the record fairly early in today's proceedings concerns interest. At the time that matter was being discussed, I interjected that they were notional amounts. I have been informed that is not correct and that the interest is credited monthly to members' accounts. The member for Nollamara was trying to run a line that, in one way, when interest was compounding, people would be better off. However, at monthly rates, the interest is compounding at an even greater rate than the member is expecting.

Mr Kobelke: The difference in the way it was calculated was not relevant to my argument. I just wanted to know exactly how it worked.

Mr KIERATH: It is credited monthly, and the consumer price index is taken from the previous 12 months. The CPI is basically known in advance for the following year. It is reported from 1 April - I do not think there is any meaning in that date -

The SPEAKER: The afternoon of 1 April.

Mr KIERATH: Yes, that is right - to 31 March. That is the period of the preceding year that is taken to establish the CPI. Therefore, that remains in place for the following year, along with the 2 per cent, and that is credited monthly.

Another issue raised by the member for Nollamara was the choice of funds. This Bill supports the introduction of choice of funds. Under clause 30(2), the minister and the Treasurer may allow employers to make contributions to other schemes. The choice will follow on after the passage of this Bill, but the legislation provides for the ability to approve other schemes and to allow people the choice to access those schemes. However, I add a note of caution: The largely unfunded nature of part of West State Super, Gold State Super and the pension scheme places a significant constraint on choice. There really cannot be choice until methods of funding that unfunded liability are found.

The Bill also provides a flexible framework to allow all possible funding options for the superannuation liability to be examined. Nothing formal has yet gone through the system, but informal discussions have taken place about trying to fund the West State superannuation scheme liability and to give those people a full choice. That will follow later this year.

Another issue raised by the member concerned the composition of the board. He said that the Government has four members and the members have three. Under this Bill, the composition of the board is no different from what is contained in the current Act, which I remind the member was introduced by the Burke Labor Government in 1987. Therefore, those provisions have not been changed one iota.

Mr Kobelke: The minister has missed the point. The new scheme will be established by the board, not by Parliament.

Mr KIERATH: The chairman does not have a casting vote. Currently, decisions of the board require five members to vote in favour. The Bill still contains those requirements. What did the member say?

Mr Kobelke: I thank the minister for adding the extra information. I said that the big difference is that the schemes will be established, through regulation, by the board, not by the Parliament. Therefore, the composition of the board takes on a different complexion.

Mr KIERATH: When we were examining this legislation, some members indicated that they had trust and faith in the existing system and they were a bit unsure about changing things. Therefore, we brought across those types of provisions as they were drafted to try to give people a level of comfort.

The member also said that state government employees who cease employment cannot transfer their benefits to another superannuation fund. West State Super benefits are fully transferable when a person ceases employment. Gold State Super benefits have generally not been transferable prior to age 55 years, and this has been the case since the scheme was introduced in 1987. This Government relaxed that rule in 1995 so that members who are retrenched or who accept a severance package - it is for those people only - can transfer the current value of their benefits to another fund. I think I have answered most of the issues raised by the member for Nollamara.

The member for Churchlands raised an issue about women. She said that if one of her constituents were to die, that constituent's husband would be disadvantaged, and she asked what is the cost of providing automatic widower pensions. I must say that this Bill rectifies the first part of the problem. I think the member acknowledged that and gave credit to the Government. I thought that the member might be interested in the figures for the cost of providing automatic widower pensions, considering the figures from which she quoted.

Dr Constable: I am.

Mr KIERATH: I am advised that the increase in costs resulting from automatic widower pensions is estimated at $200 000 a year initially, rising to just under $500 000 after nine years, and under $10m over the life of the scheme.

Dr Constable: That is very good news.

Mr KIERATH: Probably what happened was that somebody was giving the member figures over the life of the scheme, rather than those yearly figures. I have provided all the short-term, medium-term and long-term statistics. The difficulty with quoting statistics is that sometimes it depends from which part they are taken.

Dr Constable: I am pleased about that. It is a pity it was not done 10 years ago.

Mr KIERATH: I have a bit of a vested interest because I have five daughters. However, I am getting off the track.

Mr Bloffwitch: What about the threshold for the little nurse who has trouble transferring her money?

Mr KIERATH: This Bill will enable us to review that situation.

Mr Bloffwitch: That is good news.

Mr KIERATH: I think I gave that undertaking in a grievance debate.

Mr Bloffwitch: I just wanted that in *Hansard*.

Mr KIERATH: The member for Avon raised the issue of members being locked in and being unable to move out their funds. Unfortunately, that is true. When superannuation is unfunded, it locks people into the scheme, apart from the various exceptions I outlined a while ago. It would be my intention to do everything I could to find methods of funding the liabilities to give people as much as we possibly can.

Mr Ripper: Do you accept that one of the reasons people want to transfer out of Gold State Super is that they can see their preserved benefits growing much more slowly than they would in alternative funds? Do you have any comment on the disparity between the return of preserved benefits in Gold State Super and what can be achieved in other funds?

Mr Bloffwitch: Why do they give them only 2 per cent if they are making 12 and 13 per cent?

Mr KIERATH: It all comes down to whether people take their chances with fluctuating returns or whether they want a guarantee. A guarantee is averaged out by the fluctuations, and a premium must be paid for that. People can look at it in the good times, but after the 1987 crash when it plummeted 40 per cent, people who had a guarantee thought they were on a pretty good wicket at the time. In any guarantee, the overs level out the unders. Often people look at the guaranteed scheme at a time when there are lots of overs and wish that they had the overs; however, they do not always look at it when there are unders and wish that they could transfer across. We are trying to get market-linked products so people can choose to move to them if they so desire. However, the danger is - I have always said this - that there is a downside to choice.

Mr Ripper: There can be a cost.

Mr KIERATH: There can be a cost. I am reminded of a conversation I heard recently. Some Aboriginal people were being questioned about the right to make decisions and determine their future. They were asked: If some bad decisions had been made in a particular case and they were wrong, would it would be better to have someone else make the decision for them and get it right? They pointed out that they wanted the ability to make wrong decisions and wear the consequences of them. That was one of the most mature answers I have ever heard. When people want choice, they look at only the best bits; they do not look at the negative side. These people had looked at the worst-case scenario and still said that they wanted the right to make those decisions themselves. The ability to make a choice brings with it responsibilities, and people must accept responsibility for making the various choices.

Mr Ripper: You have indicated that one of the problems is that Gold State is unfunded. If someone wants to transfer out, the State must immediately find its portion of the unfunded liability for that member. One compromise would be to allow a member to transfer out that portion of his credit which is being funded by his own contributions and leave the unfunded liability preserved in the scheme until he turns 55.

Mr KIERATH: That is something I am prepared to look at. I will not give the member for Belmont a commitment in the House today.

Mr Ripper: It is a technical issue.

Mr KIERATH: I believe people should have control over their own destiny; they should be free to choose. I will do anything I can to further that cause. If there is an ability to do it, I am prepared to look at it. I give that undertaking. The member also made a comment about salary packaging. I think he said that he did not like it.

Mr Ripper: I think I said that its days are numbered.

Mr KIERATH: I do not think they are. The Commonwealth Government, as part of the taxation review, has put some limits on salary packaging. If it wanted to remove it, this would be the time to do it. It is an acknowledgment that it is here to stay, and the Federal Government wants to put some caps or limits on salary packaging. I have a different point of view from the member. There is an acknowledgment in the tax system that salary packaging is here to stay, but it will always

have a limited value. That value limit might move around from Government to Government and from Administration to Administration. I cannot see anybody removing salary packaging now, because even the Commonwealth has acknowledged that it has penetrated too far into the system and is in the too hard basket and that it is too difficult to withdraw it as a benefit. Salary packaging is here to stay but the amount that can be packaged will always be limited, although the limit may vary from time to time.

Mr Ripper: I am sure we have the same view of the federal Treasury and its efforts to obtain additional revenue. Let us see how it works out in practice.

Mr KIERATH: The member for Belmont raised the issue of the scheme design and regulations. It is a broad issue. This approach is consistent with other public sector and state schemes and provides the flexibility to respond to various commonwealth changes and to maintain the pace with changing member needs. When it is in the Act, it simply cannot be done. Members get left behind and members and employers need change. I think the member also said that the reality does not match the rhetoric in the second reading speech, or something to that effect.

Mr Ripper: Yes, I did. I pointed out that part of the second reading speech in which the Treasurer said that "the proposed changes will provide more flexibility for members and access to industry standard superannuation and new products and services" makes it sound as though everything that is happening is for the benefit of members. I pointed out that the amount of money transferred from the employer to the employee is falling. Superannuation schemes are becoming, in the words of one of my constituents, "leaner".

Mr KIERATH: I thought the member was referring to some of the constraints about choice and other matters. At the time I jotted down some notes, I made the point that the Bill will remove any legislative constraints on introducing things such as a market rate of return for West State Super and various other modern arrangements such as an investment choice option. The Bill also locks in the future funding by introducing a permanent appropriation of the State's contributions and stops Governments of the day from juggling the figures to use the money elsewhere. I am interested to hear the member's comments because I think that any future Labor Government would be locked into fully funding it. This legislation ensures that.

Mr Ripper: We have given a public commitment to do that already. You do not have to lock us into it by legislation.

Mr KIERATH: It is easy to do when one does not have to find the money; it is much harder when one must find the money.

Mr Ripper: Financial discipline is always hard, but it is something to which we have committed ourselves.

Mr KIERATH: Yes, it is. On the basis of the permanent appropriation, we also want to enhance the various options that are available to the Government to deal with the residual unfunded liability of just over $600m. The member also said that the Community and Public Sector Union has advised that member representatives were not properly consulted in the course of our preparing this Bill.

Mr Ripper: The advice was not given to me, but my understanding is that that union does not feel it was properly consulted.

Mr KIERATH: That is fascinating because the president of that union is a member representative on the board. The board has endorsed a range of proposals for changes to scheme rules which have been accepted by the Government and which will be implemented by regulations. The board has been fully involved in the development of this Bill and supports this Bill entirely. Detailed briefings on the Bill were conducted with the then Trades and Labor Council of WA's joint committee on superannuation, at which the CPSU was represented by the president. I put that on record. Someone at the other end has his facts twisted.

The member also raised the issue of enhanced borrowing provisions for the board and asked whether members were at risk. The expanded borrowing provisions provide another option to the Government in considering how to fund its unfunded liabilities. Any borrowings will be subject to the Treasurer's guidelines and will allow the State to manage its superannuation cash flow better. There is no risk to members; rather, any method which funds the unfunded liability will allow the introduction of market rates of return in West State Super, which will be a significant benefit to members. The board must act in the best interests of the members, and exposing members to any risk associated with borrowing is incompatible with the obligation of the board.

Mr Ripper: This will not be a device for getting access to the actuarial surplus in West State Super, will it?

Mr KIERATH: No, not that I am aware of.

Mr Ripper: Do we have your assurance on that matter?

Mr KIERATH: The Opposition has my assurance. The member also raised the $450 rule, which I know the member for Geraldton is vitally interested in. He has raised concerns with me and I think the Opposition raised some concerns during its briefings as well. The Government is prepared to reconsider its plans to introduce the $450 rule across all members. Full introduction of the $450 rule was initially proposed to commence with the inception of West State Super. However, with contributions now at 7 per cent and rising to 9 per cent in 2002, the situation has changed markedly. The Government will reconsider that and it is working on a couple of options. I hope that I will be able to provide the details in the not too distant future.

Mr Ripper: We are making progress.

Mr KIERATH: Yes. It is in everyone's interests to do so. There is nothing hidden or secret in these Bills.

Ms MacTiernan: That would be a first.

Mr KIERATH: The debate was going well until the member for Armadale made that comment. Much goodwill was being displayed in the House -

Ms MacTiernan: We are glad to see you reform.

Mr KIERATH: - until the member drifted in and added her barb.

I will return to issues on which we can make some progress.

The SPEAKER: Perhaps the minister should make a second reading speech rather than have a fireside chat.

Mr KIERATH: I am sorry; I was led astray by the member for Armadale.

Ms MacTiernan: You are easily led.

Mr KIERATH: That is not what the member usually says about me.

The member for Belmont raised concerns about clause 13(3), which refers to permission being provided for in the regulations. He said that he may move an amendment.

Mr Ripper: We will move it in the other place.

Mr KIERATH: I know that. The explanatory notes make it very clear that the purpose of this clause is to allow the different review and appeal mechanisms in the pension scheme and the two lump-sum schemes to be continued under one provision because both the 1938 and 1987 Acts will be repealed. The 1938 Act deals with the pension scheme and provides for an appeal to a judge. The other schemes have an appeal mechanism through regulations. One mechanism was enshrined in an Act and the other was in regulations. The Government did not want to disadvantage the schemes. Therefore, members of the pension scheme will still be able to access their full appeal rights to a judge and members of the other schemes will still have access to appeal through the regulations. The two mechanisms are included to preserve the appeal rights in the pension scheme and the two lump-sum schemes.

Mr Ripper: I can see the object and that mechanism will allow other objectives to be pursued as well.

Mr KIERATH: That is not the Government's intention.

The member for South Perth asked what guarantee exists that the level of future benefits will not be reduced.

Mr Pendal: I raised that in a general sense. However, because I understood you might be able to give certain assurances in the consideration in detail stage, I planned to ask those questions at a specific level. It would be good if you could provide some generic reassurances now. I will also ask those questions in the consideration in detail stage.

Mr KIERATH: The level of benefits payable in the future depends upon different factors for each scheme, such as the years of membership or service, salary at retirement, contribution rate, unit entitlement and earning rate. It is not possible to protect the future accrual of benefits when they are subject to these variables. However, the Government has no plans to make regulations or to alter the present defined-benefit formula in Gold State Super and the pension scheme so as to disadvantage members. The only thing I ask is that the member look at the history of the issue.

Pension scheme members can also be reassured by the fact that, since the scheme was closed in 1986, the changes made by successive Governments have enhanced the scheme. One could say that no Government is prepared to change it. This is likely to continue because the Government has approved changes to introduce salary packaging, to remove gender discriminatory provisions and to make provision for spouse accounts. Those changes will again be an improvement and nothing will disadvantage existing entitlements. However, I cannot extend that guarantee to future accrual benefits, and I think the member can appreciate and understand that. Does the member wish to comment on the issue of consultation with members now or later?

Mr Pendal: Perhaps I can ask by way of interjection whether the minister can provide advice about whether members were sent any information by the fund. It has been argued that fund members should have been provided with advice at an individual level given the content of this Bill. The minister might be able to advise members of the results of any such communication and, if that was not done, why not.

Mr KIERATH: I think the member knows the answer. It was not done. However, the Bill has been developed in consultation with the Government Employees Superannuation Board, which includes member representatives from the relevant unions. Given the large membership base of 240 000, it has not been practical to consult individually with members in advance of any amendment of the regulations. As the member is aware, the Joint Standing Committee on Delegated Legislation requires that adequate consultation takes place in the preparation of any regulations. Given the large membership base, it would not be practical to inform members individually before any amendments to the regulations were progressed. However, I can assure the House that information about proposed changes to the schemes will be made available to members in a timely and cost-effective manner; for example, by publishing the information on the board's web site.

Mr Pendal: Your assurance earlier that the Government has no plans to make regulations that will disadvantage members is probably not ideal. However, I can understand that, given the circumstances, it is probably as watertight a guarantee as I can get.

Mr KIERATH: It is as good as I can give. I have outlined the only areas in which I know there are proposed regulations. I think I have tabled a paper listing and outlining them all. I hope I have addressed all the issues raised, and I have tried to do so factually. If members wish to make further inquiries or would like further assurances, I am happy to deal with them formally or informally.

Question put and passed.

Bill read a second time.

Consideration in Detail

Clauses 1 and 2 put and passed.

Clause 3: Interpretation -

Mr BROWN: I do not see in this interpretation clause any definition of the word "choice". What is the minister's intention in that regard? Yesterday I said in the second reading debate that in other legislation the Government has pushed the view that all employees should be given a choice of superannuation schemes and that legislation should require employers to offer employees that choice. I see no reference to that in the interpretation clause or in any other clause. Given that it might be necessary to define the meaning of "choice", what is the Government's intention is in this regard?

Mr KIERATH: There is probably no need to define "choice" because it will be picked up in the regulations. I do not think the member was referring to that. I said in the response to the second reading debate that options would be given but they would be limited by the level of funding available. People cannot be given choice unless the unfunded liabilities are funded. That is the limiting factor. The Government is looking at propositions for funding the liability of West State Super but that must go through the proper channels and is currently being worked on. A range of products will be offered by the Government Employees Superannuation Board from which people can choose, and if their contributions are fully funded they can access other schemes which have been approved by the minister and Treasurer.

Mr BROWN: I take it that it is the intention of the Government, in relation to those people who receive only the amount provided by the superannuation guarantee legislation, which is currently 7 per cent -

Mr Kierath: We refer to that as West State Super.

Mr BROWN: I have trouble keeping up with all the terminology over the years as different names are invented. I understand the contributions for West State Super members are fully funded.

Mr Kierath: They have been fully funded for the last couple of years. Prior to 1 July 1998 there was an unfunded liability of $611m but since that date the accruals benefits have been fully funded. However, we have not funded that liability yet. If we can find a mechanism to do that, members will be free to move across to other funds.

Mr BROWN: In other schemes, if members elect to move to a different scheme they have two options. The first is to join the other scheme, pay future contributions into that scheme and leave past contributions in the old scheme. The second option is to transfer all their past contributions to the new scheme and to make future contributions to that scheme. I understand why the Government says that the past unfunded portion of benefits cannot be transferred out of the old scheme because if it did that, obviously, there would be a shortfall within government. The Government needs time to meet that shortfall. However, in the case of the 7 per cent contribution paid by employers on behalf of employees, that amount could be paid into another fund and it would make no difference to the Government. Is it the intention of the Government in future to provide employees with choice of superannuation scheme, so that if they wish to transfer future contributions to another fund they can do so, without the Government necessarily guaranteeing that employees can transfer past contributions to that scheme in a lump sum?

Mr KIERATH: The Bill allows that to occur. In answer to a question from the member for Belmont, I indicated that I would give consideration to that. I am told there are some administrative impacts but, in principle, there should be no real restriction. I gave an undertaking to consider the matter for Gold State Super, and I can probably give that assurance right now for West State Super. I must seek further advice on Gold State Super. This Bill will give us the flexibility to allow people to transfer their contributions from West State from 1 July 1998 onwards. Gold State is not yet fully funded so that will present some problems. The West State scheme is much easier to fund.

I also indicated, and placed on the record, that the Government is considering proposals, and perhaps later this year it might find the necessary mechanisms for funding the unfunded liability in West State. When that occurs, people will have a choice. The current funding for West State since 1 July 1998 will allow that to occur, and that is the Government's intention.

Mr BROWN: In that case, is it the intention of government departments and agencies to allow their employees to transfer into a superannuation scheme of their choice; for example, assuming the Education Department has 20 000 employees, and there are 100 or more superannuation schemes operating in Western Australia, if 100 employees at one of the TAFE colleges wanted to be in a different scheme, would they be allowed to transfer to the schemes of their choice?

Mr KIERATH: It will apply only to schemes listed in the regulations. That will be a limiting factor because people cannot choose just any scheme. I am advised that we can do that but there are two crucial issues; that is, this legislation and the funding issues, which are the two most important factors. It is our intention to allow the current contributions to West State to be transferred. It is an academic question whether 100 schemes will be approved under the regulations.

Mr Brown: How will that be determined?

Mr KIERATH: Basically, it will be on the merits of each case. Later the Government will probably establish the criteria that funds must meet in order to be approved via the regulations. Further work will be done on that, but I think I am safe in saying that not every registered superannuation scheme will be listed. We want to be sure we take all reasonable precautions in relation to those schemes.

Mr BROWN: It may be appropriate to pick up some of these matters in debate on later clauses of the Bill. There are interesting notions about the Government selecting which schemes are in and which schemes are out, if they are all approved schemes.

Clause put and passed.

Clauses 4 and 5 put and passed.

Clause 6: Functions of the Board -

Mr RIPPER: In his response to the second reading debate, the minister outlined consultations that occurred between unions and representatives of the work force in the development of this legislation. Which agency of government had responsibility for providing the drafting instructions and liaising with parliamentary counsel in the preparation of the legislation? When did the Government Employees Superannuation Board see the legislation? Was it before the legislation was presented to the House?

Mr KIERATH: Yes, because the GESB was the instructing agency.

Mr RIPPER: The regulations under this legislation will be important; for example, the scheme design and changes to scheme design will be handled by the regulations. What process of consultation will the Government and/or the board engage in to develop the new regulations which will be the key feature of this new legislative framework?

Mr KIERATH: It is proposed that most of the changes will be recommended by the board, on which there are a number of member representatives. That is the process set down in this clause. So there is no misunderstanding, I am advised that individual members of the board did not necessarily see the drafts of the legislation. However, they did approve all the changes that the legislation was required to implement. The board addressed all of the areas of the Bill it wanted to deal with. The instructing officers followed that up with drafting instructions for parliamentary counsel, and developed the Bill.

Mr Ripper: Members of the board did not see the Bill before it came to the Parliament?

Mr KIERATH: The board did not get draft copies of the detailed legislation, but it had the principles of what was intended. It received the Bill after it was tabled.

Clause put and passed.

Clause 7: Powers of the Board -

Dr GALLOP: Clause 7 deals with the powers of the board to acquire, hold, deal and dispose of property and to enter into contracts or arrangements with other people to provide professional services to the board. This gives me the opportunity to comment on a recent event in the history of the Government Employees Superannuation Board that relates to the Central Park property. This issue raises an interesting question about the role of the minister and the failure of this Government to carry out its duties properly in respect of the functioning of the Government Employees Superannuation Board. It all began with an article in *The West Australian* on 9 January 1999, which indicated that AMP was negotiating to buy a 50 per cent stake in Central Park and that the owner of Central Park, the Government Employees Superannuation Board, had confirmed that this sale was part of its strategy to diversify its portfolio. Incidentally, that strategy has not been questioned by anyone participating in this debate. The article also indicated that the sale to AMP was not to be through public tender, but was to be based on market valuation to AMP, which had been a consultant to the Government Employees Superannuation Board on the diversification strategy. When that article appeared in *The West Australian*, alarm bells began to ring on the opposition side of politics. We raised the matter by way of press release on 11 January 1999 and wrote to the Auditor General. The press release that I issued on 11 January 1999 reads -

> Alarm bells should be ringing at the revelation that the Government Employees Superannuation Board is negotiating to sell a 50% stake in the Central Park office tower to its own financial advisors, AMP.
>
> Questions must be asked about how AMP - who last year were employed to advise the GESB on its asset portfolio - could be negotiating a sale of this sort.
>
> That such an important asset should be sold without going to tender raises serious accountability issues about the way the commercial activities of Government are being conducted in WA today.
>
> Any decision to sell whole or part of such an important asset should be put to the test of market, rather than sold solely on the basis of a valuation.

> Central Park is the GESB's major property asset and industry sources estimate that it could be worth between $300 and $350 million.
>
> I will be writing to the Auditor General requesting his investigation of this matter.

I wrote to the Auditor General asking him to look at a number of questions about the propriety of a major adviser to the board being the prospective purchaser of Central Park. I also raised whether an important asset of this sort should be sold on the basis of market valuation rather than going to public tender. I was concerned about the response of the then minister, Hon Max Evans, MLC. That minister had responsibility for the Government Employees Superannuation Board, and the ultimate power to direct the board and to give written directions to the board. The minister responded to the issues raised by the Opposition by attacking the Opposition and defending the actions of the board. As far as I am aware, the minister did not even send down a "please explain" memo to GESB requesting it to explain why it was going outside the framework which had become conventional and acceptable practice in Western Australia; that is, to go to open tender. The minister did not carry out his duties, and it was left to the Opposition to pursue the matter on behalf of public servants in Western Australia whose futures are tied up in the activities of the board.

The minister did not even take an interest in the matter following an ABC Radio interview between Liam Bartlett and Peter Sarich of Cape Bouvard Investments Pty Ltd on 20 January 1999 in which Mr Sarich said he had been involved in a range of tenders of government assets of this sort in the eastern States, and it was a competitive marketplace. He said that it was a seller's market. Mr Sarich also questioned the relevance of the valuations that were being bandied about in the media, particularly given that the property was not being put onto the market. The Opposition raised the matter. The issue went into the media and an alternative purchaser of this property said there was a seller's market with high quality investments of this sort. On that basis he questioned the valuation put on the property.

Mr CUNNINGHAM: I would like to hear more from the Leader of the Opposition.

Dr GALLOP: The Opposition raised the matter, and another purchaser raised question marks about the process that was being followed. Then, surprise, surprise, in a press release dated 7 February 1999 the Government Employees Superannuation Board announced that the Auditor General endorsed the board's strategy to sell Central Park in order to diversify and reduce its exposure to property. He also suggested that a more openly competitive sales process would be preferred. The board then announced it would adopt a different approach to the sale of this asset. Then in April the report of the Auditor General was tabled in this Parliament, following the request of the Opposition to look into this matter. His conclusions read -

- The Board has long recognised the prudence of reducing the exposure of the Fund to property while at the same time diversifying its property holdings. The proposed sale arrangement would have enabled the Board to achieve this objective.
- The method of sale whilst practiced in the private sector is rarely used in the public sector.
- A more openly competitive sale process would have provided greater assurance regarding the adequacy of the price.
- The Board had not obtained the Treasurer's approval for that part of the proposed sale transaction involving investment in the Unit Trust.
- Transparency and public confidence would have been enhanced by:
  - appointment of a replacement independent expert to assist in the evaluation of proposals rather than relying solely on internal expertise.
  - clearly placing AMP at arms length from the GESB.
  - appointment of a probity auditor to oversee the process and provide assurance as to its integrity.

I was very pleased that the Government Employees Superannuation Board responded to the request from the Auditor General as a result of the Opposition's having raised that matter with the Auditor General. Ultimately the board came to the right decision in the way that it disposed of the asset. The then minister, Hon Max Evans, failed to deal with this matter in a proper way and to ensure that the interests of our State and those public servants who had invested in the GESB were protected by the processes followed by the board. This clearly indicates that the Government was asleep at the wheel and did not carry out its functions properly. It is only as a result of the actions of the Opposition though the Auditor General that due process has been followed in this matter. It is a warning to the Government. I inform the Parliament and all public servants that if the Government does not carry out its duties properly, this Opposition will be vigilant in making sure that the GESB does the right thing with the money it has invested in the fund.

Mr KIERATH: I must defend Hon Max Evans. At the time, the GESB thought it was doing the right thing. I believe the minister at the time was defending the board. The fact is that the sale did not proceed on that basis, which is a good thing. As a minister I do not favour such arrangements. The portfolio of Housing had a process for Homeswest to sell its houses. I insisted that wherever it gave exclusive agencies, before anybody from such an agency could buy a house it must be advertised so that anybody who wanted to buy it could have access to it. In short, I believe that in public office we must make sure when disposing of public assets that it is done through an open, very transparent process in which anybody who

wishes to participate has the opportunity to do so. Whatever the rights and wrongs at the time - and I must say that it was a decision of the board - I feel the minister was fiercely loyal in defending the board. That has not occurred in this case; a different approach has been adopted. I think all members would acknowledge that.

Mr KOBELKE: Clause 7 relating to the powers of the board leads us to look at the problems which can arise. The Leader of the Opposition in raising the proposal for the sale of the Central Park office tower back in 1998 really opened up the problems which may occur under the legislation, as in clause 7. The Auditor General's report No 2 of April 1999 if read carefully leads me to say that what happened in the board at the time was totally improper, if not corrupt. I repeat: It was totally improper, if not corrupt. Let me take members through the key aspects of that report and set the background - I will repeat in part what the Leader of the Opposition has said.

From 1993 to 1997 the GESB quite rightly indicated an over-reliance on property in its portfolio and sought to diversify. It was approached by a number of property groups with an interest in Central Park who realised that was the direction that the board was taking, quite properly and in accordance with good management. In July 1997, realising that the word was already out, the GESB advertised for property advisers. In January 1998 AMP Property Management Ltd was selected from seven proponents and was appointed for a two-year term. From April to June 1998 AMP submitted three diversification and strategy reports, which the board accepted in principle. I have taken these facts from the Auditor General's report. On 25 June 1998 the GESB approved in principle the sale strategy proposed by AMP for its properties generally. That may be good management but it struck me as passing strange for the Western Australian GESB because, under that strategy, it would leave the GESB with a property portfolio in which only 10 per cent of the properties would be in Western Australia. That is an aside to the key issue. Perhaps it was good financial management to do that.

On 2 July 1998 a letter from the GESB recognised that AMP had an interest in the sale of Central Park and was developing a proposal to put to the board. Therefore, AMP had been appointed as the company to develop strategies and proposals, and it was then saying, as recognised in this letter of 2 July, that it would be putting a product to the board and that it had an interest. It was there not only as an adviser but also as a player in the marketplace. On 10 August AMP advised the GESB that it was preparing a product. That is in written evidence according to the Auditor General's report. On 12 and 13 August, four other property groups were invited to submit proposals. The board already had AMP with a proposal. Anyone would say immediately that it was not proper that the company the board had taken on to advise it was then the only proponent before it.

The board of the GESB obviously thought it had to get more proposals, so it approached four other property groups asking them for proposals. The invitation was by telephone followed by a fax; the board did not even develop a specific tender document or specific criteria as to how the proposals were to be evaluated; it was simply covering butt. AMP had its foot in the door, and the board felt that it must get something on paper to show that it was looking at what other proposals might come from the property industry. That was not a proper process.

On 14 September the GESB short-listed AMP and Macquarie Bank. AMP, which had been back in the game from earlier in the year, was up against Macquarie, which had only a month in which to develop its proposal. It was quite clearly a set-up. That is reflected in the Auditor General's report. On 29 October, a month and a half later, the board endorsed the AMP proposal in principle, and when it became public the board moved away from it in March 1999.

Mr CUNNINGHAM: I would like to hear some more from the member for Nollamara.

Mr KOBELKE: I can conclude the remarks I wish to make drawing from the information in the Auditor General's report. The Auditor General's report indicates that he could find no documentation to show that the board approved the criteria in advance for use in evaluating the proposal. There is nothing on the files to indicate how it was to set up an evaluation procedure. He also indicated that no GESB files had notes or minutes of meetings held between representatives of the GESB and tenderers. In February 1999 there were two independent evaluations of Central Park which gave an average price of $265m. This is a major asset. The Auditor General reported that for 30 June 1998 the asset was valued in the annual financial statements at $251m. The Valuer General suggested that the range of value was from $266m to $272m. Therefore, AMP was advising the GESB and was clearly given the inside running to purchase this major asset. It was an arrangement by which the GESB would take shareholdings in property trusts which would be controlled largely by AMP, so AMP would pick up the value of having the GESB as a client. It was not an open tender process. There is some evidence that AMP would get the asset cheaply. It has already been indicated by the Leader of the Opposition that other players were saying that it was a seller's market and that an open process could have ensured a maximum return. The Auditor General in his key findings said that the method of sale selected by the board did not give a high level of assurance about the adequacy of the price. The Auditor General said also that the process was practised in the private sector, but it was used rarely in the public sector, where there was a need to ensure that the interests of the public were guaranteed and the maximum return was gained.

The Auditor General made quite damning statements about the whole process. The paper trail of what happened indicates that major parts of the process were not minuted in any way. The dates that I have outlined indicate that AMP had the inside running before anyone else was ever considered. That amounts to highly improper behaviour. I cannot say that it was corrupt; it might have been just mismanagement. It might have been that AMP is a very smart operator, and it set it up and the board simply did not realise what was happening and some bad decisions were made. In that case, it was improper. However, if members of the Government Employees Superannuation Board at whatever level were working on behalf of AMP, it would be corruption. I have no evidence of that, but it is open to people to have grave concern that what happened here was improper; and to do that they would need to go simply to the report of the Auditor General which lays

out, as I have, the dates as to what happened according to what can be found in the documents of the GESB - and to see that there are no documents about major steps that should have taken place.

If the board is to operate under the powers that are contained in clause 7, we need to make absolutely certain that rorts of this type do not get off the ground. This process would have gone through. However, the matter was aired publicly, and the Opposition took a very strong stand and attacked the whole process; and because of the political pleasure that that created, the process was shelved and did not proceed. We therefore have been able to protect a major asset of the Government Employees Superannuation Board. We can be thankful that the matter did see the light of day and that public and political pressure built up on the Government and the public interest was protected. However, if in the future such information did not become public in a timely way, we could lose a major part of a government asset. The clause 7 powers should be given to the board, but we must be vigilant to ensure that public assets are not lost as a result of actions that are improper and even border on being corrupt.

Mr KIERATH: I reject any allegation of corruption. I am advised that the main reason the board changed tack at the time was to do with some taxation treatments that had been signalled by the Ralph report. This clause does not change the existing powers of the board. It continues the existing powers, and it does that by pulling those powers from various parts of the Government Employees Superannuation Act and putting them into one clause. There is one addition, which is contained in clause 6(2), which states that in carrying out its functions, the board is to act in the best interests of members. That new subclause has been inserted to make it very clear that that is a function of the board.

Mr Kobelke: That is the key issue, and that will be an ongoing problem.

