



WESTERN AUSTRALIA

Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
FIRST SESSION
1997

LEGISLATIVE ASSEMBLY

Wednesday, 10 September 1997

Legislative Assembly

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THE SPEAKER (Mr Strickland) took the Chair at 11.00 am, and read prayers.

PETITION - ELECTRONIC GAMING MACHINES

MR OSBORNE (Bunbury) [11.04 am]: I present the following petition -

To the Honourable the Speaker and members of the Legislative Assembly in Parliament assembled.

We, the undersigned are concerned that the long-term social and financial costs of the introduction of Electronic Gaming Machines (Pokies) far outweigh the short-term financial gains to the Government.

We call upon the Government to make a statement of commitment to a course of action which will ensure the continued prohibition of their introduction into Western Australia.

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

The petition bears 35 signatures and I certify that it conforms to the standing orders of the Legislative Assembly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

[See petition No 89.]

STATEMENT - TREASURER

Consolidated Fund Transactions 1996-97

MR COURT (Nedlands - Treasurer) [11.05 am]: The purpose of this statement is to inform the House of the end of year result of actual transactions against the consolidated fund in 1996-97, and to table a document which sets out details of the actual revenue and expenditure transactions of the consolidated fund for the 1996-97 financial year.

Members will recall that because of the enactment of the 1997-98 Budget before 30 June 1997, the comparable 1996-97 transactions reflected in the budget papers were estimated actual results. The document I shall table, "Summary of Consolidated Fund Transactions 1996-97", sets out both the estimated outturn and the actual outturn for consolidated fund transactions in 1996-97. The 1996-97 consolidated fund budget presented to Parliament was predicated on a zero financing requirement, comprising a surplus on recurrent transactions of \$246.1m and a deficit on capital transactions of \$246.1m. The 1996-97 financial year ended with a consolidated fund cash financing surplus of \$0.2m, compared with the forecast balanced budget reflected in the 1997-98 budget papers which were presented to Parliament on 10 April 1997.

The variation of \$0.2m on the 1996-97 outcome forecast in April 1997 reflects a net decrease in capital works expenditure of \$10.7m and a reduction in capital repayments of \$24m, an increase in recurrent revenues of \$6.6m and savings in recurrent outlays of \$1.4m. These improvements were partially offset by a downturn in capital receipts of \$42.5m, which included lower asset sales of \$28.8m and a reduction of \$9.9m in repayment of principal by the Government Employees' Housing Authority. The end of year surplus of \$0.2m, together with the opening balance of \$53.7m, resulted in total funds of \$53.9m being retained in the consolidated fund at 30 June 1997. These funds were fully applied to repayment of WA Treasury Corporation debt on 9 July 1997.

The task of achieving a positive budget result in 1996-97 was a difficult one, due largely to the post budget cut of \$59.8m made by the Commonwealth to Western Australia's general revenue grants. However, with the cooperation of budget sector agencies and a strong commitment by the Government to operate within its means, a small surplus against the 1996-97 Budget was achieved.

Once again the Government has demonstrated it has the commitment and financial skills to successfully manage the State's finances. Unlike its predecessors, who managed to rack up unacceptable levels of state debt, this Government will continue to pursue its fiscal objectives and, at the same time, create jobs by encouraging investment and economic development, and provide strong support in areas of education, health, youth and services for the disabled.

This Government has the runs on the board and the success of Western Australia's public sector reform and economic and financial management has been recognised by the independent credit rating agency, Moody's Investors Service, which recently restored the State's AAA credit rating.

The outlook for Western Australia's growth over the medium term is very encouraging. Business confidence is the strongest in the nation, and the ongoing reforms of the public sector have fostered an environment conducive to further expansion in the Western Australian economy. This is highlighted by approximately \$58b worth of investment in major projects currently under way or being considered. I now table the accompanying document.

[See paper No 658.]

SCRUTINY OF GOVERNMENT PUBLICITY BILL

Introduction and First Reading

Bill introduced, on motion by Dr Gallop (Leader of the Opposition), and read a first time.

LEGISLATION COMMITTEE - LAND ADMINISTRATION BILL AND ACTS AMENDMENT (LAND ADMINISTRATION) BILL

Membership

Mr Barnett (Leader of the House) nominated the member for Roe as a member of the Legislation Committee on Land Administration Bill and Acts Amendment (Land Administration) Bill.

ACTS AMENDMENT (LEGAL COSTS) BILL

Second Reading

MR PRINCE (Albany - Minister for Health) [11.11 am]: I move -

That the Bill be now read a second time.

The Bill responds to the decision of the Full Court of the Supreme Court of Western Australia in *Klahn v Talbot* (unreported, 12 September 1996) where the successful appellant had been awarded costs under the Official Prosecutions (Defendants' Costs) Act 1973, even though he appeared in person and had not engaged a lawyer.

The Crown had appealed to the full court on the basis that the costs scale referred to in that Act provided for an award of costs only in respect of legal services provided in those particular proceedings. However, an amendment to the Act in 1977 had repealed the provision authorising the Government to make a costs scale. Therefore, the full court held that the scale could not validly apply and that the provisions of the Act simply conferred a discretion upon the court to make an order for costs for whatever amount it thought appropriate. Further, questions were raised by two members of the full court as to the power of the Legal Costs Committee established under the Legal Practitioners Act 1893 to determine the scale of costs, even if the scale could have been validly made.

The Bill restores the ability of the Legal Costs Committee to create the costs scale for the purposes of section 5(5) of the Official Prosecutions (Defendants' Costs) Act 1983 and confirms the power of the Legal Costs Committee to determine a scale for the purposes of any other Act that refers to fees, costs, expenses, etc being fixed to be the determination of the Legal Costs Committee.

The Bill will also make it clear the committee does have the power to prescribe for the reimbursement of all expenses properly incurred by a legal practitioner on behalf of a client or directly by a legal practitioner's client. I commend the Bill to the House.

Debate adjourned, on motion by Mr Cunningham.

TURF CLUB LEGISLATION AMENDMENT BILL

Second Reading

Resumed from 21 August.

MS WARNOCK (Perth) [11.12 am]: As those who read the sports pages of our august morning newspaper *The West Australian* will know -

Mr Cowan: You got that wrong.

Ms WARNOCK: I am hoping to get a good run here!

Dr Gallop: You don't read them.

Mr Cowan: No; it is not an august newspaper.

Ms WARNOCK: The Western Australian Turf Club is in the news, having had to slash stakes because of a cut in

the Totalisator Agency Board distribution. On one hand we have a very angry Turf Club chairman and numerous others in the racing industry who are very concerned, while on the other hand, Ray Bennett from the TAB is defending that organisation. I am sure people on this side of the House as well as on the other will have some reflections on these matters a little later.

Before I approach those matters, I will discuss this very short Bill. It is largely aimed at removing a long out of date borrowing limit for the Turf Club. The original Act dates from 1892. Any limit that was placed in 1892 would be out of date by now. The Bill also allows the Turf Club to dispose of real and personal property and to mortgage and dispose of trust land according to the Land Act. It is only the second amendment to this Act in 100 years. A clause in the Bill ratifies all previous borrowings in excess of the original limit of \$20 000. This is just as well since the club presently has debts of \$3m and an overdraft of about \$2m arising out of a redevelopment program at the Ascot Racecourse and also at Belmont. Obviously that was necessary in the view of the Turf Club, although very costly, and has caused the club to carry the debt a couple of years later.

The club has borrowed in excess of the 1892 limit for many years. This is a sensible adjustment, which is why it is supported by the Opposition. It is retrospective legislation, which is anathema to some. However, it is necessary and, in fact, should have been brought in before by the present Government. It is a tidying up exercise and we should have got round to it before now. I have a copy of a letter with me from the Turf Club to the present Minister for Racing and Gaming written in February 1994 about this housekeeping exercise. It has taken far too long to reach us in Parliament.

The other matter that is addressed in this very small Bill relates to the Turf Club being able to sell personal property. The club has sold the land before; for example, the Esplanade site in the city and other properties like the Helena Valley club. This Bill presumably regularises those previous sales as well. My colleagues in the other place asked why this was brought in as a Government Bill since the Turf Club is a private organisation, albeit an important one that controls thoroughbred racing in this State. The Minister did not answer that question.

The Turf Club had its first meeting in April 1853, so it is a very old organisation. Despite being a private club, it receives large sums of public money through the Totalisator Agency Board. For those who do not spend much time either in betting shops or at any of the tracks, the TAB was set up in 1961 to provide off-course betting facilities and to farewell SP bookies, who were a familiar part of the scene before that date. It provides funds for all racing codes in this State. Today's newspaper article states what many people know already - there is continuing argument among the three codes about the proportion of the fund each receives. Those arguments will continue and no doubt people in this House have different views about the proportion each code receives.

Before getting to the contemporary argument about the WATC in the newspaper this morning, I will look at some general facts and figures about the TAB. In 1993-94 the TAB's turnover on all sports was \$584m, which translated into \$18.41m for the thoroughbred racing code - the gallops in the parlance. Since 1992 the income of the WATC from the TAB has gone up 60 per cent. That code's situation improved under the previous Labor Government, when Minister Pam Beggs introduced a tax rebate about 1991-92 to achieve a guaranteed distribution of \$16.1m to the gallops and \$8.9m to trotting. There was also a rebate of on-course taxes. In 1994-95 the TAB tax rebate was adjusted to achieve an overall 65:35 distribution between gallops and trotting. This does not represent the percentage brought in by racing and trotting. It continues to be a source of friction, despite attempts to broker peace between those codes. The gallops feel they are carrying the trots, which do not hesitate to remind the gallops from time to time that 30 years ago it was the other way around. Perhaps I should mention also that 80 per cent of the total turnover is from thoroughbred racing -

Mr Trenorden: Those figures are rubbish.

Ms WARNOCK: - although only 32 per cent of that is local.

Mr Trenorden: That is the point.

Ms WARNOCK: If the member for Avon had let me finish the sentence, I would have made that point. I am happy to discuss these matters with the member later. I hope the member will give an explanation in this place of why his Government has not helped country racing a great deal more than it has.

Mr Trenorden: If you want a brawl about that, I am happy to get into it. Who shut Toodyay? Who shut York? It was your mob.

Ms WARNOCK: For the member's information, I was not a member then. The Government made a promise two years ago to help country racing. I am sure those involved in country racing have written the Government a few letters since then. I am interested to hear what the member for Avon will do about it. I would be delighted to have a discussion with him about it later.

Country and provincial racing has had an extremely tough year. It has had to cut back both race meetings and stakes because of reduced TAB funding. In light of the figures posted by the TAB today, that is an extremely interesting fact. No doubt the member opposite would have heard the anger that has been expressed over what some people consider is an unfulfilled promise by this Government to raise the amount of money through that percentage distributed that goes to country racing. I realise this is a contentious issue. I know a great deal of discussion has been held about how Governments should assist country racing - in what way they should assist and how much they should assist. That comes down to the kinds of arguments being held in the public arena about tariff cuts and how they affect industries in Australia.

During debate on the Acts Amendment (Racing and Betting Legislation) Bill in 1995 several government members spoke about a commitment the Minister for Racing and Gaming in the other place gave to the racing industry to increase by regulation the distribution of funds to country racing to about 36 per cent. When I asked him a question on notice about that he denied the commitment had been given, although I read thoroughly those debates of 1995 in *Hansard*. I hope the member for Geraldton will say a few words about that today because I was interested in what he had to say in 1995. When my former colleague Hon Graham Edwards in the other place asked the Minister directly about that, the Minister was rather vague in his reply.

Mr Cunningham: That's unusual.

Ms WARNOCK: Yes. There is no question that country race clubs are crying out for assistance. They feel the Turf Club and the Government should give the industry their close attention. If we view the racing industry as a primary industry, which is certainly the way many people who work in it view it, we must think about its being assisted in ways other primary industries are.

Mr Wiese interjected.

Ms WARNOCK: Did I hear a rumble from the agrarian socialist then? My hearing is not very good.

Mr House: They wouldn't survive without subsidies.

Ms WARNOCK: The Minister for Primary Industry must think seriously about that. I hope he will stand up and give his views about it.

Mr Cowan: I am glad politics is about dealing with perception rather than reality.

Ms WARNOCK: Alas, much of it is. I am aware of that.

Racing is a primary industry. It should be viewed that way. Perhaps it also should be assisted in that way. Racing is an opportunity for gambling. As such, it is part of the leisure and entertainment industry. Perhaps that is why some outside the business find it difficult to understand; it has these two streams. I judge from having read *The West Australian* today that the TAB wants to give the primary industry a lecture about being part of the leisure and entertainment industry. However, I will come to that matter a little later.

For those in the House who have no knowledge of how much money is involved in this primary industry and how many people are involved in racing, I will put on record some facts and figures that were given to me recently by the Turf Club. This is a snapshot of the racing industry at the moment. Approximately 12 000 owners are involved in the racing business in Western Australia. In 1995-96 they raced at 320 race meetings and at 40 tracks. Members opposite will be aware of where those tracks are because they represent the electorates in which they are located. Those 40 tracks are down from 92 registered clubs at the turn of the century. That gives a brief, but stark, picture of the racing business now.

In 1995-96 they raced for a total of \$22 819 946 in prize money. A study the Turf Club quoted when providing these figures found that the direct contribution of WA racing - that is both harness and thoroughbred - to the gross domestic product of Australia was estimated at \$177m, and the indirect impact for the same year in Western Australia was estimated at \$422m. The impact on employment in Western Australia - that includes everybody who works in the business and all the occupations that are involved in racing - was 28 325 people. The industry is a big employer of people. This is one of the reasons members on both sides of the House and people who are interested in this primary industry are keen to see it survive and have always striven hard to find the elusive but proper mechanism to assist the business to survive.

More up to date figures about racing were given at a race meeting at Belmont on Saturday by the Chairman of the Western Australian Turf Club, Ted van Heemst. He talked about racing in Australia generally and its contribution to the nation - a turnover well in excess of \$15b.

Mr House: It's a pity that as chairman of the Turf Club he didn't recognise its contribution to rural Western Australia.

Ms WARNOCK: I thought that was the job of representatives such as the Minister.

Mr Trenorden: The 1892 Act to which you refer gives the Turf Club supreme power.

Ms WARNOCK: I understand that. However, in 1995 the Government talked a great deal about how much power the Parliament should have in this area, which seems to be accepting the fact that the Government does have a responsibility to this otherwise private industry. The Government does not seem to be following that through. I will return to that matter later.

The industry employs in excess of 150 000 people. That is a conservative estimate of the kind of contribution the racing industry makes throughout the country. According to figures given by the Turf Club chairman, Australia's thoroughbred racing rates second in scale to the United States of America, and its prize money, which approximates \$250m, ranks third behind the USA and Japan.

Those facts and figures give the picture I wanted to paint about this primary industry and how important it is to Australia. I certainly agree with members opposite that it has a very important role to play not only in the general national product but also in many country areas throughout Western Australia. That is why country people are regularly contacting members like me to express their concerns that the industry is at the moment suffering a great deal and needs some assistance.

What are the solutions to racing's problems? Solutions are being developed slowly and extremely laboriously, it seems, by the Western Australian Turf Club. I have telephoned it regularly throughout the year to tell it that we are all interested in its business plan and to ask when we will see it. According to this morning's newspaper, the plan will be developed even more slowly as a result of the stakes cut and the blow the industry has had to absorb this week. For most of this year the club has been working on the business plan. Impatience is developing in some quarters. It is clear from the industry's present problems that a thoroughgoing review of the industry and how it can best survive in the future needs to be undertaken. Earlier this year, the WATC chairman, Ted van Heemst, spoke of the need for tax reform and alluded to the new success of the New South Wales racing industry, which was in grave difficulties some time back. He spoke of its success since the privatisation of the TAB there. In answer to questions that I and others have asked, the Minister said that approach is not appropriate for the Western Australian TAB. He is apparently not impressed either by arguments on the methods of taxing racing advanced several times by numbers of people, and, in particular, the ex-WATC committee man, Alf Da Re, who is a tax accountant with a very complicated equation, which he will produce if members are interested in hearing about the method by which racing is taxed as opposed, for example, to gambling at the casino.

The Minister's view, which will be shared certainly by some people in this House, is that racing is getting its share and that it has already had tax assistance under previous Governments and the present Government. Nonetheless, it is quite obvious from the stories that have been featured in the newspapers throughout this year, from the calls I have been receiving, and from the meetings I have had with people in the industry, that all is not well. Like racing around the world, except perhaps in Hong Kong where it is flourishing because of a lack of competition from other forms of gambling, Western Australian racing has been suffering for some time from declining on-course attendances. It has been suffering also from severe competition from other gambling codes. It will be no surprise to anyone that among the people who have lobbied me and no doubt others about the unwanted poker machines, which have been promoted recently by the hotels lobby, have been people in the various racing codes who are concerned about possible competition from them. If they had the same arrangements as the racing codes have with the TAB in Victoria and the poker machines, I dare say the argument might be very different. However, this Government has decided against those machines and that decision is supported by the Opposition. They are therefore not part of the present equation, but they have provided severe competition, which has been a problem to the racing industry. The competition also includes the casino. One could expect competition to be even tougher if poker machines were ever introduced here. I recall that when the casino opened in the 1980s when I was working at 6PR, which was a racing station, there was an immediate, dramatic downfall in the turnover of the TAB. We knew about it not only because we were constantly in touch with the racing community but because it affected us drastically, as no doubt it did the TAB.

The criticism of the TAB by the codes would have been seen very clearly this morning in the extensive article about the WATC having to slash its stakes and distribution being cut while paradoxically turnover has increased. Operating costs have gone up for the TAB and the 2 per cent reserve has been set aside for future development. The business oriented board of the TAB has advanced that decision, but there is no doubt that it has been causing some friction in the racing community. The TAB has hotly defended its new business style board, which has been handpicked by the present Minister. It says that it must put aside that 2 per cent at this time, otherwise the pot will be empty when TAB technology has to be upgraded. We all acknowledge those things have to be done. The codes would like to see some limit on operating cost and certainly more of the income going to the codes. That hot argument will rage in the community during the coming weeks.

Mr Cowan: When will you get to the Bill?

Ms WARNOCK: I spoke about it in the first five minutes of my speech and said that we agreed with it.

Mr Cowan: The Bill does not deal with the TAB.

Ms WARNOCK: I have a whole hour and I intend to talk about the racing business. I have said that we agree with the Bill and support it.

Mr Cowan: If you read your standing orders, you would find that you must talk to the Bill.

The SPEAKER: Order!

Point of Order

Mr COWAN: I would like the member for Perth to confine her remarks to the Bill before the House, which would be appropriate, rather than making the claim that she will talk about the racing industry. The standing order provides that she should confine her remarks to the Bill before the House.

The SPEAKER: In second reading debates, members must have some discussion on the Bill, but generally there is a fairly wide ranging debate. I will allow the member to continue but ask her to bear in mind that it is the second reading of the Bill.

Debate Resumed

Ms WARNOCK: Thank you, Mr Speaker. I share your belief that in second reading speeches -

The SPEAKER: I do not want the ruling canvassed. Just carry on.

Ms WARNOCK: It seems to be appropriate to talk about the racing industry in general. I remind the Deputy Premier that we support the Bill and I have discussed the Bill's content. No doubt my colleagues will be doing the same.

Mr Cowan: I have no doubt they will, but I was drawing the Speaker's attention to the fact that you were straying from the provisions of the Bill.

Ms WARNOCK: Not at all; I am talking about the Western Australian Turf Club. The Bill is about the Western Australian Turf Club and so I intend to continue.

Mr Cowan: You were talking about the TAB.

Ms WARNOCK: I am talking about the Western Australian Turf Club.

Mr McGowan interjected.

The SPEAKER: Order! Perhaps the member for Perth will continue.

Ms WARNOCK: Thank you; I am most grateful, Mr Speaker. The country and provincial racing clubs believe that they should receive more of the gambling dollar and that the WATC should tighten its belt and cut stakes. That is exactly what it has been obliged to do today. No doubt the problems of the country racing codes will continue. They will be extremely concerned about the flow-on effects of the cut that has been forced on the WATC and where they will be placed in the future.

It is fairly obvious from the arguments that are raging in the paper this morning that the WATC believes it is not receiving its fair share compared with the trots.

In looking at the future of the WATC and of the racing industry in general, we must ask what are the solutions, and many clever people are working on that at the moment. A business plan for the WATC has been in preparation for some months, and there is some impatience about when that plan will be released. There is no doubt that the WATC needs such a plan, because it does have serious problems. Despite the fact that the WATC expects to run a successful summer racing carnival at its Ascot headquarters this summer and that it will keep up the stake money for those meetings, there is no question that a lot of rethinking is required about the way things are run.

I am sure that two of the solutions that will be sought by the people who are working on the business plan are increased sponsorship and merchandising, and further diversification of activities at the metropolitan tracks rather than the expenditure of more money on membership facilities. That advice would be given by anyone who paid attention to racing, because while those facilities are pleasant and enjoyable, as anyone who has been there recently would attest, it seems to me and to others that because the development at the WATC has left the club with a fairly large debt, it would be preferable for the club to concentrate on other matters over the coming years because it clearly faces a serious problem.

Mr Trenorden: Getting a few people on course would not be a bad idea.

Ms WARNOCK: The member for Avon is right. Attendance rates have been declining since the 1950s.

Mr Trenorden: Do you know that in counting the number of people who attend races, they also count their employees?

Ms WARNOCK: There is no question that the WATC needs to increase attendance rates, but that is not all it needs to do. It needs to diversify into other activities and lease out its facilities for other forms of entertainment. Although it is engaged in a primary industry, it is also engaged in the entertainment industry, and it will clearly need to take that seriously, despite the fact that some people do not want to consider that matter. I am sure these things are part of the equation and of the discussions with the various people who are developing the business plan.

Sunday and twilight racing must also be considered. The WATC has obviously realised that it must cut stakes, because that is what it has done, and there has been a lot of coverage about the local breeders encouragement scheme - the sunspeed scheme. People in Western Australia have brought to my attention that in other States such schemes are assisted by the Government whereas in this State the scheme is in the nature of a sweepstakes. Perhaps we need to think about government assistance for that encouragement scheme.