Clause put and passed.

Clause 8: Composition of the Board -

Mr RIPPER: Subclause (1)(c) provides that three members of the board are to be elected in accordance with the regulations as member directors. What electoral process will apply, and on what elector base will this electoral process operate? Are any changes proposed to the current electoral process or elector base?

Mr Kierath: No.

Clause put and passed.

Clause 9: Protection from liability -

Mr RIPPER: Subclause (4) states -

> In an action against the Crown or the Board for loss or damage suffered by a person as a result of the making of an investment by the Board, it is a defence for the defendant to prove that the investment was made in accordance with the investment strategy formulated under section 19(1).

What is the legal effect of this subsection? Does it mean that if the board were to seriously damage the interests of a joint venture partner, for example, it would not suffer any action for damages so long as the investment was made in accordance with the board's investment strategy? This subclause seems to give the board a broad protection against commercial liability that does not apply to entities in the private sector. What is contemplated here, and what is the minister's advice about the extent of the legal protection that will be given to the board under this subclause? We have had quite a lot of political controversy in times gone past when the commercial operations of government agencies have been treated differently from the commercial operations of the private sector.

Mr KIERATH: The board will be a commercial entity; therefore, it will be subject to normal commercial laws, such as the Trade Practices Act and other legislation. The GESB will not be immune from legal action. Subclause (4) simply mirrors section 55 of the commonwealth Superannuation Industry (Supervision) Act 1993, which states that it is a defence to an action for loss or damage suffered by a person as a result of the making of an investment by or on behalf of a trustee of the superannuation entity if the defendant establishes that the investment was made in accordance with an investment strategy formulated under a covenant. If the GESB has a strategy in place, and the investment has been made in accordance with that strategy, it is a defence, but it is not immune from legal liability and other legal action.

Mr Ripper: I read that part of the explanatory memorandum, but I still have some uncertainty about what it means. Are we talking about a member suing the board because the board's rate of investment return was a lot lower than was contemplated and about the board being able to defend itself by saying it was acting in accordance with the investment strategy? If the board had a falling out with a commercial party - for example, AMP - and AMP believed that it had suffered damage as a result of the board's actions, could the board say, "Sorry, AMP, but we were acting in accordance with our investment strategy"?

Mr KIERATH: I am advised that the answer to that question is no.

Clause put and passed.

Clauses 10 to 12 put and passed.

Clause 13: Review of Board decisions -

Mr KOBELKE: This clause provides for the board to hear an appeal from a person who is aggrieved by a decision of the

board, and that review will be at the board level. If a person was aggrieved with the decision of the board on review and wished to take the matter further, it would be open for that person to appeal to a judge, or refer the matter to a prescribed person or body for review, on the basis that that was permitted by regulation. That is problematic. If we had a functioning board that was looking after the interests of members and regarded that as paramount, I expect the regulations would open up a window of opportunity for review. On the other hand, a board which closed off the ability to review and did not want to have its decisions questioned in any way would simply, by regulation, mean that there was not an effective mechanism for appeal to a higher level. I am interested to know what avenues of appeal beyond the board are envisaged by the minister. Are those avenues for a limited set of circumstances or will the board allow an appeal to a higher body on a range of matters? It is provided for in clause 13 but it stands for nothing if the regulations cut off any such review.

Mr KIERATH: The power to do this is picked up from the existing Government Employees Superannuation Act; nothing new was intended by the provision. Regulations have not been drafted and the Government has no current intention to draft any as we expect the legislation to roll straight over. The Gold State and West State schemes are subject to the Superannuation Complaints Tribunal and have been so subject for the past three to four years. In my second reading speech I stated that an appeal to a judge will apply only to the pension scheme. The other provisions for appeal to the board apply to the Gold State and West State schemes. The clause was worded in this way to preserve the existing rights of members. Most representations made to me have been from people worried about losing their rights. This clause, on our best legal advice, seeks to enable those rights to continue under one consolidated piece of legislation. The provision for regulations is currently in the Act; however, the Government never issued regulations to that effect. This provision will allow pension fund appeals to go to a judge and the other two funds' appeals to go to the board.

Mr Kobelke: Does the fact that no regulations are provided for in this Bill indicate that no regulations were required to enable such a further review?

Mr KIERATH: Probably there was a requirement but the advent of the complaints tribunal has been sufficient and we have gone along with decisions of that tribunal. There is a reserve power for the ability to take alternative action should the tribunal be unsatisfactory.

Clause put and passed.

Clause 14 put and passed.

Clause 15: Contents of the Fund -

Mr RIPPER: This clause contains a list of items to be credited to the fund, including money borrowed by the board. The clause also contains a provision for the board to charge to the fund its costs incurred in carrying out its functions. We discussed during the second reading debate the borrowing powers of the board and the purpose for which the board might borrow. I was concerned that the board might borrow in a way which would allow the Government access to the actuarial surplus in the fund. The minister indicated that was not the Government's intention and that the Government would be borrowing to meet the cash flow purposes of the board. The minister indicated there might be a borrowing scheme which would enable the Government to fund the unfunded liability. Can the minister explain the way in which such a scheme will work and how much money may be borrowed by the board in order to achieve that end? The unfunded liabilities in the superannuation schemes are high. The total unfunded superannuation liability is about $5b. Presumably, the board would not be borrowing that amount of money.

Mr Kierath: I clarified this matter. The only propositions I have seen relate to $611m in the West State scheme.

Mr RIPPER: Perhaps the minister can give us an insight into these propositions. Can the minister indicate the basic administration costs incurred by the board in carrying out its functions and how those costs compare with the costs of the superannuation industry generally?

Mr KIERATH: I am not in a position to detail any propositions that we have currently for funding that liability.

Mr Ripper: Tomorrow perhaps?

Mr KIERATH: No, it will not be as soon as that. Until we fund that liability, especially the West State scheme, that is about as far as we can go in the short term to free up people's choice to transfer to other funds. I am keen to overcome the unfunded liability aspect of West State. If we can overcome that, we can give people freedom of choice and freedom in all the other issues associated with it. I am keen to do that; however, I have not submitted a minute to Cabinet yet to get that approval. I have looked at a couple of propositions and I believe one of those propositions meets the Government Employees Superannuation Board's requirements and probably the Treasurer's requirements.

Mr Ripper: The Treasurer might not be keen to have an unfunded liability converted to a state debt, which is what you would be doing.

Mr KIERATH: It does not matter what we do with it - we had this debate a little earlier - it still shows as a liability. Whether the Government or the GESB carries the debt, the credit rating agencies still translate it as a debt to the Government.

Mr Ripper: Governments prefer to talk about liabilities rather than debts.

Mr KIERATH: An unfunded liability comes through as a debt. I refer the Leader of the Opposition to page 72 of the GESB

annual report where the performance indicators show the average scheme administration costs per member, the cost per member for the provision of information, the cost per benefit payment and the cost of facilitating superannuation compliance.

Mr Ripper: It is benchmarked.

Mr KIERATH: Yes. The bottom of page 10 refers to a benchmark administration charge for West State Super.

Mr Ripper: Has that been benchmarked against other public sector schemes?

Mr KIERATH: Yes, we are comparing apples with apples.

Mr Ripper: Does the minister have any comments about how it compares with the private sector?

Mr KIERATH: Industry funds, or accumulation schemes, are competitive when benchmarked. Some corporate funds are very expensive but we are competitive on benchmarking.

Clause put and passed.

Clause 16 put and passed.

Clause 17: Actuarial investigation -

Mr RIPPER: The annual report of the board deals with the results of some actuarial investigations. The West State Super scheme is shown to have a long-term actuarial surplus of $117 405 000. Can the minister indicate how this long-term actuarial surplus will be managed? What will happen with the surplus? Will it be held in reserve or is it expected to decline? If it is expected to decline, will the minister explain the mechanisms by which it will be reduced? In making assumptions about likely economic futures, it would seem this money could be at least partly distributed to members through a rate of return greater than the current rate of the consumer price index plus 2 per cent.

Mr KIERATH: The Government is trying to introduce new products with market rates of return.

Mr Ripper: At a higher risk?

Mr KIERATH: Yes. That will accommodate the better rate of return. The $117m surplus will be used to offset unfunded liabilities. The Government is trying to move from the guaranteed rate towards a market rate product.

Mr RIPPER: I feared the actuarial surplus from the funded proportion of the scheme would be used to offset the Government's liability for unfunded superannuation. This means members will not have the advantage of a fund which - according to the reports of the past two years - has been performing with a real rate of return of 13 or 14 per cent on a rolling three-year basis.

Mr Kierath: Part of having a guaranteed level is the ability to use the surpluses to top up the deficits. At the moment, there might be a rate of return of 13 or 14 per cent. A 40 per cent reduction occurred immediately after the implementation of the 1987 changes. Superannuation is a long-term product and these are the overs and unders. That is part of the reason we are trying to move away from the guarantee arrangement and give people the option of a product linked to a market rate of return.

Mr RIPPER: We are hampered by the three-year rolling rate figures. Can the minister indicate what the 20 or 30-year rate of return has been? Is a long-term figure available that could provide a better understanding of whether CPI plus 2 per cent is reasonable?

Mr KIERATH: The fund has been operating only since 1987.

Mr Ripper: I thought it was 1992.

Mr KIERATH: That is one fund. Therefore, there are no figures for the past 20 or 30 years.

Mr Ripper: Did the fund start pre or post-crash?

Mr KIERATH: That is a good point; I am not sure. The average longer term rate in the industry is the consumer price index plus 4 per cent.

Mr Ripper: If the long-term average rate is CPI plus 4 per cent, could members of West State Super receive a guarantee that is better than CPI plus 2 per cent?

Mr KIERATH: We are trying to give people choice, not increase the level of the guarantee. We want to empower members by moving to another product rather than by lifting the base rate of CPI plus 2 per cent.

Mr Ripper: A significant number of people might stay on the current rate of CPI plus 2 per cent, which would be the only guaranteed rate offered. Will people have to move to one of the new market-linked products if they want higher returns?

Mr KIERATH: I am advised that we expect everyone to choose a market rate of return because the CPI plus 2 per cent guarantee is not a long-term option.

Mr Ripper: Will the guaranteed rate be kept low to entice people to cross to market-linked schemes?

Mr KIERATH: It will be in their interest to do so.

Clause put and passed.

Clause 18: Power to invest -

Mr RIPPER: This clause gives the Government Employees Superannuation Board the power to invest the fund's assets in forms of investment approved by the Treasurer. The provision states that the board may enter into an investment only in accordance with the Treasurer's guidelines. What sort of guidelines currently apply? Are they contained in the annual report?

Mr Kierath: Yes.

Mr RIPPER: On which page?

Mr Kierath: They are contained at page 87 of appendix 3.

Mr RIPPER: Is any change to the Treasurer's guidelines proposed or has there been any change in recent years?

Mr KIERATH: The Government is not contemplating any change. I cannot see inside the head of the Under Treasurer, although I am not aware of any such proposal in the pipeline. Many of these provisions have simply been pulled across from the existing legislation.

Clause put and passed.

Clause 19: Investment strategy -

Mr RIPPER: Will the proposed investment strategy be a public document or an in-house document to which others do not have access? Will it be available under freedom of information legislation?

Mr KIERATH: The strategy is available under freedom of information. The new strategy will be publicly available when it is developed.

Mr BROWN: What is the purpose of including this clause in the Bill? Most superannuation funds are diversified across a range of investment areas. Various investment managers are used to minimise and balance risk in areas such as shares, domestic or international bonds, property or money. The trustees of many superannuation funds study the performance of various fund managers to determine how well they have read the market and select managers who have been adept at identifying investment opportunities in particular markets. Some fund managers are adept in international shares, some in domestic shares and so on. What is the purpose of this clause, given that they are the normal prudential decisions made by a board? Does the Government Employees Superannuation Board intend to make investments directly or will it use fund managers? A considerable number of funds use only fund managers. The trustees of a fund do not necessarily make the decision to invest X, Y or Z dollars in a particular corporation. Instead, they decide to place a certain amount of dollars with a particular fund manager. The fund manager will then exercise discretion as to where the funds are placed.

I note in recent times that the ladder of fund management success has been changing somewhat with some of the previous stars falling down the ladder in levels of returns and others coming to the top. To some degree, it seems to be influenced by whichever fund manager is adept at handling particular markets.

Mr KIERATH: The reason for this clause is two-fold. It is a prudential requirement and it mirrors the commonwealth Superannuation Industry (Supervision) Act, which is explained in the explanatory memorandum. The detail of the strategy will be available when the strategy is published.

The member for Bassendean also asked whether we propose to make the investment directly or indirectly. I am advised that the majority of investments, other than property investments, are undertaken by fund managers. The main area involving direct investments is property. Page 12 of the annual report contains that information and these specialist managers control approximately 55 per cent of assets with the balance managed internally under the control of the board's investment division.

I am advised that if property were taken out of that figure, the percentage would be much higher. Investment results are consistently ahead of the benchmark figure and have been in the top quarter over the past four years.

Clause put and passed.

Clauses 20 to 22 put and passed.

Clause 23: Investment manager -

Mr RIPPER: This clause provides for the appointment of an investment manager on terms determined by the board. The investment manager may be an employee of the board or a person approved by the Treasurer. Does this clause provide for the outsourcing of these investment management functions, or does it allow a public sector person other than an employer of the board to be an investment manager? The minister has just provided some interesting figures about the proportion of the board's investments managed by outside entities. Does the Government intend that the board will use the powers apparently provided under clause 23 to outsource a greater proportion of the management of its investments?

Mr KIERATH: I am advised that this clause provides for the continuation of present arrangements and applies to some cash and fixed interest that are managed.

Mr Ripper: What are the future proposals for the degree of outsourcing management of investments?

Mr KIERATH: I outlined the levels in the annual report.

Mr Ripper: I noted that.

Mr KIERATH: As I said, this clause will facilitate and continue existing arrangements. Excluding property, which we hold directly and which inflates the figures, the vast majority of funds are already handled by fund managers.

Mr Ripper: Are those fund managers subject to approval by the Treasurer as suitable fund managers?

Mr KIERATH: The clause provides that the board, on such terms and conditions as the board thinks fit, may appoint a person approved by the Treasurer as an investment manager for the board.

Mr Ripper: Does the Treasurer have a list of approved companies or organisations that might be suitable as investment managers?

Mr KIERATH: No.

Mr Ripper: Does the board nominate an investment manager to be approved by Treasury?

Mr KIERATH: Yes.

Clause put and passed.

Clause 24: Borrowing -

Mr BROWN: This clause appears to authorise the board to borrow for other than cash flow purposes, should the Treasurer approve such borrowing.

Mr Kierath: Yes.

Mr BROWN: That being the case, what is envisaged concerning the type of authority that may be approved by the Treasurer for borrowing purposes; that is, why would the board borrow, other than to overcome cash flow problems? Would it borrow to invest? To what extent would the borrowing then subject the fund to risk? If we are moving to market-linked arrangements - provisions are included for borrowing, which presumably means provisions are included for paying back - it seems to me that an attendant risk exists in that process. In the event of those borrowings being used for a purpose that goes awry, the asset base and the level of returns to individual members could be weakened.

Mr KIERATH: The answer is in the second reading speech which reads -

> The Bill also expands the board's borrowing powers, again subject to the Treasurer's approval. This change will enable all possible funding options for the outstanding superannuation liability to be examined, demonstrating a responsible approach to financial management of the State and consistency in the Government's general policy of empowering statutory authorities with borrowing facilities within their enabling legislation.

Mr BROWN: I am indebted to the minister for re-reading the second reading speech. However, I wanted somewhat more detail. Is it envisaged, for example, that this borrowing power will enable the board to borrow for purposes of investing?

Mr Kierath: No.

Mr BROWN: It might be a policy decision not to do so, but the clause will enable that to occur.

Mr Kierath: It will not allow the board to borrow against its assets. It provides the widest possible options for the State Government to fund superannuation liabilities. I indicated that the most likely candidate in the foreseeable future would be the $611m unfunded liability in West State Super.

Mr BROWN: I have some difficulty coming to grips with that statement given on the one hand there are difficulties with the board borrowing because it cannot borrow against its assets and on the other hand that it might seek to borrow to overcome a shortfall. Presumably if it cannot borrow against its assets -

Mr Kierath: The Treasurer is involved because, in the end, the State Government must stand behind the borrowing.

[Questions without notice taken.]

Mr BROWN: Before question time I asked about the purpose of allowing the board to borrow. I was somewhat confused by the minister's answer, which indicated on the one hand that the board could not borrow because it would not be able to put up its assets against borrowings, and on the other hand that it might borrow to overcome a shortfall in the scheme. I am not sure how those two comments sit together, unless the minister is talking about borrowing internally from other government sources rather than externally. Can the minister provide a further explanation, so that I can ascertain whether it is the intention to borrow for any purpose and, if so, what purpose. If it is not true, will this clause allow the board, with the Treasurer's approval, to borrow for any purpose including investment purposes? That is a crucial question and the answer should be on the public record.

Mr KIERATH: I need to explain about the issue I raised previously. The State would be the borrower. The board would be the vehicle, but the State would borrow to fund its superannuation liability. I am sorry that I mentioned it, because it

is not a proposition that is formally before the Government. There has been some discussion on it. This requires the State to pay for the cost of funding that liability, because it is a state obligation and not a GESB obligation.

Mr BROWN: I understand when the minister says it is a state responsibility. However, this Bill provides that the board cannot borrow money unless a couple of things occur. This Bill specifically provides for what the board can do as opposed to the State, the Treasurer or anybody else. Either the board can borrow or it cannot. This clause suggests that it can borrow without this legislation. This legislation envisages the board entering into borrowing arrangements subject to certain approvals from the Treasurer. I am trying to get to, not what the Treasurer may do in borrowing moneys on behalf of the State, but rather what is the purpose of this provision, because this provision deals with a proposal whereby the board may borrow. It says that the board can borrow, subject to certain approvals being granted. If the board is to borrow, it will borrow from someone whether that is the State in general, the private sector or whatever. However, this provision exists because the board may want to enter into some borrowing arrangements. If that is not the purpose of the clause, what is? I want to clarify and put on the record what is envisaged. Will the board borrow from the State or from the private sector? For what purposes will the board make borrowings, or may the board make borrowings?

Mr KIERATH: The board for its purposes can borrow only to overcome a cash flow problem. Subclause (1)(a)(i) is a carry-over from the existing Act.

Mr Brown: So paragraph (ii) is disjunctive.

Mr KIERATH: No, I will take it one step at a time so that the member understands. Subparagraph (1)(a)(i) is a carry-over from the existing Act, as I have said. Subclause (1)(a)(ii) is a new facility. Basically the board for its own purposes is restricted to borrowing only to overcome a cash flow problem. Paragraph (ii) is "for a purpose approved by the Treasurer". We had in mind that the board would be a vehicle for borrowing money to overcome the State's superannuation liability. The board cannot use members' funds for that, so for that process to occur there would have to be an appropriation from the State to cover the costs of borrowing. The board would simply be a vehicle for carrying out the borrowing which would have to be funded by the State and appropriated accordingly.

Mr BROWN: Assuming that occurs and that the board borrows that money, for which of course there will be an interest cost, to what extent is that interest cost to be offset against the earnings of the fund?

Mr Kierath: It will not be. That is what I have been trying to tell you. It is a liability of the State, not of the board or of the fund.

Mr BROWN: It might be a liability, and I accept what the minister says in that the State will borrow it, but the board will on-borrow it from the State. Presumably that is what this clause is for.

Mr Kierath: The board would borrow it, approved and paid for by the State. I did say that the board would be a vehicle. So the State must guarantee it, pay for it and approve it.

Mr BROWN: Okay, so any costs associated with it, including interest -

Mr Kierath: Will be a cost to the State and not to the board or members' funds.

Mr BROWN: Apart from that specific purpose, are any other purposes envisaged?

Mr Kierath: Not that I am aware of.

Mr BROWN: In the wording of the clause the board could, subject to the availability of funds on the market and so on and with the Treasurer's approval, borrow for investment purposes.

Mr Kierath: The constraint in the general commonwealth standards prevents superannuation funds from doing that. We have agreed that we will abide by those standards.

Mr BROWN: The Government might have agreed in principle, but my understanding is that those standards do not apply to the State.

Mr Kierath: We have agreed in writing.

Mr BROWN: I accept what the minister says, that the Government may have agreed in writing, but there is no legislative obligation because those standards do not legislatively apply to the state scheme and so there is no legal obligation on the Government to comply with those standards.

Mr Kierath: I understand that the Treasurer has given that undertaking in writing, which is like many state-commonwealth agreements and is binding.

Mr BROWN: And enforceable; is that what the minister is saying?

Mr Kierath: I am not aware of anyone who has breached the undertakings given between the State and Federal Governments.

Mr BROWN: That is the important difference. For example, if a private superannuation fund acts contrary to the standards and therefore puts members' funds at risk, members may have an action against the trustees.

Mr Kierath: I do not think you were here when I pointed out that the new part of clause 6(2)(a) means that in carrying out its functions, the board is as far as practicable to act in the best interests of members. What you have been referring to would not be in the best interests of members.

Mr BROWN: That is always arguable because compliance may not be in the best interests of members. This does not provide the level of protection that the minister is talking about.

Mr Kierath: Our best advice is that it does.

Mr BROWN: I will not take the matter any further, given that is the advice. I will leave the matter on the public record should it ever be unfortunately necessary to come back to it.

Clause put and passed.

Clause 25 put and passed.

Clause 26: Recovery of money owing to Fund -

Mr RIPPER: Subclause (2) provides -

> If a Member owes money to the Fund the Board may direct the Employer of the Member to -
>
> (a) deduct the amount owing from the Member's pay in the instalments and at the times set out in the direction; and
>
> (b) pay the amount deducted to the Fund.
>
> and the Employer must comply with the direction.

This is a power to garnishee a public sector employee's salary in order to meet a payment to the board. Presumably this would arise because the member or the employer had made wrong contributions to the fund. I am concerned about that because the Auditor General has found significant inaccuracies in payments to the GESB. The Auditor General presented a report dated 1 April 2000. It is an audit of the payments from employers to the GESB. With regard to the West State Super scheme he found the following: The audit identified an error rate of 53 per cent in the sample. Later on he stated that it translates into an error rate in current members' contributions of between 44 and 62 per cent at a 95 per cent confidence level; that is, between 34 000 and 48 000 of 78 000 current members' contributions were estimated to be inaccurate for the period. Further on he states that by extrapolating these sample results to the population, it can be estimated that under-contributions for the period were between $3.7m and $4.8m and that over-contributions were between $1.8m and $2.4m.

A similar error problem occurred with the Gold State Super scheme, albeit the figure was a little lower. The audit identified an error rate of 22 per cent in the sample of the Gold State Super scheme. The Auditor General's report states that between 4 400 and 10 400 of 33 500 current members' contributions were estimated to be inaccurate at that date. Later on he stated that with regard to the Gold State Super scheme, by extrapolating these sample results to the population, it can be estimated that for a 12-month period under-contributions can total between $550 000 and $885 000 and over-contributions can total between $403 000 and $716 000.

These are very significant failures of administration. The principal failure of administration is, of course, with the employing authorities but the GESB has an overall responsibility for the integrity of the superannuation scheme. Presumably, where there have been under-contributions by members, the board will in the last resort be seeking to use this garnishee power in the legislation to compensate for its administrative deficiencies and those of the employing agencies. The correct response is not to come down with a heavy hand on the members; it is for the public sector to get its act together and to make sure that superannuation is administered accurately in this State. It is not as if this is the first time that the Auditor General has reported on these matters. This report refers to previous reports and states that the above findings indicate that there were significant inaccuracies in members' superannuation contributions, particularly in relation to West State Super contributions, last financial year, and these findings are consistent with shortcomings identified by previous audits of West State Super. The footnote refers to the 1998 Auditor General's report on controls, compliance and accountability audits. In 1998, the Auditor General said there was a problem. In 2000, he is still saying there is a problem, and his report is, not unexpectedly, stronger, because he is dealing with a continuing problem. The Government is now saying that it has fixed this problem, but given that it arose in 1998 and is still continuing in 2000, there must be some scepticism about that. The minister is shaking his head. Perhaps the Government has not fixed the problem. Why should the board have the power to garnishee members' salaries when the real fault lies with the employing authorities and the Government Employees Superannuation Board? Would not the better approach be to correct the administration?

Mr KIERATH: If what the member for Belmont is saying were true, I would agree with him. This clause has not been put in here to overcome the problem that the member has painted. I do not think the member has read the Government Employees Superannuation Act. These provisions are contained in section 16 of that Act and have been carried across to this Bill. These provisions are not new.

Mr Ripper: The problem is how you will use them.

Mr KIERATH: These are existing powers. If we were to use those powers, we would have used them by now. The board usually tries to negotiate a settlement. It uses these powers only as a last resort; and it has rarely had to resort to them. The

issues that the member raised are very important. The board is extremely frustrated at the lack of action by some government agencies. I did not say that we have resolved the problem. I said that we will audit all the accounts, and even if the mistake is the wrong way, no member will lose out. Members will be compensated for any mistakes that have been made. We are trying to get the employers to give us accurate information. The GESB has set up a task force, and we believe that if that task force does its job properly, it will be able to overcome the data issues. This Bill provides strategies to address the data issues. For example, part of the problem is that because some of the definitions are complex, people, being people, get it wrong and make mistakes. This Bill makes the salary definitions simpler for employers and employees, because we believe that if the definitions are simpler, the number of mistakes will be reduced.

Mr Ripper: Can you identify the departments?

Mr KIERATH: That was also my first reaction.

Mr Ripper: We will take up the cudgel for you if you will identify the offending departments.

Mr KIERATH: My first reaction was why should we wear the consequences when other departments are not giving this matter due attention, and we should name them. The powers contained in this Bill will enable the board or the minister to direct employers to do the right thing, and that will improve the current situation. The issue of garnisheeing members' wages is no different from what is contained in the Act, but this Bill provides additional powers for the minister or the board to give written directions to employers.

Clause put and passed.

Clause 27: *Unclaimed Money Act 1990* does not apply to unclaimed benefits -

Mr BROWN: The explanatory notes state that under this clause, the Unclaimed Money Act 1990 does not apply in relation to unclaimed benefits in the fund. I take it that is a continuing provision. What is the effect of that provision?

Mr KIERATH: It means that unclaimed benefits will be preserved in the superannuation fund, whereas under the Unclaimed Money Act, after a period unclaimed moneys would be returned to consolidated revenue.

Clause put and passed.

Clauses 28 to 30 put and passed.

Clause 31: Guarantee of benefits and Board's obligations -

Mr RIPPER: This clause provides for the Crown to guarantee the payment of benefits and the performance by the board of any of its obligations. How will such a guarantee apply to the proposal to make market-linked products available to members following the application of the new regulations? It would seem to me to be inappropriate, and perhaps even administratively impossible, to have a guarantee for market-linked products, and I would like the minister to put that on the record.

Mr KIERATH: It does not apply to market-linked products.

Mr Ripper: Legislatively, how will the minister avoid having to apply a guarantee? Will that be something that the Treasurer will determine under subclause (1)(b)?

Mr KIERATH: The explanatory memorandum on this clause states that a market-linked rate may be positive or negative, and the Crown will not guarantee the actual investment return. It is a guarantee to pay out the benefits that have accrued in members' accounts, but it is not a guarantee for market-linked products that may have gone up or down.

Mr Ripper: Will the matter be handled by the terms in which the guarantee is given?

Mr KIERATH: Clause 31 states that the Crown guarantees payment of every benefit payable under a scheme; and may guarantee the performance by the board of any of its obligations under this Act on terms determined by the Treasurer. The benefit is guaranteed.

Mr Ripper: It is a question of how the benefit is defined.

Mr KIERATH: Yes. It is the amount that becomes payable.

Clause put and passed.

Clauses 32 to 34 put and passed.

Clause 35: Minister may give directions to the Board -

Mr BROWN: This is very much a standard clause. The Bill refers to the minister in many places but nowhere is "the minister" defined. Which minister is it? Is it the minister for the Act?

Mr Kierath: It is whichever minister is appointed at the relevant time the Act is proclaimed. The minister is unspecified as it could be the Minister for Finance, the Treasurer or any minister designated under the Act in his or her portfolio. I believe the Minister for the Environment has the Censorship Act in one of her various portfolios. Many Acts now refer to "the minister". When ministers are sworn in, they are given a list of Acts for which they are responsible.

Mr BROWN: Another question I have deals with the interaction of this clause and clause 24, which is the borrowing clause dealt with previously. Presumably, under clause 35 it would be possible for the minister to instruct the board to borrow, notwithstanding the board's views on the matter. The board would then be obliged to borrow, subject to getting approval from the Treasurer.

Mr Kierath: You are partly right except the board cannot be forced to follow any unlawful directions.

Mr BROWN: I agree with that. However, the board, in exercising its discretion, could borrow.

Mr Kierath: No, I said earlier when we were dealing with clause 6 that subclause (2) says the board must act in the best interests of its members. I do not know whether this is where the member is leading. However, the Government of the day could not invest in something that is not in the best interests of members. Not only could it not do so, but also the board would be obligated to protect the members' interests.

Mr BROWN: There are probably two circumstances relating to that: Firstly, when the board has a clear view that a direction from the minister is contrary to the interests of the members of the fund, obviously the board should resist the minister's direction. The other circumstance is when there is a difference of opinion between the board and the minister about the interests of members. Those views might be matters of judgment based on a range of variables which, on their surface, do not indicate that the minister is doing anything improper or corrupt in giving that instruction; but, rather, the minister is putting forward a different view to the view of the board.

As I read clause 35, if the minister was of a different view to the board and instructed the board to borrow money, the board would be required to go down that path, subject to the constraints in clause 24. That appears to be an unusual circumstance, to say the least.

Mr KIERATH: Firstly, this clause states that it is subject to the Statutory Corporations (Liability of Directors) Act 1996 which has a process for handling differences of opinion. That is not an Act in my portfolio and I am unaware of the process. I have been alerted to page 9 of the explanatory memorandum which states that in any case of inconsistency, the Treasurer's guidelines are to prevail over a direction by the minister. Because the Treasurer's guidelines are required by law to be followed by the board, a direction made by the minister that was inconsistent with the guidelines would be considered unlawful for the purpose of section 16(2) of the Statutory Corporations (Liability of Directors) Act 1996. That is a powerful statement and means the board is liable.

Clause put and passed.

Clauses 36 and 37 put and passed.

Clause 38: Regulations -

Mr RIPPER: Clause 38(3) provides a measure of protection for members of the pension scheme and the Gold State Super scheme by saying -

> Regulations cannot be made under subsection (1) if they reduce the amount of a benefit that -
>
> (a) accrued or became payable before the regulations came into operation; or
>
> (b) is, or may become, payable in relation to a period before the regulations came into operation.

I raised this matter in the second reading debate. There is another area in which members of the pension scheme or the Gold State Super scheme might believe a threat exists to their ability to accrue further entitlements in future years of service. It is at least technically possible under this legislation for benefits which might be expected to accrue from service in future years to be chopped off by regulation at the time this legislation is proclaimed. I raised the possibility in the second reading debate of a further amendment to the clause.

Mr Kierath: Do you want me to give the undertaking on this clause that I gave in my summation of the second reading debate?

Mr RIPPER: I would like the minister to go on the record with this clause. My specific note has eluded me; however, I canvassed the possibility of a further paragraph (c) to subclause (3) which provided some protection for benefits which a member would, under the current pension or Gold State schemes, expect to accrue in future years. I am interested in the minister's comments on this matter.

Mr KIERATH: The amount of future benefits payable is dependent upon different factors for each scheme, such as years of membership or service, salary at retirement, contribution rate, unit entitlement and earning rate. It is impossible to protect the future accrual of benefits when they are subject to those variables. I stress the word "accrual". This Government has no plans to draft regulations to alter the present defined benefit formula in the Gold State Super and pension schemes so as to disadvantage members. Pension scheme members can also be reassured that the only changes made by successive Governments since the scheme closed in 1986 were to enhance it, which is likely to continue as the Government has approved changes to introduce salary packaging, remove gender discriminatory provisions and make provision for spouse accounts. All the Government proposes is improvements in the scheme.

Mr RIPPER: I have located the note I was searching for before. The suggested amendment to subclause (3) reads -

> regulations cannot be made . . . if they reduce the amount of a benefit that . . .

(b) is, or may become, payable in relation to a period before the regulations came into operation.

I appreciate that the Government has declared that it does not intend to remove benefits from Gold State Super or the pension scheme. I appreciate that on a number of occasions, the Government has said that it intends only to improve those schemes by removing some anomalies and injustices. However, this House is passing laws for this State. This legislation will give power to not only this Government and minister but also future Governments and ministers. There may be attempts by future Governments to do more than is intended by this Government. Regulations are disallowable by the Parliament, which provides some measure of protection. However, as I mentioned in the second reading debate, no guaranteed mechanism exists whereby this House can consider any disallowance motions put before it. Disallowance motions must be handled by the other place where a disallowance motion is guaranteed to be debated there. Leaving aside the standing orders issue, which I will tackle in other forums, the ultimate protection for members of these schemes could be ensured by inserting something similar to (a) and (b), which might protect entitlements in future periods. If the Government does not intend to alter the entitlements, it should be put into law in a form of words that would give members that ultimate guarantee.