We also need to think about whether the voluntary committee system that has existed for over 100 years is the kind of authority that should run racing and about whether we should follow Victoria and set up a racing industry development authority of some kind to plan for the future of racing in the currently highly competitive environment for gambling. I am not privy to what will form part of the WATC business plan, but discussions about industry problems must have led to a wide range of solutions being considered. One solution may be to extend gambling opportunities to offer customers an integrated gambling complex such as exists at Gloucester Park, which has a mini casino, and at the Burswood Resort Casino, at which the TAB has outlets. The future may lie in having a gambling complex rather than concentrating solidly on racing, because it is clear from the history of racing that in all of the countries in the world, with the exception of Hong Kong, the racing industry is experiencing great difficulties.

We are concentrating on this small Bill on the Western Australian Turf Club. It is very disappointing that it had to cut stakes so drastically, because that will flow on badly to owners and breeders and will make racing less interesting for punters. I believe the WATC had no other option at this time given that it had suffered such a cut in the distribution, but in order to draw people into racing we need decent size stakes. That matter will need to be taken into account in the development of the business plan, and that plan must be completed and released soon so that the WATC can present a confident face to the world and assist itself to promote the industry. The WATC will need to increase its business and keep improving its product. It may need to look also at the method of taxing, although there is no question that the level of betting taxes is lower in this State than in other State, and the codes do not deny that.

Some people will obviously ask why TAB agents are receiving an increase at this time and why the 2 per cent reserve has been taken out at this time, although the TAB insists that that is necessary. Other people will suggest that there should be a general meeting between all the codes and the TAB to discuss the problems that have arisen and the anger that those problems appear to have generated. The WATC must look at gaining income from elsewhere and start to think of itself as part of the gaming, entertainment and leisure industry and about ways in which it can improve facilities for people who are interested in those activities and draw those people to its facilities. It also needs to increase gate turnover, although it has been a long time since gate attendances have been part of the equation.

Country racing will be affected badly by this recent development. The Government needs to decide whether it is prepared to support racing as a primary industry. It will need strong support to remain viable, and much the same arguments can be advanced about country racing as are advanced about certain industries in this country which are supported by tariffs. We need to think about whether we want to keep the industry viable in those small towns, where it is an important part not only of local employment but also of leisure and social enjoyment. We need to think seriously about how we can assist country racing, because while the economic rationalists in this House might baulk at that idea, racing plays such an important part in some country towns that it cannot simply be abandoned. This Bill will give the Turf Club the right to sell its real and personal property. That is one option that the Turf Club may need to consider.

Although this Bill was somewhat delayed in getting to this House since it was recommended in 1994, we are glad that it has now appeared in this House and are pleased to support it.

MR BRADSHAW (Murray-Wellington - Parliamentary Secretary) [11.48 am]: Before I deal with the Turf Club Legislation Amendment Bill I welcome students from St Anne's Primary School in Harvey to the Public Gallery and hope they enjoy their visit to the Parliament today.

I support this Bill because it will bring the Western Australian Turf Club into the twentieth century. It is a pity that the Turf Club has been restricted in the past, and this Bill will make it better able to do what it should do. We were the guests of the Turf Club on Saturday, and that gave us an excellent opportunity to look at the races in Perth. Racing and pacing is an important industry. According to the statistics on the gross national product in this country, the racing and pacing industry is about the third largest source of employment. These industries are very important because they provide jobs and assist the economy. Generally in Western Australia these industries are undervalued.

Recently I was approached by members of a racing club in my electorate because they were concerned about the reduced Totalisator Agency Board distribution to the racing industry, which would result in a downturn in stake money. It is sad that stake money will be reduced, because that will put pressure on owners and trainers to decide whether they can afford to stay in the industry.

Over the years there have been changes in the way we approach certain industries. In the past, 10 000 to 15 000 people would turn up to WAFL games. These days we would be lucky to see 2 000 turn up to a Westar Rules game. The racing and pacing industries have experienced a similar decline in membership and patronage, and we must think about what we can do to turn around the situation. Interest in football has changed because some state teams have joined the Australian Football League -

Mr McGowan: Are you talking about the Bill?

Mr BRADSHAW: Yes, I am.

Mr McGowan: For a moment I thought you were the member for Dawesville!

Mr BRADSHAW: There are racing and pacing clubs in my electorate, so it is important for me to speak on the subject.

Mr McGowan: For a second, I closed my eyes and I thought you were the member for Dawesville. I was waiting to hear about crabs.

Mr BRADSHAW: There are crabs in the electorate of Murray-Wellington.

The SPEAKER: Order! Perhaps the member should speak to the Bill.

Mr Cowan: They are the horses who come last!

Mr BRADSHAW: Most of the horses on which I placed a bet at Belmont on Saturday were crabs!

Over the past 10 or 20 years there has been a change in the attitude of people who attend racing and trotting events. Consequently, the racing and pacing industry should take a look at itself. To a large extent, the pacing industry has attempted to overcome the situation. It has provided other attractions for people who do not want to watch horses running around at those events. At Gloucester Park a creche for children has been provided and a band for people to listen to.

On the radio this morning some people said that the racing industry had not tried to attract people. It was said that not everyone wants to bet on the horses at a race meet. A husband might wish to place bets, but his wife might not. Under those circumstances, perhaps both stay home; whereas other interests could attract people to those events - perhaps a fashion parade or a band to listen to. The racing industry must consider ways to attract more people to the code, otherwise it will experience a further decline in attendance and further reductions in the TAB distribution, which will result in less stake money and fewer people remaining in the industry. This is an important industry and various options must be considered.

This morning my friend Bob Maumill spoke about the need for an inquiry into both the racing industry and the TAB. I am not sure whether we need such an inquiry, but people must consider various ways to put the industry back on track and ensure that the TAB distribution is increased to keep pace with inflation. I support the Bill. The passage of these amendments will be very important for the Turf Club.

MR TRENORDEN (Avon) [11.54 am]: I am very interested in this Bill because it will remove the \$20 000 borrowing limit in order to prevent the Western Australian Turf Club from having an overdraft. The Turf Club has been breaking the law for a long time and it is only reasonable that we should recognise that fact and allow the Turf Club to come into the late 1990s and be capable of trading. The Turf Club has had no power to sell land, but those of us who have had an interest in racing are aware that the Turf Club has been selling its assets for the past 30 years to enable it to remain viable - and that has been against the law!

Mr Barnett: Does the Turf Club own Belmont Racecourse?

Mr TRENORDEN: Belmont and Ascot. It used to own the course at Midland Junction and Maida Vale and other

assets. It also owned a CBD property, but those assets have been sold - apparently against the law! It is a very good move to recognise that the Turf Club must have the ability to trade. Therefore, I support the Bill.

However, I want to speak about this issue because, as people know, racing is one of my passions. We have three race tracks and numerous trotting tracks in my electorate, but the number of tracks is determined on the whim of the Turf Club. The number of tracks has moved from three, down to one and back to three, all on the whim of the Turf Club. Despite what the Opposition says, the Turf Club does have control over its own destiny. The Minister can control only the ratio of race meetings between country and city. The power over all other matters was given to the Turf Club in the 1892 Act. Therefore, it can control its own destiny - except perhaps the argument about the Totalisator Agency Board.

About 10 years ago my electorate sold chaff and grain valued in excess of \$20m to the general feed industry. Not all of that went to the racing industry, but a fair slice did. Therefore, economically my electorate has a high interest in the racing industry.

I will run through some facts: This State returns more taxation to the industry than any other State. Budgeting is a problem for the Turf Club. It is interesting that members opposite spoke about the Turf Club needing a management plan. It has taken 100 years for the Turf Club to consider that possibility, and that highlights the fact that the Turf Club has been abysmally and disastrously run.

That issue has been debated in this place many times, and continues to be debated. For example, I refer members to the rubbish on the back page and the sporting page of *The West Australian* today. The comments by the Turf Club are unmitigated garbage. It is the normal rubbish run on these occasions. The fact is that from 1992 to last year the Turf Club was increasing its stake money even though its income was on the decline. We all know what would happen if we increased our outgoings on a declining income. The Turf Club should have cut back two or three years ago. In the past, the Turf Club would take the projected earnings of the TAB and add to that figure, then project its budget on that figure. That was money that had not been earned. It did not cut its cloth to meet the earnings of the previous year. It did that because it thought the TAB would have done better than stated, and it has constructed its budget at that level. That was outrageous management by people responsible for handling \$20m of public funds - not Turf Club funds. Any funds that flow from the TAB to the Turf Club are public funds. Who receives \$20m without any accountability? No-one in this State receives such an amount, other than the Turf Club. It is outrageous for the Turf Club to blame anyone but itself for its current predicament. The Turf Club has a hide like a rhinoceros - not a horse. For decades it has allowed its assets to become depleted.

It has been said that the Turf Club should have control over its assets, but those assets are Ascot and Belmont racecourses and some surrounding land - all the rest have been sold. It has emptied the cupboard by squandering everything in it; yet it complains to government and seeks to be rescued. I would love to spend money like hell and go to my bank manager seeking a rescue package on the basis that I thought the Parliament would pay me \$20 000 more than it did. It is an outrageous situation.

The Turf Club argues that because the racing industry has a certain percentage of the Totalisator Agency Board action it deserves the money. If we accepted that argument we would have to give the money to the Eastern States. That is where the money has been earned at the TAB. It is the Eastern States turnover from galloping that is going through the roof. Turnover locally is declining. The Turf Club believes that it should receive more funding on that basis. What a logical argument that is! The Turf Club then complains about other areas involved in gambling such as greyhound racing, harness racing and the Burswood Casino. How long has the casino been operating - eight years?

Mr Pental: It has been there much longer than that.

Mr Carpenter: It is 11 years old.

Mr TRENORDEN: It is time the Turf Club woke up to the fact that the Burswood Casino is in operation. It has been around for a while and will not be closed tomorrow. The Turf Club comprises an incredible bunch of incompetents. Every time this happens to the Turf Club its immediate reaction is to shut down the country racing clubs because the provincial clubs want the money.

Ms Warnock: We are asking why you do not support the country clubs; what have you done?

Mr TRENORDEN: I will tell the member that shortly. I have said a lot of this before. We need only read the newspapers and be aware of what is happening around the world to know that gambling will soon be accessible online. Shortly, through smart cards and other mechanisms online, we will be able to gamble without restriction in Las Vegas, Vanuatu and other places that attract people. That will be possible for less than the 17 per cent the TAB takes. The gambling brokers on the Internet are happy to take 5 per cent or less. What is the Turf Club doing about that? What are the TAB and Australia doing about gambling online?

Members opposite and a few new members should know that about five years ago the Public Accounts and Expenditure Review Committee pointed this out explicitly. Who has acted on it? Nobody, because of the vested interest the Turf Club has in the status quo.

Ms Warnock: You said in 1995 that the Parliament had control of this; that it should be left to the Parliament, etc.

Mr TRENORDEN: I did not say that. I will tell the member for Perth what I said in a few minutes. Country racing also deserves a rocket. Before I was elected to Parliament, Mick Gayfer, the then member for Avon, introduced a Bill to do what the member for Perth suggested. Do members know who backed down on that Bill? Country racing clubs backed down and supported the Turf Club. The Bill would have given country racers the space they wanted. However, they said they would trust the Turf Club. I have been in Parliament for 11 years and have told the country clubs many times to take a united position. Every single time they have kowtowed to the Turf Club. They will not stand by themselves against the Turf Club. I am including my own people, although York and Northam clubs are not guilty in this area. Clubs in Bunbury maliciously attacked the Northam Turf Club because it wanted to shut down other areas so that the stake money to everyone else would increase. Although I do not want to get into that argument, many country clubs are their own worst enemies because they will not stand up to the Turf Club, which wins the argument every time.