Mr KIERATH: I thought I made it quite plain; I emphasised that no-one can give a guarantee there will be no changes to future accruals because they are variable. I was very careful to read out my list accurately. It cannot be done. This scheme is closed and the Government does not have any plans to change the present defined formulas. I have given that undertaking. Why would we change them? The Labor Party closed the scheme off because it had a large unfunded liability.

Mr Ripper: It was part of our record of financial management.

Mr KIERATH: I will give the Labor Party credit for that. That was a good move, because a generous scheme like that cannot be ongoing. It is untenable. The harshest measure taken was to close that scheme and start up other schemes. That has been done and no further retrograde steps have been taken. All subsequent changes have enhanced the package, not reduced it. Different Governments have been in office. The Labor Government did not change it and neither has this Government. The track record shows that no-one will reduce the allowable benefits. However, the Government cannot give that guarantee for future accrual benefits because the various factors mean it is impossible to do so.

Mr Ripper: What would happen if the form of words I canvassed was put into the legislation?

Mr KIERATH: I do not know. I have not sought legal advice on it. However, if the Deputy Leader of the Opposition wants me to, I will.

Mr Ripper: Perhaps you ought, because the Government may be debating this issue through an amendment in the other place.

Mr KIERATH: I will follow that through.

Clause put and passed.

Clause 39 put and passed.

Schedules 1 and 2 put and passed.

Title put and passed.

Third Reading

Bill read a third time, on motion by Mr Kierath (Minister assisting the Treasurer), and transmitted to the Council.

STATE SUPERANNUATION (TRANSITIONAL AND CONSEQUENTIAL PROVISIONS) BILL 1999

Second Reading

Resumed from 28 October 1999.

Question put and passed.

Bill read a second time, proceeded through remaining stages without debate, and transmitted to the Council.

ACTS AMENDMENT (FINES ENFORCEMENT) BILL 1999

Second Reading

Resumed from 16 March.

MR McGINTY (Fremantle) [3.17 pm]: The Acts Amendment (Fines Enforcement) Bill 1999 aims to amend the Fines, Penalties and Infringement Notices Enforcement Act 1994 and the Sentencing Act 1995. It attempts to deal with the problems encountered by the difficulties of the enforcement process and the execution of fines enforcement warrants under the Fines, Penalties and Infringement Notices Enforcement Act. The processes of that Act invariably result in either the serving of a work and development order or imprisonment many months after the original fine was incurred. Thus, the period of time between the issue of the fine and enforcement has increased. In some circumstances, the process of enforcement is futile and the delay results in the imposition of a further enforcement fee. The Bill seeks to allow fines to be converted to a work and development order in circumstances where the offender has no capacity to pay and licence

suspension is likely to be ineffective. This may be ordered in court or by the registrar of the Fines Enforcement Registry. The primary purpose of the amendment Bill is to ensure that the court's order will be dealt with in a timely manner and enforced while the offence is still fresh in the offender's mind. In essence, the Bill seeks to provide a greater amount of flexibility to the enforcement of fines.

That is an objective with which the Opposition agrees. I am sure that through their electorate offices, most members of this House have seen too many cases in which the system, in its own bureaucratic way, ground on and on. Ultimately, the process is an exercise in futility if somebody does not possess a licence that can be suspended or suspension of the licence is futile. The amount of money outstanding against the individual continues to grow by one means or another. The system does not work. We are referring to people who simply lack the capacity to pay.

In March this year I received a letter from the Pilbara Employment and Related Services Network, which most probably illustrates this matter as well as I can imagine. Under the heading of "Suspension of drivers' licence due to unpaid fines" it reads -

> We are writing to seek change to the current policy whereby unpaid fines, not related to driving offences, result in the suspension of a driver's licence.
>
> As a network of employment service providers, we find that this policy presents a major barrier to employment for many of our clients. Possession of a current driver's licence is often an essential criterion for employment in the Pilbara region, not only to satisfy employer expectations, but also to provide them with the means of getting to and from work when public transport is either limited or simply non-existent.
>
> From our observations, the current policy appears to increase the inequity existing between non-aboriginal and aboriginal job seekers when they compete for local employment opportunities because the proportion of indigenous people who are incurring fines which they are unable to repay tends to be significantly greater.
>
> Not only does the policy affect a persons' employment prospects when seeking work, but it can also result in someone losing their current job due to a suspended driver's licence.
>
> A "Catch 22" situation occurs when the offender has lost the licence due to inability to pay a fine, and has also lost an important means for gaining a job which would provide economic resources to enable repayment of the fine.
>
> We strongly advocate that the Western Australian Government brings this policy into line with the other Australian States where it is only driving offences that result in driver's licence suspension.

It is not my intention to pick up the essential point made in that letter that non-payment of a fine should not result in the suspension of a driver's licence. We debated that issue in 1995 and 1996 and it has now been resolved. That is the principal enforcement mechanism contained in this legislation - if an offender does not pay his fine he will lose his licence.

In this debate I want to examine the mechanism. In my view the mechanism proposed in this legislation will not work. The Opposition will not vote against it; it will support it. However, it is important to consider the practical realities. People associated with this matter have said to me that the people driving the Fines Enforcement Registry are operating in an ivory tower. They do not have an appreciation of the practical consequences of this policy.

Since this legislation was passed, I have seen some cases that have begun as minor accumulations of fines and have been allowed to continue unchecked. For example, in 1995, someone may have had an outstanding fine of a few hundred dollars or even $1 000, but which today totals $10 000 due to bureaucratic neglect and inadequate procedures because nothing has been done to intervene when all the authorities, whether it be the courts, the Fines Enforcement Registry or the minister's office, have known it is a recipe for disaster. There is an inevitability that that individual will end up in jail for a considerable period.

I understand a day in prison cuts out $150 worth of fines, so we can work out how long someone must stay in prison to cut out $10 000.

Mr Cunningham: It will be 68 days.

Mr McGINTY: I will rely on the very astute mind of the member for Girrawheen. He is usually good at figures and this is no doubt no exception.

The reason that person must inevitably spend 68 days in prison is that the system did not intervene early enough to deal with the problem. There is a certain unfortunate inevitability about a number of these cases in which massive fines are accumulated. It has been put to me that if the courts or the Fines Enforcement Registry had the inclination or the power at a far earlier stage to come up with a workable arrangement, that offender would not be in the hopeless downward spiral he found himself in.

The reason this legislation will fail, or at least have minimal effect, although it is designed to have a somewhat greater effect, is in proposed section 57A. The mechanism is essentially that when it is clear a destitute person is unable to pay a fine, rather than imposing a fine, the court can impose a work and development order. It will mean that the fines will not continue to accumulate when it is clear the person does not have the capacity to pay them and, therefore, faces enormous difficulties.

Proposed subsection (4) of the legislation reads -

A fine enforcement (WDO) order is an order requiring the offender, within 7 days after the order is made -

(a) to pay the fine in full; or

(b) to report to a community corrections centre to be served with a work and development order ("WDO")in respect of the fine.

I seem to be picking up things I do not understand in legislation. The legislation contains "A fine enforcement (WDO) order". That is not a fine enforcement order; it is a work and development order. It may be a typographical error.

Mr Prince: If it is an error it also occurs under proposed section 57A(3).

Mr McGINTY: It seems strange to have a fine enforcement order referred to as a WDO.

Mr Prince: Far be it from you or I to question the style of drafting. Parliamentary counsel has said that both you and I were wrong about the matter you raised yesterday. I am happy to raise it with parliamentary counsel again, but it may be a matter of current style in which case you and I are out of date.

Mr Riebeling: The way it is written means a work and development order.

Mr Prince: I accept the member's comments that this is an odd stylistic way of drafting. I will find out whether an error has been made or whether it is the current style of parliamentary counsel.

Mr Riebeling: Surely the word "order" should appear before the bracket.

Mr Prince: Your English and mine concur.

Mr McGINTY: Perhaps the minister could suggest to parliamentary counsel that legislation should make sense, although not a great deal depends on this.

Mr Prince: It is a stylistic matter all the way through the legislation.

Mr McGINTY: Essentially, proposed section 57A(4) provides that a fine enforcement order will either result in the payment of a fine in full or the reporting of the offender to a community corrections centre to be served with a work and development order. In other words, this legislation now makes provision for a community-based option, rather than paying the fine.

I have a problem with this legislation. Although acknowledging and supporting the validity of the approach, I draw attention to what is a theoretical construct which will not work in practice. Proposed section 57A(5) provides that the court must not make a fine enforcement order - in other words, must not give the community-based option as an alternative to the payment of the fine - unless certain things happen. The Bill lists four things that the court must do. First, the offender must personally be present in court. That is not a problem. One would expect that to be the case. If someone does not have the capacity to pay a fine and wants to take advantage of a community-based order as an alternative to the fine enforcement path, the offender should be present in court, so that is not a problem. The problem arises under proposed paragraph (b), which reads -

the court is satisfied by evidence on oath from the offender . . .

Five matters are listed. I first make this point: Often, particularly when dealing with someone who has accumulated fines in the past, the court will have a significant amount of information on that person. When that person made an application for time to pay a previous fine, the court officers would have gone through with that person the details of his financial position, and that would have been well documented. This provision says that the court is satisfied by evidence on oath from the offender, and that means that the court puts all of the information already on the court files to one side, calls in the offender, puts him in the witness box under oath and gets him to tell the same story again and again.

Mr Prince: I understand what the member is saying. I do not think that is necessarily correct, because the situation is not that the information is put to one side; the situation is that the information previously collected, in the scenario the member is putting forward, is not on oath. It is a form of oral information given to an officer who has written it down, and there may have been only a perfunctory inquiry. Under this provision, we are requiring a person on oath to state the truth, and if that person lies, it is perjury.

Mr McGINTY: That is fine, and I follow that point of logic, but in my view is a magistrate under pressure of time, with trials starting at 10.00 am, and with these matters, generally speaking, being dealt with before the time set aside for trials, faced with the prospect of putting an impecunious defendant or prisoner or convicted person, quite often unrepresented, through the processes of proving his case in evidence under oath in the witness box, will decide that it is too much of a hassle and it is much easier to go down a different path.

Mr Prince: In a busy court a magistrate may say, "I will consider this, but I remand you before the justice." The justice will be there, and he is often a court officer who is a justice of the peace in any event. The magistrate will say, "While I get on with the next case, you will be examined under this section." In a court that is far less busy the magistrate may say, "You will be remanded to the bottom of the list. You have to sit there for an hour while I deal with all the other cases. Then you can come back, and this is what I will consider." I understand the member's point, but they are two ways in which either a busy court or a less busy court could deal with the matter.

Mr McGINTY: I refer to the subject matter that is being dealt with and the nature of the people who would make these applications. The example that has been given on a number of occasions in support of this legislation is an itinerant Aboriginal from a western desert community.

Mr Prince: It does not have to be. A person from the urban metropolitan area could be in exactly the same position.

Mr McGINTY: Certainly. It seems that in this legislation generally, quite a deal that might once have been done by a magistrate is now being done by the fines enforcement registry. A great deal of the administrative work, certainly of the clerk of courts, is now being done by the administrative arm of the courts, if I can put it that way. Consequently, in some of the more desperate cases, this legislation puts a great onus on the magistrate to have matters proved to what I think is too great a degree, given the pressure under which, in most cases, magistrates are already placed.

I will illustrate that by dealing with the evidence that must be led to get a work and development order rather than an order to pay a fine, which is what we are talking about; so it is one form of punishment versus another. The court must be satisfied by evidence on oath from the offender that the offender, first, does not have the means to pay the fine. That would require a scrutiny of that person's income and assets, whether the person has a Bankcard, other details of his financial arrangements, whether the person has a child support order against him, for instance, through the Family Court, and whether other charges are made against his income. It would require a detailed examination of the person's finances for a magistrate sitting in a criminal court to be satisfied by evidence on oath that the offender does not have the means to pay the fine. That is not a light burden that is easily discharged by someone simply asserting that that is the case. For a magistrate to do the job properly will require something a little more akin to the examination of a bankrupt in going through a person's assets, liabilities and expenditure.

Mr Prince: More like a judgment summons.

Mr McGINTY: Yes, certainly, but, nonetheless, a rigorous process, rather than simply accepting an assertion. That is the first thing that must be proved to the magistrate. The second matter is that the court must be satisfied that the person is not the holder of a vehicle licence. Factually, that is easily established. Thirdly, the court must be satisfied that the offender does not have any personal property that could be seized under a warrant of execution issued under the Fines, Penalties and Infringement Notices Enforcement Act to satisfy the fine wholly or partly. Again, that could require considerable scrutiny. The question of jointly owned and exempt assets arises. There is a series of matters which it will take considerable time to scrutinise. The fourth matter is that the court must be satisfied that the offender will be unlikely to have the means to pay, or personal property that could be so seized, within a reasonable time after the fine is imposed. That is a matter that could most probably be concluded from the absence of either property or cash to deal with the fine. The fifth matter is that the court must be satisfied that an offender is mentally and physically capable of performing the requirements of a work and development order. That is an interesting question.

Mr Prince: A person, for example, who is in receipt of some form of disability pension, whether it be a war veteran's pension or whatever the case may be, would clearly be not capable.

Mr McGINTY: Okay. That is in the physical disability area. It is not a light obligation for a magistrate to decide whether someone has the mental capacity to perform particular types of work. That is my point.

Mr Prince: Yes. However, for the many people who suffer some form of mental illness, who are on constant medication and who are in receipt of some form of disability pension, one would perhaps argue almost per se that they would not be capable of performing the requirements of a work and development order.

Mr McGINTY: I can imagine cases in which this would be able to be dealt with easily, but I can also imagine a number of cases in which the magistrate would tear his or her hair out.

Mr Prince: Magistrates must be given a discretion. They must be able to make a judgment.

Mr Riebeling: Why must these people be sworn in? That is a problem. We are dealing mainly with Aboriginal people, as the second reading speech states.

Mr Prince: I will deal with that in my response. It is a fair question and I am not ignoring it. I am mindful that the member and I were told off yesterday.

The ACTING SPEAKER (Ms McHale): Not by me, minister, but I will keep an eye on both members.

Mr Prince: Certainly not, Madam Acting Speaker; you never do that.

Mr McGINTY: The people who will be dealt with are people who have no assets, who do not have a drivers licence and who have no money to pay a fine. The fine might be $200. Therefore, these people will no doubt take some time to give their evidence. If the magistrate is doing his or her job properly, it will take a considerable time to extract all of this information. In my view - this is a view shared by others to whom I have spoken who are expert in this field - a magistrate in a busy court will say that it is too hard, and he will simply fine the person, and the person can go away and negotiate with the fines enforcement registry about time to pay.

This whole provision, as I have indicated, has the support of the Opposition. There should be a measure to deal with itinerant people on low incomes who have no assets in a more flexible way than the way in which members of this House would be dealt with by a Magistrates Court or the Fines Enforcement Registry. In those cases, it is something which should

be done. It seems to me that this legislation has been put together by people who are thinking in a theoretical framework, not in the real world. Although all these matters need to be addressed in order to decide which form of penalty should be applied, this imposes too much of an obligation on the magistrate, and I think the magistrates will simply make the decision by not imposing these sorts of orders because of the pressure of other work.

Mr Prince: Certainly one would not want them to do that.

Mr McGINTY: No. The point that the member for Burrup was making - I do not want to anticipate his contribution to this debate - was, in essence, that this is best done administratively through the offices of the court or the Fines Enforcement Registry, as are applications for time to pay and the like. I do not see any great danger with that being done at an administrative level rather than at a judicial level, given the nature of the people involved and the danger and the problem which the existing legislation has raised. In essence that is the problem I wanted to raise with the minister today. If there is an administrative rather than a judicial way of achieving this, it will have our full support. We are all aware of the shortcomings with the fines enforcement procedure. This is one of them - the people who have no capacity to pay the fine. I do not think that the response has been sufficiently well thought through to be able to put in place an effective piece of legislation.

MR RIEBELING (Burrup) [3.41 pm]: I wish to echo some of the concerns of the member for Fremantle about the amendments before us today. It is true that when the initial legislation came in, which allowed for enforcement by way of suspension and the like, we on this side pointed out numerous defects in that legislation which are now proving to be accurate; that is, whom they would impact upon and the problems that would be caused by that system. The minister's second reading speech is interesting in that it highlights quite accurately the adverse impacts, especially on Aboriginal people in remote areas.

Mr Prince: Who are living closer to a traditional lifestyle.

Mr RIEBELING: Yes. For instance, Aboriginal people in Roebourne, Kalgoorlie and regional areas are finding it exceptionally difficult. None of them has a drivers licence. Prisoners coming out of prison cannot get a job because they do not have drivers licences. I was hoping that this legislation would show a glimmer of light at the end of the tunnel and that just because it is easier to do it this way does not mean it is the best way to go. The member for Fremantle raised with the minister the issue of the methodology used under proposed section 57A; that is, the work and development orders. The courts and the enforcement system which now exist are well aware of the track record of the people with whom the minister hopes we will be dealing under this legislation. They are people who have no capacity or desire to pay, who have no drivers licence or who have no vehicles so their registration cannot be taken away from them. These provisions are designed to make those people - predominantly Aboriginal people - pay their fines. My reading of proposed section 57A(5) - I hope the minister may interject even though we may again be accused of having a fireside chat -

Mr Prince: Not with Madam Acting Speaker in the Chair.

The ACTING SPEAKER (Ms McHale): As long as the members do not have a fireside chat.

Mr RIEBELING: Under proposed subsection (5), I would have thought that, for an application to be successful in a court, the defendant would be the one who would instigate the application. The minister and I know that the main task of Aboriginal people when they go into court in remote areas is to get out of there as quickly as possible, making as little fuss as possible. As soon as they walk out the door they may forget about the fine, but they have no intention of saying, "Can I be sworn in so you can question me on points 1 to 5 about my capacity to pay?"

Mr Prince: More often than not, the magistrate will say, "Do you want time to pay?"

Mr RIEBELING: This does not cut out time to pay.

Mr Prince: The magistrate will say, "Can you pay this?"

Mr RIEBELING: On my reading of this, one thing struck me: When I was in the courts in the early to mid-1980s, a High Court decision said that courts should not impose a fine when the defendant did not have the means to pay. As far as I am aware, that still exists. Every day of the year magistrates determine that without having to swear in Joe Bloggs. The people who have the best records on the capacity, desire and wherewithal to pay a fine are those whom the courts have dealt with previously under this system.

Mr Prince: I agree with you; I am not doubting you.

Mr RIEBELING: If the minister agrees with us, proposed subsection (5) needs to be done away with, and another administrative subsection needs to be substituted so that the custodian of the records - the registrar of fines enforcement - can produce a record of that person. Clearly, this is targeting people who have been in the system before, because the minister said so in his second reading speech. The reason for this is that it is failing certain people. I am suggesting to the minister that the best way is not to swear in people, because none of them will be sworn in.

Mr Prince: I will put this scenario to you: It is a relatively busy court. I am the magistrate and you are the defendant. I say, "I am going to fine you. I will not impose a term of imprisonment." You are not in custody so we have complied with proposed section 57A(2). I may make a fine enforcement order. I say to you, "If I fine you $1 000, can you pay it?" Because of your itinerant nature and so forth, you say, "No, I cannot." I am then likely to say, "The clerk of the court, who is a justice of the peace, is sitting out there. You will now go out there as part of this court and you will answer questions

to him on oath." The stipendiary magistrate continues dealing with trials or whatever work is before him. This exercise is still handled by the court, but by a different judicial officer. The judicial officer and the court are important because you then have the ability to say to a person, "If you do not tell the truth, you will commit perjury. Tell the truth, and you will end up with something you can cope with."

Mr RIEBELING: I understand that; I just do not think it is practical. The main purpose of the court is to determine guilt or innocence. The major task of the magistrate is to decide whether a fine of, say, $50 is appropriate.

Mr Prince: A lot of magistrates would find that quite offensive.

Mr RIEBELING: They are the determiner of guilt or innocence and then they impose the penalty. Most courts would think that the enforcement of the penalty which they impose should be an administrative function.

Mr Prince: Even the imposition of a penalty is not just a tariff exercise; it requires judgment about whether a person can pay, how long he needs and so on. That is an examination process - inquisitorial almost - and a magistrate may say, "I am not going to do this, but this court, constituted by somebody else, will."

Mr RIEBELING: The other interesting thing the minister said in response to the member for Fremantle was that health care card holders would naturally not qualify.

Mr Prince: I did not say that. I said that someone in receipt of a disability pension for either mental or physical impairment may be covered by proposed section 57A(5)(v).

Mr RIEBELING: That is correct. The simple fact is that an inordinate number of Aboriginal people in fringe communities are in receipt of disability pensions.

Mr Prince: Yes.

Mr RIEBELING: In establishing whether a person has the means to pay, the court would simply ask him whether he was in receipt of social security payments. If he was, he would be in receipt of money. Depending on the amount, a fine might take months to pay. That is not the problem.

Mr Prince: The mental or physical capacity issue relates to work and development orders, not to the ability to pay.

Mr RIEBELING: I know what it states. The Aboriginal people clearly targeted in the second reading speech will not request that.

Mr Prince: No. However, a magistrate is under a positive obligation, knowing the law, to raise it with the person before him or her.

Mr RIEBELING: I know what the minister is saying; I am simply disagreeing. For the past 30 years, when dealing with fines, summonses have been issued, penalties have been imposed and the process has taken its natural course. All of a sudden, we have legislation introducing a work and development order. I agree with that.

Mr Prince: We are trying to stop what you and I know is ultimately wrong; that is, a person going to jail to work off a fine.

Mr RIEBELING: I am telling the minister the best way to resolve that issue. We should give the enforcement registry the power to produce records indicating the person's propensity to do -

Mr Prince: We are talking about a situation in which the records are untrue in the sense that the information previously supplied by this person to the court officer has not been given under oath and is not true.

Mr RIEBELING: I have never heard sworn evidence in court relating to a person's record. We do not need a sworn officer swearing that this is Joe Bloggs' record.

Mr Prince: I have seen that done.

Mr RIEBELING: I am talking about a record being produced in a court to indicate whether a person should have this -

Mr Prince: I am talking about information previously obtained about a person's particulars. That might not have been given honestly. A person under oath must be honest or else.

Mr RIEBELING: I am talking about the holder of the records producing a record indicating whether the person in question has been under suspension, whether warrants have been issued and so on.

Mr Prince: I understand that.

Mr RIEBELING: That would be far better and quicker than Joe Bloggs saying he cannot pay the fine and our holding a hearing to determine whether he can. If it is done administratively, the court can point out that the person has had the opportunity to do this, this and this and that that will not occur again. The courts want to be able to look at the person's history -

Mr Prince: We will get that, in part, through the criminal record.

Mr RIEBELING: Perhaps not the enforcement details.

Mr Prince: No.

Mr RIEBELING: Surely there is no great difficulty in producing a record that is useable in a court of law to deal with this situation.

Mr Prince: The financial information given in the past may be incorrect either because it is untrue or because the circumstances have changed.

Mr RIEBELING: The net result of that dishonesty and the like was that a particular enforcement procedure was used and it failed. This legislation attempts to reduce that level of failure.

Mr Prince: Yes.

Mr RIEBELING: If the Government knows the rate of failure and who has failed and produces those records in the court, it makes sense is to utilise that data.

Mr Prince: I accept that.

Mr RIEBELING: I hope that at a later stage we will be able to discuss whether that is a viable option. I would be surprised if it were not.

I refer the House to the intent of this legislation. It is accurate that in some isolated communities, such as Tom Price, work and development orders are the only way to effect enforcement. Members should forget all the other strategies in other wonderful pieces of legislation - none of them works. More problems are created with enforcement in Aboriginal communities than are solved.

Mr Prince: That is correct.

Mr RIEBELING: Police officers in Tom Price hope that this Parliament will arrive at a system whereby they can initiate work and development orders immediately so the impact is felt straightaway.

Mr Prince: That is the primary goal of this provision.

Mr RIEBELING: The prosecution wants to be able to instigate work and development orders so we end up with an effective plan. One of the other problems that I hope the minister can address is the way work and development orders are supervised, especially in Aboriginal communities. Tom Price has a police aide, who is on a very low wage compared with other police officers. I have suggested that perhaps those work and development orders should be linked to that officer so that he can provide proper supervision. These people lose respect for a system that is loosely supervised. The supervision of these work and development orders in the communities is less than ideal. This would be a solution.

Mr Prince: I understand what you are saying and I agree with the principle that the best supervisor would probably be an Aboriginal person with a certain degree of status and authority within the group. I doubt that that should be the Aboriginal police liaison officer, because such officers have other functions that should be pre-eminent. The argument about supervision is convincing. It should be a primary function undertaken by one person.

Mr RIEBELING: It is the only weak link in the work and development order system. The concept is good and people are willing to participate. The level of supervision required when dealing with Aboriginal groups sometimes does not exist, but the offender still gets the tick against his name because he is Uncle Bill and those involved do not want to create a blue. The level of desire not to create conflict is high in Aboriginal communities.

Mr Prince: That should be understood and factored into it.

Mr RIEBELING: Using a police aide or a similar person would improve his or her status in the community as the person responsible for the enforcement of the rules. The whole purpose of the Aboriginal police aide system is to allow that person to intervene and stop problems which are likely to develop within the Aboriginal community.

Mr Prince: It is a liaison exercise.

Mr RIEBELING: Yes, between both communities. One way of setting up the status of that to make it more workable is to give them the task of supervision. I seek an extension of time.

The DEPUTY SPEAKER: I am sorry, the member has missed that opportunity. It is now time for private members' business.

Debate adjourned, pursuant to sessional orders.

GOVERNMENT CONTRACTUAL ARRANGEMENTS, BGC (AUSTRALIA) PTY LTD

Motion

MR KOBELKE (Nollamara) [4.00 pm]: On behalf of the member for Armadale, I move -

> That this House calls on the Government to explain the apparent preferential treatment received by BGC and related companies in respect of a host of environmental, planning, local government and contractual matters.

In 1993 it may have been thought that the antics of Mr Buckeridge and the inside running he got with the Court Government

were due to the fact that he tended to skirt around the edges of the law and push the rules to the limit. Looking back over the past seven years of the Court Government, it can be seen that he has gained advantage at almost every turn. It is the modus operandi of this Government to look after its mates. Among a range of other players in industry, business and commerce in Western Australia we find people who have clearly gained improper advantage at a time when they had close links with the Liberal Party and the Liberal Government.

This motion will lay before the House a range of matters relating to BGC (Australia) Pty Ltd, a company controlled by Mr Buckeridge. This preferential treatment to BGC is indicative of the style of this Government, which looks after its mates and does not address the major issues affecting the people of this State. As a consequence, Western Australia has become the crime capital of this country because this Government has not attempted to address law and order. There are major problems in the health system and public hospitals because this Government does not address those issues; and there are problems with the education system and schools because this Government does not see them as a priority. In a range of central government activities this Government has failed abysmally, because it is more interested in looking after its friends, on the basis that if they do well there may be a trickle-down benefit to Western Australia. Unfortunately, there is not much trickle-down benefit from the table of the Court Government's rich and powerful friends.

The former Minister for Planning, Mr Lewis, gave Mr Buckeridge special approval to build the Neerabup concrete batching plant. It is well established that a commercial advantage was given to Mr Buckeridge at the expense of two other operators. The then Minister for Planning gave a clear commercial advantage to Mr Buckeridge's company over two well-established Australian companies working in the same area of providing concrete in the northern suburbs.

The Homeswest development opportunity program was set up to help Mr Buckeridge. Homeswest had a range of medium-sized super lots which had not been subdivided in most cases, but considerable progress had been made towards subdivision for housing. The program was set up and private sector interests had an opportunity to buy the land for housing. There was no advantage to Homeswest, but there was a clear advantage to Mr Buckeridge. People associated with him set up the terms and conditions for the auction of that government land. In the first couple of rounds, three-quarters of the 1 000 lots for sale were sold to companies controlled by or associated with Mr Buckeridge. There is no implication that he purchased the land cheaply - I am not suggesting that - but in order to provide house and land packages in a very competitive marketplace, he needed land. This program gave him good land in a number of areas. One of the blocks of land in Caversham was purchased by Gardenvale Nominees Pty Ltd, and that company had the distinction of being registered after the close of tenders to buy the land. That company still won the tender and purchased the land. With the Homeswest development opportunity program the Government set up a process to ensure that Mr Buckeridge had more than an equal opportunity to purchase land.

Mr Bradshaw: Was he the only one who tendered or had the opportunity to tender? You are making stupid statements.

Mr KOBELKE: This is on the record in 1994 so I will not go into the fine detail. I refer the member to page 4340 onwards of *Hansard* of 14 September 1994, at which the details are laid out, and to a number of parliamentary questions. It is clear knowledge that the process was set up, in conjunction with the Housing Industry Association, and major players were directly involved with Mr Buckeridge. The process for tendering was set up and when the tenders were let, the rules of tender were broken by companies associated with Mr Buckeridge. However, he still purchased the land.

Mr Bradshaw: Probably because he was the highest tenderer.

Mr KOBELKE: I did not say he got the land cheaply. I made that clear a moment ago - perhaps the member was not listening. Mr Buckeridge needed land and it was a quick way of getting land that could be easily serviced and subdivided, because in most cases Homeswest had done the preliminary work and the land was ready for release. It was handed over in bulk lots, which had not been officially subdivided and developed. That program clearly assisted Mr Buckeridge. Why else would a program be set up from which Homeswest would have reaped the rewards but instead three-quarters of the land went to Buckeridge companies?

Another example is the Hazelmere land rezoning which was the first rezoning legislation put through this Parliament by the Court Government. It ensured that land Mr Buckeridge now uses, and presumably owns through some company structure, was zoned industrial. I presume it was originally rural land. The member for Armadale will speak further on that.

A series of incidents occurred with respect to a Mosman Park construction whereby building by-laws and plans were flouted by Mr Buckeridge and no effective action was taken against him by the Government. A pipe was illegally placed under the road to run waste water into the river, but again no effective action was taken against Mr Buckeridge. Land on the Australind bypass was the subject of a special deal done on the prompting of Mr Buckeridge to assist his company. He purchased that at half its value.

There is case after case of Mr Buckeridge being given special treatment in order to advance his commercial interests, in opposition to other companies which may have wished to take advantage of the particular asset or concession being granted by the Government. When all the incidents are added together it provides a picture of Mr Buckeridge taking unfair advantage of the public assets of this State. This Government, by design and failure to act, has provided advantage to Mr Buckeridge in a whole range of ways. That is a reflection of what this Government is about. This Government is not about looking after the public interest; nor is it about addressing the major interests of Western Australia. Unfortunately it has given priority to looking after its mates and friends, which has been greatly to the detriment of Western Australia. As the member for Armadale will show, in even more cases we can bring to light the failure of this Government to protect the public interest because its priority has been to look after Mr Buckeridge and his companies.

MS MacTIERNAN (Armadale) [4.11 pm]: I thank the member for Nollamara for moving the motion of which I gave notice the other day. The bells were still ringing and it was not 4.00 pm when the debate started.

Several members interjected.

Ms MacTIERNAN: It was not 4.00 pm; the bells were still ringing.

The DEPUTY SPEAKER: It was 30 seconds past.

Ms MacTIERNAN: As the member for Nollamara has pointed out, the Buckeridge Group of Companies and a range of companies associated with Mr Buckeridge have done very well out of this Government. They have been the beneficiaries of an enormous number of contracts. If we added them all up, we would see that hundreds of millions of dollars worth of contracts have gone in the direction of those companies. It is a big group of companies, and one would expect it to be a big winner in the Government's privatisation plans. However, we want to focus today on those instances where we believe there is evidence that BGC and related companies have been given preferential treatment in the way the contracts have been drawn up or handed out or the way in which the Government has positively intervened to protect the interests of Mr Buckeridge relating to environmental and planning matters, or where the Government has simply turned a blind eye and sought to paper over some of the many indiscretions of that group of companies.

It is very important because this is not only unfair to Mr Buckeridge's business rivals, many of whom have brought to the Opposition's attention a number of these issues, but also it has led to a great deal of injustice for those residents who have had to wear a whole range of developments in their areas which have undermined their health, safety and amenity. They have not been given an opportunity to have due input into whether various industrial sites go ahead, because, quite simply, Mr Buckeridge decided to build them before any approvals were given. Perhaps even more importantly, this preferential treatment that appears to have been given to this company is very damaging to the whole democratic institution of this State. It has given the public very good cause to believe that Governments are available to be bought and that if one happens to be the richest person in this State, one has a Government that can be bought.

I will start with Neerabup, which was referred to by the member for Nollamara. The Neerabup development began in 1993, so it was in the early days of this Government that we started seeing Mr Buckeridge and his companies getting a very good deal. In August 1993 Hon Richard Lewis approved an application by BGC for a concrete batching plant to be constructed in a national park at Neerabup only 400 metres from residential land. Every other concrete producing company in the metropolitan area had moved out to the Flynn Drive industrial estate to service those outer suburbs, but not Mr Buckeridge; he stayed on in Malaga. Builders have told me that Mr Buckeridge said to them that he would not move to Flynn Drive because he wanted to wait until the Liberal Government got in because it would allow him to build the plant in the national park and then he would have an advantage over all his competitors. Sure enough, within six months of this Government being elected, notwithstanding that this application had been knocked back no less than 27 times by various government agencies, Mr Buckeridge was given the go ahead. That meant he was seven to eight kilometres nearer than any of his rivals to the growing sites in the northern suburbs. The former minister has estimated that gave Mr Buckeridge an advantage of about $150 a home. Based on Mr Buckeridge's projected share of the home building in the Wanneroo area over a five-year period, which represents 3 000 homes, that approval alone was worth $500 000 in direct savings to the Buckeridge Group of Companies.

When the Royal Commission into City of Wanneroo investigated this issue because various councillors had suggested that Mr Buckeridge had sought to bribe them to get their approval for this matter, Mr Buckeridge denied ever having offered any money to local government candidates. However, his evidence to the royal commission was that he was a foundation member of the 500 Club which contributed money to the election campaigns of Liberal and National Party members.

It was not only concrete batching plants that he got a good deal on. In 1993 things really started to rocket along for Mr Buckeridge's companies with Homeswest building contracts. His primary company was Home Style Pty Ltd and to a lesser extent J-Corp. Until and during 1991-92 Mr Buckeridge and his companies were very small players in the building of Homeswest dwellings, but from 1993 to 1995 things really changed. Until 1993 his companies were very small and insignificant players, but by June 1995 they were the biggest suppliers by a country mile; indeed, his companies were almost 300 per cent ahead of their nearest competitor in the number of Homeswest dwellings they constructed. In the two years from July 1993 to June 1995 they were given contracts for 500 of the 3 000 dwellings to be developed by Homeswest.

We have not been able to get more recent figures because subsequently when questions have been asked in the Parliament, the Government has refused to give answers. We do not have current figures as to the percentage of Homeswest dwellings the Buckeridge companies are getting now. However, we understand it is pretty significant. A number of significant builders around town have pulled out of Homeswest work because of the preferential treatment they believe Mr Buckeridge is receiving. The Government will say that Mr Buckeridge is tendering at cheaper prices than anyone else.

Mr Kobelke: His companies' work is often of a lower quality and Homeswest do not insist on quality, so he gets away with it.

Ms MacTIERNAN: That is right, but it is more direct than that. Traditionally, architects responsible for the project specify certain products by brand name. Every other builder tenders to those specifications, but repeatedly the Buckeridge companies do not; they substitute their products for the products that are specified by the architects. Their products are invariably cheaper, and one might argue - it was certainly the view of the architects - that they are of poorer quality and certainly they have less aesthetic value, which is why the architects specifically specified other products. Whenever the

architects or other builders complained that it was unfair treatment and that they had to comply with the specifications in the tender documents but Buckeridge was allowed to substitute his own products, they were told not to rock the boat and that if they did rock the boat things would go worse for them in the future.

The bias gets than that. At one stage we discovered that Homeswest appointed architects to supervise these tenders who were employees and directors of Buckeridge companies. Members can imagine the lack of confidence that other building companies had about the deals being conducted fairly. The current situation is so bad that not only have many large companies withdrawn from tendering for Homeswest work, but also the Buckeridge companies were asked recently not to tender for any contracts of less than five units as the percentage of contracts they were winning was becoming obscene and many smaller builders were going to the wall. Why does the Minister for Housing - who is not in the Chamber now - claim that his staff cannot afford the time to tell us the percentage of contracts these Buckeridge companies are receiving?
As the member for Nollamara mentioned, the Buckeridge companies received very good deals in the Homeswest broadacre land sales. These were properties for which Homeswest had received planning approvals and had completed all the subdivision work. Homeswest could have sold off those lots much more advantageously if it had sold them individually. It would also have given smaller builders a much better opportunity to be involved in the development. However, Homeswest decided they would sell off the lots in broadacres, although approvals had been received and all the subdivision work had been completed. That of course advantaged the biggest player in the field and, sure enough, Mr Buckeridge ended up with three-quarters of the available 1 000 housing lots. Not only did he receive three-quarters of the lots, but also corners were cut. The company he used as his vehicle for purchasing the lots was not even registered when the contract was entered into. Basic matters of probity were not conducted by Homeswest. Further, not only were there technical legal problems, but also Mr Buckeridge was not even the lowest tenderer for the large portion of lots in Caversham. Mr Buckeridge had been involved in batching plants, Homeswest construction and preferential land sales, and now wanted to diversify into ports. Some people would say, perhaps using less rough language than is used on building sites, that BGC stands for the big greedy capitalist.

Mr Marlborough: That is one way of putting it.

Ms MacTIERNAN: That is right. Mr Buckeridge was tired of being just a manufacturer of building supplies and decided to get into shipping. Cynics might say he was having trouble selling off his dodgy thermalite blocks in WA and wanted to ship them out and continue the vertical integration of his operation. In 1995 Conn (Australia) Pty Ltd had been providing stevedoring services for Fremantle port for some time. Its long term contract had not been renewed and it was basically operating on a month-by-month basis. The Government decided to tender out that work, which is fair enough as it was a contract worth $2m a year and one would expect it to go out to contract. However, the Government decided, as opposed to what one would normally expect with a $2m contract, not to bother advertising or doing anything daggy like that or to publish a notice in the paper. It decided to ring three companies and ask them for how much they would be prepared to tender. Strangely, only two of those companies had ever done any stevedoring. The third company, BAAC Pty Ltd - the Buckeridge company - got into the act, although it had no track record whatsoever as a stevedoring company.

It should be noted also that six other companies were listed in the telephone book at that time as stevedoring companies, none of which were paid the courtesy of a call nor given an opportunity to tender; the rest is history. There was absolute uproar as Buckeridge brought contract labour onto the wharf and the State Supply Commission found the contract had been improperly awarded. The Government then used chaos as an excuse to get rid of Stateships and to get the Buckeridge contract out of the way. However, Mr Buckeridge wanted his pound of flesh and sued the Government for around $3m, receiving a $1m payout. That money was used to set up a company called Western Stevedores Pty Ltd which suddenly became a very great beneficiary of the Government. Western Stevedores was a company operating in competition with P & O Ports at the Dampier wharf. All the shippers were happy with the way the competition was working, as it was keeping both companies on their toes. However, the Government decided that in the interests of competition it would get rid of competition; it put the Dampier wharf out to a tender process and handed that monopoly over to Western Stevedores. Western Stevedores was also part of a consortium successful in winning the James Point private port contract.

I will give a brief synopsis about what occurred at the Kwinana bulk cargo jetty, as this matter goes back to 1994 and is part of the strategic positioning of Mr Buckeridge and his interests in that wharf area. Conn Australia - or P & O - was chosen in 1994 as the preferred proponent for the redevelopment of the Kwinana bulk cargo jetty. BGC was one of the unsuccessful tenderers for it. In January 1995, after four months of negotiation where Conn Australia had eventually agreed with all the terms and conditions requested by the Government, they were summarily terminated. Then Minister for Transport, Eric Charlton, acknowledged he had discussed the matter with the board after Conn Australia had been selected. He had discussions with the board which then decided to terminate the contract. We now understand, from rumours in the industry, that that was caused by the intercession of Mr Buckeridge who did not want P & O to get a foothold on the Kwinana port to develop it, which might be contrary to his longer term plans for a private port.

To continue from there, Mr Buckeridge, having set himself up very nicely in the private ports, also had a number of run-ins with local government. In 1995 the Minister for Local Government rejected advice from his own department and overturned a stop-work order on a house owned by Mr Buckeridge in Harvey Street, Peppermint Grove. A licence was granted for the building and subsequently, the Peppermint Grove Shire Council found that the construction did not conform with the building licence and placed a stop work order on it. Buckeridge ignored the order and continued to build contrary to the approved plans. He lodged an appeal with the Minister for Local Government in respect of the licence. The Department of Local Government recommended that the minister reject the appeal, particularly as Mr Buckeridge had continued to defy the stop work order while an appeal was being considered. In fact, the building officer who was advising

the Minister for Local Government went as far as to say that the minister had no alternative but to dismiss the appeal. However, the Government overturned the stop work order. That then led to Mr Buckeridge having enormous confidence in his capacity to do as he liked in that regard. At Mosman Park he ignored two stop work orders of the Mosman Park Town Council. He obtained a building licence for a residence but did not conform with that licence. On none of those occasions was any action taken by State Government agencies.

Mr Buckeridge ranges widely - his next foray was into the Harding dam. In 1996, one of his companies was found to have taken, without approval, 20 000 litres of water from the Water Corporation's Harding River Dam near Karratha. BGC (Australia) Pty Ltd had attached an unauthorised connection to the Water Corporation's pipes, despite not having an access permit. The Water Corporation acknowledged a breach of its bylaws, but decided that it would not prosecute Mr Buckeridge. It decided that it preferred to educate rather than to prosecute the company. It is a pretty effective education program that the Government is engaged in with Mr Buckeridge. Basically the lesson that is being taught to Mr Buckeridge is that this Government will help him in whatever he does. He does not have to worry about the niceties and the technicalities of the law, whether it be local government, planning or water regulations. He can go ahead and do whatever he likes and the Government will turn a blind eye to his indiscretions.

The next issue I raise is that Mr Buckeridge is also a builder of roads. Indeed, from 1996 to 1998 he had approximately $62m worth of contracts for roads. I suspect there might be a fair amount more, but in that two-year period he had $62m worth of contracts. In 1998, Mr Buckeridge tendered for the large expansion project for the Kwinana Freeway. He was not successful at the expression of interest stage. Three companies were chosen at that stage. Usually, for a big design and construct project like that, an enormous amount of work is required to go into the next stage, which is the request for proposal. That is why the numbers are kept very small. Mr Buckeridge complained about his exclusion from the expression of interest stage - the fact that he was not successful - and, lo and behold, before the matter went to the request for proposal stage, which is the major stage, three companies were added, one of which was BGC. That made the other companies very angry. This project required an enormous amount of money to be spent in developing the design and costings, and they felt that it was most unfair that six companies were now included. They were very concerned that Mr Buckeridge was able to use his influence in that way to get himself included in the process when he had not done that on merit. To try to quieten down these companies, $750 000 of taxpayers' money went to the contractors to try to appease them because this perversion of the process had taken place.

The next matter was probably one of the worst examples; that is, the 1999 Bunbury land sale. The circumstances of that case have been dealt with by the member for Nollamara, whereby the Government sold land to the Buckeridge group on the basis of its rural classification - land which was shortly thereafter zoned industrial and which immediately soared in value to twice the price paid by Mr Buckeridge.

I will also touch on the latest case, one that goes back to 1995; that is, the disgraceful circumstances of Hazelmere. This is one of the most outrageous acts, even by a man who sets a fairly high standard in terms of outrage. In the Shire of Swan, in the area of Hazelmere, Mr Buckeridge had land that was zoned rural. He decided that he wanted to develop that land as an industrial site, without bothering about minor inconveniences such as rezoning. Therefore, he went ahead and built his bitumen plant and truck depot, without seeking planning approval. He managed somehow to persuade the State Government agencies, including the Department of Environmental Protection, to give him a licence to develop that plant, even though it was developed illegally without any planning authority and in a zoning that was completely inappropriate. Nevertheless, for some reason or other, the Department of Environmental Protection complied with his request for approval. That plant has had an enormous impact on the health of people in that local community, and I know from the time when I was the upper House member representing that area that it was difficult to get the environmental protection officers out to that area to respond to the complaints being made by the residents about that matter.

The Shire of Swan did not want to approve this land as an industrial site because of its history. However, in January 1996, the former Minister for the Environment, Kevin Minson, overturned an appeal from the Shire of Swan that it could not approve the plant because the town planning scheme restricted what it could approve in a rural area. Mr Minson took the view that those things had already happened and basically he should just let Mr Buckeridge get on with it. At the end of the day, the council was intimidated by the threats of legal process by Mr Buckeridge and decided that the potential cost of taking Mr Buckeridge to court was too great. Therefore, it rolled over and retrospectively gave Mr Buckeridge approval. As I said, it is a great education that has been given to Mr Buckeridge and a great lesson that he has been taught about what regard he should have for rules.

That was not the end of the matter. At the end of 1999, Mr Buckeridge decided that he would build a drain - allegedly a stormwater drain - from his property to an adjoining government-owned property. That occurred in November 1999. Again, that was done without any planning approvals or any approvals from the Water and Rivers Commission, from the Swan River Trust or from the shire.

That was a completely unauthorised development. That went onto government land which was leased to, I think, the Australian Meat and Livestock Corporation. However, the Government took no action on that. It is almost inconceivable that that government agency would not have been aware that this drain had been placed on its property, but it chose to remain silent.

When one of the local residents wrote to the Minister for the Environment and the Minister for Local Government about these matters, that person was basically fobbed off. The Minister for Local Government said -

> I advise that development management matters are generally the responsibility of local governments and I do not

> have the authority to intervene or to direct them in such matters. Nevertheless, the Department of Local Government contacted the City of Swan for comment on the matters that you raised.
>
> . . .
>
> I understand that inspection by City officers has confirmed that the work is not creating a problem. Nevertheless, the City is pursuing the matter with the company that carried out the work.

That is a different version of events from that given by the Shire of Swan, which basically said that it felt the matter was of considerable concern and that concerns had been expressed by a number of people. A similar hands-off approach was taken by the Minister for the Environment. From my recent discussions with the Shire of Swan, I understand that it is not just that pipe that has been built illegally. On investigating this matter, the shire has discovered that a whole variety of buildings are on that site, for which no planning approval or building licence approval has been given. Not only have the residents of this area been treated very unfairly in that they have been denied due process in having any input into decision making, which they would normally have when planning approvals were given, but also Mr Buckeridge has clearly got the message loud and clear from the Government that he can do whatever he likes and that this Government will turn a blind eye when a blind eye is necessary, back him when it is necessary and overturn local government authority after local government authority whenever it is necessary.

Extension of Time

On motion by Mr Kobelke, resolved -

> That the member for Armadale be allowed to continue her speech for a further 15 minutes.

Ms MacTIERNAN: Those are the prime issues. Residents are currently engaged in protests with Mr Buckeridge's operations in other areas. In Canning Vale, the residents of Parkwood have been fighting unsuccessfully for a number of years against the smells that are emanating from the concrete operations in that area. That area is covered by the Minister for Planning. I understand that he knows about this issue. What we are seeing here must be recognised as a real problem for our community. It is a problem for those people who are seeking to do business in this State. Whether it is the rival concrete companies, the other building companies, any of the companies that have been tendering for work from Main Roads WA or the stevedoring companies in the areas of home building, land development, product manufacturing and port activities, people are feeling, with good reason, that Buckeridge is being given undue advantage in the way the contracts are being set and awarded.

Mr Trenorden: Do you realise we had exactly the same debate in 1992 in relation to Buckeridge?

Ms MacTIERNAN: I would be very interested to read it. We are concerned about the impact of this on businesses in this State and their confidence that they can do business. The problem has become greater as more government services are being contracted out. The potential for a person to be improperly advantaged has increased a great deal. We are also concerned about those residents who have been on the receiving end of planning and local government appeals which have been upheld by the Government and who obviously have been completely disregarded in the decision-making process, whether it is by the Minister for Local Government, the Minister for the Environment or the Minister for Planning.

Finally, we are concerned about the impact this is having on the community in general, and its confidence that the democratic process works and that there is some sort of fairness and justice out there. They believe, quite rightly, that there is one law for the richest man in this State and the largest contributor to the coffers of the Liberal-National Party and a very different law for other people within the community.

MR KIERATH (Riverton - Minister for Planning) [4.44 pm]: I thought we would hear something new today. All I have heard so far is a mishmash of issues which the Opposition has previously run at different levels and brought together into one effort this afternoon. I will be up-front: I know Mr Len Buckeridge. I count him as a very good acquaintance and I hope that I can count him as a personal friend. However, I have upheld the oath of my office; that is, without fear or favour. I do not show anyone any favours in appeals. I use a very independent process. I have had no real approaches by Mr Buckeridge in seeking favours for an appeal. There was one recent attempt when he tried to telephone me about an issue. I referred him - as I would anyone else - to a person in my office who handles appeals for me. People can talk to that person and put their case forward. All members have approached me at various times and I have made exactly the same facility available. I made that facility available to him. His treatment was no different from that of anybody else who would have approached my office.

Having said that, I will put some comments on the record in relation to appeals, because the members for Armadale and Nollamara raised issues about appeals. As far as the appeals office is concerned, appeals by BGC and related companies are treated exactly the same as appeals by other appellants. The appellant is required to lodge a copy of the appeal with the decision-making body, whether it be local government or the Western Australian Planning Commission. A response to that appeal is then received from the decision-making body. The appeal is investigated by a member of the town planning appeals committee. That includes fully discussing the matter with both the appellant and the respondent. If necessary, the appeal is also discussed with other bodies such as the Department of Environmental Protection, the Water and Rivers Commission, etc. The member's report and all the relevant papers then go before the minister, who determines the appeal. The decision is then conveyed to the appellant and respondent and, if the WAPC is the respondent, also to local government. Planning appeal decisions are effectively made public by this process. The member's report and the final decisions are accessible under freedom of information. A Bill before this House will make it compulsory for all appeal

letters and reasons for those decisions to be released at the time the decisions were made. I reject any allegations of favoured treatment through the planning appeals process.

Ms MacTiernan: What about Neerabup?

Mr KIERATH: I will come to that in a moment. In terms of government involvement and planning decisions, I hope members understand the issue of the metropolitan region scheme, how it is derived and the involvement of local government. Most planning decisions are the result of local government and the WA Planning Commission. There is not a lot of influence of the minister in those planning decisions.

Mr Omodei: Or the Minister for Local Government.

Mr KIERATH: In most cases, the first determining authority is the local authority, and the second is the WA Planning Commission. However, if a party is aggrieved by those decisions, appeal rights exist. Generally, I get involved only if an appeal is lodged. The local government town planning schemes, amendments thereto and rezoning changes are initiated by local government. I find it hard to believe that all the local government authorities would be offering Mr Buckeridge favours.

I will mention some of the issues I know a little about. The Bunbury land issue is fascinating because we have had two or three debates about it in this House. On 7 December 1999 the Bunbury City Council resolved to initiate rezoning from a classification of rural to a development zone. The amendment has yet to be submitted to the ministry's Bunbury office. We are not aware of it in a formal sense. We are aware that the council has made the decision, but we have not yet received the amendment. In Wanneroo, crown reserve 27575 at Neerabup, which is adjacent to the Neerabup National Park, is reserved in the MRS for parks and recreation. An application by BGC Contracting was submitted to the Planning Commission in December 1992 for a concrete batching plant adjoining the quarry. It was refused by the Planning Commission but upheld on appeal in July 1993 for a five-year period by the then Minister for Planning Hon Richard Lewis. Prior to the expiry of the five-year period, in June 1998, the Planning Commission re-approved the batching plant for a further five years.

BGC has sought environmental approval for a concrete batching plant at Shenton Park. The land is reserved in the MRS for public purposes. No development applications have not yet been received by the WAPC. My understanding is that in those cases, as the Minister for Planning, I would not play a part in the approval process. I must be careful of what I say about the development application at Swan-Hazelmere; however, I can say that BGC has made a development application for a sleeper factory to the City of Swan on land that is currently zoned rural in Swan TPS9, but which is within the proposed Hazelmere industrial development, TPS15. The proposed factory is on the alignment of the proposed extension of Lloyd Street in TPS15. Council has refused the application. I must be careful because the applicant has appealed to the Minister for Planning and the matter is currently before the appeals office. No final decision has yet been made on that application. However, there is a question in relation to the Lloyd street alignment and the City of Swan in terms of TPS15. I have asked the council to respond to certain queries I have about that matter. BGC may have had involvement in the Stirling-Mirrabooka-Atlas site. From a quick check of our records the Government does not have anything it can get its hand on very quickly. I will have to engage in further research to find any information.

The member for Armadale raised some other issues. The Bunbury City Council has been involved in the Bunbury rezoning issue. I do not think anyone would accuse the local councils of being in the pockets of the State Government.

Ms MacTiernan: You are selling them the land.

Mr KIERATH: The member for Armadale does not seem to understand. It is not simply a matter of selling the company the land; local government must agree to the amendment to the scheme. They are the primary decision-making bodies. The Planning Commission has not given its okay to advertise. If the council gets approval to advertise, the Planning Commission becomes involved. The member is accusing the Government of being biased before it is formally before us. No decision has been made by the State Government, therefore it is simply impossible to level that accusation.

I have explained the Wanneroo application. That went through the proper system and was upheld on appeal. It was interesting that before the expiry period, the Planning Commission - which is an independent body - upheld the approval for a further five years. The Shenton Park application has not been received by the planning system. No development application has occurred. An appeal is in process in the case of Swan-Hazelmere, which will be dealt with on its merits. I have no further comment to make about the Stirling-Mirrabooka site. I find it hard to understand the allegations raised by the member for Armadale. The member for Avon mentioned that some accusations were made against BGC previously.

Mr Trenorden: We ran that same debate.

Ms MacTiernan: Rubbish, get the *Hansard*.

Mr KIERATH: Mr Buckeridge is a strong, forceful individual. The member for Armadale's dislike of Mr Buckeridge comes from the stand he has taken on industrial relations issues.

Ms MacTiernan: I have never met the man.

Mr KIERATH: He is involved in the building and construction industry. He has stood up to elements of the union movement. One of the companies controlled by him is the largest single builder of homes in the State. As an individual, his services to the construction industry is first class. The track record of this State in terms of housing costs is better than

most other States in the country. The member for Armadale is picking on him as part of the tall-poppy syndrome. He has been prepared to stand up for his rights.

Ms MacTiernan: Look at the rules he has broken.

Mr KIERATH: He has been described to me as a rough diamond. He would admit that he does not have a lot of finesse and tact when it comes to dealing with issues. He is a man of courage and character and if he believes he is right, he will enforce his rights to the limit.

Mr Tubby: He is a damn good citizen.

Mr KIERATH: Everyone would acknowledge that. Even people in the union movement - although they might not agree with him. I find it amazing that these accusations were made. Only one of the issues I have raised today was upheld on appeal.

Ms MacTiernan: You have not even touched on them.

Mr KIERATH: As for the rest of the matters, we have not received any applications and the Opposition is accusing the Government of bias when it is not even in a position to deliberate or make a decision on them.

Mr Trenorden: Surely the Bunbury issue is about the Bunbury City Council.

Mr KIERATH: At this stage it is. I did mention that the request has not even been lodged at the Planning Commission's office in Bunbury for approval to advertise. The only body which has had to make a decision has been the Bunbury City Council. It gave approval to fill and to amend its scheme. That information is accurate as of this morning. The Planning Commission checked the Bunbury office to see whether it had received a request to advertise, and it has not. How can the Opposition accuse the Government of bias when it has not had anything formally before it? It is utterly ludicrous. This is what we have come to expect from the Opposition. If today's private members' business is an example of the Opposition, they are in dire straits. The debate has not added anything new today that we have not heard previously, except a few issues that have not formally gone before the planning system. If the Opposition wishes to make those accusations about the City of Bunbury, that is up to it; I would not make them. Go right ahead. Do not turn around and point the finger at the State Government when those issues are not formally before the Government. In the case of Bunbury, the council has not put in a request to advertise for public comment. It may well be that an amendment goes out for public comment, the Planning Commission receives it and the amendment may not get approval on the basis of those public submissions. How can the Opposition accuse the Government of bias when the issue is not before it, approval has not been granted to advertise, and the only body to have made a decision so far is the City of Bunbury? I cannot believe the mob opposite. They must be desperate. They must have run out of issues.

Mrs Edwardes: They have nothing serious to say.

Mr KIERATH: After today's effort, I hope the member for Armadale keeps knocking the Northbridge tunnel. I reckon the Northbridge tunnel -

Mr Trenorden: And the children's hospice.

Mr KIERATH: The children's hospice is a major difference between the Government and the Opposition. The Northbridge tunnel is an indication to the people of this State that that is what good government is all about. The Government makes decisions for the long-term gain of the community, even at the point of suffering short-term political pain. Thanks to the member for Armadale and her colleagues, the Government has seen four and a half years of a festering sore with negative publicity. I have not yet met one person who has been through that tunnel who has not said that it is a magnificent project. Yet the member for Armadale comes into the Chamber day after day trying to knock that project. She should keep at it. That shows the difference between the Government and the Opposition. The Opposition is prepared to knock something no matter how it serves the community. I want the Opposition to keep doing that because I want to be able to say to the people in this State, "Elect us and we will give you good decisions for long-term government for long-term gain, even if it hurts us politically in the short term. We are still prepared to make sound, responsible decisions for the long-term good of the people of this State." The member for Armadale should keep it up. I must say that in the 11 years that I have been a member, this is the most pathetic private members' motion the Opposition has ever come up with. If it had homed in on one of the applications that was appealed, that would have been fair enough; but to use issues that have not formally come before the planning system, and to then accuse the Government of bias is incredible.

MRS EDWARDES (Kingsley - Minister for the Environment) [5.00 pm]: The Government is totally opposed to the motion. This motion is offensive to me as the Minister for the Environment, to the Department of Environmental Protection and to the Environmental Protection Authority. The Department of Environmental Protection, the Environmental Protection Authority and I do not treat BGC (Australia) Pty Ltd differently from any other company in environmental matters. BGC is expected to comply with all the laws and regulations of the Environmental Protection Act. I will go through a number of the examples that were raised, and a number that were not raised, by members opposite as they show that no preferential treatment is given to BGC or Mr Buckeridge in environmental matters.

The member for Armadale referred to a development in Hazelmere. BGC has premises there. DEP inspectors have twice visited those premises to investigate allegations of discharge of waste through pipes under Bushmead Road. There was some media comment on that site several weeks ago. It was found that one of the pipes connected the stormwater gully on one side of the road to the stormwater gully on the other side of the road. Another pipe led from a compensating basin

on BGC's property to a separate stormwater drain under Bushmead Road. In both cases no pollution issues were involved and the matter was referred to the City of Swan which is responsible for drainage matters. I want the member for Armadale to be clear on this issue. She says that the DEP, the EPA and I give preferential treatment to BGC. That is not true.

Let us consider the BGC fibre cement premises in Canning Vale.

Ms MacTiernan interjected.

Mrs EDWARDES: The member for Armadale had her turn, but she did not raise anything of substance.

Another allegation related to the BGC fibre cement plant in Canning Vale. The DEP investigated complaints about odours emanating from that plant. As a result of those investigations BGC has made extensive modifications to the autoclave system to prevent direct discharge of steam into the atmosphere. Further investigatory work is under way in conjunction with BGC and the City of Canning to determine whether BGC is the source of the odours and what further action may be required. A recent visit to the plant by DEP officers resulted in BGC being required to install an alternative cooling water disposal system to prevent disposal into stormwater. That cannot be regarded as preferential treatment. BGC must comply with the laws and regulations, and it has been required to make changes.

I refer now to the BGC concrete batching plant in Mirrabooka. On 30 March 2000 BGC was issued with an infringement notice. That is hardly preferential treatment.

Ms MacTiernan: We did not raise that.

Mrs EDWARDES: I am raising issues that the member for Armadale did not raise, because she has claimed a broad brush approach of preferential treatment. I will show this House that is not the case. On 30 March BGC's concrete batching plant at Mirrabooka was issued with an infringement notice. The fine was duly paid by BGC. It concerned breaches of the Environmental Protection (Concrete Batching) Regulations 1998. Structural modifications of the plan were required at the same time. That is hardly preferential treatment.

I refer now to BGC's proposal to construct a concrete batching plant in Shenton Park. BGC submitted a works approval application to the DEP in July 1998 for the construction of a concrete batching plant in Shenton Park. This application was referred to the EPA, and the level of assessment set by it was "Not assessed - Managed under Part V of the *Environmental Protection Act 1986*". An appeal to me against that level of assessment was successful. Many members of the public raised concerns about the location and environmental issues that might arise from it.

Mr Kobelke: Who was the appellant?

Mrs EDWARDES: There were a number of appellants. The level of assessment was successfully appealed. I sent the application back to the EPA and asked for a new, more stringent level of assessment as part of a consultative environmental review. This is not what one would consider to be preferential treatment. That proposal was subsequently abandoned by BGC. If anyone suggests that is preferential treatment by me as the minister or by the department, they are using a different dictionary definition from me. In October 1999 BGC resubmitted a works approval application to the Department of Environmental Protection for the construction of a concrete batching plant 200 metres from the previously proposed site. This application addressed environmental issues that were raised previously and was resubmitted to the Environmental Protection Authority for assessment. That level of assessment was, "Not Assessed - Informal Review with Public Advice". Again an appeal was made to me about that level of assessment. On that occasion it was unsuccessful because all of the environmental issues that had been raised by me had been adequately addressed by BGC. The Department of Environmental Protection is still in the process of assessing the works approval application for the construction of the facility. Extensive community consultation has been conducted over the proposed works approval conditions, and most comments received have been related to planning issues and do not address the works approval process. That could not be regarded as preferential treatment.

I will refer to the history of the BGC concrete batching plant in Neerabup to which the member for Armadale referred. The member for Armadale stated that the concrete batching plant is in the national park. It is not; it is on an enclave within the national park which is a quarry. A mining lease existed prior to the national park, and that is where the quarry is located. The coalition Government continued a policy of the previous Labor Government. However, the coalition set a condition that at the end of the life of the mine the area must be rehabilitated. It was the Labor Government's decision to excise the land; vegetated land was added to the national park to compensate.

I refer members opposite to Labor Party policy dated 13 November 1990 when Mr Brian Burke was the Premier. Under the section titled "resolution of conflict, a clear policy for national parks" reference is made to activity in national parks and mention is made of Neerabup National Park. The policy states that the small quarry in the Neerabup National Park will continue, the quarry area will be excised and tenement areas in the park with native vegetation will be revoked and will remain in the park. Proposals for concrete batching plants on that mining lease were made by BGC to Labor's Minister for the Environment, Bob Pearce, and subsequently to another environment minister in 1993. At the end of the day, the excision of that national park was done by the Labor Party and had nothing to do with the coalition Government.

The DEP investigated community complaints about noise from BGC's Neerabup concrete batching plant with sound level meters and digital audio tape recordings, and BGC was found not to be infringing the Environmental Protection (Noise) Regulations 1997. However, BGC was required to make some structural repairs to the plant in October 1999 to comply with the Environmental Protection (Concrete Batching) Regulations 1998. It certainly does not appear that BGC has been

given preferential treatment by either me as the Minister for the Environment, the Department of Environmental Protection or the Environmental Protection Authority.

The member for Nollamara said that we were not only giving preferential treatment to BGC and Mr Buckeridge but also ignoring health, law and order and education. Again, that is clearly wrong. Let us look at the infrastructure that we - not the Labor Government when it was in power - have put in place. We have built four new hospitals since 1995, 24 new police stations since 1993 and nine community centres since 1996. We have put infill sewerage through the metropolitan area, and that is now being extended to country regions. We have started to put in underground power. We should be conducting tours of East Perth to highlight the improvement of that area through the East Perth Redevelopment Authority, and of Subiaco and Midland. Members opposite might have talked about it; we made it happen. When we talk about education, we have put $100m-worth of computers into schools. Members opposite would like to blow their own trumpets, but they cannot do that. Instead, they continue to knock, knock, knock. We totally oppose this motion.

Mr Kobelke interjected.

Mrs EDWARDES: No, and I do not think Mr Buckeridge would regard me as being very sympathetic to him as Minister for the Environment.

DR HAMES (Yokine - Minister for Housing) [5.12 pm]: Unfortunately I missed the comments that were made by members while I was out of the Chamber, although I do not know that I missed too much. I must admit that I did not expect any questions about the relationship between BGC (Australia) Pty Ltd and the Ministry of Housing, because I know how well that operation works in terms of neutrality and lack of interference by this Government; and I assumed that members opposite would know the same thing and the issue would not be raised. I would like to make some remarks about how contracting operates within the Ministry of Housing and compare the situation that existed under the former Labor Government with the situation that exists under our Government. I presume that whether members opposite are in government or we are in government, the Ministry of Housing will use the same builders - that is, the same people will do the work for us as did the work for the Labor Government - because ministers will not interfere and will not give directions to their chief executive officers, and the chief executive officers will have a tender system that is impeccable and that brooks no interference from government or chief executive officers, and that whoever should win the tender will win the tender.

Why then is there a difference between the situation when members opposite were in government and the situation when we are in government? I can tell members opposite that as the Minister for Housing, I do not interfere the slightest bit in any tenders that come in for the Ministry of Housing. I make absolutely sure that not only do I not have anything to do with them, but also I do not know anything about them. Greg Joyce and I discuss on occasions the fact that I must make sure that I keep myself clear, and he must make sure that the tender processes are impeccable and cannot be criticised. The previous shadow Minister for Housing would have had the opportunity to make sure that the tender process was adequate; and while he did not seek it, I know he has a good relationship with the Ministry of Housing and knows the way it operates the tender system, and I can see he is nodding now. We do not interfere.

Having said that, BGC gets between 30 and 40 per cent of Ministry of Housing work at any one time. I know the criticism that this Government cops about what Len Buckeridge does with government, and I am, therefore, very sensitive to ensure that we are not seen to be showing him any favouritism. To some extent, we go in the opposite direction and make things harder for him on a lot of occasions just to make sure that no favouritism is shown. The reason he gets that work is that he puts in the lowest tender. Len Buckeridge is one of the largest housing builders in this State. The real question is why did he not win the same sort of work under the former Labor Government. I will tell members why.