Ten years ago in a very good report commissioned by the Labor Party, Bill Quin clearly pointed out the direction for the industry. Bill Quin's recommendations are as relevant today as they were 10 years ago. He assessed matters pretty accurately. Had the Turf Club acted as he suggested 10 years ago the industry would be in much better shape than it is now.

It is outrageous that the principal club in Western Australia is also an operating club. It not only runs the major racing action in Western Australia but also sets the rules for turf racing clubs throughout Western Australia.

Ms Warnock: What about a racing industry authority?

Mr TRENORDEN: I agree. I have been pushing that barrow for 10 years. In Queensland, New South Wales and New Zealand the principal role of the turf clubs has been taken away. The WA Turf Club should be allowed to run Belmont and Ascot racecourses if it wishes but an overall body should run the industry. I do not want to put words in the mouth of the member for Perth, but we might disagree that the industry should decide to do that. The various sections do not need government to run them; the board membership comprises businessmen and people with interest in the industry. Why has that not happened? In its report the Public Accounts Committee challenged the industry to take that direction and advised it how to go about the process, but has it done that? No.

The member for Geraldton will remember this fairly famous case of only few years ago. I think the Geraldton club - I will not hang myself on that - wanted to enter a horse as a late entry and the Turf Club said it was not allowed to do that. Shortly thereafter the Turf Club reopened a grade 1 race with stakes of more than \$250 000 because its chairman wanted to enter his horse late. His horse was entered and won the race and the Chairman of the Turf Club picked up the cheque.

Mr Carpenter: Who was the chairman?

Mr TRENORDEN: It was Mr Warren. That was outrageous. People are on the committee who make the rules about who races, the grade of races, etc. To occupy those positions as owners and to control the stewards when they want to be in the winning circle is outrageous and we allow this to continue. It is a Jurassic situation. The Turf Club has not been able to handle the situation because its members have such strong vested interests they are unable to see the situation objectively. I do not believe for one second that government should take control. The industry should be capable of doing it.

Ms Warnock: What about country racing?

Mr TRENORDEN: Country racing deserves a slice of the action. I supported action in this House some years ago. The problem is that if we give country racing a percentage of the action the Turf Club will argue that it subsidises country racing with \$1m by the provision of services. When the Turf Club is asked to detail the services it says it cannot do that. If we gave country clubs a fixed percentage of the action the Turf Club would mess around with the services and the country clubs would be in the same position. The structure of the industry must be changed. The Turf Club flatly refuses to detail or cost the services it provides to country clubs.

First, stewards should be taken away from the Turf Club and put under the control of a different group of people. To have the Turf Club looking after stewards is an ancient practice.

Mr Pandal: Hear, hear! That applies also to the WA Trotting Association.

Mr TRENORDEN: I could go on forever, but I do not want to ask for an extension of time. There are many problems in the industry and I feel passionately about it. If the industry does not restructure it will die. The Turf Club's debt has nothing to do with Western Australian Governments past or present, Liberal or Labor.

I agree with the argument about restructuring taxes. The method of taxing the Burswood Casino is unfair compared with the tax on the racing industry. Why should the Government give the Turf Club another \$8m if it will spend it in the same manner in which it spent its funds last year or the year before? The Government would be totally incompetent if it provided those funds unless the Turf Club could demonstrate -

Mr Cunningham: It was done by Wilson Tuckey when he became chairman.

Mr TRENORDEN: I will not have a go at a particular committee member of the Turf Club. I have tipped enough on all of them already. Not one of them could look members of this House in the eye and say he had handled this situation with any degree of professionalism. Of course they have not. As the member for Perth said, the facilities for the members are magnificent. However, on New Year's Day members of the public cannot place a bet, find a seat, or get any food or drink. The Turf Club does not give a damn about them. The Turf Club does not worry about who comes through the turnstiles or that only people of my age and older people are interested in gambling. It is making no attempt to introduce young people to the industry. The industry will die as people of my age get older and die. At least the WA Trotting Association is trying to attract families to Gloucester Park. There are kids everywhere at the trotting meetings. The problem is that the mood of the public has changed, as the previous speaker said. People no longer want a gambling fix every 35 minutes, and at the Burswood Resort Casino they can gamble every minute. For gamblers that is important. Of course, some people go to the races because they love horses. I like the industry and I enjoy all the racing codes, including greyhound racing. It is a fantastic industry and a major employer in this State, but it will not survive if it continues in this way.

When members of the industry keep complaining about the casino - which has been in place for a long time - and other such matters they are not getting to the core of the problem. The Turf Club is not marketing or focusing itself. Its structure is Jurassic, and that type of structure for a turf club has been thrown out in New South Wales, Queensland and New Zealand. That structure will never be thrown out in Victoria because by some magic the racing industry in that State receives income from the gaming machines in clubs and hotels. That is fantastic for the Victorian racing industry and good on it for earning income from clubs and hotels, as well as the racing industry.

The Turf Club cannot in any way blame the TAB for its current difficulties. The TAB should be structured in a professional manner, as it now is, and should not be involved with the racing codes. If that were to happen, the same vested interests to which I referred earlier would argue about dogs, football, trotting, and so on, instead of getting to the fundamental issue of turning over money for the TAB. The TAB will be under pressure as gambling goes on-line and the industry's income will decline. Those groups that cannot manage themselves and have proved over the past 100 years to be totally incompetent will ask the Government for more funds. Frankly, I think the taxing situation is unfair and it should be changed. However, that should not be done today because I have no confidence that the people at the Turf Club will be capable of administering its affairs effectively.

MR CARPENTER (Willagee) [12.13 pm]: I am in the position in which many members of Parliament find themselves, where I have a chance to get my teeth into an issue in which I have had a long and abiding interest. My interest in horse racing dates back to my childhood in Albany. Members who know something about horse racing will know of my uncle, the legendary country trainer, Kenny Dawson, who trained one of the greatest two-milers ever produced in Western Australia, Minitop. In the 1971 or 1972 Easter Cup it beat Allegation and Kabooki, and it was one of the great runs of all time. It is remembered by those who saw the race as though it were run yesterday, and I was not one of them.

Members may be surprised to learn that at one stage I was a racing tipster when doing my stint at the *Albany Advertiser*. It was some time ago, and I recall I went under the name of Pinprick.

Mr Barnett: They got that right!

Mr CARPENTER: Half way through the racing season, much to my embarrassment, people came up to me in the street and thanked me for the racing tips. I was leading the tipping competition in the local paper when I had not been to a single race meeting. I gave my tips after reading the names of the horses in the newspaper and I knew nothing about them. I have as much knowledge of racing now as some of the people who draft the legislation.

The member for Avon has made some very interesting points, many of which I agree with. I found it most interesting that his comments were a wholehearted condemnation of the management skills and ability of people at the Turf Club. However, the Bill before the House will allow the Turf Club to borrow money and sell its assets.

Mr Trenorden: It has none left.

Mr CARPENTER: If the member for Avon were consistent and believed what he said, he would vehemently oppose this legislation.

Mr Trenorden: It has flogged them all; the cupboard is bare.

Mr CARPENTER: The member for Avon may have been unfair on the people who constitute the Turf Club. Many of those people are very good and are doing their best. It is a difficult industry. I have never heard an attack like the one unleashed on those people by the member for Avon, and I suppose their ears will be ringing for many months to come. Nevertheless, those people will be satisfied because, despite what he said, he will support the Bill. It is an interesting situation. I took counsel from the various people I contact on racing matters about the situation confronting the industry in other States and other parts of the world. The racing industry in Western Australia has got itself into an interesting dilemma. I do not necessarily agree with the member for Avon's comments about the Turf Club's perception of the TAB, although there may be a grain of truth in it.

The Bill basically will legitimise the activities the Turf Club has been involved in ultra vires for a long time; that is, borrowing money beyond its limit of \$20 000 and selling assets. The member for Avon pointed out in no uncertain terms that the Turf Club has already done that. If the amendments are passed, the Turf Club will be able to sell Belmont Park and probably Ascot. I acknowledge that the sale of Ascot would require government assent because it is a crown grant of land. I am prepared to be corrected on that because I do not know whether the Turf Club intends to sell either of those assets. However, it is interesting to note that Lark Hill is looming on the horizon as an alternative racing venue in the outer metropolitan area. We might hear about that later from the local member.

Only a few years ago the Turf Club was debt free under the chairmanship of Ray Warren, who has just been condemned by the member for Avon. At that time the Turf Club was in a strong position. When Wilson Tuckey became chairman of the Turf Club, it embarked on a period of improving its facilities. That required certain borrowings to be undertaken and, unless I am much mistaken, the impetus for this legislation is the activity that took place when the Turf Club borrowed a substantial amount of money to improve facilities at Ascot and bring them into line with facilities at race clubs in other States and other parts of the world. I am uncertain about the legitimacy of borrowing those funds, because there has always been the inhibiting factor that prevented borrowings of more than \$20 000. The fact is that the borrowing took place. I believe the Minister of the day gave some support to it. Now we are legitimising that activity through a piece of legislation which is quite a long time overdue, and I do not think it would be opposed by anybody in the racing industry in Western Australia. Everybody accepts that this amendment is necessary.

That brings us to the position held by the Western Australian Turf Club, comparative to that of other turf clubs in the rest of Australia. The member for Avon made the point about the Turf Club essentially running the industry in Western Australia and whether that is good or bad. My understanding was confirmed by the member for Avon that in most, if not all, of the other States of Australia where racing is undertaken, the stranglehold of the central turf clubs over the industry has diminished, if not been removed completely. The Australian Jockey Club no longer runs the racing industry in New South Wales. Many of the problems with the turf industry in Western Australia now are the same as those once faced by the racing industry in New South Wales. The problems there seemed as intractable as they do here.

The New South Wales Government undertook the task of trying to resolve the matter because no internal solution was forthcoming. It imposed a solution on the racing industry in New South Wales and broke the stranglehold of the AJC over the industry there. The AJC, which is the equivalent of the Western Australian Turf Club, retains its control of racing at Randwick and Warwick Farm; however, the controlling body for racing in New South Wales has been extended beyond the AJC and a new controlling body has been formulated, which includes four representatives from the AJC, two representatives from the Sydney turf club, and country and industry representatives. The member for Avon mentioned that that should probably happen in Western Australia. The industry in New South Wales is now run much more amicably and on a much more efficient basis.

I am also informed that the Victoria Racing Club resisted a similar imposition of change, but undertook to reform the industry there voluntarily. The VRC committee now includes members from other race clubs, including country race clubs, and industry representatives. It is now a collective administration which sets policy for the entire racing industry in Victoria. I understand a similar adaptation has happened in South Australia and also, as the member for Avon has said, in Queensland. It effectively means that an organisation, such as the Western Australian Turf Club, is no longer directly controlling racing at Ascot and Belmont as well as running the entire industry and all the other race tracks in this State; rather, a committee, such as the VRC or the AJC, still runs racing at places like Warwick Farm and Randwick, but a broader industry body controls all the other racing events in the State.