Mr Kobelke: He got a lot of it.

Dr HAMES: He got a lot of it, but nowhere near the amount that he gets now. The reason is that under the former Labor Government, there was interference and direction. That Government knew that he sometimes made contributions to our party, and it made sure that it did not give him the work. Why was that the case? It was because the Labor Government's union mates did not want him to get the work. The Labor Government's union mates, who had it in a good arm twist in just about everything it did, made sure it did not give Len Buckeridge too much work, because he does not like unions.

Mr Kobelke: The residential construction industry is not unionised.

Dr HAMES: No, it is not. Members opposite would like it to be. Why did he not get the work? It was not because he was not the lowest tenderer. It was because members opposite had their fiddly little hands in it. Members opposite say the residential building industry is not unionised. I will tell members about a contract that I found. Someone who wanted to put in a tender to build for the Ministry of Housing was sent out the tender documents that he had to fill in, and he came back to me and said, "What is this in these tender documents that says that my members have to be represented by a union?" I said, "I do not know. The Ministry of Housing does not do that." I presume it was not for a residential development and must have been for a larger development -

Mr Kierath: A multi-unit site.

Dr HAMES: Yes. The tender documents said that the employees of the builder had to be members of a union, so I got on to Greg Joyce and said, "What is going on here? We do not have rules like that", and he checked up on it and said, "We are sorry. It is one of the old ones. By mistake, we sent out one of the old ones from when the Labor Party was in power, which insisted that any person who put in a tender for Ministry of Housing construction work had union representation." That is disgraceful. What members opposite did when they were in government was make sure they kept control and that

people like Len Buckeridge, who members opposite knew would put in a cheaper quote and would save taxpayers' dollars, would not get the job. They wanted to make sure that their union mates would get the job.

Mr Marlborough: Why would he not get the job under those circumstances?

Dr HAMES: Because the Labor Government was saying to him that he must have union representation.

Mr Marlborough: So he would not get the job because he would make a decision about whether to include people who were in a union?

Dr HAMES: The member thinks that -

Mr Marlborough: The decision was his.

Dr HAMES: Now we are getting the truth. The true red comes out! The member for Peel is saying that, under a Labor Government, people should belong to a union or they will not get a job in this State. We should put that in big letters over every advertisement the Labor Party puts out in the next election campaign and then see how many votes it gets. Members opposite have done us a big favour telling us that.

Mr Riebeling interjected.

Dr HAMES: What did the member for Burrup say about the medical industry? I do not understand his point.

Mr Riebeling: The Federal Government has brought out in its budget an incentive package for doctors to go bush, but you should not come up my way.

Dr HAMES: The comments made by the member for Burrup will assist me in ensuring I have a job next year. Although many people in the community support the concept of unionism, they do not believe it should be compulsory. They believe that in a country like Australia, people should have a choice about whether they join a union. I presume not all members opposite believe union membership is compulsory in order to get a job. I bet the member for Willagee, who is a recent addition to the ALP, does not think that non-union members are not entitled to work in this State.

Several members interjected.

Mr Kierath interjected.

The ACTING SPEAKER (Mr Masters): The Hansard reporter is having trouble hearing the conversation, so we should have fewer interjections.

Ms MacTiernan: The minister should answer the question we raised about why the Buckeridge Group of Companies could tender for these jobs using different products from those which everybody else had to provide in their tenders. That is an advantage to Buckeridge and the reason it now gets 40 per cent of Homeswest's work. It has nothing to do with unions; no unions are involved in this area of the industry.

Dr HAMES: That is not true.

Ms MacTiernan: It is true. He is allowed to substitute his own products.

Dr HAMES: Buckeridge wins most of the tenders because he puts in the lowest tender and meets the very strict standards of Homeswest's contracts.

Ms MacTiernan interjected.

Dr HAMES: The member for Armadale cannot wear the fact that someone who is not her favourite boy wins the job. She thought it was fine when her mates, the people she supported - the great union supporters - got all the jobs.

Ms MacTiernan: Under Labor, a great diversity of companies was awarded tenders.

The ACTING SPEAKER: I remind the member for Armadale that the Hansard reporter is having trouble taking down the interjections. One speaker at a time would be appreciated.

Dr HAMES: The point we have made is that through BGC, Mr Buckeridge wins tenders because he is a builder in Western Australia who builds a large number of houses. As the member for Nollamara said, he has won many contracts.

Ms MacTiernan interjected.

Dr HAMES: How did the Labor Government share the work around? How could a government share around tenders without interfering with them? That was the problem with the member for Armadale's Government.

Ms MacTiernan interjected.

Dr HAMES: I should be able to get a word in edgewise. The member for Armadale is interjecting non-stop. Her Government got its sticky fingers into every little contract that occurred. Under this Government very good Ministers for Planning have not interfered in the planning process. When I was in local government, the Labor Minister for Planning overturned every little thing that occurred at Bayswater City Council. It was not a matter of Liberal versus Labor; it was one branch of the left wing of the Labor Party - Donovan's mob - against another branch of the Labor Party - Adele Farina's

mob. The Labor Minister for Planning would play one against the other and overturn decisions. Unlike the Labor Government, this Government stays away from interfering with business and tenders at that level.

MR JOHNSON (Hillarys - Minister for Works) [5.24 pm]: The member for Armadale said by interjection that when she was in government the work was shared around. That is certainly what occurred. People who were prepared to put money into the leader's accounts got work.

Mr Trenorden interjected.

Ms MacTiernan interjected.

Mr JOHNSON: The member for Armadale must be reminded of probity and propriety and all those things that Governments must adhere to. I remind her of the people to whom the ALP gave this sort of business when it was in government.

Mr Marlborough: I want to hear it.

Mr JOHNSON: I refer to the Burswood Casino. The Royal Commission into Commercial Activities of Government and Other Matters found that during the years spanning the development from 1982 to 1989 -

Ms MacTiernan: Is that your defence?

Mr JOHNSON: I will come to our good work, but I want to highlight the bad work of the Labor Government. Between 1982 and 1989 both businessmen involved with the favourable tender made disproportionate donations to the ALP. Dempster gave more than $800 000 to the ALP.

Mr Carpenter: You were not in the country.

Mr JOHNSON: Yes, I was. Roberts of Multiplex Constructions Pty Ltd paid $692 000. The member for Willagee would know that better than most because, as a journalist, he would have been covering the issue; if not, he should have been.

Mr Marlborough interjected.

The ACTING SPEAKER: I ask the member for Peel not to have a conversation with other members in the House by interjection. He should direct his interjection to the minister.

Mr JOHNSON: I refer to Westralia "Scare" - that was a Freudian slip.

Mr Marlborough interjected.

Mr JOHNSON: I asked the member for Peel earlier whether he intended to speak on this motion, but he said he did not. All he wants to do is interject. I am telling him and the House of the dealings in which the Labor Party became involved when it was in government. I want people to remember that.

Mr Marlborough: Does Buckeridge personally put money into your account?

Mr JOHNSON: No.

Mr Marlborough: I will bring you back to that later.

Mr JOHNSON: The member for Peel can do that.

Mr Marlborough interjected.

The ACTING SPEAKER: The member for Peel has made a long and sustained interjection. Unfortunately, the minister has chosen to continue speaking over the interjection. If he wants his interjection listened to, I suggest he wait for the break in the minister's speech and see whether he will accept an interjection. I repeat that the Hansard reporter is having considerable trouble hearing what is being said. This is a serious debate; if it is not, we should not be here. I ask for a little more consideration.

Mr JOHNSON: Thank you, Mr Acting Speaker (Mr Masters).

Mr Riebeling: Does Buckeridge give money to the Liberal Party?

Mr JOHNSON: I do not believe I have ever met Len Buckeridge or shaken hands with him. I refer again to Westralia Square. Members opposite do not want to hear what I have to say; that is why they are interjecting. Between 1987 and 1989, a series of dealings occurred between Warren Anderson, Alan Bond and Kerry Packer involving the State Government Insurance Commission and the Government Employees Superannuation Board concerning the sale and development of Westralia Square. One such deal involved the Government delaying the payment of $120m, which was part of the purchase price, to Packer and Connell. It accumulated interest until 1995. It was described in *The West Australian* as an extraordinarily generous deal.

I refer to the petrochemical scheme, that big patch of blue sky on which the Government of members opposite wasted a great deal of money. The figure often quoted as the estimated cost is $350m. It was more than that. My information shows that the petrochemical plant project cost the State an estimated $413 130 479 between 17 October 1988 and 30 June 1994. The Labor Government wasted that money on thin air to help out its mates, who donated to its leader's accounts. Those

accounts contained $12m or $13m. The member for Peel says this Government has mates, but we do not have the same sorts of mates as the Labor Government had.

Mr Marlborough: They are the same mates.

Mr JOHNSON: I would not even want to see the member for Peel's mates. I would not want to be in the same room as his mates.

Mr Marlborough: You must be joking when you say Kerry Packer is not a mate of the Liberal Party. You are the only person in Australia who does not know that.

Mr JOHNSON: The member for Peel does not like what he is hearing; that is why he keeps interjecting.

Mr Marlborough: I thought you came to Australia earlier. Obviously, I was wrong.

Mr JOHNSON: I have said in this House before that when I left England, unlike the member for Peel, people were sorry to see me go.

Mr Marlborough: You are not serious.

Mr JOHNSON: I am very serious. This House has heard enough about the garbage that went on during the Labor Party's time in government. I always know when I am getting through to the Opposition, particularly my friend, the member for Peel, whom I normally get along with. He gets tetchy and starts interjecting.

A member interjected.

Mr JOHNSON: I assure him it will be a long time before I go on the back bench. The Opposition is arguing about Len Buckeridge's group of companies.

Mr Marlborough: We are arguing about a man who gets 40 per cent of Homeswest's work, according to the Minister for Housing. I bet the minister could not name a builder who received 40 per cent of Homeswest's work when the Labor Party was in office. We built two-thirds more houses!

Mr JOHNSON: The member for Peel can speak in a minute.

Mr Marlborough: The Minister for Housing said Len Buckeridge receives 40 per cent of Homeswest's work.

Mr JOHNSON: Time out. This is getting ridiculous.

Mr Marlborough: If the minister supports free market enterprise, how come one company gets 40 per cent of the taxpayers' money allocated to Homeswest?

The ACTING SPEAKER (Mr Masters): The minister is not helping by directing his comments to the member for Peel. I suggest he direct his comments through the Chair. I ask the member for Peel - before I start calling him to order - to allow the minister to make his comments without too many interjections.

Mr JOHNSON: The Department of Contract and Management Services has provided some information about the contracts awarded to BGC Construction. As part of the Department of Contract and Management Services' building works contracting processes, a scheme has been operating since 1985 in which building contractors are pre-qualified and categorised according to their ability to tender for building work contracts above $200 000. Building contractors can be pre-qualified in five categories. Category A contractors may tender for contracts without any financial limitation. The sky is the limit. Category B contractors are limited to tenders up to $5m, category C contractors are limited to tenders up to $2m and category D contractors can tender up to $1m. Category E limits contractors to tenders up to $200 000 and there is no pre-qualification requirement. Building contractors are pre-qualified for one of these categories based on their technical and financial capabilities. Members spoke about the number of people involved in the building industry. CAMS has pre-qualified 26 contractors for category A, 18 for category B, 14 for category C and 61 for category D. Category E has no pre-qualification requirements, therefore, the number of contractors eligible for tender cannot be determined. Members opposite want to hear about BGC Construction, a trading division of Homestyle Pty Ltd, which is part of BCG (Australia) Pty Ltd. BGC Construction was pre-qualified under the CAMS building contractors scheme at the highest level of category A in November 1994. Therefore, it can be awarded contracts for any building works tendered by CAMS. BGC Construction has since contracted with CAMS on 18 occasions at a total cost of $85m. In that same period, CAMS awarded 3 000 building works contracts with a total value of $1b.

Ms MacTiernan: Does this include Brooks Construction?

Mr JOHNSON: BGC is building a beautiful hospital in the member for Armadale's electorate. I do not know what she is complaining about; it will be built on time and on budget. BGC submitted the lowest tender. The people of Armadale will love that hospital.

Since 1 July 1999, BGC Construction has been awarded contracts by CAMS on four occasions. The total value of those contracts is $55m. In the same period, CAMS awarded 500 building contracts with a total value of approximately $300m. I totally oppose the motion.

MR COWAN (Merredin - Minister for Regional Development) [5.37 pm]: This is the third time members opposite have commented on dealings an agency in my portfolio had with BGC (Australia) Pty Ltd and which I oversaw. The dealings involved a parcel of land owned by the South West Development Commission. The land was acquired 10 years ago when the Bunbury Port Authority wanted the capacity to expand its port, as well as needing land for planning associated with the establishment of a flood plain for the Preston River. The Government of the time decided it was appropriate to acquire land adjacent to the Bunbury port. I have no objection to that, although there may have been some query about the price paid for the land at the time of acquisition. Most people know and accept that the process of acquisition requires the Government to pay more than the market value of the property. After the Bunbury Port Authority indicated it no longer needed the land for expansion or works associated with the Preston River, the South West Development Commission requested my approval to put the land on the market, which I gave. The South West Development Commission then began to identify ways and means of getting the maximum amount from the sale of the land. It went to the Bunbury City Council and asked officers about the prospect of that land being rezoned to industrial. The officers advised that that was most unlikely. That view was reinforced by a meeting of the council which decided that it was not inclined to rezone the Bunbury plan relevant to that area of land.

The South West Development Commission then reported to me. I said that the decision was immaterial and that the land was superfluous to the needs of the commission and the State and that it should be sold under the existing zoning, and it was. Due process was followed; that is, the commission went through the tender process. A number of tenders were received and the Buckeridge Group of Companies was the highest bidder. Mr Buckeridge bought that land as unimproved rural land. He was in a competitive marketplace and the land was sold under that classification. There was no dispute about that.

However, a number of reports sought to imply that the Government had sold land to a Liberal Party supporter. I cannot remember the headlines, and I am indifferent to them. I assure members that the National Party has not received one cent from BGC in the form of contributions.

Ms MacTiernan: So he told a lie to the Wanneroo royal commission?

Mr COWAN: If he said that he had given funds to the National Party of Australia, my response is that he certainly has not funded the National Party in Western Australia. He may have funded the National Party at a federal level; I do not know. I imagine that, like the state National Party, the state Labor Party finds that funds directed to its federal body, irrespective of their source, are very difficult to claw back. Mr Buckeridge may have said that he has funded the National Party, and he may well have done so.

Ms MacTiernan: Does the 500 Club fund the Liberal Party exclusively?

Mr COWAN: No, it does not.

Ms MacTiernan: Does it fund the National Party?

Mr COWAN: Yes, it does.

Ms MacTiernan: The evidence he gave to the royal commission was that he was a foundation member of the 500 Club.

Mr COWAN: There is no such thing as a foundation member of the 500 Club. They were foundation members of the Curtin Foundation.

Ms MacTiernan: So he funds the National Party via the 500 Club. The Deputy Premier has been exposed!

Mr COWAN: Membership of the 500 Club is the same for everyone who wants to be a member.

Ms MacTiernan: You get money from him through the 500 Club. Do not try to be Pontius Pilate.

Mr COWAN: The National Party does draw some funds from the 500 Club; I acknowledge that. However, the party has not been directly funded at a state level by BGC. I will not get too worked up about this. Two articles in *The West Australian* implied that the Government was the recipient of funding support from BGC. I am making it clear that that is not the case.

I will return to the real issue. The instance that has been referred to again tonight relates to those areas that are my portfolio responsibility; that is, the South West Development Commission and the land made available for sale. It was put on the market in impeccable fashion - every requirement was followed.

Ms MacTiernan: You represent the Minister for Transport in this place. Tell us about the Kwinana Freeway deal. Tell us how Len was included in that to the tune of $750 000.

Mr COWAN: I will undertake to get the information. The member keeps asking questions in this place which demonstrate that the information she is getting might be good copy for the Press, but it is wrong.

Ms MacTiernan: It is not wrong. You know there is a report by Geoff Watson. You do not want it released. You have gone to the Crown Solicitor's Office and tried to keep it secret. It will not work.

Mr COWAN: While the member continues to feed members of the Press - and they love it - they have failed to recognise the facts. I do not think some of the reporters working for *The West Australian* recognise the truth when it hits them. They are willing to beat up any story they like.

Mr Marlborough: Why not tell us about the link to Len Buckeridge through the 500 Club? The Minister for Transport brought him onto the terminal during the wharf dispute. Why was the public not told about the links between BGC and the 500 Club then? It suited ministers to attack the Labor Party when it was in government about its links with business.

Mr COWAN: This is fantastic. The member for Peel is suggesting that a private businessperson is not entitled to support a group of companies or a company that wants to establish a private port in Western Australia.

Mr Marlborough: Anyone who examined that dispute knew that Mr Buckeridge got entrée onto that wharf.

Mr COWAN: That businessperson came to the minister at the time and said he wanted to establish a private port in Western Australia. Is the member saying that he should not be allowed to do that? The member should not be silly; of course he should be allowed to do that. He wanted to establish a private port, he said that was what he wanted to do and he was encouraged to do so. As members of a coalition, free-enterprise Government we should be encouraging people to undertake these enterprises.

I will return to the issue for which I have responsibility. The parcel of land concerned was clearly made available on the basis that, firstly, it was zoned rural and, secondly, that there was some reluctance on the part of the Bunbury City Council to rezone. As a result, a decision was made that that land would be sold as rural land. Tenders were then called and the Buckeridge Group of Companies won the tender.

Mr Marlborough: I bet it did. Does it ever lose one?

Mr COWAN: The fact remains that due process was followed, yet this issue has been brought before this Parliament on three separate occasions. One can reach only one conclusion; that is, the ALP's personal hatred of Len Buckeridge has allowed its judgment to be completely clouded. If members opposite can do that on an issue that is as clear cut as something like a parcel of land in Bunbury, I suggest that that propensity follows through to almost every issue relating to BGC. In most instances, with one or two exceptions, people see through that. They see exactly what is happening. The personal animosity towards and the emotions Opposition members feel about Len Buckeridge has clouded their judgment. This motion should be knocked off.

MR KOBELKE (Nollamara) [5.50 pm]: I will respond first to the ridiculous statements by the Deputy Premier. Many people have respect for Mr Buckeridge; firstly, because he has made a lot of money and, secondly, because he is a bit of a cowboy or larrikin. In the Australian way, people often have some respect for those who get away with things, whether they be Alan Bond or Len Buckeridge. This Government would rather look after Mr Buckeridge than the public interest. This person, who is a personal friend of members opposite and a donor to the Liberal Party, does not uphold the standards required to look after the public interest.

Mr Omodei: He sponsors people with disabilities. He is a good corporate citizen.

Mr KOBELKE: The member for Warren-Blackwood is on the record as saying that Mr Buckeridge is a good corporate citizen.

Mr Shave: You can put me on the record as well.

Mr Kierath: And me.

Mr KOBELKE: The Minister for Planning and the Minister for Lands have also said Mr Buckeridge is a good corporate citizen. The Minister for Planning also said that Mr Buckeridge was a personal friend of his. The Minister for the Environment wishes to distance herself - I can understand that - and says she does not have a personal friendship with Mr Buckeridge. The Deputy Premier has not indicated whether he regards Mr Buckeridge as a colleague, someone with whom he has a passing association, or someone he respects and perhaps has a friendship with. Does the Deputy Premier want to say what form of relationship he has with Mr Buckeridge?

Mr Cowan: What is your relationship with him?

Mr KOBELKE: I have met him once briefly in passing at a government function.

Mr Cowan: How would you describe your relationship?

Mr KOBELKE: I do not have a relationship with Mr Buckeridge. I met him for two seconds at a public function. I have placed on the record my relationship with him; is the Deputy Premier willing to go on the record in the same way?

Mr Cowan: Are you willing to go on the record about your relationship with Kevin Reynolds?

Mr KOBELKE: Absolutely. If the Deputy Premier is willing to tell us about his relationship with Mr Buckeridge, I will be quite happy to tell him roughly how many times I have met Mr Reynolds. Is the Deputy Premier willing to tell us about his relationship with Mr Buckeridge?

Mr Cowan: No.

Mr KOBELKE: No, his contributions to the 500 Club are too big for the Deputy Premier to admit his relationship with Mr Buckeridge. We know that "Club Link" is the newsletter of the 500 Club. I have a copy of its December 1998 edition, which has pictures on the front page of Liberal luminaries such as Hon Peter Reith. In that picture, as bold as life, is Mr Len Buckeridge, who is obviously a supporter of the 500 Club, and which he has every right to be. We also know that the 500 Club is a major organisation for funding both the Liberal Party and the National Party. Everyone on the government

side is well aware of that. The Liberal Party does very well out of Mr Buckeridge, and he has every right to support the parties of his own political persuasion.

However, this Government will not answer questions about a huge list of dirty deals. The Neerabup issue has been raised many times in this Parliament but, clearly, Mr Buckeridge was given a commercial advantage over other companies operating in the same area. The Minister for Housing acknowledged that Mr Buckeridge's companies now get 40 per cent of Homeswest work.

Dr Hames: I said between 30 and 40 per cent.

Mr KOBELKE: The minister said 40 per cent, but I will accept between 30 and 40 per cent. When the Labor Party was in government, it also gave Mr Buckeridge more work than anyone else because his is the largest building company in WA. However, this Government is failing to respond to the fact that Mr Buckeridge is now getting a free ride. He can pick up between 30 and 40 per cent of Homeswest contracts under this Government because of the way he conducts his business. Because this Government is not willing to hold him to account, he gets away with work that is shoddy and does not meet the standards laid down in the contracts. I have taken up an individual case in my electorate as a good example.

Several members interjected.

The ACTING SPEAKER (Mr Masters): Order members, especially those on the government side.

Mr KOBELKE: I cannot answer the 10 members who are interjecting at the same time. I will give an example and then take an interjection from the minister. In one development for Homeswest in my electorate complaints were made by neighbours about the appalling standards. I asked an independent builder whether the construction met Homeswest specifications, and he listed 20 items that did not meet those standards. I wrote to Homeswest, providing a list of the items that did not conform to the specifications for the Homeswest unit development. Homeswest agreed that it was an issue and it fixed up three or four of those items. Those Homeswest residences have now been lived in for the past two or three years, and further complaints have been made about the shoddy work and the problems encountered in the houses constructed by Mr Buckeridge. I know all builders have problems, whether they be good builders or bad builders, but I am saying that Mr Buckeridge, far more often than not, cuts corners and does not meet specifications, and Homeswest is slow to bring him to account. I wrote several letters to Homeswest and the problems were not fixed.

Dr Hames: Apart from the fact that you should say those things outside this place, and you could be in financial difficulty if you did say them outside this place -

Mr KOBELKE: I have put them in writing to Homeswest on several occasions.

Dr Hames: That is an individual case and I have no proof of what you say. If you were in government - unlikely as that may seem - I would bet the Buckeridge companies would get the same amount of work with your Government because he submits the lowest tenders and works to the required standards.

Mr KOBELKE: The Minister for Housing is ducking the issue. If a contractor submits the lowest tenders because he will not comply with the specifications and gets away with it, that is rorting the system. Everyone knows that Mr Buckeridge will get away with whatever he can, under whatever Government. The difference is that this Government is happy to let him do that, and that is the issue. I refer to the list of items that government members have been unwilling to address.

Mr Omodei: Look at the building built by Buckeridge on Kings Park Road; what is wrong with that?

Mr Marlborough: Have you bought one of the units?

Mr Omodei: No, but by jeez I wish I could afford one.

Mr KOBELKE: I do not know what the minister is talking about.

Mr Omodei: Why not?

Mr KOBELKE: How would I know?

Mr Omodei: You know he is a good corporate citizen.

Mr KOBELKE: *Hansard* will reflect that I am willing to take the interjections but the minister is taking this debate down a dead end. He is not willing to answer the questions, but we know that the minister thinks Mr Buckeridge is a good corporate citizen.

Mr Omodei: I told you, member for Nollamara. Make your comments outside this Parliament. You would not have the guts to do that.

Mr KOBELKE: The minister is unwilling to address the issues because he knows that, on the substance of the matter, he has been done. Everyone knows, except government members who want to deny the truth, that Mr Buckeridge gets away with far too much under the Court coalition Government.

Dr Hames: Say it outside the House.

Mr KOBELKE: I am happy to say it outside the House, but members opposite will not answer the substance of the issue. The issue is not only the Homeswest contracts but also the sale of broadacre land in the Homeswest development opportunity program, to which no response was made by the Government, and the BAAC stevedoring contract. Again, there is no response from the Government on that issue. This was the interesting arrangement under which a major

stevedoring contract was given to Mr Buckeridge, who had no experience at all of stevedoring. He had never been involved in stevedoring, but this Government, through a National Party minister, thought it appropriate to give a major stevedoring contract to BAAC.

Mr Marlborough interjected.

The DEPUTY SPEAKER: Order, member for Peel.

Mr KOBELKE: The result of that was that the Government had to get rid of Stateships at great cost to this State simply to try to patch up the major problems it had got into because it tried to look after BAAC's stevedoring. The Government wanted to go even further with ports when Mr Buckeridge was given the inside running on a new port at James Point. The Deputy Premier was saying that we wanted new developments and ports. He was like a four year old with an ice-cream; he wanted to get it all over him. The Deputy Premier was saying that the Government would commit the State to tens or hundreds of millions of dollars so that Mr Buckeridge could make some money. He would allow Mr Buckeridge to build a port which has not been properly planned and which is likely to undermine the commercial viability of the other port of Fremantle, a project which had not been properly assessed. Because Mr Buckeridge is a mate of the Deputy Premier and Leader of the National Party, the Deputy Premier is quite happy to allow Mr Buckeridge to develop a port at James Point with all the cost of the infrastructure being met by taxpayers. Taxpayers will fork out tens or hundreds of millions of dollars for a port which may not be viable and which may mean closing down the port of Fremantle to let Mr Buckeridge's project be viable, but that is okay because Mr Buckeridge is a supporter of the National Party.

Several members interjected.

The DEPUTY SPEAKER: Order! Cross-Chamber chatter is not allowed.

Mr KOBELKE: One could go into the question of the building construction at Mosman Park, where again Mr Buckeridge clearly flouted the law. The enforcement came back from local government to the State Government and to the Department of Local Government, but no action was taken and there was no response. There was clear evidence that Mr Buckeridge's company had stolen water from the Harding River dam. If ordinary citizens drive above the speed limit they get fined. The same does not apply to Mr Buckeridge because he can steal water and the Government merely says that it will educate him because he is a nice bloke and, as we have heard, a good corporate citizen. The Government says that if he steals water it is probably a good thing for the State. It would be quite happy for Mr Buckeridge to steal water as he did from the Harding River dam.

Three companies were involved in the tendering process with the Kwinana Freeway bridges. Mr Buckeridge then said that he did not get a guernsey and that the Government was not letting him in to get a go at the work. The Government said that he would be in because he was a friend of the Government's. The Government then broke the contractual arrangement with the three companies involved in the tendering process, so it had to fork out $750 000. An engineer said that it would not have cost $750 000 to do the whole design work in house. The Government had to pay that compensation because it changed the rules after the race had started so that it could let Mr Buckeridge in.

This goes on in case after case after case; this Government lets Mr Buckeridge get away with it because the majority of members in the Government think that he is a good bloke and a good corporate citizen, and they want to look after him because he is paying the costs of their election campaigns. The Minister for Works wanted to go into ancient history. The Royal Commission into Commercial Activities of Government and Other Matters found no evidence of corruption. If we were to have a royal commission into the activities of this Government, the Government would be seen to be into corruption up to its neck. There is a big difference: We are not going back over ancient history but talking about the corruption that now flourishes under this Government. In Mr Buckeridge we have a very clear example of this Government's failing to live up to the standards expected by the people of Western Australia.

Question put and a division taken with the following result -

Ayes (19)

Ms Anwyl	Mr Graham	Mr McGinty	Mrs Roberts
Mr Brown	Mr Grill	Mr McGowan	Mr Thomas
Mr Carpenter	Mr Kobelke	Ms McHale	Ms Warnock
Dr Edwards	Ms MacTiernan	Mr Riebeling	Mr Cunningham *(Teller)*
Dr Gallop	Mr Marlborough	Mr Ripper	

Noes (27)

Mr Ainsworth	Mrs Edwardes	Mr Marshall	Mr Shave
Mr Barron-Sullivan	Dr Hames	Mr Masters	Mr Trenorden
Mr Bradshaw	Mrs Hodson-Thomas	Mr McNee	Dr Turnbull
Dr Constable	Mr House	Mr Minson	Mrs van de Klashorst
Mr Court	Mr Johnson	Mr Omodei	Mr Wiese
Mr Cowan	Mr Kierath	Mr Pendal	Mr Tubby *(Teller)*
Mr Day	Mr MacLean	Mr Prince	

Pair

Mr Bridge	Mr Board

Question thus negatived.

YOUTH CRISIS ACCOMMODATION

Motion

MS ANWYL (Kalgoorlie) [6.09 pm]: I move -

That this House calls on the Government to -

(a) take urgent steps to provide crisis accommodation for young people in this State; and

(b) to provide an inter-agency cohesive response to provide short and long term housing for young people in this State.

The point of this debate is to seek some proper response from the Minister for Family and Children's Services to the issue of homelessness that is occurring in Western Australia. It is not merely an issue about the metropolitan area and young people sleeping rough on its streets. The definition of homelessness is people, and I am focusing on young people, who are unable to access accommodation of a permanent nature. A variety of estimates exist of the number of people affected in Western Australia. The figures that we rely on are very largely imperfect because we must look at, for example, the 1996 census. Obviously census forms were not delivered to people sleeping on the streets, in parks or other public areas on the night of the census. Of those people who did respond to the census, approximately 10 000, if one transposed the figures over a year, were technically homeless, of whom about a third were under the age of 25 years. That is 3 000 people a year for whom I suggest this Government is failing to cater.

This debate is not just about crisis accommodation, although that is an important part of it. It is also about the need for the Government to provide short, medium and long-term housing options for young people. A significant number of people are on Ministry of Housing waiting lists. Any member of Parliament, particularly those who have some Ministry of Housing accommodation in their electorates, would know that the number of people who are waiting for Ministry of Housing accommodation has increased. The longest waiting list is for one-bedroom units. Therefore, it is usually single people who must wait the longest, and many young people are single, or are single parents with young children. That estimate of homelessness, which has been adopted by a number of agencies, including the Youth Affairs Council of Western Australia, is conservative.

When dealing with youth homelessness, it is important to note not only the number of people who are not being housed on a temporary crisis basis but also the number of people who have long-term housing problems. The demographics of our indigenous population is weighted heavily towards under 25 year olds. The social justice report that has just been released by the Aboriginal and Torres Strait Islander Social Justice Commissioner endeavoured to estimate the number of indigenous people who are homeless in our society. That report found that, in general, Aboriginal people tend to have a larger number of people in any one house. The classic Ministry of Housing waiting list situation, where one family is camping with another family on a temporary basis, is a form of homelessness for the family that is waiting for its own accommodation. That family has shelter, yes, but it does not have its own home. The research in that report found that 9 per cent of indigenous people aged between 15 and 29 - or almost one-tenth - live in households with more than 10 residents, as opposed to 0.4 per cent of the general population, so there is a sharp disparity. In the over-30 age group, 7 per cent of indigenous people, compared with 0.1 per cent of the general population, live in households with more than 10 residents. If young people in particular spend their lives going from one bed to another - or couch surfing, as one young person put it recently - that is a form of homelessness. We need to broaden our horizons so that we cater for all young people who are looking for short, medium and long-term accommodation, as well as crisis accommodation.

My colleague the opposition spokesman for Family and Children's Services will make some comments about the response of the State Government, but the Government has had available to it a wealth of reports and recommendations. The 1998 report of the Auditor General entitled "Accommodation and Support Services Provided to Young People Unable to Live at Home", which I quoted to the minister recently in this place, made clear recommendations about the need for an interagency approach to this matter. I cannot find any evidence of an interagency approach to the issue of youth homelessness. That should concern the Minister for Housing and the Minister for Family and Children's Services. It should also concern the Minister for Education, who recently back-pedalled at a million miles an hour from the undertaking that he gave last July to establish a special school for homeless young people. The person who should take the leading role in coordinating agencies is the Minister for Youth. However, we do not find him anywhere near these issues. We only find him near issues which involve glossy brochures, publications and media, and the opportunity to be photographed coming out of an aeroplane in a parachute. That sort of thing is his forte. I suggest that if some of the money that was used for self-promotion and advertising within the Office of Youth Affairs were applied to the hard issues which affect young people in this State, we would have some results. It is absolutely overdue that the Office of Youth Affairs pick up its responsibility to coordinate the provision of services to young people.