The member for Avon alluded to the policy suggestion generated by Ray Warren when he was the Turf Club chairman that such a change should take place in Western Australia. Some years ago Ray Warren suggested that

within five years every State in Australia would have undergone the change that now has been undertaken in all States other than Western Australia. He was proved correct. He proposed a board of management in Western Australia which would be made up of people including, but also other than, members of the Western Australian Turf Club committee. Business people outside the turf industry and representatives of other parts of the industry would have run the racing industry in this State. It never happened. He lost his position as committee chairman. Although Wilson Tuckey was applauded for many activities he undertook at the Turf Club, he never went ahead with this proposal. In fact, it may have been a key element in the displacement of Mr Warren by Mr Tuckey. The membership supported Mr Tuckey, rather than Ray Warren's proposal. We can understand why that is. Currently members of the Western Australian Turf Club elect a committee which runs racing in Western Australia. Those members were being asked to surrender control of their industry to a greater body. It was quite easy to generate resistance to such a proposal, and it will be quite easy to do so should it come up in future. The proposal sank.

Many people in the racing industry in Western Australia probably regret that the change has not occurred here, particularly in country racing which has only non-voting participation on the Western Australian Turf Club committee. Those representatives are observers and, therefore, their direct influence over the decision making which affects racing in Western Australia is very moderate. The Turf Club still calls the shots. People who constitute country racing are continually in a struggle about how to further their interests in the racing industry in Western Australia.

It is very easy to criticise clubs for giving in - I think the member for Avon used the word "kowtowing" - to the Western Australian Turf Club. However, it is much more difficult for these small country clubs to maintain a united stance and resist pressures that come from the Turf Club. These country clubs have limited means and the number of people who can apply their time, energy and finances to their operations is very small. The Western Australian Turf Club controls the purse strings, and it is very difficult for small country clubs to stand up and disagree, and try to hold a line against a position taken by the Turf Club. Most people involved in country racing will agree that a reform of the industry is desirable. It is just a matter of having the will and the support to have the changes implemented.

I also agree that the racing industry should not need the Government to step in and impose solutions upon it. By the same token, it is very difficult for these clubs and representatives of smaller parts of the industry to bring about change without the support of the Government of the day. If the Government of the day wants those changes to occur, it must be prepared to take the bit between its teeth, so to speak, and to see that these changes in the Western Australian racing industry are brought about.

This is a most important industry. My interest in it is only peripheral. Since my days as a racing tipster I have had very little ongoing interest in the racing industry in Western Australia. I have left that to other members of my family, one or two of whom have made it their life, for better or for worse. I keep an eye on what is going on. As I said at the beginning of my remarks, I have an abiding interest in the health of racing in the country areas especially, because members of my wider family network are heavily involved. I know the commitment and passion they have for the industry. I also know that some people - I am not reflecting on members of my wider family here - who are employed in the racing industry would find it very difficult to get employment in any other industry at the moment, especially in country areas where work is difficult to find. If people are lucky enough to be employed in the racing industry, they are doing a lot better than many other people in country areas.

The same probably applies in the Carnarvon area. I have spoken to the local president of the turf club there, Kevin Leahy, who is a former member of this House. I have had advice from him on the situation that faces country racing. Although it is not desirable for any State Government to have to impose solutions on an industry of any kind, particularly the racing industry - an entertainment and sports industry - bearing in mind what is at stake, the Government has a responsibility to be a little more proactive and resolute in its attitude towards the racing industry. Many people have a lot invested in the industry. It would be a great shame if the internal bickering and the unwillingness of the Government to become involved in that bickering - one can understand that unwillingness - resulted in the further decline of an industry that is important to Western Australia.

Elsewhere in the world changes are being adopted that serve to enhance the racing industry. The racing industry in Europe, the United States, Hong Kong, Malaysia and Singapore is undergoing a radical change to keep up with competition that emerges for the entertainment dollar. In Western Australia those reforms have been a little slow to come about. The racing industry suffered a few years ago from a populist resistance to necessary change. It is clear a degree of crisis is confronting the industry. "Crisis" might be an overstatement. At times like this it is necessary for solutions to be found rather than for the situation to be left to drag on year after year and deteriorate further. The Opposition supports the Bill. The legislation is overdue and welcome. I urge the Government to become involved, at least in a guiding capacity, to try to resolve some of the dilemmas and deep problems that confront the racing industry in Western Australia.

MR BLOFFWITCH (Geraldton) [12.32 pm]: I also support the Bill but I have deep reservations about what the result of this Bill will be and what changes will occur in the racing industry to give it the opportunity to sell, develop and use land as it wishes. When I was at Belmont Park Racecourse on Saturday I looked out across the river at the land that stretches to the river's edge. One of the committee members said it would be nice to have residential housing lots on that land. I said I could not think of anything worse. Complaints would be made about the crowds and the screaming at the track and there would be calls to close down the racetrack almost the instant the houses were built. A great opportunity exists at that spot at Belmont Park to do something that would benefit all Western Australians.

I liked the idea when it was initially floated that a 70 000 or 80 000 capacity stadium be built in that part of the world. I thought that was an excellent suggestion. Subiaco Oval holds about 40 000 people. Usually about 80 000 would like to see a major sporting event in this State. A larger stadium could be filled. There are also constant problems at Subiaco involving residents, night games and parking. Many acres are available at Belmont Park. The land there stretches to the Burswood Resort Casino. The casino has applied for a 72 hole golf course. I hope the 72 hole course is not approved - 36 holes would be more than enough - because the land there could be developed and used well.

The Western Australian Turf Club is responsible enough to be given these powers. However, we are dealing with a dinosaur. We are dealing with something that was great 30 or 40 years ago, but the world has moved on since then. In moving on, some changes are to be made. The example was given that the Turf Club controls the stewards. Is that desirable? I do not think it is. New South Wales and Victoria have an independent authority, not only for metropolitan tracks, but for country tracks. The split in New South Wales is 60:40. Considering the number of tracks in New South Wales and the major industries there, one can understand that it is bigger than the industry here.

I have no objection to that. However, over the past 10 years the Turf Club has taken more and more from country racing. The best example of that is the racing trust that was used for the development of country racecourses. In an arrangement a few years ago, country racecourses decided to give that up as their exclusive right and allow the Turf Club to have access to it. To say the Turf Club had some big grants from it is an understatement; it has used it for its development. Primarily it was put there so that country racing, which had a great deal of trouble with capital costs and with getting things to happen, had an opportunity to develop and so that regional centres had access to funds. That changed - not for the better, but for the worse.

This year a reduction will occur in the Totalisator Agency Board quota for country clubs. For the last month of the year, the Geraldton racing club will get something like \$3 000 instead of the \$18 000 it would have received. That will have a severe effect on the club's overall budget. I wonder how desirable it is that the only way this industry can survive is through government handouts, from the TAB or whoever it may be. Clubs in New South Wales and Victoria get not only a share of the TAB revenue, but also a share of revenue from all gaming machines. The TABs in Victoria and New South Wales have been sold off and the racing codes have been given a 50 per cent equity in the new firms. The increase in revenue because of the gaming machines has been dramatic. The prize money for each race meeting at most country clubs in those States is \$7 000 to \$8 000. Victoria made that change a while ago. I visited New South Wales about five months ago and when I returned it had just been given the nod to go into a similar arrangement. I believe that is occurring.

Western Australia does not have gaming machines; therefore, it is difficult to see from where the TAB will derive any more revenue. Of course, this State has Lotto, Scratch 'n' Win tickets, and instant lotteries. However, charities would object severely if restrictions were placed on the allocation of money to them and some of that revenue were put back into the racing industry.

The dilemma is how and where we get the extra money. I do not believe that we can get it as things stand. What we must do is something many race clubs have not been doing because they have been living in a fantasy world. They have said, "This is the projected income. Let us spend the money." We must get them back to reality and to spend what they receive. I have no criticism of the trust because it has certainly given the Geraldton club about \$500 000 which has allowed it to straighten up its track and put in reticulation which uses sewerage water. It is hard to be critical of a body which gives that much support. The pieces of the pie go not only to country clubs but also to metropolitan clubs, which has slowed down some of the development. I believe that we will see a downturn in the racing industry; certainly if we put gaming machines into hotels we will see a massive downturn. That is exactly what happened in Victoria.

Ms Warnock: It happened in South Australia too.

Mr BLOFFWITCH: Yes. Victoria pretty successfully combined the revenue from the Totalisator Agency Board with that from racing in order to make up for racing's loss. Executive officers of country racing in Victoria and New South Wales have told me of the promotions, the programs, the carnivals and other events they have been running. They were very well financed and absolutely excellent. We in Western Australia must get down to that. We must

end up with the country people looking after a budget which is secure each year, so that they know what they are getting. I cannot see the need for the Western Australian Turf Club to control country racing. We should develop in the same way as other States so that we have a corporation, as it were, looking after racing, to which the stewards are attached. The stewards can then administer the rules, regulations and starting times. The clubs will then be able to get on with their job, which is to make themselves as efficient and attractive as possible to people. The only scenario I see in the long term which will save the racing industry is if all the clubs pull in their heads. The trots has a beautiful facility. People will hate me for saying this, but I believe the trots must establish itself at Belmont and have one venue. We not only need one venue but also we must look at which course we use. I am told that Ascot is no good in the winter, so it must be Belmont. The land in Belmont is the ideal place for us to go. That is the first step for making the money go further. If we wait for the industry to do it, it will never happen.

Mr Bradshaw interjected.

Mr BLOFFWITCH: We have that in Geraldton. The biggest money drain is the metropolitan area where we have two racecourses. We need to look at the money that could be saved with one excellent facility. When the WATC comes to us for help, we must tell it to put something to us along those lines which is acceptable. That will give us an opportunity of ensuring that the industry will develop to its maximum potential. I urge the WATC committee people not to use the Bill as an excuse to sell off prime land near the river to raise capital. Using capital to run operations is finite and does not last long. It is certainly a bad economic exercise. If I were the Minister I would keep a very close eye on what they are proposing to do in the next six months. I support the Bill.

MR MARSHALL (Dawesville - Parliamentary Secretary) [12.45 pm]: Like the member for Willagee, I have a personal interest in the racing game. I have been reared with it all my life. My father was involved in it. My godfather had winners in every race except the Perth Cup.

Mr Cowan interjected.

Mr MARSHALL: I was never a tipster, but if I were I would not use the media like the member for Willagee did because it would not be fair to the public. I wonder if that is what the member does in his electorate.

Getting back to what really makes people tick, my godfather passed his racing colours on to me, which was one of the greatest thrills of my life. The colours were lilac and black with a lilac cap - colours are the key to racing. When a big field of horses is in the back straight, owners with darker colours find it very difficult to distinguish their horses. It is even more difficult when they are anxious. I was always grateful for receiving those colours because they were lucky. I mention this because people do not realise the excitement that racing generates and how important racing is to our community as well being an industry and source of employment for Western Australians. Those colours have won everything but the Perth Cup. We formed a small syndicate which invested in 15 horses over 15 years. Ten of them won. A horse called Mounty won the Anzac Cup and the Easter Cup and ran sixth in the Perth Cup. If members ever have a horse with their colours on it that hits the front with 200 metres to go, their hearts will miss a beat. Unfortunately six horses went over the line in a blanket finish. Mounty, bless him, ran sixth. I am privileged to say that when that blanket finish was shown on all of the final front page covers of the WATC historic magazines, our horse was there with the magic colours and the lilac cap standing out bright and clear. It is something special to have owned a Perth Cup participant; it is a great thrill.

I have a very strong feeling about why racing exists and what it does as an industry. People forget when they go to the races and park their cars that there is a parking attendant. They get their change from a change attendant. Someone sells them a race book, which has been printed by a printer who has had to get advertising to sponsor it. They go into the arena where many people are involved in the serving of refreshments. Curators look after the track. Sign writers have been used for the arena advertising. When people go into the horse area they see trainers, attendants and jockeys. Someone makes the jockeys' silks and the saddles. There are farriers, people who feed the horses and float drivers. Looking at the industry is like dropping a pebble into a pool and seeing the ripple spread out. A huge amount of money is involved in racing. I am concerned today about the front page of *The West Australian*.

Mr Ripper: We can see which side of the paper you read from.

Mr MARSHALL: That is correct. It is hard to remember which side of the paper it was this morning. The WATC's decision to undertake capital works of approximately \$5m, including the borrowing of approximately \$3m, plus an overdraft of \$900 000 has contributed to its current predicament. Its income has not sufficiently improved to service the debt and fund the increase in stakes - it is as simple as that. It is the same as living beyond one's means. I have always wanted to drive a Mercedes Benz, but I know in my heart I will never make it.

Several members interjected.

Mr MARSHALL: A person who is running a business or organisation with a turnover as large as that of the WATC cannot reach for the stars because of the big stake money, and cannot expect other people to bail him out when things go wrong.

We all know that the TAB is not achieving its budgeted turnover for 1996-97. The turnover for the year to the end of February was up 1.5 per cent, or almost \$10m, on the same period last year, but when we consider the general downturn across Australia and the fact that TAB Corp recently announced a half yearly decline in wagering turnover of 2 per cent, the Western Australian TAB result was a respectable result.

However, thoroughbred racing turnover was down 1.7 per cent as at the end of February, and that is of grave concern. For the first six months of the racing year, thoroughbred racing oncourse turnover was down by almost 5.4 per cent, or \$1.2m, on the previous year, and when the impact of the VIP punter is removed, this turnover loss is 11.8 per cent, or \$2.5m. Bookmakers' turnover at metropolitan gallops was down 11.6 per cent for the first six months. This is also of grave concern. If income is not coming in from the horseracing industry, it does not make sense to increase the stakes.

The Western Australian TAB provides the highest level of return for the industry of any State in Australia. Members may be interested to know that the turnover in Western Australia in 1996-97 was 6.5 per cent, the next best was South Australia at 5.6 per cent, and the worst was New South Wales at 3.3 per cent.

With regard to the WATC's performance in 1996-97, racing turnover achieved no growth in offcourse turnover; therefore, the TAB's 2.86 per cent growth was generated by growth in the trotting and greyhound industries. Therefore, a sad situation exists at the moment.

I have been going to the races for many years, and with the exception of major events - the Perth Cup, the Railway Stakes and the Karrakatta Plate - and other superb races that have been publicised, the crowds are not attending. When that is the case, management needs to ask itself how it can get the crowds along and whether that which it is giving the public is still appealing. Bookmakers are going broke. The number of bookmakers at the WATC in the past six months has decreased from 30 to 12 because of computer betting, because better horses are being bred, and because the best jockeys are riding those horses, turning them into the favourite and winning. That creates a problem, because people do not want to bet if the odds are too short.

Another issue is stake money. The first prize for a \$25 000 race is \$17 500, the second prize is \$4 700, the third prize is \$2 250 and the fourth prize is \$500. That can be compared with the stake money for trotting. I was involved in trotting and was in partnership with a few people whom members know well in the ownership of five trotters. The prize money for winning a race at Gloucester Park is only \$8 000, in an industry that has virtually the same costs. The trotting trainer does the work on his own. The galloping trainer sometimes farms out a lot of the work and operates as an overseer. It is not correct to say that it costs a lot more to run a galloper than a trotter. We need an investigation of the best way to revolutionise horseracing in Western Australia, and it could start with the cost of training a horse.

The maximum stake money in this State is \$25 000. The stakes in Queensland have risen in the past five years from \$21 000 to \$22 000, and members may say that is not much of an increase, but the Queensland racing industry is going okay. Does the Western Australian Turf Club need to have such high stakes? I do not think that is what keeps people in racing. As I said, six of us were in a partnership which bought a horse at the yearling sales each year for 10 years. The point I am making is, who cares? The owners are the adventurers. People do not go into racing to make money, because generally they lose. The owners who go into racing to try to back their horses know it is possible for trainers, jockeys, "hangers on", and other people to pinch the market before they get to it. People go into racing and buy a racehorse because they love the sport. It may be difficult to believe, but the way the six of us operated was that one person would choose the horse at the yearling sales each year, one person would name the horse, one person would use his colours, one person would manage the horse, and one person would back the horse. We were all good mates, but different because one of us would back our horse in the hundreds of dollars, one of us would put on \$200, and the rest of us would put on \$10. We would meet and decide how much to put on the horse. That went on in rotation for 15 years and we never had an argument. Ten of the 15 horses won and we had marvellous parties and marvellous times.

However, when I came into Parliament I found that, firstly, the wages were not enough to enable me to afford a horse, and secondly, that people do not realise how hard we work as members of Parliament and I did not have the time to go to the races, to go to the yearling sales and choose the horse, and to watch the horse train, so I lost interest and we all got out of the industry. We have been out of the industry for six years, yet not one person in the turf club has missed us. There must be a story in that. If we want to promote racing, we must realise that the people who make racing work are the owners because they buy the horses and set it all up. The committee of the Turf Club should take an interest in the owners.

The committee recently started to show an interest in parliamentarians when it recreated the Parliamentarians' Cup that had fallen into default over the past few years. The running of that race last year and this year has enabled parliamentarians to learn something about racing. I was at the Parliament Cup last Saturday, and when I asked the hostess at the TAB committee room how she was going, she said that it was the busiest day of her life because very few parliamentarians knew how to write out a TAB ticket, so at least they were educated there!

Racing is the sport of kings and the sport of the community. It generates tremendous excitement. It employs a tremendous number of people. It is a great industry, but at the moment the administration is a little top heavy. I believe that people who live beyond their means must expect to fall behind the eight ball.

Debate adjourned until a later stage of the sitting, on motion by Mr Ripper.

[Continued below.]

Sitting suspended from 12.59 to 2.00 pm

[Questions on notice taken.]

FAMILY COURT (ORDERS OF REGISTRARS) BILL

Assent

Message from the Governor received and read notifying assent to the Bill.

PETITION - ALINTAGAS EMPLOYEES

Speaker's Ruling - Out of Order

THE SPEAKER (Mr Strickland): I advise members that the petition presented today by the member for Cockburn relating to award negotiations with AlintaGas was not addressed to the Speaker and the members of the Legislative Assembly, and therefore is out of order.

Point of Order

Mr THOMAS: When I received that petition I was concerned that it might not be in order and that perhaps I should return it to the people who sent it to me. Therefore, I referred to Standing Order No 85 which relates to petitions. It states -

85. Every Petition shall —

- (a) be fairly written, . . .
- (b) contain a prayer at the end thereof;
- (c) be in the English language, . . .
- (d) be signed by at least one person . . .
- (e) be signed by the parties . . .
- (f) be respectful, decorous, and temperate in its language.

It seemed to comply with each of those requirements. Although the standard format is to address petitions to you, Mr Speaker, and to members of the House, nothing in the standing orders stipulates that that should be the case. It seemed to comply with all the criteria set in Standing Order No 85. Therefore, although unusual, I wonder whether the petition may well be in order.

The SPEAKER: The member certified to the House that the petition conformed to requirements. I am sure that the member was not going to mislead this House. We will leave it at that.

TURF CLUB LEGISLATION AMENDMENT BILL

Second Reading

Resumed from an earlier stage of the sitting.

MR RIPPER (Belmont - Deputy Leader of the Opposition) [2.38 pm]: I am keen to speak on this legislation because the racing industry is important to my electorate. Many trainers are located in the Ascot area of my electorate, and many people who live in other parts of my electorate work with those trainers using skills which are

not readily transferable to other sectors of our economy. Therefore, the racing industry is very important in my electorate in both the number of people it employs, and the fact that it employs people who have skills special to the racing industry which are not necessarily transferable to other industries.

This legislation removes the borrowing limit imposed on the Western Australian Turf Club. It retrospectively authorises loans taken out in breach of that limit over the years. As has been said by other opposition speakers, we regard this as a necessary and sensible piece of legislation.

The Bill will remove a government control which has been exercised, at least in theory, over the WATC; however, in practice that control has been ignored, and this measure will formalise that situation. In theory we are changing the situation from one in which the Government has the capacity to exercise a control over the Turf Club to one in which the club is free from that control and is able to conduct its business as it sees fit.

Although I regard it as necessary and sensible legislation, it has at least two problems. First, the Western Australian Turf Club is not subject to the same market constraints as an ordinary business. If the Turf Club spends too much or earns too little, there may be a long term impact on the economic health and viability of the Turf Club, but there is not necessarily a short term impact. The immediate short term impact is on the racing industry. If the Turf Club's budget is in trouble, its response is to reduce stake payments, as happened with today's announcement.

The Turf Club has a problem with the amount of income it receives from the TAB and as a result it has cut its stake payments by \$1.7m in total. When there is a problem for the Turf Club, the Turf Club does not go broke, others go broke; namely, the owners, the trainers who get business from the owners, and the employees of those trainers. In the racing industry, stakes are the lifeblood of people. The money flow on which the industry depends comes from those stakes, which are financed by distributions from the TAB.

I do not want to overstate this point: It has been pointed out to me by people knowledgeable about the racing industry that on average owners put in a lot more money than they get back from stakes. Stakes can be seen as leveraging substantial commitments from owners. Anybody I have spoken to who has owned a horse tells me it is a very expensive business. Stakes are the enticement for people to make that contribution. If stakes fall below critical thresholds, that enticement is diminished and people drop out of that industry. If that occurs, not only is the stake lost, but the contribution those people make as they gamble on winning some of that stake flow is lost also.

Dr Turnbull: You are absolutely right.

Mr RIPPER: I thank the member for Collie.

The second problem I see is this: The TAB, the Turf Club and the organisations running the other codes are not best considered as separate businesses; they are more like business units in a large conglomerate. The distribution from the TAB is critical to the payment of stakes by the Turf Club and the payment of stakes is critical to the economic livelihood of the owners. There is a close interconnection between the activities of the TAB and the activities of the Turf Club in this instance and also the activities of the controlling bodies of the other codes. I was disappointed with the tenor of the remarks of the chief executive of the TAB in this morning's newspaper. He took what I regard as an antagonistic point of view. He seemed to take the view that the TAB was a separate business unit with its own business concerns separate from those of the Turf Club. However, the health of the Turf Club depends on the health of the TAB, and vice versa: The health of the TAB depends on the health of the racing industry.