Young people who are homeless are in a particularly vulnerable situation. The Select Committee into the Misuse of Drugs Act 1981 set out at great length in recommendations 30 to 35 the need to provide proper accommodation for young people in an endeavour to help them to overcome drug issues. We still have an absolutely glaring gap in the services that are available for young people who are using one substance or another and who are effectively intoxicated. It is extremely disturbing that last night we debated - and we will probably do so again tonight - the Protective Custody Bill, which provides that police officers can take young people who are intoxicated into custody and place them in an appropriate place.

Those places simply do not exist. With the exception of some limited sobering-up centres, we do not have adequate facilities for that purpose. It is most important that further work be done on this matter at an interagency level. I see no evidence of that work. Non-government organisations are providing a lot of literature about this matter, the Federal Government is taking some action, and we are waiting for some further data to be released by way of the Western Australian report into the national supported assistance program. Some work on youth homelessness is also being done at the federal level. I keep in touch with my counterparts in the other States of Australia, and I know that some Governments are doing a lot of work on the issue of youth homelessness, because it has huge implications for government economically. It also has huge implications not only for the emotional wellbeing of the young people about whom we are talking but also for their potential to harm others through, for example, offending behaviours and the like. If the minister cannot see that issues such as youth homelessness, poor educational achievement, juvenile justice and child prostitution are related, we have a problem.

From the perspective of the Ministry of Housing, it is necessary that programs be put in place to assist young people to get into housing, because young people are probably the most discriminated against of all, particularly Aboriginal young people. Young people who want to band together to seek private rental accommodation face significant problems, and that is well-documented across a range of literature that has been prepared by non-government organisations, including Shelter and Fusion. Some programs are working, but not enough beds are available to provide long-term options for these young people.

I applaud the Youth Affairs Council of Western Australia for the activities it has undertaken recently to highlight the circumstances of young people who are being turned away from youth accommodation services. I assume that the Minister for Family and Children's Services is receiving copies of letters from the Youth Affairs Council - and if the Minister for Housing is not, I will suggest to the Youth Affairs Council that he does receive them - because they indicate that in addition to the need for crisis accommodation, many of the service providers are specifying that medium, long-term or permanent housing is required. Therefore, although these young people are fronting up to crisis accommodation services, in fact their needs are much greater than that. Many of the young people are as young as 15. Some of them are simply staying in squats and on the streets; others are staying in other people's homes. Domestic violence is frequently involved as well as many other circumstances. I will give members an example: An 18-year-old single man with no children turned up at the Bunyap service, in Bunbury. The night before he had been in prison but he could not be put up at that accommodation service because it was full. He needs crisis accommodation as well as long-term accommodation. That is just one example of a re-offender in a vulnerable position who was not able to be accommodated at that Bunbury service. I have another example from the Anglicare step 1 streetwork program. On 5 May, a 17-year-old single male with no children who had been in Tudor Lodge the night before was not able to be accommodated at Anglicare because it was full. The youth worker noted that that person needed crisis and long-term accommodation. Those examples are coming in every day. In some cases, the organisations record details of four or five youths a night. This is a serious problem. All the indicators are that the situation is worsening. A major factor for the increase in people seeking accommodation is the economic stress and strains some families are experiencing. They are examples of the cases to which the Opposition has been referring. It is most important that the Government develops a cohesive strategy to deal with the issue. The Minister for Family and Children's Services made some comments about the millions of dollars of extra funding; however, that was federal funding. The state budget will be presented in this place tomorrow and I implore the minister for Housing and the Minister for Family and Children's Services to develop a useful strategy to ensure an interagency approach to this issue.

MR CARPENTER (Willagee) [6.25 pm]: I support the motion moved by the member for Kalgoorlie and congratulate her for bringing this matter before the House. The motion calls upon the Government to take urgent steps to provide crisis accommodation for young people and to provide an interagency response in providing short-term and long-term housing for people in the State. In part, the genesis of the motion was comments made by the minister in Parliament last week in response to a question from the member for Carine. The minister said -

> I assure the House that any child in crisis who needs accommodation will receive it. Young people under 18 who are homeless or in crisis must contact Family and Children's Services during the day or crisis care after hours and steps will be taken to reunite the young person with his or her family or, alternatively, accommodation will be found for those people who do approach crisis care and Family and Children's Services.

I appreciate the sentiment in that comment and that it was made with the best of intentions. Having made that statement, the minister must find out what steps the Government is, has or is preparing to take to make good that commitment. As the member for Kalgoorlie has outlined, it seems that every night, from the reports the Opposition is receiving on a daily basis, people are going without accommodation in Perth and other parts of Western Australia. They are not being accommodated in the way the minister said the department would accommodate them. It echoes the former Prime Minister Bob Hawke's pledge that no child shall be living in poverty by 1990; that is, that no person or child in Western Australia should be without a bed, if the State Government has anything to do with it. The Government is failing. The Youth Affairs Council is distributing lists to members of Parliament on a daily basis, which demonstrates that the Government is failing. The minister for Family and Children's Services and the Minister for Housing need to outline exactly what they are doing to ensure that commitment has been fulfilled. I will give the ministers plenty of time because this is an important issue and they will need some time to explain the situation from their perspective.

In 1999, a report was conducted into homelessness in Australia which included homelessness in Western Australia. The report was conducted by the Council to Homeless Persons National Conference in Melbourne. The report produced figures which stated that 15 200 Western Australians who sought welfare services shelter in the previous financial year were under 15 years old; that is, 15 000 young people were seeking accommodation support or support services. That report sparked

a debate in Western Australia and in this Parliament about what the Government was doing at that time. The report roughly coincided with the state budget last year. The current minister was not the Minister for Family and Children's Services at the time. I had a discussion with the previous minister about the number of people who were registered as homeless in Western Australia and what Family and Children's Services was doing for them. I pointed out to the then Minister for Family and Children's Services that the budget for crisis support for Family and Children's Services, which includes a capacity for provision of accommodation, was being reduced from $25.7m to $23.8m this financial year. I found it most disconcerting that in the face of an independent report that very large numbers of young people in Western Australia were registering for accommodation assistance and financial assistance in any one year, the Government was reducing the funding to the area in the budget which sought to accommodate those people. I would like to know what has been done in this financial year, in the short time the current minister has held that position, to deal with the large number of young people and homeless people. As the previous speaker said, we are talking about some 3 000 people.

The Youth Affairs Council faxed to my office in recent days a number of cases of people who have sought crisis accommodation and have been unable to access it. A letter from the Youth Affairs Council states that it brings to the Government's attention the chronic shortage of supported accommodation services for homeless young people in Western Australia. Homeless young people desperately require more crisis accommodation - specific accommodation for major alcohol and other drug users, and more suitable accommodation for people with behavioural difficulties or mental health problems - more public housing, and long-term support so that they will have a more stable future. The current level of services does not do justice to the needs of homeless people in Western Australia. The telling paragraph states that it is unacceptable that 85 to 95 per cent of young people in Perth who request supported crisis accommodation cannot obtain it. Various country services cannot offer any supported accommodation to young people. To put this in a broad context, I see the situation as being backed up by the people who work in the field. Sadly and tragically in Western Australia, every year thousands of young people register themselves as homeless and in need of crisis support. In the face of that, the Government is not meeting the needs of those people. It is falling very far short of meeting the need.

If we accept the figures from the Youth Affairs Council, it is dramatically short of meeting the need. Along comes the new minister who has a dorothy dixer asked so that she can get her views on the record. She promises that all young people, especially children, who are in need of crisis accommodation will receive it. I do not believe that every person who needs crisis accommodation is receiving it. The attention of many members of Parliament would have been drawn to situations in which people are on the streets, living in shopping centre car parks, in cars, on the beach and so on. I know I have seen such cases. As the member for Kalgoorlie said, when we read the statistics on this issue, there are thousands of other people who never come to individual members' attention, but who report to crisis accommodation centres and do not receive the accommodation they need. Unfortunately, to some extent the minister's credibility is on the line on this issue. I now want the minister to give a guarantee, and an explanation of that guarantee, that every person who approaches Family and Children's Services and every person in Western Australia who wants crisis accommodation will get it. Can the minister provide that guarantee and that explanation to the House?

MRS van de KLASHORST (Swan Hills - Minister for Family and Children's Services) [6.31 pm]: The member needs to read again my statement that -

> I assure the House that any child in crisis who needs accommodation will receive it. Young people under 18 who are homeless or in crisis must contact Family and Children's Services during the day or crisis care after hours and steps will be taken to reunite the young person with his or her family or, alternatively, accommodation will be found for those people who do approach crisis care and Family and Children's Services.

I had several meetings with Family and Children's Services prior to speaking in the House and I have been advised that, to date, all young people who have been referred to Family and Children's Services have received appropriate support services and endeavours have been made to reunite them with their families. I spoke to officers of Family and Children's Services and was told that the children who come to them will not be left without accommodation if those other services fail, and that is more or less what I said before. I repeat:

> Young people under 18 who are homeless or in crisis must contact Family and Children's Services during the day or crisis care after hours and steps will be taken to reunite the young person with his or her family or, alternatively, accommodation will be found for those people who do approach crisis care and Family and Children's Services.

I had that information circulated throughout Family and Children's Services after officers guaranteed that is what is happening.

Mr Carpenter: Have you received these lists from the Youth Affairs Council?

Mrs van de KLASHORST: Yes, I have received the lists and I will talk about them a little later.

Mr Carpenter: These lists give cases of people who have been unable to find crisis accommodation.

Mrs van de KLASHORST: Have they approached Family and Children's Services?

Mr Carpenter: Crisis accommodation - you just said it then - after hours crisis accommodation.

Mrs van de KLASHORST: Have they actually approached Family and Children's Services crisis line? We will discuss that

in a moment. Since coming to office this Government has recognised the problems surrounding young homeless people and has taken many positive steps to address the matter because it is a concern and a serious issue. We have increased SAAP funding - that is, the supported accommodation assistance program - by $2m. This has involved funding many new services, improving the wages and conditions of workers in those services and funding new initiatives and innovative responses. The commonwealth-state supported accommodation assistance program now funds 26 supported accommodation services for young people at a cost of $5.8m.

I commend the Youth Affairs Council of Western Australia which is currently working to assist young people. However, this is not a new issue, but one that has been with us for quite sometime. I reiterate that we now have 26 supported accommodation services for young people at a cost of $5.8m and we have increased the overall annual funding for the SAAP youth services by over $2m. At my direction, Family and Children's Services are following up on some of the young people on whom members opposite are receiving information.

I will now give some background information and inform the House of the current actions being taken to ensure that any child in crisis receives the appropriate assessment and action to meet his or her needs. Crisis accommodation services for young people are a last resort and Family and Children's Services provide an opportunity for those people to re-establish their lives and return to their families where appropriate.

The commonwealth-state supported accommodation assistance program is but one response to youth homelessness. SAAP is currently worth $23m a year. It funds 118 services and assists over 9 000 young people annually. Western Australia also provides housing and a range of preventive family support services to alleviate homelessness and the Commonwealth provides a range of other initiatives, including youth pathways services, partnerships against domestic violence and other services. The member for Kalgoorlie mentioned that some of these problems are related to domestic violence. This Government has set in place, and has been working for the past six years, on a domestic violence action plan. We have an overseas award-winning and Australian award-winning program to tackle domestic violence and the reasons that men resort to domestic violence. That program has also won the Premier's award in Western Australia. We have spent over $1m on it and more will be spent. It has been one of the most successful programs to engage men in domestic violence counselling services ever to operate in Australia. We are very proud of that. The program has been re-funded and will continue.

In 1995 Western Australia signed a new SAAP agreement with the Commonwealth. We continue to work through some of our programs using SAAP money. As I said before, we are negotiating a new agreement for new programs, and a memorandum of understanding which will establish the direction in which the new program will go is being worked through and we are seeking further Commonwealth funding. Once again, we are trying to ensure that, working with the Commonwealth, the funding is used in the correct way and meets our needs and those of the young people in this State. As I said before, SAAP funds 26 supported accommodation services for young people in Western Australia at a cost of $5.8m, which includes two supported placement services costing $600 000. The supported accommodation assistance program has been working across agencies, and I refer here to the member for Kalgoorlie who said she has seen no evidence of cross-agency relationships -

Ms Anwyl: The Auditor General said that.

Mrs van de KLASHORST: I can assure her that it is now happening. The supported accommodation assistance program has been working across agencies to develop better working relationships through the development of a series of protocols and this has involved non-government services working with government agencies to develop the best way to operate.

Ms Anwyl: Which departments are involved in this State?

Mrs van de KLASHORST: I will tell the member that in a moment. The set protocols were launched on 12 October 1999 as a working manual to assist service providers to better access services and to help people. We all know the way to go is to get service providers on the ground to tell us what is needed, and that is happening. This was a major step to build cohesion and cooperation -

Ms Anwyl: You are reading a manual.

Mrs van de KLASHORST: No. This was a major step to set up protocols for ways to work together. We must first learn to work together and work out ways in which we can work together before we can actually do so; it cannot be done without setting it in place. Building cohesion and cooperation between the providers of services to homeless people is an ongoing process, whether those services are from the supported accommodation assistance program or from government and non-government service providers. This action recognises that in addition to crisis accommodation and support provided by SAAP, homeless people also need other services to assist them. This is where the strength of the Government lies. With other services, apart from SAAP and homeless services, we are looking at the long term to try to help these homeless people. Those services include income support, drug and alcohol services, family counselling and mental health services. As I said, those services are provided with the cooperation of other agencies. The member for Kalgoorlie said that interagency cooperation did not exist; this is now occurring on the ground.

Ms Anwyl: Which agencies?

Mrs van de KLASHORST: The Drug Strategy Office, the Ministry of Housing and Family and Children's Services crisis care unit are working in conjunction across agencies setting up ways to work together.

Work has now commenced with the mental health division of the Health Department on the development of protocols to deal with people over 18. I assure the House that the Government will set up protocols for young people who come under the auspices of Family and Children's Services. This year protocols and across-agency cooperation and cohesion will also be developed with Centrelink, Family and Children's Services local offices and the Department of Immigration and Multicultural Affairs. All these agencies will work together for the betterment of young people.

I remind the House that Family and Children's Services, apart from services contracted out, provides direct accommodation and support for homeless people. Services for young people who are homeless and in crisis provided through Family and Children's Services include foster care. One of the centres we are working on in my electorate, which the previous minister opened in the past year, is the Kath French Centre at Stoneville. Members should visit that fantastic facility which has a team of highly skilled people who, in a six-week program, assess young people who have been in three failed foster placements. Teachers, psychiatrists and social workers work with these youngsters to try to find out the reason for the breakdown of their foster placements and try to place them in the accommodation that is best for them. They are not just juggling people by putting them here and there. The new centre is part of a properly evaluated and researched response to this program by Family and Children's Services. Also, supportive placement services are provided by the Anglicare Child Placement Service, such as Teenshare, and by Mercy Community Services and the Salvation Army. I said to the House on 4 May, in relation to the current campaign, that children who go to Family and Children's Services crisis centre for accommodation will receive it. Young people must contact Family and Children's Services during the day or the crisis care unit after hours and steps will be taken to reunite them with their family as the preferred option. However, they will not be left out in the streets. I have more to say about other agencies, but the Minister for Housing wishes to speak.

Mr Carpenter: What did your staff tell you to say in response to the budget cut of $2m to $3m? You were not the minister when it occurred, but how did they justify that?

Mrs van de KLASHORST: I will not answer that question as I was not the minister at the time and I have not discussed it with my staff.

Mr Carpenter: But the budget has been cut by $2m for all the crisis support you have been talking about.

Mrs van de KLASHORST: The Government has now introduced many initiatives to assist young people. As I said, we are not in for the short haul; we are in for the long haul. The Government is doing something to help young people. As the member for Willagee and I both know, the main reason for people in crisis is family conflict. We have parenting centres, positive parenting programs, web sites and parenting lines. One of the strengths of Family and Children's Services is that those services exist to support parents in a time of crisis. With all agencies working together, I believe we will be able to work better and to better understand the issues. I assure members that I am working to do that and I believe we will be able to provide the most appropriate service for a child in need. I assure the House I will be working with my fellow ministers to address some of the issues surrounding young, homeless people.

DR HAMES (Yokine - Minister for Housing) [6.46 pm]: I will reiterate some of the comments of the Minister for Family and Children's Services. Providing homes for youths in crisis is a last resort. Obviously, both sides of the House would prefer wherever possible to reunite young people with their families if there is any chance of that. We all know that in many circumstances, whether through domestic violence or problems with drugs and alcohol, that that is not always possible. The Australian Bureau of Statistics' figures show large numbers of homeless people in Western Australia. I must admit that I have never really believed those figures.

Mr Riebeling: You can't find them.

Dr HAMES: One cannot find them; that is the problem. That is partially because the statistics include not only people out on the street but also people visiting other people, people staying overnight somewhere else, and people who in many cases have somewhere else to go, particularly back to their families, but choose not to go there.

I was in America last year looking at homelessness, particularly in San Francisco. About 8 000 people there were listed as homeless. In Sacramento, 5 000 people were listed as homeless. These are similar figures to Western Australia's. Yet, in San Francisco, particularly in an area out of the central business district, a distance from Perth to Mirrabooka, every five metres there were people - mostly Afro-Americans - covered in cardboard boxes and newspapers and sleeping in shopping precincts and on the side of streets. I had to walk around them on the footpath every five to 10 metres in all of those side streets. Those homeless people are everywhere. To say that Western Australia has a homeless population of similar proportions to Sacramento is nonsense. In that sense, one cannot find homeless people in WA. If members were to search the streets to try to find homeless people in Perth -

Ms Anwyl: I have dozens in my electorate who are on the street every night.

Dr HAMES: The member for Kalgoorlie might have dozens in her electorate, but the statistics indicate a figure of about 5 000.

Ms Anwyl: They are not all on the street.

Dr HAMES: They are not on the street. I am saying that those people are under cover somewhere, although some are certainly inappropriately housed. The issue is not whether they have housing, but whether they have appropriate housing. To some degree Homeswest plays a peripheral role in that it provides housing supported by the Minister for Family and Children's Services or private organisations. I said to the shadow Minister for Disability Services that for every dollar the

minister can find to support someone with disabilities I will drag the money out of the Ministry of Housing and build a house. In other words, every dollar he comes up with, I will match with housing. To some degree we do exactly the same for the Minister for Family and Children's Services. Whatever funding she can find in support through the supported accommodation assistance program, we will provide the accommodation.

We contribute to the crisis accommodation program in two ways: Through SAAP funding - we provide housing with whatever SAAP funding is available - and we advertise for private, mostly religious, organisations to provide short-term accommodation. Under SAAP, 125 units of accommodation are specifically for youth. Under the community housing program we provide capital funds to community organisations, again to provide housing for youth. It is also for other purposes, but 25 units are specifically for medium to long-term accommodation for youth. The youth external supported housing program provides permanent long-term housing for young people, specifically homeless youth between the ages of 15 and 17, mostly through Anglicare.

Ms Anwyl: How many units are there?

Dr HAMES: There are 59 units. There is also a program in Fremantle. Apart from those programs, people can access normal Ministry of Housing programs. The problem is that due to their age, accessing normal programs can be difficult for those young people. We provide bond assistance to help find rental accommodation. However, as the member for Kalgoorlie said, finding people who will rent out their homes to groups of young people is often difficult. Nevertheless, we provide that bond assistance. We also provide rental accommodation in the usual manner with rent levied at 25 per cent of their income. That can be done on a priority basis. If youths come to the Ministry of Housing seeking priority housing, they are often put on the priority housing list. If they are not, an appeal mechanism is in place chaired by members of the public who make recommendations to the ministry, that we inevitably accept. If they can convince those community members that they require priority housing, it is given to them. Obviously we also provide accommodation through our normal housing programs.

However, while I have been minister I have concentrated my efforts and budgets on seniors. The funding percentage of our housing for seniors has increased to 24 per cent. I have the view that young people can often get together and share a house and privately rent something, which is not often possible for seniors; therefore we should give preference to the increasing number of seniors.

We are building over 1 600 units a year. In its peak year, just before an election, the Labor Party built just over 1 800 units, with large amounts of borrowed money; usually it was far less than that. We are maintaining a high level of housing construction and building many homes for people in Western Australia. We do not target homeless youth. That is the responsibility of the Minister for Family and Children's Services. However, we are happy to work with her and her department in providing whatever accommodation we can. We have a flexible and large budget in the Ministry of Housing.

Ms Anwyl: What planning goes on now between respective agencies? Nobody has referred to the Office of Youth, so obviously that is irrelevant. What is the framework for planning between your respective departments? We still have not heard about that.

Dr HAMES: I think the Minister for Family and Children's Services spoke of the committee comprising Ministry of Housing members, which is trying to resolve issues at a local level. From a personal view, I have been setting up a relationship with Family and Children's Services members for counselling and refuges, not so much for youths on their own, but in family violence situations, through the women's refuge. As a result, much better liaison is occurring between the Ministry of Housing and those organisations so that people can get longer term housing when they come out of short-term accommodation.

MS ANWYL (Kalgoorlie) [6.56 pm]: I am obliged to the Minister for Housing for timing his contribution so accurately. I do not have much to say in closing. However, I feel that the minister has failed to answer the question by the member for Willagee about what exactly will be provided to ensure that everybody has a bed. Some of these forms from the Youth Affairs Council of WA that are being faxed to me, as they are to the minister, make it clear that Family and Children's Services involvement has occurred. However, for whatever reason, crisis accommodation is still being sought from non-government agencies. Clearly it is a matter of some concern. It is all very well to trot out the figures time and again as the minister did on 6 April when I raised the matter with her in the context of child prostitution. She said "From the Government's point of view, this is a good news story, because at the moment it is spending $23m, in conjunction with the Commonwealth Government." She went on to talk about the statistics. The fact is that some of those crisis accommodation services are turning away 90 per cent of their contacts. That is a significant number of young people and indicates a tremendous need. I urge members to support this motion.

Question put and a division taken with the following result -

Ayes (18)

Ms Anwyl	Mr Grill	Mr McGowan	Mrs Roberts
Mr Brown	Mr Kobelke	Ms McHale	Mr Thomas
Mr Carpenter	Ms MacTiernan	Mr Riebeling	Ms Warnock
Dr Edwards	Mr Marlborough	Mr Ripper	Mr Cunningham *(Teller)*
Dr Gallop	Mr McGinty		

Noes (26)

Mr Ainsworth	Mrs Edwardes	Mr Marshall	Mr Prince
Mr Barnett	Dr Hames	Mr Masters	Mr Shave
Mr Bradshaw	Mrs Hodson-Thomas	Mr McNee	Mr Trenorden
Dr Constable	Mr House	Mr Minson	Dr Turnbull
Mr Court	Mr Johnson	Mr Omodei	Mrs van de Klashorst
Mr Cowan	Mr Kierath	Mr Pendal	Mr Tubby *(Teller)*
Mr Day	Mr MacLean		

Pair

Mr Bridge	Mr Board

Question thus negatived.

PROTECTIVE CUSTODY BILL 2000

Order of the Day now taken

MR BARNETT (Cottesloe - Leader of the House) [7.01 pm]: I move -

That debate be resumed on Order of the Day No 1.

I hope that we will conclude this item and then go home.

MR KOBELKE (Nollamara) [7.02 pm]: It is somewhat unusual that on a Wednesday the sitting time should be extended beyond 7.00 pm. As members know, on Wednesday the Legislative Assembly sits from 12 noon to 7.00 pm, and in that seven hours there is not a scheduled break for either lunch or dinner. Therefore, it is quite unusual that the Leader of the House has suggested that we proceed with government business beyond 7.00 pm. As the minister has suggested, it is primarily so that we can take Order of the Day No 1, which is the Protective Custody Bill 2000. The Opposition supports this Bill, and it seems to have irked the Leader of the House that a number of Opposition members wish to speak on it. The fact is that it is an issue in many of our electorates.

Mr Barnett: We are keen to hear their speeches; we are keen to hear what they have to say.

Mr KOBELKE: Yes. It should be pointed out that the Opposition has tried hard to accommodate the wishes of the Government and to help it proceed expeditiously with its legislation. For instance, the government superannuation Bills, which we have just debated, were dealt with in a short time. Those Bills affect something like 200 000 or more government employees or ex-government employees. We had three speakers during the second reading debate and we spent a couple of hours in the consideration in detail stage. Therefore, the Opposition has sought to expedite matters and to assist the Government with its program.

The Government has indicated that it wants to get through about 10 Bills on its list of Bills for this week. That is more than normal. However, a number of those Bills can be dealt with in a fairly short time because they are not contentious; they can be given a tick and supported by the Opposition. It seems a poor way of handling business to try to hold us over in the hope that the matter can somehow be pushed through. As I said, the Opposition will continue to assist the Government; it does not wish to delay it. However, it should go on the record that this approach of staying back until we finish the Bill may mean that extra members will wish to speak and they will not be pushed around by the Leader of the House extending the time.

I trust that we will not go for any length of time. However, the fact is that with a bit of cooperation and consensus on the management of the House, we would have concluded the matter more quickly. We should not have to resort to these extraordinary tactics of holding the House back on a Wednesday night without prior warning, when many members may have committed themselves to functions away from the House. They will be in the difficult position of having to cancel those arrangements or make other arrangements because the House continues to sit. I certainly hope that this will not become a common practice by the Leader of the House.

Question put and passed.

Second Reading

Resumed from 9 May.

MR CARPENTER (Willagee) [7.05 pm]: As everybody now knows, members on this side of the House support this legislation. However, some issues arise as a result of its passage. I can understand that there may well be some parties in the community who have a degree of anxiety about the passage of this legislation and the ramifications that might flow from it. It is now about 10 or 11 years since drunkenness as an offence was removed from the statutes. Therefore, the capacity or the possibility of people being incarcerated in one form or another for drunkenness or alcohol abuse has diminished considerably. The decision to make that change was in -

Mr Prince: 1975.

Mr CARPENTER: I am referring to what happened in 1989. Do I have the wrong piece of legislation?

Mr Prince: No.

Mr CARPENTER: There was a rash of deaths in custody, including in police custody, predominantly of Aboriginal people. A royal commission was instituted to look into that unfortunate development and that series of deaths in custody in Western Australia. As part of the response to the issue and to the royal commission, changes to the law were enacted to reduce the number of people who were likely to be in police custody or in prison. What I think now arises as a possibility in the minds of some people as a result of the prospective passage of this legislation is the likelihood that large numbers of people may well find themselves once more in the hands of police in police custody as a result of alcohol or substance abuse. Although that will not again become an offence, it will result in those people being apprehended and placed in police care and custody.

In response to what I have to say, perhaps the Minister for Police will provide answers to a couple of questions that I will put to him, rather than doing it during the consideration in detail stage. Has any assessment been made of the potential number of people and the kinds of people who are likely to fall into the net which this legislation will provide? In other words, how many people is it anticipated will be taken into protective custody in any one year? What is the nature of those people and their ages, and what is the prospective number of people of Aboriginal descent and so on? This is a most important issue. It is easy for us to pass this type of legislation. However, we should study or be prepared for what might flow from it. We must not try to address one ill that is identified in society but in the process create an even bigger problem. It is important for the Parliament, and therefore the public, to know the number of people that it is anticipated will be taken into protective custody as a result of the passage of this Bill.

Following from that, an assessment should be made of the number of people who are likely to be taken into protective custody. Could the minister outline to the Parliament, and therefore the public, what preparatory steps have been taken to accommodate the people who will be taken into protective custody as a result of the passage of this legislation? The minister has conceded by way of interjection that it is important that an absolute minimum of people taken into protective custody are accommodated in police cells. Bearing in mind that the Government is receiving general support for this legislation from both sides of the Chamber, the Minister for Police should tell the Parliament how many people are anticipated to be caught in the provisions of the Protective Custody Bill and the preparatory steps that are being taken to accommodate them. During private members' business, the House dealt with the issue of homelessness in Western Australia and the amount of crisis accommodation available to people on a day-by-day and night-by-night basis. The information we received from the Minister for Housing is that accommodation for people in crisis in Western Australia is a major issue; that is, there is nowhere near enough crisis accommodation to cope with the number of people who need it. Where will the people taken into protective custody be held, if it is not in police cells? The member for Fremantle suggested a possible amendment to the legislation that would dictate that custody in police cells should be used only as a last resort.

Mr Prince: That is acceptable.

Mr CARPENTER: My understanding is that sobering-up centres and crisis accommodation for people with nowhere else to stay is already chock-a-block. The minister pulled a face indicating some sort of doubt.

Mr Prince: It varies from week to week and night to night.

Mr CARPENTER: The minister must have been absent during the last debate. The information provided to members of Parliament like myself on a daily basis by the Youth Affairs Council shows that every night numerous young people cannot find crisis accommodation. Where will the hundreds of extra people taken into police custody be put? The minister should provide some sort of assurance that large numbers of Aboriginal people especially will not once again be kept in police custody because of alcohol or substance abuse. Such an assurance might make the acceptance of this legislation in the public domain easier.

One of the earlier speakers - I think it was the member for Kalgoorlie - referred to the difficult task the Police Service has had historically and still has today in dealing with people affected by alcohol or substance abuse. The Minister for Police said that the Police Service should be the agency of last resort. I agree with that description 110 per cent. In 1988 or 1989, a case involving a young Aboriginal man named McGrath gained a lot of public attention in Western Australia and was one of the catalysts for the change in the legislation at that time. His first name escapes me and I apologise to his family. He was taken into police custody in Kalgoorlie and subsequently hanged himself in a police cell. A cell mate was charged with assisting a person to take his own life. The police handling of the issue from the time Mr McGrath was apprehended at a Kalgoorlie hotel until his death at the Kalgoorlie lockup received a lot of public attention. I am familiar with the case because, as a reporter, I was sent to Kalgoorlie to cover it. My impression was that there may have been an element of police blame for the outcome and I think most people in Kalgoorlie would have had a similar experience. I soon became familiar with the difficulties the Kalgoorlie police had in dealing with people who were alcohol-affected and trying to accommodate them in police cells which were inappropriate for the number of people and their state of mind. I gained a much better understanding of the difficulties faced by the Police Service in those circumstances. At the time, the Police Service had a responsibility to apprehend people affected by drunkenness. That resulted in many tragic circumstances. In some cases, the tragedies were independent of the capacity of the police to alter or prevent them with the available resources. The passage of this legislation should not mean a return to a situation in which the Police Service has a responsibility to take into custody potentially large numbers of young people affected by alcohol or drugs. These people may well be in an unfortunate state of mind because they are being taken into custody. Huge concern will be created in the Aboriginal community if we appear to return to the authorities in this State the power to take young people affected by

alcohol and drugs into police custody. For that reason, it is incumbent on the minister to provide a definite assurance that the accommodation required to meet the need that will be created by this piece of legislation is forthcoming. If we are to simply rely on the amount of accommodation currently available and the wit and resources of the Police Service, the passage of this legislation will create a great tragedy in Western Australia. It is all very well for members of Parliament to accept this legislation because it tries to allay the concerns of citizens about the kinds of people they might be accosted by in the community and whether they are affected by drugs or alcohol. However, a follow-up responsibility exists. I urge the minister to ensure that the State of Western Australia accepts that responsibility.

MR KOBELKE (Nollamara) [7.19 pm]: I rise to speak in support of the Protective Custody Bill. I am very concerned with issues similar to those raised by the member for Willagee. Although I welcome the Bill as part of a range of moves that must be put in place to deal with this considerable social problem, the member for Willagee has pointed out that the legislation has a downside. I emphasise that this is just one of a number of measures that must be put in place. Although I welcome this move, it has been rather slow in coming. The problem has been evident for some time now. In addition to that, and it was well put by the member for Willagee, if this Bill is not just one part of a range of measures which must be integrated, it will not achieve its objective. More than that, it has the potential to do harm. The problem is a difficult one and does not have an easy solution.

I will relate a couple of incidents that have occurred in my area. First, about three or four years ago we had a major problem in Nollamara with young people being involved in glue sniffing. One must be concerned for the health and welfare of these young teenagers who were congregating at Des Penman Memorial Reserve and sniffing or ingesting various substances - I do not know exactly what. Clearly, it was having a direct effect on the behaviour of those young people. What came to light immediately were the concerns of citizens who lived in the area who were being accosted by these young people when they went to the shopping centre. The young people appeared to be in an altered mental state and were perhaps asking for money, and in some cases belligerently. That impacted on the wider community. We are also concerned for the welfare of these young people. The issue has two sides: There is a need to look to the interests and welfare of the wider community who want to enjoy the amenity of the area and to go shopping without feeling intimidated or threatened and for the shopkeepers not to be concerned that all sorts of products are being stolen by these people. Often, because of their state, those people do it openly and threaten other people as they walk through at the cash registers. A lot of serious antisocial behaviour occurs. There is also the more fundamental issue of the protection of those young people. This Bill does not provide the protection; it simply provides a mechanism by which those people may be removed from an area and an imminent danger at a given time. It will not solve the problem. We must have a range of other programs to assist with that.

Another example is that on more than one occasion when driving around Perth and the electorate of Nollamara, I have come across people lying on the road or walking along the side of the road in such a state that they were falling onto the road. On one occasion when I stopped, the cause was clearly alcohol. In other cases, because they were carrying plastic bags in their hands, I suspect that those people were sniffing some substance. Unfortunately, it has become a common problem. If people in that state are on our roads, there is an additional risk to their safety. We must be able to take action to protect them and to look after them. I will briefly quote from the second reading speech, which states -

> Members will note there are no offence provisions in the Bill. This reflects its primary aim: To allow authorised officers to remove these people to a safe, secure place to recover from or receive treatment for the effects of alcohol, glue, petrol and the like.