Mr Trenorden: There is another important component that the Turf Club forgets about: The Turf Club generating participation in the industry so people go to the TAB, and the Turf Club has not done that.

Mr RIPPER: There are critics of the Turf Club in the industry, just as there are critics of the TAB. I am not here to give a 110 per cent defence of the efforts of the Turf Club. I will comment later about some of the longer term problems that will confront this industry - both the TAB and the Turf Club. I will comment also about the danger of the Government still having problems with this industry, despite this legislation, as a result of those long term factors affecting the economics of the racing industry.

I return to the point I want to make. If the turnover of the TAB falls, it might be expected that its distribution to the codes will fall. However, this week we saw an alarming and disappointing situation from the point of view of the racing industry and all those who depend on it for their livelihoods. The turnover of the TAB is up. According to this morning's newspaper the turnover is at a record \$678.5m and the commission income earned by the TAB is up, but the distribution to the racing industry in particular is down. That is an unexpected situation. Normally with turnover and commission income up, racing would get an increased distribution. Instead, although TAB commission income increased by \$5.4m over two years, the distribution to racing over those two years fell by \$1.15m. The distribution to the racing industry as a percentage of the gross income of the TAB will also fall. In 1995-96 the distribution to racing was 20.87 per cent of the gross income of the TAB, whereas in 1997-98 the distribution will

be only 18.96 per cent. The Turf Club tells me that is a shortfall of about \$2.28m on what it would otherwise have expected if the distribution to it had maintained its percentage share of the gross income of the TAB.

This is a disappointing situation for the Turf Club. It is especially disappointing for the owners and trainers and their employees. I am concerned about the impact on those in my electorate who gain their income from this industry. The distribution could have been expected to increase. Not only has it not increased, it has decreased. The outcome of having a corporatised board, and independent private sector expertise in the TAB, has not been a happy one for the Turf Club or for those working in the racing industry. What has gone on? Perhaps costs have increased. I am advised that operating costs of the TAB have increased.

Mr Trenorden: It has just built a host of brand new technology that everybody is using.

Mr RIPPER: Perhaps some costs not previously recognised have been taken into account; perhaps the priorities of the TAB for investment in this industry are different from the priorities of the Turf Club and others connected with the racing industry. I would like the Minister to give an explanation of these events in his response to the second reading debate. Although some might argue that this is a side issue to this legislation, my view is that this legislation is about removing government control from the Turf Club, and I fear that as a result of the economics of the racing industry, of which the TAB distribution is an important part, the Government will not be able to extricate itself from Turf Club business. I am particularly concerned about that because of the long term problems I see confronting the racing industry.

Racing is facing increased competition from others in gambling and leisure industries. There is no doubt lifestyles have changed. Thirty or 40 years ago many people would have invariably gone to the races and had a punt, whereas today they have all sorts of other choices. They might go to other sporting events or they might be involved in other recreational events for leisure. If they are gamblers different opportunities are available from those to which they might have been restricted in the past. Racing is facing a threat to both its leisure market and its gambling market. Changes in people's lifestyles means that proportionately there is less interest in racing than there once was. Anybody can see this. We expect to see football match sized crowds at the races; however, we see poor attendances.

Racing must respond to the changing market. I would like to see racing looking more to international tourists. That market probably contains opportunities which could be exploited more vigorously than they are at the moment. I am not an expert on marketing the racing industry, but I know that the long term factors affecting the industry are unfortunately and disappointingly somewhat negative. The industry will have to look at marketing and other opportunities. The industry will also have to consider the efficient use of its assets. Very close to my electorate are Ascot Racecourse, Belmont Racecourse and Gloucester Park.

Mr Cowan: Gloucester Park is not part of the Turf Club.

Mr RIPPER: I understand that. These three significant facilities are associated with racing in the cases of Belmont and Ascot and with trotting in the case Gloucester Park. Some of the negative factors to which I have referred are also negative for trotting. Both codes should consider the rationalisation of assets.

Mr Trenorden interjected.

Mr RIPPER: Let me finish my point and then I will take the interjection. The return on those assets must be very poor. I would be surprised if there were not some opportunity for rationalisation and some cooperative use of assets which would reduce the costs incurred by the codes and make the economics of racing on its own or racing and trotting together that much more positive for the future.

Mr Trenorden: Are you aware that the Western Australian Trotting Association approached the Turf Club a couple of years ago with the proposition of shutting down Gloucester Park and moving? The Turf Club would not hold a conversation with it.

Mr RIPPER: I am not au fait with the detailed history of exchanges between the Turf Club and the trotting fraternity. I am commenting on how I see them dealing with some of the economic factors which confront them. If that approach was made and rejected, I am disappointed. It seems there is some opportunity for a more efficient use of these venues. They are all on very valuable real estate.

Mr Trenorden: For a long time Moonee Valley has been very successful in Victoria.

Mr RIPPER: As the member for Belmont looking at the employment opportunities for my constituents, I would encourage the codes, either individually or together, to give some close consideration to the more efficient use of the very valuable assets which they control. At the moment, I do not think they are getting a very good rate of return on those assets. It may be that there is an opportunity for a code or codes to integrate their facilities with other sports facilities. I and a lot of other parliamentarians were present at a lunch last weekend. A guest at that lunch put to me

a proposal for the joint use of sporting facilities. I will not say who it was, but I thought the proposal was sensible and from a source to whom I would not usually have adopted that attitude.

We must also consider linking the distribution from the TAB to the actual level of customer interest in each code. It is a very controversial matter and trotting and racing have had a long running dispute about the respective share of the distribution. Racing will argue that the 65:35 per cent distribution to racing and trotting respectively, after the distribution to greyhounds has been taken off the top, is unfair to racing. Trotting will have a different set of arguments. The member for Avon asked about the income from interstate. I am interested to know what would be the income. Coincidentally, an answer has arrived to a parliamentary question. It says that it should be noted that in 1996-97 the Western Australian racing codes generated only 31.2 per cent of the TAB's turnover. There is probably an argument that the turnover that is not generated by the Western Australian codes should be distributed according to a formula. The turnover generated by the Western Australian codes should be reflected in the distribution they receive from the TAB, which is related to the Western Australian derived income.

Mr Trenorden: Do not say that too loudly. The Turf Club will hear you and it will not like you one bit.

Mr RIPPER: I am not saying that the Turf Club should miss out. The formula for the distribution of Eastern States' events derived income may well be favourable to the Turf Club. I am not trying to deprive the Turf Club and my electorate of income. However, a method of improving the economic signals to the codes could be devised and some link between customer interests and the codes and the income which the codes receive would be productive in encouraging those changes.

Mr Trenorden: In New Zealand the clubs receive a direct distribution from the TAB. The TAB sends the money straight to the club; it does not go through racing, trotting or the dog industry but goes to each club's activities. They do not have an argument in New Zealand about codes.

Mr RIPPER: That is an interesting point. I do not think I would go that far, but it is important that there be some link between the received income and the level of customer interest. We must arrange for the right economic signals to be sent to the people in charge of the codes so that they are encouraged to make decisions in their long term interests and those of people employed in the industry. I am concerned that as a result of these long term negative factors affecting the industry, the Government may have some difficulties in distancing itself from the Turf Club and the industry's problems. With this legislation the Government is removing a control over the Western Australian Turf Club.

[Leave granted for the member's time to be extended.]

Mr RIPPER: By virtue of the Government's ownership of the TAB and the long term factors which are having a negative effect on racing, the Government's involvement in the racing industry in the medium term will become more problematic. The Government cannot sever its connection with this industry, unless it disposes of the TAB. The industry unfortunately is facing a difficult economic future because of the changes in people's lifestyles and increased competition from gambling for the leisure dollar.

MR MARLBOROUGH (Peel) [2.59 pm]: This morning's articles in *The West Australian* indicate the vast difference between the key bodies in the racing industry in this State and why a radical change is needed to the way racing is run in this State. My firm view for a long time now has been that racing is in crisis. Although this Bill goes some way to addressing the present practice, the management behind the practice is part of the problem. That has been highlighted during these particularly tough times. I will indicate where the Turf Club and the TAB are miles apart. In this morning's edition of *The West Australian*, Mr Bennett, chairman of the TAB, was reported as saying -

It is a worldwide phenomena that there is a decline in horse racing and the Turf Club cannot still run a business based solely on racing when you know it's in decline.

The financial problems will keep re-occurring every year.

The article continues -

In a statement yesterday, he said that in the last five years the total TAB turnover for racing had fallen from 69.38 per cent to 64.90 per cent, a reduction of 4.5 per cent.

That is thoroughbred racing. Mr Bennett continues -

"In 1996-97, the racing turnover achieved no growth at all and was in effect carried by the growth in trotting and greyhounds.

On the one hand the chairman of the TAB is saying that and on the other hand rather than looking at whether Mr Bennett is correct about the decline in racing, the Government, mainly driven by the member for Avon, has decided

to force the Turf Club into spreading its race meetings into unproductive areas of the bush such as Northam, for no other reason than political point scoring.

Mr Trenorden: What about Lark Hill?

Mr MARLBOROUGH: Races are not held at Lark Hill; it is a training centre. Good luck to the member for Avon who drove racing back to Northam where it does not pay. However, on the basis of Mr Bennett's statement, the Government in allowing such a move is not making decisions on how to make the racing industry financially viable. The TAB is telling the Turf Club, first, that there is a decline in racing worldwide; second, the Turf Club cannot spend money as it has done on things that are unproductive; and third, it should look outside of racing to generate money. It does not want the Turf Club to keep coming to the TAB for money. The money coming into racing through this source is declining. The TAB has told the Turf Club that it should realise its assets and utilise them in other areas. The TAB points to the greyhounds and trots as examples of good management. Those bodies have looked at their marketing strategies and many years ago they realised they were in the entertainment industry. They have turned parts of their operations into major money earners. Greyhound racing is a typical example. At one stage the restaurant was turning over more money each evening than was coming in through the gates for people to watch the greyhounds. The greyhounds were an aside to having a nice meal with the friends in nice surroundings. Mr Bennett is right to point that out to the Turf Club.

On the other hand the Government cannot take the high moral ground and say that the chairman of the TAB, Mr Bennett, is right when, regardless of his advice, two years ago it suited the member for Avon - he wanted to be re-elected - to say that he wanted racing back in Northam. The industry knew in the late 1980s and early 1990s that it should consider closing regional tracks, to look at its core industry and which races were attended by the most people. All strength to the member for Avon. However, he cannot take the moral high ground; he has been part of the problem. If the industry is to be run on an economic basis the member for Avon in suggesting racing return to Northam is part of the problem. He has the same mentality as Mr Bennett accuses the Turf Club of having; that is, it makes the wrong decisions for the wrong reasons. Mr Bennett says the Turf Club does not make decisions in the interests of racing.

I will indicate where I agree with Mr Bennett, to the degree that the Turf Club is making the wrong decisions on racing. An article in this morning's *The West Australian* refers to the Chairman of the Turf Club. The article state -

Van Heemst said despite the cuts to the bread-and-butter races, the club would maintain stake money levels for the feature races of the summer carnival at Ascot.