The member for Willagee has pointed out that although the intention is an admirable one, it is of no effect if such facilities and services are not available to provide support for people in that situation. Obviously, a range of other programs are required, which I will only touch on. There is a need to ensure that there are adequate drug rehabilitation programs; that our education program is targeted to meet the needs of people in this category; and that there is a range of diversionary programs, particularly in some of the out-of-the-way communities where there is no alternative sport or other activity to distract people from solvent abuse. There is a need to provide family support programs when young people are found to be in danger of substance abuse or are currently engaged in substance abuse and there is no family support to change that behaviour. Specialist mediation and counselling programs may be required to support those young people. A range of programs are necessary if this Bill is to be of effect. To the contrary, it may create additional problems if we think that this Bill will solve that problem. As I said, I welcome the Bill. It is important that the police and others have these powers and have the protection of this statute to undertake those duties. However, if we expect that they can do it simply because of what is provided in the statute, we are not facing up to the realities of the situation, and we are likely to create greater problems than those which we seek to solve.

The minister also indicated in the second reading speech that "a police lockup will be used only as a last resort". Again, that is an admirable intention and one hopes it can be fulfilled. If the services and facilities are not available, the police will be asked to take up the responsibility and to deal with people who have abused some substance and who, for their own care and protection, should be detained. Most people will see it as arrest. It is not arrest; that is very clear. No penalties are attached to the Bill; in fact, if a person is taken into detention and then absconds, there is no penalty for escaping that detention. Clearly it is not arrest, but many people may see it as arrest if they are picked up by a police officer and detained or taken to a facility because they may not be able to object rationally or put up an argument for not wanting to go with the officer because of their mental state. The issue raises considerable difficulties for the police, particularly if there is no service to which they can refer.

The member for Willagee also spoke about the problem of deaths in custody. That is a serious concern. It is clear that the issue of deaths in custody is a shame on Western Australia. We are not dealing with the issue at all. We have not seen

results flow from the Royal Commission into Aboriginal Deaths in Custody. We have not seen a real marked downturn in the number of deaths in custody. Now we are providing another statute which will bring into custody a whole class of people who would not currently be held in some form of custody. If we do not address those underlying issues, the number of deaths will be maintained or even increased. That is already a great shame to us and we must do something about it. Given the time, I will not go into the various issues I wanted to raise about those problems.

The next point is the real difficulty this poses for the police. The police already have an extremely difficult job to do. We are giving them an extra responsibility, which is a mix between law enforcement officer and social worker. Other services support the police or take on a specific role, and the police can be there in a supportive role. That is right and proper. Many areas will not have the services or facilities to assist with these people and the obligation will come back to the police officers to use the Protective Custody Act - as it will become - to look after the welfare of people affected by drugs or substances and to preserve law and order in an area. What training will be available for these officers so they can cope with the challenges which will be presented when detaining people under this statute?

They must be culturally aware in particular circumstances. A range of issues related to dealing with people in this very difficult situation must be addressed. There may be the rare cases when a police officer wrongfully apprehends someone. I had a person in my office about six months ago who appeared a little unusual. This person complained that he had sought a signature from a justice of the peace but the JP would not provide it because he thought the person was under the influence of alcohol or drugs. That may have been the case. However, that person's behaviour related in part to a medical condition that causes slurred speech and an unsteady gait. As a result, the JP refused to witness the document, which was required urgently.

There will be the odd occasion when a police officer judges that a person is affected by alcohol or drugs and he or she will be wrong. Those instances are covered in the legislation, but they can lead to aggression and misunderstanding and will potentially project police officers in a bad light. Police officers will require training in this area. There could be a huge demand for training. If these issues are not addressed, this legislation will not assist with this problem; in fact, it will create further problems. I sincerely hope it will assist because it is a major issue that is not being dealt with adequately.

I wanted to comment on other matters, but I will conclude by mentioning only two. Some clauses provide that the legislation will not be able to be used to detain persons for other reasons. If a person has been detained under the legislation because there was a need to do so, he or she then cannot be interrogated about offences or other matters while he or she is in custody. If such information is gathered, it cannot be used in a prosecution. That provides a level of guarantee that the interests of the person affected by the substance or alcohol are central to the intent of this legislation and that it is not to be used as a subterfuge to raise other matters or to open investigations that may lead to charges.

One clause provides that apprehension under the legislation is not to be taken as lawful custody. If a person escapes from that detention, there is no subsequent offence. Those measures assure us that the powers in the legislation are there for the protection of individuals and not to take advantage of them. The intent of the legislation is excellent, if not a little overdue. Of itself, the legislation will not address the problem; it is simply one of a range of measures that must be implemented. The Opposition hopes that, in addition to enacting this legislation, the Government will allocate the necessary resources to a range of programs to achieve effective results. In the examples I gave briefly earlier, the complaints that I made to authorities went nowhere. We witness a huge amount of buck-passing from one agency to another. One agency might be funded to provide services, but in a limited area, so often one cannot find anyone to assist when people need help because they are affected by drugs. We do not have the range of services to assist those people adequately.

I support the Bill and lay down a challenge to the Government to ensure that far more is done than passing this legislation so we can adequately address what is a major problem in our society today.

MR PRINCE (Albany - Minister for Police) [7.35 pm]: I thank members opposite for their support and the comments they have made. A number of issues have been raised and not surprisingly a number of members opposite have raised the same issue or a variation of it a number of times. I will endeavour to cover them. However, some of the information requested is not available. To the extent that I can supply it, I will do so later.

The member for Fremantle, who was the lead speaker, indicated that the Opposition supports the Bill in total and in each part. He raised the question of compliance with the Royal Commission into Aboriginal Deaths in Custody recommendations, and he particularly brought to the attention of the House recommendations 80 and 81. He referred principally to detention in a police cell or lockup. Although it is understandable that people focus on that, it is important to say at the outset that the lockup is the place of last resort. This is not intended to be nor is it a piece of legislation that will enable police officers to do anything more than they are presently doing under the 1989 amendments to the Police Act; that is, taking into a form of custody those who are incapable of taking care of themselves. The Police Service does not want these people in police stations and lockups. I will refer to that in more detail later.

It is perhaps instructive to note that this has been a problem for a long time. Next Sunday I will launch a book written by retired police superintendent Kevin Moran called "Sand and stone". I have the two volumes with me tonight. The work is a compilation of some of the police occurrence books of the nineteenth century. This is an extraordinarily valuable historical source in this State that has never previously been investigated by any scholar. This work is long overdue. It includes comments entered by the police constables of the day as they happened. One chapter deals with the "grief of grog" in Newcastle in 1887. It refers to people - particularly the navies at Clackline - being a persistent problem. It also refers to police constables being drunk on duty and so on. It covers the 1830s to the 1890s and contains innumerable references to the problems of alcohol in society at that time.

The Police Act 1893, which was largely a copy of the English police legislation of the 1850s, creates many simple public order offences, including public drunkenness. According to some of the occurrence books, as early as the 1860s police constables wanted to summons - not arrest - people for public drunkenness and magistrates were saying that that was not necessarily appropriate and that it must be an extreme case before it is brought to the court.

The member for Nollamara made the point about asking police officers to be social workers. That is not correct. Police officers have always done this work. Police services were invented in their current incarnation by Sir Robert Peel in the 1840s. They have always had this function of maintaining public order and they have always had to deal with intoxicated people, primarily - and until relatively recently - by alcohol. However, this publication contains a number of interesting remarks about the goldfields and drugs such as opium and others that were freely available about 100 years ago. In other words, this problem is not new.

In 1975, the Full Bench of the Supreme Court of this State, in its infinite wisdom, handed down a decision stating that people should not be imprisoned for drunkenness because an alternative was available - a fine - under the Police Act as it was then written. The following winter, about 150 people throughout this State died as a result. The provisions of the Police Act were used at that time, particularly around early July, to pick up those who were, relatively speaking, derelict; that is, people who lived on the streets who were mostly adults, often older adults. The magistrates of the day were saying, "Righto, that's enough. You've had umpteen convictions; you'll spend three or four months in jail." They would then be fed and watered, released around Christmas time and would live another year. The Supreme Court told the magistrates that this was not right. I think it was the right decision; that this was not a function with which the criminal law should deal. The consequence was that people were not imprisoned for drunkenness thereafter. In 1989 amendments to the Police Act were introduced under the Dowding Government. I suggest members who have not had the opportunity to read those amendments do so. They are found in part VA, "Apprehension and detention without arrest".

The Bill before the House is largely, but not exclusively, a rewrite of the law which existed in 1989. However, the law of 1989 dealt only with people who were intoxicated by reason of alcohol consumption. That probably represented the situation in society 10 years before the Bill was passed. As is often the case with law, it is a trailing exercise that does not represent the current situation. It does not represent the situation today, especially in relation to juveniles - youngsters of late primary school age into early high school - among whom glue, petrol and paint - as well as other volatile substances - are commonly misused. That has become a problem of significance. The member for Nollamara raised a number of examples that he has found in his own electorate. He will not be alone. I have no doubt a number of members have said the same thing, particularly those who represent urban seats. Having said that, there has been a significant problem which has fluctuated up and down in seriousness, for example, in the Warburton area in the central desert and in some other Aboriginal communities. It is a statewide problem that appears in different forms in different places, and to a certain extent the substance that is misused varies. For example, Aboriginal people in the central desert are inclined more to petrol sniffing, and non-Aboriginal youngsters around the Rockingham area tend to be much more into glue and solvent sniffing. That is an observation I make. The result is the same - an intoxicated youngster who is still basically a child. Adults intoxicated to the point of being incapable of looking after themselves - and nobody else is looking after them either - tend to reach that stage more as a result of alcohol intoxication.

Since the late 1980s we have had the development within our communities of a significant number of services to deal with these people. Particularly in the larger regional country centres in the northern Pilbara and through to Kalgoorlie there have been Aboriginal street patrols. Full marks to them. It is a great initiative and various members in this place have taken the credit for having introduced them. It does not matter who did. They started in Derby and there have been a number since. They work well, especially when they operate in conjunction with the police. The police are highly supportive of them. Modest amounts of money are paid from the State Revenue Department to them. A grant scheme of about $50 000 is available to assist them, usually in the acquisition of a bus and small amounts of money are paid usually to top up the community development employment program payments that many of the people receive for performing this service. Although it is fundamentally volunteer work, a small payment is involved for radios and a form of uniform - a cap or T-shirt. It is very much people looking after their own, and consequently has been highly successful.

In some places where that program has worked with the police and with other agencies there has been a staggering reduction in the problem. Wiluna is probably the best example that I know of. The 1997 annual report of the Western Australia Police Service at page 29 under the heading "Regional Initiatives 1996-97 Alcohol and Drug-related Crime" reads -

> Since the August 1996 signing of the Wiluna Agreement restricting the sale of alcohol to Aboriginal people, alcohol-related injury has been reduced by 35 per cent, the number of assault charges has been reduced by 71 per cent and the number of Aboriginal people detained for alcohol-related incidents has been reduced by 41 per cent.

Those are staggering reductions. To continue -

> These results reflect the good will and strong partnership established between police, the Aboriginal Medical Service, the Sobering-Up Shelter, the Licensee of the Club Hotel and the Wiluna community. Representatives of all these groups signed the Agreement which was sanctioned by the Racial Discrimination Commission via the issue of a Certificate of Special Measures.

I know something about Wiluna, because I had the privilege of opening the sobering-up shelter in 1998. It has been in operation for a short while. The Aboriginal Medical Service at Wiluna is also highly active. At that stage it was staffed by New Zealand doctors. It has been difficult to get Australian doctors to leave the centre of this city. That is beside the point, perhaps. The result in Wiluna is nonetheless quite phenomenal. The point I make is that this legislation must be seen

in that context, because similar things happen in other places, particularly where there are sobering-up shelters. Sobering-up shelters are found in Broome, Derby, Fitzroy Crossing, Halls Creek, Kalgoorlie, Kununurra, Highgate, South Hedland, Roebourne and Wiluna to date, and more are on the way. Shelters are in the process of being established in Karratha, Midland, Geraldton and Wyndham. The patrols work in concert with the sobering-up shelters, and so do the police.

The sobering-up shelter is not the first port of call. The first place a person who is intoxicated - young or not so young - is taken is home. In a relatively small community - I suppose Derby is a classic case in point - most of the people who are doing this work will know those they pick up, and will know where home is. They will take them home. Particularly if it is a young person, if home is not the place where they could or should be taken, the second alternative is the care of a suitable person. For a young person particularly that could be a family member. In Aboriginal society the family network is extensive. If that does not work they are taken to an approved place, which is the sobering-up shelter, and there can be other places that could be approved. As a last resort they are taken to the lockup, but only if there is nowhere else to take them. In that sense the police are the place of last resort. We had similar debate with the Mental Health Act. Who picks up the demented elderly lady who is semi-naked walking down the road? If nobody else does, the police do. That is because there is no-one else spread throughout society is capable of dealing with these matters. That is particularly the case in a State of this size.

The member for Willagee sought some figures. I cannot give him what he asks for because I do not have, and I do not know if anybody has, accurate figures on the number of people picked up by the patrols. The Aboriginal Affairs Department which funds the patrols probably has some data, and I will see if it is obtainable. However, it may not give the member the answers he is after. If it does, it will be largely related to Aboriginal people, although significant numbers of non-Aboriginal people would fall under the ambit of this legislation. Figures would be available on those who are taken to sobering-up shelters, but not necessarily for those who are taken home. I can obtain figures on those people who are taken into lockups under the existing provisions of the Police Act. However, I do not have any figures other than the annual report of the Police Service of 1998 which tables, under the heading "Persons detained for drunkenness in Western Australia", figures for 1993-94 through to 1997-98 for those in sobering-up shelters and in lockups. In 1997-98, 14 877 people went into sobering-up shelters. The number who went into lockups was 5 432. That is a total of 20 309. In the preceding year, 12 274 people went into sobering-up shelters and 8 293 people who went into lockups. In other words, there was a diminution in the number of people who went into lockups and an increase in the number of people who went into sobering-up shelters, as we would expect as more shelters were built. The figures are available to some extent, but not in exactly the detail and breakdown that the member sought. I refer the member to the police report for that detail.

Mr Carpenter: That information is good. You listed about 10 places where there are sobering-up shelters. However, that leaves hundreds of places where there are no sobering-up shelters. I am also talking about the figures for the prospective growth in the number of people who will be taken into some sort of protective custody.

Mr PRINCE: To my knowledge, there is no precise or even close-to-educated estimate of how many there are likely to be. We can work only on what we are doing at the moment with people who are picked up for being drunk, and it is probable that a number of those people are intoxicated by a mixture of intoxicants. The police cannot touch young people, because no law permits that to be done. Therefore, the numbers are not known because they are not recorded, and we need to rely upon at the best anecdotal and at the worst apocryphal information. The member for Nollamara and others will be easily able to give examples of people whom they have seen or about whom they have been told. We do not know the numbers.

Mr Carpenter: You have said that about 20 000 people - let us assume that is one bed-night each - are put into lockups or sobering-up shelters, so potentially the same number of bed-places will be required on top of that.

Mr PRINCE: Many thousands.

Mr Carpenter: Where will those people go?

Mr PRINCE: The sobering-up shelters that exist at the moment work extremely well. I have had the privilege of opening the sobering-up shelters in Kununurra, Fitzroy Crossing, Halls Creek and Wiluna, and we are also proposing to open one in Wyndham. I opened them after they had actually commenced operations, and they said that, by and large, they could cope with whatever came through the door, although occasionally they had to put mattresses on the floor when there was, for example, a football carnival in the area and the population increased due to the influx of people. There is undoubtedly a need for more sobering-up shelters, and that is being attended to, but because no data is available, we cannot plan for that and we will need to wait and see. The demand will be in the juvenile area, because we have largely covered the late-teen to adult area, and the numbers are imponderable at this time.

The member for Fremantle referred to clause 26(3), which states -

> Nothing in this Act permits the detention of an adult or a child in an approved place.

The member for Fremantle thought that conflicted with clauses 6 and 7, which empower an authorised officer to apprehend and detain people who are intoxicated, and he asked how can an authorised person be empowered in one set of clauses to apprehend and detain people but in another clause not be so empowered. An authorised person can neither apprehend nor detain a person under this legislation if that person does not consent. Clearly a person who is comatose can neither consent nor withhold consent, so that person can be taken into a form of custody. However, if a person is capable of making a decision and says no, there is no power in this legislation to take that person into custody against his will. That is why clause 26(3) states that nothing in this Act permits the detention of an adult or a child in an approved place - detention being

the holding of a person against his will - provided the requirements of clause 6 are met. Clause 6 provides that a person who may harm himself or someone else, or may cause serious damage to property, may be taken into custody. However, such a person cannot be held against his will.

The Bill refers to authorised officers. Most of the debate has been about police officers and lockups, but I stress the point that authorised officers will include wardens under a community scheme in remote and discrete Aboriginal communities. It will probably also include some, if not all, Aboriginal street patrol officers, but that will be subject to approval by the police and I as minister. It may also involve other people, such as Family and Children's Services and child abuse prevention officers. That is obviously a matter that will be dealt with by regulation in due course.

Mr Carpenter: With regard to what you said earlier, did you mean once the person was no longer intoxicated?

Mr PRINCE: Yes. A person who is intoxicated to the point where he is clearly a threat to himself and/or someone else - in other words, he is flailing around, lashing out at people and so on, without having committed an offence - can be taken into custody. However, once that person has sobered up enough that he has calmed down, which usually happens fairly quickly, there is no power to hold him.

Mr Carpenter: You cannot say that a person cannot be apprehended without consent. That is not true. It is clear from this Bill that an authorised person may use appropriate force.

Mr PRINCE: Perhaps I should have said it the other way around. Subject to clause 6, a person cannot be apprehended or detained against his will.

The member for Eyre raised the question of dry communities and wet areas. A number of discrete Aboriginal communities are dry communities. Warmun and Beagle Bay come to mind, and there are a number of others. The creation of wet areas - in other words, a place that is out in the open where people can drink - has nothing to do with this legislation, although it is obviously a related subject. I believe that should be covered under the liquor licensing laws, which licence places where alcohol can be consumed, as well as sold and supplied, and should be addressed in another piece of legislation at another time. I take to heart what the member for Eyre said about the legislation in the Northern Territory and South Australia for dry and wet areas. That matter deserves some investigation and support.

The member for Bassendean, in common with a number of other members, made the point that we need to adopt a holistic approach to this matter, because we need agencies to deal with what he called a person who is recidivist and becomes habitually intoxicated. I agree that people of that nature should be case-managed. My advisers remind me, member for Willagee, that approved places - that is, sobering-up shelters - cannot detain a person against his will but the police and authorised persons can.

The member for Rockingham raised the question of the supply of intoxicants to minors. The simple offences Bill is in preparation at the moment, and that Bill will, in part, replace parts of the Police Act that deal with a multitude of minor offences. An offence that does not presently exist and is not known to the law is the offence of supplying an otherwise totally legitimate substance to a person with the reasonable expectation that that person will misuse it. That will be a separate offence, and I hope that Bill will be in this place in August.

The member for Kalgoorlie made some interesting arguments about Rohypnol and a number of other things, and about gaps in treatment services and so on. I have covered that to some extent, or it has been covered in the remarks of other people. Section 53L of the Police Act was the subject of some comment, in the sense that the provisions of the Protective Custody Bill, which talk about review by a justice and a local court, were the subject of some ribald comment by a number of people. Section 53L of the Police Act - which is almost exactly the same thing - has never been used and it has been in existence for 11 years. Nonetheless, it is a right that should be there, and so it is written into this Bill. The information-sharing across agencies, to which the member for Kalgoorlie referred, has improved out of sight in the past 12 to 18 months, particularly through Safer WA committees at the local level. The police and other agencies are reviewing information-sharing policies at present. I hope to see that sharing across the agencies more liberalised because the result will be far better exchange of information and would produce a better coordinated policy. Some members commented about clause 12 which deals specifically with adults. Clause 11 deals with children and places upon police an extra obligation to go that extra mile. Clause 12, which deals with releasing apprehended adults, is considered adequate for adults; however, this clause raised the question of lockups being a suitable place of detention. I give the assurance and undertaking that the Government will draft an amendment which will provide for words to the effect that the lockups shall be the place of detention of last resort. The draftsman - for whom I have the highest regard - is a person who likes to take time to get these things right. He is up to his ears in the proposed simple offences Bill and criminal investigation Bill. If I am holding the member for Hillarys against his will, it is an authorised detention, and he will just have to like it. The draftsman will provide an amendment in proper form and I propose that it be dealt with in the other place and then the Bill can come back with the amendment incorporated in it.

A question was raised concerning the provision in the Protective Custody Bill about not releasing people during midnight and 7.30 am. Again, that is a rewrite of what is and has been in the Police Act for some time; that is, section 53J(2). It does seem to be somewhat unreasonable to throw people out between midnight and 7.30 am. As a matter of common humanity they should be held until daylight and then let go. That is the only reason for that provision.

The member for Nollamara raised the issue of interrogation. Rightly, people cannot be interrogated or questioned while detained in relation to any offence they may have committed. It does not of course prevent police officers asking

questions of juveniles such as, "Who gave you this?" That information may then be used not against the child, but against the person who supplied the child with the substance they had misused and which had caused them harm. A person cannot be interrogated, nor can any information be used against them. It is not intended that would be done. The police have not been doing that for the past decade under the existing Police Act and I would not expect them to do so in the future. Police are very well trained to handle these matters. I made the point that they have been dealing with people in this State for a long time. Their experience and training is excellent. Recruits receive training for nearly half a year and receive ongoing training thereafter. They carry aide memoirs - I have one here - which gives them a number of prompts as to how to deal with particular situations and legislation - one deals with the Mental Health Act, for example. I would expect to see something similar in their aide memoir as soon as this Bill is passed. In other words, the training is there. That training is always updated as information and experience dictates. There is no lack of will on the part of the police or everybody else to be able to deal with those situations properly.

Lastly, I make this point again with as much emphasis as I can: It is because of not only the Royal Commission into Aboriginal Deaths in Custody, but also other matters, that the police do not want intoxicated people in their lockups; it is not the right place for them to be. They are difficult to manage and cause problems for the police who must watch, manage and look after them. The police would rather they were in a place that is purpose designed and built for their care. It is not just a matter of legislation that a lockup would be the place of last resort, it is a matter of practicality and practice. They will only wind up in the lockup when there is nowhere else to go. I thank members for their support.

Question put and passed.

Bill read a second time, proceeded through remaining stages without debate, and transmitted to the Council.

STANDING COMMITTEE ON UNIFORM LEGISLATION AND INTERGOVERNMENTAL AGREEMENTS

Resignation of Member for Burrup

THE SPEAKER (Mr Strickland): This evening I received a letter from the member for Burrup in the following terms -

> Dear Mr Speaker, I wish to inform you I am resigning my position as deputy chairman of the Standing Committee on Uniform Legislation and Intergovernmental Agreements effective from Wednesday 10 May 2000.

House adjourned at 8.08 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

CENSORSHIP LAWS, ON-LINE

1733. Mr BROWN to the Minister for the Environment:

(1) Has the Western Australian Government-

(a) supported;
(b) opposed; or
(d) adopted a neutral position,

on the Australian Government's controversial on-line censorship laws, which came into force on 1 January 2000?

(2) Does the Western Australian Government intend to urge the Federal Government to repeal the laws?

(3) If not, why not?

(4) Does the Western Australian Government intend to urge the Federal Government to amend the laws?

(5) If so, what is the nature of the amendments the Western Australian Government would like to see made to the laws?

Mrs EDWARDES replied:

(1)-(3) The Western Australian Government has always supported the necessity for the existence of a regulatory framework for on-line services. We have had our own laws in existence since November 1996. Under that regulatory scheme, State and Territory law (which will apply to content creators and users) will complement the Commonwealth legislation which focuses on the activities of Internet service providers and content hosts. While I support the regulatory scheme, I am concerned that the Commonwealth legislation does not provide the sanction of imprisonment for those persons who create or facilitate the availability of restricted material to minors. Section 102 of the Western Australian legislation does contain the sanction of imprisonment for persons who use a computer service to transmit restricted material to a minor. For this reason I am currently seeking an exemption from the Federal Minister to allow section 102 of our legislation to continue to operate.

(4) At this stage there is no intention.

(5) Not applicable.

NEW BREED SECURITY

1743. Mr BROWN to the Minister for Labour Relations:

(1) Prior to New Breed Security going into liquidation, did the Government have any contracts with that company or one of its subsidiary companies to provide security services?

(2) What contracts did the Government have with New Breed Security and/or one of its subsidiaries?

(3) What contracts does the Government still have with New Breed Security and/or any of its subsidiaries?

(4) Is the Government aware that in going into liquidation New Breed Security owed wages to security guards employed by it?

(5) What steps does the Government intend to take to ensure that that money is paid?

(6) Is the Government aware New Breed Security did not pay any superannuation on behalf of some of its security officers?

(7) If not, why not?

(8) What checks did the Government carry out clarify the integrity and/or financial viability of New Breed Security?

(9) When were those checks carried out?

(10) What steps does the Government intend to take to ensure that security guards employed by New Breed Security do not lose out on wages or other entitlements due to them at the time that the company went into liquidation?

Mrs EDWARDES replied:

WorkCover WA:
(1)-(3) None.
(4)-(10) Not applicable.

WorkSafe Western Australia:
(1)-(3) None.
(4)-(10)
Not applicable.

Department of the Registrar, Western Australian Industrial Relations Commission:
(1)-(3) None.
(4)-(10)
Not applicable.

Department of Productivity and Labour Relations:
(1)-(3) None.

(4) No.

(5) The Department of Productivity and Labour Relations will investigate any formal complaints from employees of New Breed Security. The Department is also prepared to advise employees on options for recovering outstanding entitlements.

(6) No formal complaint has been received from New Breed Security employees concerning non-payment of superannuation entitlements under the applicable Federal Award.

(7)-(9) Not applicable.

(10) The Department of Productivity and Labour Relations will investigate any formal complaints from employees of New Breed Security. The Department is also prepared to advise employees on options for recovering outstanding entitlements.

Commissioner for Workplace Agreements:
(1)-(4) None.

(5)-(10)
Not applicable.

DRUGS, DISPOSAL OF USED SYRINGES

1766. Dr CONSTABLE to the Minister for Police:

What does the Government plan to do to aid safe disposal of used syringes currently found in public places in order to protect the public from needle stick injuries and their associated health risks?

Mr PRINCE replied:

This is a periodic rather than a growing problem in Western Australia which is being continually addressed by a range of government and non government agencies. The majority of needles and syringes are distributed through purchase at community pharmacies. These are provided in a disposal package (fitpack) that can be discarded through household refuse.

The Government also supports a number of needle exchange programs in inner city and metropolitan Perth. Needle exchange programs provide an opportunity to reach drug users and as such can provide education regarding appropriate and safe disposal, as well as prevention of blood borne viruses and drug overdose and opportunities for treatment. The return rate of needles at these services generally exceeds 95%. The combination of exchange services and safe disposal through household refuse has kept the number of needles and syringes disposed of inappropriately in this State to a relatively low level. It is nevertheless essential that all measures are taken to prevent inappropriate disposal in public places. The WA Drug Abuse Strategy Office chairs a permanent working party to promote safe disposal. Its members include the Health Department, the Police Service and local government (City of Perth, Town of Vincent and the WA Municipal Association) together with the WA Substance Users Association. Some of the collaborative strategies that have been put in place include:

a pilot project with the Town of Vincent to develop best practice disposal strategies for local government authorities;
expansion of public disposal bins in appropriate, discrete locations;
education of drug users themselves through publications, exchange contact and a safe disposal sticker placed on fitpacks;
a "Z card" with locations for safe disposal containers in the inner city;
production of occupational health and safety posters indicating how to dispose safely of needles and syringes, for use in workplaces; and
promotion of a small portable "disposasafe" container for people who are likely to come across inappropriately discarded syringes in the course of their work.

These efforts to contain the problem of inappropriate disposal will be maintained and will continue to anticipate, as well as respond to new challenges as they arise.

DRUGS, ECSTASY

1767. Dr CONSTABLE to the Minister for Police:

(1) What is the Government doing to address the increase in the use of the drug MDMA, commonly known as ecstasy, among people aged 15-25 years?

(2) In view of the increased use among the general population of the drug MDMA, commonly known as ecstasy, will the Government allocate money for research into ecstasy and its associated health risks?

Mr PRINCE replied:

(1) The Government has recently conducted the *Drug Aware* psychostimulants campaign targetting use of MDMA, ecstacy, as well as amphetamines and LSD, by young people. The campaign has consisted of youth press, radio and convenience advertising targetting young people and press advertising providing information for parents. This is the first such campaign conducted in Australia and is part of the continuing *Drug Aware* illicit drug public education program which has also involved campaigns focusing on heroin and marijuana, and providing information to parents. The psychostimulants campaign, and other *Drug Aware* campaigns are continually updated and repeated. The campaign has been supported by the Alcohol and Drug Information Service and the Parent Drug Information Service providing referral and support, resources and publications distributed through schools, universities, TAFEs, youth centres and alcohol and drug agencies, participation from community organisations such as Local Drug Action Groups, a sponsorship competition, and *Drug Aware* merchandise. Evaluation of the campaign among young people (14-24 year olds) has indicated that 76% were aware of the campaign and between 69% and 85% found the advertising believable, and that this resulted in 24% finding these drugs less appealing, 34% being less inclined to use them, 35% expecting a worse experience and 45% greater health harms than they would have otherwise anticipated. The WA Strategy Against Drug Abuse, *Together Against Drugs*, provides a comprehensive context for the psychostimulants campaign with school drug education, health and community support services, law enforcement and strong support for action in local communities. The WA Strategy Against Drug Abuse action plan for 1999-2001 also anticipates that *opportunities to reduce the use of stimulant and hallucinogenic drugs and their associated harms will be the focus of a major consultation with night venues and the co-operative development of practical strategies.* This consultation is underway.

(2) Research into ecstacy and its associated health risks is not a priority for the WA Strategy Against Drug Abuse. There is substantial and increasing national and international research regarding the effects of ecstacy and this informs the *Drug Aware* psychostimulants campaign and other strategies.

GOVERNMENT DEPARTMENTS AND AGENCIES, GOODS AND SERVICES TAX

1881. Mr BROWN to the Minister for the Environment; Labour Relations:

(1) Has each department and agency under the Attorney General's control assessed the degree to which the Goods and Services tax will effect all -

(a) charges;
(b) fares;
(c) tariffs;
(d) other costs; and
(e) fees,

charged to consumers, clients, users etc of each department and agency?

(2) What -

(a) charges;
(b) fares;
(c) tariffs;
(d) other consumer charges; and
(e) fees,

of each department and agency will be effected by the Goods and Services tax?

(3) What -

(a) charges;
(b) fares;
(c) tariffs;
(d) other consumer charges; and
(e) fees,

will increase a consequence of the Goods and Services tax?

(4) What will be the percentage and monetary amount of the increase?

(5) What -

(a) charges;
(b) fares;
(c) tariffs;
(d) other consumer charges; and
(e) fees,

will decrease as a result of the introduction of the Goods and Services tax?

(6) In percentage and monetary terms, what will be the amount of the decrease?

Mrs EDWARDES replied:

(1)-(6) This information will be released as part of the budget process.

GOVERNMENT DEPARTMENTS AND AGENCIES, GOODS AND SERVICES TAX

1883. Mr BROWN to the Minister for Police; Emergency Services:

(1) Has each department and agency under the Attorney General's control assessed the degree to which the Goods and Services tax will effect all -

(a) charges;
(b) fares;
(c) tariffs;
(d) other costs; and
(e) fees,

charged to consumers, clients, users etc of each department and agency?

(2) What -

(a) charges;
(b) fares;
(c) tariffs;
(d) other consumer charges; and
(e) fees,

of each department and agency will be effected by the Goods and Services tax?

(3) What -

(a) charges;
(b) fares;
(c) tariffs;
(d) other consumer charges; and
(e) fees,

will increase a consequence of the Goods and Services tax?

(4) What will be the percentage and monetary amount of the increase?

(5) What -

(a) charges;
(b) fares;
(c) tariffs;
(d) other consumer charges; and
(e) fees,

will decrease as a result of the introduction of the Goods and Services tax?

(6) In percentage and monetary terms, what will be the amount of the decrease?

Mr PRINCE replied:

(1)-(6) This information will be released as part of the budget process.

CALM AUCTION 2608

1977. Dr EDWARDS to the Minister for the Environment:

I refer to CALM auction 2608 advertised in *The West Australian* on 5 February 2000, and ask-

(a) what proportion of these logs were from old-growth forest;
(b) on what date/s were they logged; and
(c) from which forest blocks were they logged?

Mr OMODEI replied:

(a) The logs which were sold under auction 2608 came from an area of forest which consisted of a mixture of old growth forest and other forest and it is not possible to determine which forest type individual logs came from.

(b) The logs were harvested between April 1999 and February 2000.

(c) The logs were harvested from Swarbrick block, and were removed from the block during clean-up operations with the agreement of local conservation groups.

JARRAH AND KARRI, LOGGING OF REGROWTH

1979. Dr EDWARDS to the Minister for the Environment;

(1) How many hectares of regrowth –

(a) jarrah forest; and
(b) karri forest,

are at an age suitable for logging to obtain sawlogs?

(2) What is the minimum suitable logging age of –

(a) jarrah forest; and
(b) karri forest,

to log regrowth sawlogs?

Mr OMODEI replied:

(1)-(2) There is no universal minimum age at which the regrowth jarrah or karri forests are suitable to log to obtain sawlogs. The relative size and proportion of regrowth stems within the stands will vary according to their past logging and regeneration history, the inherent productivity of the site, and the sawlog specifications adopted. For example, in the jarrah forests, because most forest stands contain some proportion of regrowth stems, sawlogs from regrowth trees are obtained in varying proportions from areas harvested to each silvicultural objective. Where a stand comprises predominantly regrowth stems the timing of sawlog extraction will depend upon a range of factors, including the forest management objectives, the prevailing markets, and the size class distribution of stems. Under the Forest Management Plan (1994-2003) the regrowth stands are managed with periodic thinnings to contribute sawlog yield over a 100-200 year period.

NEEDLE AND SYRINGE STATISTICS, KALGOORLIE-BOULDER

1999. Ms ANWYL to the Minister for Police:

I refer to the Western Australian Drug Abuse Strategy Office (WADASO) statistical bulletin No. 6 dated February 2000 and ask-

(a) is the Minister aware that between 1993 and 1997 the number of needles and syringes increased by more than three times in Kalgoorlie/Boulder;

(b) what actions has WADASO taken to rectify this increase and when;

(c) what extra resources have been provided to combat the increase;

(d) what are the needle and syringe statistics for Kalgoorlie/Boulder for 1998 to date;

(e) how many alcohol and other drug counselors are employed in Kalgoorlie/Boulder;

(f) given that the previous service provided by Holyoake, Alcohol and Drug Authority and Aboriginal Health no longer exist is the Minister satisfied that an adequate range of options is available to the Kalgoorlie/Boulder community;

(g) given that the needle and syringe rate is so high in Kalgoorlie/Boulder why hasn't a needle exchange program been introduced;

(h) what is the reason for the introduction of a needle and syringe vending machine to Kalgoorlie/Boulder;

(i) are there other vending machines in Western Australia, and if so, where are they located;

(j) which places have needle exchange programs and why doesn't Kalgoorlie/Boulder have one;

(k) will the Minister support local initiatives in Kalgoorlie/Boulder to introduce an exchange program;

(l) where are addicts who can't afford to buy fitpacks expected to obtain clean needles and syringes; and

(m) will the Minister visit Kalgoorlie/Boulder to discuss this important issue with local service providers and community representatives including me?

Mr PRINCE replied:

(a) Yes. During the same period needle and syringe distribution increased in Western Australia by 56%. Since 1997, the number in Kalgoorlie has been stable whereas the number distributed Statewide has increased a further 66%.

(b) In addition to the WA Strategy Against Drug Abuse treatment and prevention initiatives outlined in the action plans for 1997-1999 and for 1999-2001, including the establishment of Community Drug Service Teams, the expansion of methadone treatment through community based practitioners, the provision of detoxification through regional hospitals, the *Drug Aware* public education campaigns, the School Drug Education Project and Local Drug Action Groups, to mention but a few, a range of initiatives specific to Kalgoorlie is underway as a result of a feasibility study into services undertaken during 1999. As a result, treatment and prevention services in Kalgoorlie are being progressively enhanced with additional funding through WADASO and the Health Department:

The Community Drug Service Team has increased its visibility and links in the community, particularly with the hospital and health sector, family and youth support programs and programs in the workplace.
The WA Drug Abuse Strategy Office and the Health Department has assisted the development of effective linkages between the Community Drug Service Team, the Kalgoorlie Regional Hospital and general practitioners. This is supported by an additional nurse position at Kalgoorlie Regional Hospital to assist with detoxification and brief intervention services.
Prospect Lodge is expanding the capacity and range of its residential program with input from the Community Drug Service Team and other relevant agencies.
WADASO is supporting Bega Garnbirringu Health Services (Kalgoorlie Sobering Up Centre) to expand its program to young people and intoxication due to drugs other than alcohol with the aim of engaging them in treatment.
A *Drug Aware* illicit drug campaign has been organised specifically for Kalgoorlie involving a partnership between *Drug Aware* pharmacies, the Local Drug Action Group, and alcohol and drug services to raise awareness about illicit drug issues, available services and harm reduction strategies to prevent blood borne viruses and overdose.

(c) Additional resources for Kalgoorlie/Boulder include:

Salaries for two and a half staff based with the Community Drug Service Team (over and above those transferred from Holyoake and the Alcohol and Drug Authority);
An additional $80,000 over two years through the National Illicit Drug Strategy Community Partnership Initiative to provide training and development for Aboriginal communities;
An additional position funded through the Health Department, based at the regional hospital to assist with detoxification and brief intervention;
$35,000 for a Kalgoorlie specific *Drug Aware* illicit drug public education campaign;
$20,000 annually to enhance the Prospect Lodge residential program;
Capital funding to rebuild and expand the Kalgoorlie sobering up shelter.

(d) The statistics for needle and syringe distribution indicate a stable rate since 1997 and are:

1998	104,504
1999	106,309
January 2000	7,591

(e) A total of 7.5 FTE
4.5 FTE at the Goldfields Community Drug Service Team (and 1 FTE based in Esperance)
1 FTE at Prospect Lodge
1 FTE funded by Office of Aboriginal Health (currently vacant)
1 FTE based at the regional hospital

(f) Yes, there has been a substantial increase.

(g) There is not considered to be an unmet demand for needles and syringes in Kalgoorlie/Boulder. The majority of needles and syringes are sold through pharmacies across the State. Needle and syringe exchange programs are established in some locations to engage hard to reach groups. Free needles and syringes are available from Ware St Community Health Centre and the regional hospital in Kalgoorlie/Boulder.

(h) To ensure 24 hour availability.

(i) There is one vending machine located in Moore St, East Perth at the Health Department's (*Next Step – Specialist Drug and Alcohol Services)* Central Treatment Services.

(j) There are two needle exchange programs in the metropolitan area. The WA AIDS Council operates a mobile needle exchange program through various locations in the metropolitan area and the WA Substance Users Association provides a fixed site needle exchange in a Northbridge location. The Kalgoorlie/Boulder region has access to clean needles and syringes from the pharmacies, the Community Health Centre and from the regional hospital and there is not an apparent unmet demand.

(k) No, needle and syringe exchange programs are only established to provide services to hard to reach groups.

(l) Ware St Community Health Centre during office hours and the Goldfields Regional Hospital after hours.

(m) I am always open to discuss issues. WADASO staff visit Kalgoorlie and meet with the Community Drug Service Team and other key stakeholders on a regular basis. Local service providers and community representatives were consulted during the 1999 feasibility study into services.

POLICE ACADEMY, MAYLANDS

2129. Dr EDWARDS to the Minister for Police:

(1) What documents or reports have been compiled since 1996 dealing with the Maylands Police Academy site?

(2) Where are these documents available to the public?

(3) Will the Minister table a copy of these?

(4) If not, why not?

Mr PRINCE replied:

(1) Geotechnical Investigation, Golder Associates, June 1999.
Geotechnical Investigation, Golder Associates, March 1999.
Preliminary Contamination Survey, Golder Associates.
Preliminary Environmental Assessment, Ecologia Environmental Consultants.
Report on an Ethnographic Survey, R O'Connor.
Report on an Archaeological Investigation of Aboriginal Sites, Quartermaine Consultants.
Due Diligence Assessment (Heritage), Considine & Griffiths Architects.
Proposed Amendment to the Metropolitan Region Scheme, Masterplan Consultants.

(2) Maylands Public Library, Corner Guildford Road and Eighth Avenue, Maylands.

(3) No.

(4) The reports have been provided to the City of Bayswater as requested by the Community and are located at the Maylands Public Library for public viewing.

MULTANOVAS, INTENSITY OF FLASH

2131. Mrs ROBERTS to the Minister for Police:

(1) Is the Minister aware of a case where a truck driver had his eyes damaged due to a Multanova camera flash?

(2) Do Multanovas emit a microwave?

(3) If so, what is the intensity?

(4) Are Multanovas completely without health risks or adverse effects?

(5) If so, how is this demonstrated?

(6) Does the use of Multanovas breach any of the following Federal Acts of Parliament -

(a) The Privacy Act;
(b) The Commonwealth Privacy Act;
(c) The Weights and Measures Act, or
(d) The Health Act?

(7) How does the intensity of the flash from a Multanova compare to the flash from a standard camera ?

Mr PRINCE replied:

(1) The Western Australia Police Service received correspondence from a member of the public requesting compensation for damage caused to his eyes, allegedly as a result of exposure to a Multanova radar speed camera.

(2) Multanova radar speed cameras emit microwave radiation in the 34.3GHz range.

(3) The intensity of the unit is dependent on the range at which the measurement is made. A report from the Radiation Health Branch of the Health Department of Western Australia, dated 1 September 1986 (copy attached), measured the output power as less than 0.02 milliWatts/cm² at 5cm distance from the antenna. A further report from a subsequent test, dated 27 June 1995, measured the output power at the apex of the unit's antenna cone (point blank range), as less than 10 microWatts/cm². The power output rapidly dropped off to non-detectable levels approximately 10cm from the antenna surface.

(4) Australian Standard *AS 2772.1-1990 Radio-frequency Radiation, Part 1 Maximum Exposure Levels 100kHz – 300GHz*, stipulates the maximum exposure rates per 8 hour day for 35 GHz emissions at a total time exposure not exceeding 1000 microWatts/cm² (1 milliWatts/cm²). Emissions from Multanova radar speed radar cameras are 50 times less than the maximum permissible exposure. Therefore, Multanova radar speed cameras could be considered inherently safe.

(5) Refer to tabled paper No 879 from the Health Department of Western Australia.

(6) The Police Service is not aware of any Federal Acts of Parliament that are breached by the use of Multanova radar speed cameras.

(7) To compare the intensity of the flash from a Multanova radar speed camera to that of a "standard" camera is difficult, based on the definition and specifications of a "standard" camera. In any case, the Multanova flash is designed for a distinctly different purpose. Notwithstanding this, the output energy of the Multanova flash is between 85 Watts and 340 Watts, depending on the specific purpose for which the flash is used.

POLICE OFFICERS, ENTERPRISE AGREEMENT

2173. Mr BROWN to the Minister for Police:

(1) Is there an enterprise agreement that covers police officers?

(2) What is the expiry date of the enterprise agreement?

(3) When did the enterprise agreement come into effect?

(4) What wage increases were provided by the enterprise agreement?

(5) On what dates do the wage increases apply from?

(6) Did the negotiations on the enterprise agreement involve certain trade offs?

(7) What was the exact nature of the trade offs?

(8) What was the dollar value of the trade offs?

(9) How was the dollar value of the trade offs calculated?

Mr PRINCE replied:

(1) Yes.

(2) September 19, 2001.

(3) March 19, 1999.

(4) A total 9% increase in salaries and shift allowances and on-call allowances in three stages across the board with an additional salary increase of $2340 per annum for Officers in Charge of police stations.

(5) - 3.5% from March 19, 1999.
- 3.5% from July 27, 1999.
- 2% from July 27, 2000.

(6) There were no trade offs but some productivity initiatives which centred around rostering arrangements and achieving performance targets were agreed. The rostering changes agreed were:

removal of differential in rostering arrangements between centers and non-centres and requirement for rotation of shifts weekly;

allowing a combination of day and afternoon shifts to be worked in the same week but not alternated on a daily basis and provided shifts are distributed equally between all shift working officers.

(7) There were no trade offs.

(8) A value of $500,000 was placed on the productivity initiatives which revolved around savings in overtime arising from changes in rostering.

(9) The anticipated saving in overtime due to the new rostering practices of $500,000 which reduces the full year costs of $21.55 million to $21.05 million was calculated on the basis of savings on recall overtime, principally where an officer is required to give evidence in a court.

POLICE, INCIDENT No 80476

2237. Mrs ROBERTS to the Minister for Police:

(1) Have you received correspondence regarding police incident number 80476?

(2) When is this matter going to be investigated?

(3) When are the two witnesses going to be interviewed?

(4) When will the appropriate inquiries be made to the relevant phone company to ascertain the ownership of the phone involved in booking the cab?

(5) Do the delays in dealing with this matter concern the Minister and if not why not?

Mr PRINCE replied:

I assume the question relates to complaint number 080485, which is cross referenced to complaint 080476 and therefore advise as follows:

(1) The WA Police Service received Police Offence Report 140300 2000 5363 refers.

(2) Armadale Police are currently investigating the complaint.

(3) The complainant (apart from medical witnesses) is the only primary witness. The complaint was reported to police by the daughter of the complainant on her behalf.

(4) This is not relevant to the investigation. There is no reference in the offence description relating to the use of a telephone or a taxi.

(5) No. The Police Service prioritises investigations in order of seriousness. This investigation has commenced.

QUESTIONS WITHOUT NOTICE

FEDERAL BUDGET, SURPLUS

787. Dr GALLOP to the Premier:

I refer to the Premier's admiration of the Costello budget and the claimed $2.8b surplus.

(1) Is the Premier aware that the surplus, to which the Federal Treasurer and every other commentator in Australia refers, is the general government cash balance figure?

(2) How does the Premier reconcile this with his ridiculous assertion in this place last week that, "No Government has ever used cash figures as a measure of whether its budget is in surplus or deficit"?

Mr COURT replied:

(1)-(2) The federal budget is presented under the accrual process. The Federal Government has incorporated asset sale proceeds in its budget. The State Government has made a policy decision not to do that for major asset sales. The Federal Government has a number of measures to determine whether a budget is in surplus. In its own documents, the Opposition has said it will adopt an accrual basis of recording government finance statistics consistent with Australian Bureau of Statistics standards. A key measure of the Government's operating activities under accrual reporting will be the operating result contained in the operating statement. Tomorrow, the budget will be presented on the ABS accrual accounting basis. It will include the general government sector, the total public sector, cash figures-

Mr Ripper: Will we get accounting figures?

Mr COURT: I said we would have all of those presentations. Does the Leader of the Opposition want to use the cash figure as the key -

Dr Gallop: I want to use all of them, Premier.

Mr COURT: Does the Leader of the Opposition want to use the cash figure as the key figure which determines whether the budget is in surplus or deficit?

Dr Gallop: I want to be able to compare this State Government's budget with the others throughout Australia, and the general government cash figure is a very good point of comparison.

Several members interjected.

Mr COURT: Does the Leader of the Opposition believe that the cash figure is the main determinant of the budget?

Dr Gallop: I did not say that.

Mr COURT: As I said last week, in the past 40 years, there have been only four cash surpluses for this State for the public sector. Those cash surpluses were for $300m or $400m. In the previous year, the cash surplus was $1.7b. In that year, the Government said the budget was balanced . It said that the budget was just in surplus. If the Opposition is saying that the cash figure is a key measure, every time in the 10 years the then Labor Government said it had achieved a balanced budget, it was not telling the truth. If the Opposition believes it is a key determinant, and if the Government went into the election with a billion dollar cash surplus -

Dr Gallop: Peter Costello seems to think it is.

Mr Ripper: As a result of privatisation.

Mr COURT: As a result of asset sales. The member can call it what he likes. That is the stupidity of the member's argument. The member's own policy document spells out that the operating position is the Australian Bureau of Statistics accrual reporting method - that is what we are going to see. We have a track record of bringing in budgets in surplus.

SHIPBUILDING INDUSTRY

788. Mrs HODSON-THOMAS to the Premier:

Western Australia's shipbuilding industry has gone from strength to strength in recent years. Could the Premier inform the House of the latest initiative that will, once again, turn the world spotlight on the local shipbuilding industry?

Mr COURT replied:

I am sure all members will agree that it was terrific news this morning to hear that Greg Norman has made a decision to purchase a magnificent new Expedition yacht from the Oceanfast Marine Pty Ltd yards, now owned by Austal Ships Pty Ltd in Western Australia. We have Australia's largest ferry building industry and we are currently building about 20 per cent of the world's high-speed lightweight ferries. The significance of this order, which will be a great boost for employment, is that it again will lift the status of the Oceanfast Marine yard in a growing section of the market.

Greg Norman did not make this decision lightly. He looked at all the major shipyards in the world and he chose Oceanfast

Marine as the builder to turn his dream into reality for a number of reasons. It is a tribute to the Western Australian industry that this is the case. When I say that Oceanfast Marine was chosen from among the world's best, three of the world's leading shipyards for this type of yacht are in Holland, and after looking at their product he chose the Western Australian yard. I quote -

> Oceanfast is one of the few builders-

Mr Marlborough interjected.

The SPEAKER: Order members!

Mr COURT: This will provide jobs in the member for Peel's electorate! He should just listen.

The SPEAKER: Last Wednesday we had one of those days we seem to get occasionally, when members wanted to claw and scratch at each other verbally, and at the end of the day we had about seven questions. I received a letter from a member of the public who was in the gallery on that occasion and who was ashamed to have witnessed the episode. Members might recall that we called question time off at the 30-minute mark. Members seemed to have learnt a little lesson over that and we have had quite reasonable question times since then. I remind members of that.

Mr COURT: I quote from Mr Norman -

> Oceanfast is one of the few builders in the world that could manage a project of this magnitude.

Secondly he described Oceanfast Marine as -

> . . . the premier aluminium boat builder in the world . . .

Thirdly, he said he liked to -

> . . . support Australian products built by Australian people.

Here are some details in which the member for Fremantle would have an interest: This Expedition yacht is 212 feet long and has a tender which is 42 feet long. The member for Fremantle's luxury launch would fit in the cockpit of the tender. When one considers the scale of it, it is a credit to the Western Australian industry that this order has been received. The images of the construction of this yacht will be included on Greg Norman's web site so that people around the world will be able to follow the progress of the construction. It is a wonderful advertisement for Western Australian industry.

REGIONAL FOREST AGREEMENT, FEDERAL DEVELOPMENT FUNDING

789. Dr EDWARDS to the Minister for Forest Products:

I refer to federal Forestry and Conservation minister Wilson Tuckey's promise at the signing of the Regional Forest Agreement last year that the Commonwealth would provide $15m in industry development funding.

(1) Is the minister aware that only $4.6m has been allocated to Western Australia in forest industry structural adjustment package funding for 2000-01, according to the federal budget papers?

(2) Is the minister also aware that no further FISAP funding is set aside for Western Australia in the federal budget forward estimates?

(3) What will be the impact on south west communities of this shortfall and what does the minister propose to do about it?

Mr OMODEI replied:

(1)-(3) I am not used to getting dorothy dixers from the Opposition. I understand that the Leader of the Opposition has already been out in the public arena parroting this so-called allocation, or lack of allocation, of funds for FISAP. Had the member opposite dared to check or taken the time to check, she would have found that the funds allocated to FISAP are still in the bank. Why did the member not ring Mr Tuckey's office? The $15m that is allocated to FISAP is still in the current budget. The further $5m for the tourist facilities is also in the Treasurer's Advance under a commitment made by the Federal Government to the Regional Forest Agreement.

Dr Edwards: It is certainly not in the papers.

Mr OMODEI: It is in the current budget.

Dr Gallop: No, it is not shown in the current budget. Are you saying the federal figures are wrong?

Mr OMODEI: I was in touch with Mr Tuckey's office only 15 or 20 minutes ago, and he told me that the money is in the bank. Why did the member not check with Mr Tuckey before she tried again to instil fear into people in the south west? What will happen under the Opposition's so-called policy is that 1 500 people will immediately be put out of work in the south west. The $4.6m that is allocated in the current federal budget is for FISAP funds for RFAs across the whole of Australia. It has nothing to do with Western Australia. The funds for FISAP are already in the current budget and are committed to this State.

HOMESWEST, RENT INCREASES

790. Mr TRENORDEN to the Minister for Housing:

Pensioners will receive an increase of $15.10 a fortnight to compensate them for the goods and services tax. Will the State increase rentals as it normally does when social security payments increase?

Dr HAMES replied:

I thank the member for the question because it gives me the opportunity to clarify the issue of pension increases, compensation for the GST and rents charged by the Ministry of Housing through Homeswest. Under the Commonwealth-State Housing Agreement involving all of the States, the Ministry of Housing charges 25 per cent of income for rentals for Homeswest tenancies. There are a few exceptions to that whereby some people have traditionally been paying lesser amounts, but that is the figure for which we are aiming. There have been some general increases in pensions, and people wrongly make the assumption that as soon as the pension goes up, Homeswest increases its charges. For each person, the anniversary of the entry into a Homeswest tenancy is the anniversary of the review of his or her rent. Therefore, the date on which an increase takes effect makes no difference. On the anniversary date the rent is reviewed, and it is increased to 25 per cent of the total income, except that the 4 per cent specifically for GST compensation is exempt. It will be isolated from that, and there will be no increases in rents relating to that. Because of some confusion in the community, I am writing to all Homeswest tenants to inform them of that matter to make sure that everybody understands the situation.

GOODS AND SERVICES TAX, IMPACT ON PENSIONERS

791. Mr CARPENTER to the Minister for Seniors:

I refer to the federal budget released last night, and in particular the inflation forecast of 5.75 per cent in 2000-01 and ask -

(1) Given that pensioners will receive only a 4 per cent increase in their pensions to compensate for the goods and services tax, will the minister now concede that the GST will leave Western Australian pensioners worse off?

(2) Does the minister support the $114m cut in pharmaceutical benefits, which will mean, among other things, that nasal sprays will jump in cost and thousands of Western Australian pensioners and veterans will have their hearing services cut?

Mrs van de KLASHORST replied:

I thank the member for some notice of this question.

(1)-(2) The rise in percentages is a one-off, and seniors will be compensated for that rise. The federal budget provides $6.1m for four years to progress the national seniors' strategy for aging. The regional health package aims to provide more doctors with $562m over four years to expand medical training facilities for seniors, which will provide 85 new regional health services and encourage medical graduates. An amount of $30.8m will be provided for better access to quality appropriate aged care facilities in regional and rural communities. The Department of Veterans' Affairs is taking over the home and community care program funding for services which will entitle members of the veterans community to receive better services. This is a strong preventive measure aimed at deferring the need for the elderly to go into care. The Federal Government will be providing $6.8m to extend the residential care development scheme until June 2001. Also, $148m will be provided over six years for nursing home subsidies; the number of veterans and non-veterans who receive HACC funding will increase; a pilot for the screening of bowel cancer for 50 to 75 year olds will be put into place; the period for the refitting of hearing aids will be extended; and $10.3m will be provided for flexible residential aged care for Aborigines and Torres Strait Islanders. I believe that pensioners will benefit from the budget.

PHARMACEUTICAL BENEFITS, CUTS

792. Mr CARPENTER to the Minister for Seniors:

Does the minister support the $114m cut to pharmaceutical benefits which will see, among other things, nasal sprays jump in cost and thousands of Western Australian pensioners and veterans have their hearing services cut, and does she concede that, because the inflation rate will far exceed the compensation, pensioners will be worse off?

Mrs van de KLASHORST replied:

The pensioners will be compensated in the budget for the goods and services tax. With all these other measures, they will be significantly better off.

HOSPITAL SYSTEM, PUBLIC SATISFACTION

793. Mr MARSHALL to the Minister for Health:

Further to my comments about my personal involvement with the outstanding treatment given by the Peel Health Campus, can the minister inform the House of any wider evaluation of patient satisfaction with the public hospital system in Western Australia?

Mr DAY replied:

I thank the member for some notice of this question. A great deal of effort is put in by the Government and staff of the Health Department and all of our health services in Western Australia to ensure that patients are provided with high quality, compassionate and caring treatment in our public hospitals and in our health services generally, a lot of which are outside public hospitals. Since 1997, a group known as the hospital key performance indicator working party has put a lot of work into developing and refining a wide-ranging survey of patient satisfaction across the full range of health services which are provided through our public hospitals.

Ms McHale interjected.

Mr DAY: I will tell the member what they think of it: It is a very good outcome. This work has been done in consultation with the Auditor General, who also has a strong interest in ensuring there are good outcomes from the expenditure of taxpayers' money. Since 1997, a total of 21 000 people have been surveyed through this process. The latest information available from the 1998-99 survey, which surveyed 12 000 overnight and same-day patients in both teaching and non-teaching metropolitan hospitals, indicated that out of a possible 100 points, there was an overall patient satisfaction record score of 81, which is a very good outcome. Patients also rated the outcome of their hospital stay at a very healthy 87 out of 100. That is a good indication of the high level of service which is provided through our public hospitals. It is also interesting to note that the physical attributes of the facilities, such as food and surroundings, were rated as the least important factors in their stay; nevertheless, it received a score of 85 points out of 100. That is also a very good result. I am pleased to say that a further survey is being undertaken involving a random sample of 21 000 people. In addition to overnight, same-day and maternity patients, four other specialty groups will be surveyed: Patients who have been in hospital for more than 35 days; patients who are over 75 years of age; nursing home-type patients and respite care patients.

MINIMUM WAGE, INCREASE

794. Mr KOBELKE to the Minister for Labour Relations:

Given that last week's increase in the minimum wage for federal awards leaves workers on the minimum rate under a Western Australian workplace agreement worse off by $50.80 for a 38-hour week -

(1) Is this not clear evidence of this Government's undermining of the pay and conditions of Western Australia's lowest paid employees?

(2) Why, some two months after the last pay increase under the Minimum Conditions of Employment Act, does the Department of Productivity and Labour Relations web site, which advises employers of rates of pay, still claim that the minimum weekly rate is $346.70 instead of the correct and higher amount of $368?

Mr Court: I thought our wages were growing very strongly.

Mrs EDWARDES replied:

(1)-(2) I will chase up the information about the web site. The Opposition has never accepted that individual workplace agreements provide for greater levels of flexibility.

Dr Gallop: For the employers!

Mrs EDWARDES: It is not necessarily a wage issue for many people who enter into these agreements.

Ms MacTiernan: Explain why you are misleading the public.

The SPEAKER: I am wondering whether we should call off question time.

FARM BUSINESS IMPROVEMENT PROGRAM AND RURAL ADJUSTMENT SCHEME, FEDERAL FUNDING

795. Mr GRILL to the Minister for Primary Industry:

Can the minister explain why Western Australia is the only State not to share in the $21.3m funding package for the farm business improvement program and the $16.5m funding package for the rural adjustment scheme announced in the federal budget last night?

Mr HOUSE replied:

It is not my understanding that Western Australia will not share in that funding.

Dr Gallop: That is what the budget papers say.

Mr HOUSE: If that is the case, members can be assured that the Government will make very strong representations to the federal minister. I cannot imagine the federal budget discriminating against Western Australia in that way.

Dr Gallop: It certainly does, my friend.

Mr Ripper: The budget papers have zeros for Western Australia alongside those programs.

SEWERAGE RATES, PRICE CAP

796. Mr McNEE to the Minister for Water Resources:

The minister has recently capped government sewerage rates in the country at $550. What is the effect of this price cap?

Dr HAMES replied:

I thank the member for this question. This issue arose because of the problems we had installing infill sewerage in country towns in Western Australia that have high gross rental values, which is the basis for determining sewerage rates. The problem was marked in Denham in the electorate of the member for Ningaloo. For environmental reasons, the infill sewerage program was essential. However, because of the high gross rental values in that community, sewerage rates were sometimes $800 to $900 for an ordinary residential house. The Government believed that that rate was excessive. The difficulty was finding an alternative. We could have imposed a flat rate across Western Australia. However, that would have led to a fall in the cost in some towns, but a number of others - for example, Moora, which has a low gross rental value - would have experienced a significant increase in sewerage rates. The imposition of the cap has achieved a very good result for areas such as the electorate of Pilbara.

About 9 000 residents will benefit from this program in 69 towns around Western Australia with an average drop in sewerage rates of $114. That is a magnificent result. In the member for Pilbara's electorate, Port Hedland and South Hedland are major beneficiaries in that 692 of the 895 outlets in Port Hedland will experience a reduction in rates, which represents 77 per cent of all outlets. In South Hedland out of 2 789 rateable properties, 1 870 have a reduction in rates, which represents 67 per cent of the properties in that town. In Denham, in the electorate of Ningaloo, where that issue was raised, of 184 sewerage rateable properties, 151 or 82 per cent will have a decrease. There are significant decreases for many regions throughout Western Australia, and the Government believes this is particularly important and shows its commitment to rural and regional Western Australia.

WATSON, MR GEOFF

797. Ms MacTIERNAN to the minister representing the Minister for Transport:

(1) Can the minister confirm that Geoff Watson, a former project director for the Graham Farmer Freeway, has been engaged in the past two months in preparing a report on aspects of the Northbridge tunnel development?

(2) Can the minister advise whether Mr Watson was engaged directly by Main Roads or the tunnel contractor for this purpose, or whether it was through a consulting firm?

(3) Will the minister provide us with a copy of the brief given to Mr Watson or the consulting firm?

(4) Can the minister advise whether Main Roads has sought legal advice from the Crown Solicitor's Office in respect of the status of the report?

Mr COWAN replied:

The Minister for Transport has provided the member with the following response -

(1)-(4) I am advised that Mr Watson is a consultant employed by Evans and Peck Management. In 1996 Evans and Peck Management was contracted by Main Roads Western Australia to provide advice on a number of project issues, including construction of the Graham Farmer Freeway. This contract will expire in October 2000. In the past two months Main Roads has made a number of requests to Evans and Peck Management for advice and if the member can be more specific with her request, I will endeavour to provide more information.

MINISTERIAL OFFICES, RESOURCE LEVELS

798. Mr BLOFFWITCH to the Premier:

The Opposition has suggested that resource levels in ministerial offices have been improved and upgraded since the Government came to office. Is this the case?

Mr COURT replied:

Yes, but modestly. It was a pretty cheap shot because the Opposition did not include the office of the Leader of the Opposition. I remember that when I was Leader of the Opposition, my office was provided with three cars; the current Leader of the Opposition's office has five cars. We had 12 staff; the Leader of the Opposition now has 14 staff. I am advised that my office had no credit cards; the current office has five credit cards. I am told that Hon Tom Stephens, who was a minister for only 83 days, spent $90 000 on ministerial expenses during that period. If members opposite want to run that line on ministerial offices, and the Leader of the Opposition's office comes into the same category, they should be fair and talk about both.

FEDERAL BUDGET, SPECIFIC PURPOSE PAYMENTS

799. Dr GALLOP to the Premier and Treasurer:

I refer to the Treasurer's praise last night for the federal budget and ask -

(1) What is praiseworthy about a $90m cut in specific purpose payments for Western Australia?

(2) Why did the Treasurer support such a cut in funding to Western Australia, particularly when other States received increases?

Mr COURT replied:

(1)-(2) The Leader of the Opposition said in the media the other night that he would hold me accountable for these taxation changes. I have no difficulty with that, or with supporting $12b in income tax cuts. I have no difficulty with Western Australia and other States gaining access to a growth revenue, which will happen with the goods and services tax.

In relation to the grants which the member knows have been allocated by the Grants Commission, in every year this Government has been in office it has had a cutback in those grants because of the success of the economy. The member cannot have it both ways in relation to the implementation of the GST. I do not have any difficulty supporting these taxation changes. Federal Treasurer Peter Costello has the hardest job in the country. It will be a difficult job to bring about this major change in the next year. I remind members opposite that the Labor Party supports the implementation of a goods and services tax. The Opposition has publicly said that it will not repeal a goods and services tax.

Mr Kobelke: We do not support the GST.

Mr COURT: Members opposite will not get rid of it. When the federal Leader of the Opposition signed up for a roll back of the GST strategy, it was pointed out to him that the only way to do that was to increase income tax; there was silence. I know that for the next few months the Opposition will talk about the implementation of the GST.

However, I want to quote Bob Hawke. He said that we cannot have a continuation of a tax system which is haemorrhaging, and that imposing burdens on those least able to bear them is economically inefficient. He also said that the present tax system is in decay and the process of decay is hurting average Mr and Mrs Australia. He said that the wealthy, rich person who can afford a tax accountant and a tax lawyer to dodge and avoid tax is the one who benefited. Bob Hawke speaks in favour of the GST.

Paul Keating said that the main message that people must understand is that a great majority of taxpayers who have not been cheating and avoiding tax will be substantially better off with a consumption tax.

Paul Kelly in *The Australian* of 19 February this year said -

> If the GST were half as bad as Labor pretends, then Labor would abolish it. But Labor won't because the GST is too advantageous a reform for any federal government.

Mr Kobelke: You are a sell-out Premier. You sold out this State to your mates.

Mr COURT: Members opposite want to knock, knock, knock the whole time. They were not able to bring about taxation reform during 12 years in government. The wholesale sales tax will be abolished on 1 July, and financial institutions duty will be abolished next year; there will be $12b in income tax cuts, and cuts in company taxation. They are things that members opposite could only dream of. They never had the courage to bring about those changes.

Members opposite can knock, knock, knock, but there will be a positive change, and it is supported by the current federal Leader of the Opposition, and by previous Labor leaders, Bob Hawke and Paul Keating.