In my humble opinion that is wrong. The heart and soul and the bread and butter of racing in this State is the battling trainer, most of whom live in my electorate - a few of whom live in Northam. In the Peel electorate over 2 000 thoroughbred horses are trained by battlers. They are not the big money earners. Lark Hill is a magnificent training facility that the Labor Government put in place by advancing a \$500 000 interest free loan to the southern districts thoroughbred racing body. That body turned Lark Hill into a \$2.5m asset to racing in this State. That facility was initially opposed by the Turf Club and was strongly opposed by the member for Avon who tried to have it closed down. He made many speeches when he was in opposition saying that Lark Hill was not an appropriate facility.

Mr Cowan: That is nonsense.

Mr MARLBOROUGH: It is not nonsense at all. The member for Avon has the opportunity to respond; he has not left the Chamber. The Deputy Premier does not have to pull the member's strings. He can speak for himself. The member for Avon changed his mind. He went to Lark Hill with Max Evans on a Saturday morning about three years ago. The boys at the track harangued him at 6.00 am - as they should have. Bobby Maumill took him to one side and knocked some sense into him. It is very difficult to do that with the member for Avon. Some people would not have spent the time, but Bob did and it seemed to work.

Mr Cowan: That is totally wrong.

Mr MARLBOROUGH: It is not totally wrong at all.

Mr Cowan: I happened to be part of that group and it was seven years ago.

Mr MARLBOROUGH: I know the Deputy Premier was part of it. It was when the Deputy Premier was elected to government. What is the Deputy Premier shaking his head for? Why is the member worried about whether it was three years or seven years? Is it a fact that the Deputy Premier went to Lark Hill with the member for Avon? Did the Deputy Premier ask the member for Avon to go along because of his stand on Lark Hill? The Deputy Premier saw problems with that and asked the member for Avon to meet the local people. They told the member for Avon exactly what they thought of his attitude. I remind the Deputy Premier that in those days Bob Maumill was head of 6PR. He had a public row with the member for Avon over his attitude to Lark Hill. The Deputy Premier should not

try to rewrite history on the basis of whether it was five, six or seven years. The truth is that the member for Avon, like the Turf Club, sometimes gets it wrong on racing.

In criticising the TAB, Mr van Heemst stated that the reason the racing industry needed more money was that it was not getting the same proportion of money that traditionally came through in percentage terms. In making that statement, Mr van Heemst does not recognise that the TAB has started to get its act together in recognising it must manage its resources properly. In fact, the TAB is a step ahead of the Turf Club there. One of the reasons that has happened is that the TAB has always had the basic model right in that government has been driving policy through the TAB. Government has always recognised the need to handle betting through a government agency. That is an important component of the racing industry. Accordingly, those in charge have been answerable to the Government and to Parliament. By contrast, let us see what happens in the Turf Club.

Last year the Western Australian Turf Club received \$35m from the Government. I know of no other private organisation that the Government funds that it does not ask how it will spend its money. No guidelines are laid down on how the Turf Club could spend the \$35m that it received last year. The Turf Club makes decisions on how those funds are spent - the bulk of it is spent, I presume, on racing, but it can be spent on other things as well. Historically not only do we have a problem built into how the model works by giving this body money of that magnitude without any guidelines as to how it is spent, but also the Turf Club is controlled by people from a small base within the racing industry who are elected to a committee annually. I can remember when Wilson Tuckey was the Chairman of that organisation. It used to get more headlines than the Government of the day. It would have more blues and punch ups in mounting yards and at the gates of the Turf Club at six o'clock in the morning than any other organisation I have known. It was always grabbing the headlines for being in trouble. Part of the problem is that the rules of the Turf Club are outdated. We cannot have an industry that is responsible for the annual expenditure of \$35m of taxpayers' money - money that comes to it through the TAB - voting itself in on an annual basis and becoming embroiled in internal blues. Even within that industry only a very few people vote or are eligible to be elected. We have a potpourri of disaster about to occur in the industry. That is occurring at a time when technology is taking the racing gambling dollar away from its traditional roots because, as was said by earlier speakers, people can sit in their lounge rooms and bet on races in New York, the United Kingdom, France, Sydney or Melbourne.

We need to look seriously at what horseracing truly is. In my opinion, it is truly an important industry to Western Australia. The racing industry employs collectively - I include the TAB - between 10 000 and 15 000 people in Western Australia alone. That is a phenomenal number of people. This State puts \$38m into the Turf Club; that is not counting the money that is put into the greyhounds and the trots. What other industry into which we put that amount of money would we allow to stagger on in its death throes as this industry is doing?

Radical reform is required. I am not the shadow Minister for Racing and these are my thoughts, and I have had these thoughts for a long time, but I believe that we need to create a government body to run racing in this State. New South Wales, Queensland and South Australia have such a body.

Mr Trenorden: They have industry bodies.

Mr MARLBOROUGH: They are answerable to the Government. We need to examine those models and see why those Governments of different political persuasions have decided in recent times to go down that path. I suggest to the Minister that that was done for the same reason as it should be done for the industry in Western Australia; namely, that the industry was staggering from one disaster to another and had no master plan.

Prior to the last state election, in about November of last year, the Turf Club asked the Government to consider reducing its tax from 5.4 per cent to about 4 per cent. The Government rightly told the Turf Club that before it gave it any more money, it wanted it to give the Government a blueprint of how the industry is running and how the Turf Club is spending its money, and about its plans for the future and how it will spend any extra money that it is given by the Government.

In this morning's *The West Australian*, the Chairman of the Western Australian Turf Club, Mr van Heemst, is quoted as saying that the State Government is waiting for the blueprint for the future of Western Australian racing but it was impossible to finalise the report under the present situation. At the same time as Mr van Heemst said that, he was quoted in the same paper as criticising the Government and the TAB for not giving the Turf Club more money. It is easy to score political points on this issue by attacking the TAB, and, by attacking the TAB, the Government, but I have a greater interest than that. My interest is in saving this industry.

I do not own horses and I do not bet on the TAB - I am not a gambler in that sense - but I believe this industry is very important to the economy.

Mr Osborne: Being a Labor member of Parliament makes you a gambler!

Mr MARLBOROUGH: That is true! I said I am not a gambler in the sense that I go to the TAB. Racing is an industry extremely important to this State's economy, and we need to get the model right. I predict that during the term of this Government, it will be forced to set up a regulatory body to look after racing in this State.

Several members interjected.

Mr MARLBOROUGH: The members for Geraldton and Avon think I am right. That is highlighted in the articles in this morning's paper. Two different views have been expressed, and the lack of funding is bringing the situation to crisis point. I say to Mr van Heemst and his committee advisedly - I know some of the committee members; I do not know Mr van Heemst - that they should not cut the stake money for the bread and butter races, because they are the pulse that drives racing. The Perth Cup is worth about \$300 000. I suggest that the horses that would be run in a Perth Cup in Western Australia with stake money of \$300 000 would be no different from the horses that would be run in a Perth Cup with stake money of \$200 000. The Turf Club should look at reducing the stake money for the key races that take place once a year and comprise only a few events on the racing calendar and putting that stake money into the bread and butter races, because that is what feeds the industry.

If we took the bread and butter trainers out of the racing industry we would not have an industry but would end up with about four elite trainers and George Way guiding them from the other side of the Belmont track through a pair of binoculars. The heart and soul of this industry is the battler owners and trainers. They are the people who make the industry tick over and they are the people who should be looked after.

Without taking sides, I believe a government authority should oversee the racing industry. I suggest also that the Government look at privatising the TAB. That is my personal view. That has been done in Victoria, I understand very successfully. I know from talking to people in the racing industry that because of the amalgamation of ideas that has taken place between the Victorian and New South Wales racing authorities, all the big money from Western Australia is being punted on those races because the pools are larger.

Technology has ensured that the racing industry has become a lot smaller, and if we do not restructure the industry to take cognisance of the massive changes that are taking place in the use of the entertainment dollar - in this instance the gambling dollar - we will destroy this industry in Western Australia and in five years it will not be the industry that all of us in this Parliament want it to be. This industry is too important for us to score political points about it, and I do not think the points are there to be scored. We have an industry that is in crisis, a TAB that needs to be looked at, and a Turf Club that cannot work adequately in today's modern racing industry and needs to be replaced. It can play a role, I am sure, but it is certainly not the role of running racing in this State and administering the expenditure of \$38m annually. It does not matter who is on the Turf Club committee; it has not had a record of doing a good job. It is time we recognised that change is required in that industry.

MR CUNNINGHAM (Girrawheen) [3.17 pm]: I look forward to hearing the Deputy Premier answer the question that was brought up in the Estimates Committee and has still not been answered; namely, why does this Government have a different tax policy for the Burswood Resort Casino and the Totalisator Agency Board, whereby the casino is taxed at the rate of 15 per cent on gross commission plus 1 per cent on park commission - a total of 16 per cent - but the TAB is taxed at the rate of 5 per cent of gross turnover? If the TAB were taxed at an equivalent rate of 16 per cent of gross commission, on the 1995-96 figures of \$114.6m, the tax paid by the TAB would be 28 per cent. This Government's taxation policy is far from a level playing field.

At that Estimates Committee, the director mentioned that the renewal date in the agreement for the casino licence was December 2000. The casino tax will be increased from the year 2000 by 1 per cent per annum until the year 2002, which will bring it to 17 per cent, and then it will be increased to the maximum of 20 per cent. The Government must consider the situation over the next year or so. People in the racing industry do not believe that the 20 per cent tax which will apply beyond the year 2002 represents a level playing field, as it relates to the Totalisator Agency Board. The Government not only applies a different tax regime between the casino and the TAB but also has a different policy on the disbursement of TAB distribution between the racing codes. The greyhound industry receives a direct proportion of TAB profits on its turnover. However, the galloping and trotting codes receive the balance of TAB distribution at the rate of 65 per cent for galloping and 35 per cent for trotting. Yet the galloping contribution in 1995 was 66.73 per cent of the total TAB turnover and trotting contributed only 18.56 per cent. There is no logic to this distribution policy.

As we have heard over the past few hours of debate, the racing industry is very nervous. We have heard talk about the sale of Belmont Park to allow a sporting complex to be created. That issue has been mentioned by many people following this morning's press coverage. It would be possible to have only one track in Western Australia at Ascot but Ascot Racecourse is not a wet weather track, therefore it would be impossible to hold race meetings at Ascot in winter. It would be necessary to spend millions of dollars upgrading Ascot to an all weather track. As outlined in this morning's Press, the racing industry could not afford that expensive exercise. On the other hand the sale of

Belmont Racecourse would return millions of dollars to the coffers of the Western Australian Turf Club. A member suggested - and it would not be a very popular suggestion - that Belmont Racecourse should be sold and the money invested at Ascot to make it an all weather track; or perhaps Gloucester Park should be closed and the two courses amalgamated. That has been done at Geraldton, and at Moonee Valley in Victoria. Today the Moonee Valley course is the pride of the trotting and racing industry.

I turn now to the stake reductions, as announced in this morning's *The West Australian*, which will come into effect on 1 October 1997. For a mid week class 6 race the revised stake will be \$7 000, which represents a decrease of \$1 000. The battlers in the racing industry are the syndicates of 10 people, and the revised stake of \$7 000 would not make it worthwhile for them to remain in the racing industry and pay such high training fees. The mid week welters stake has been decreased by \$2 000 to \$9 000. For two year old and three year old races, special conditions races, welters, open sprints and handicaps, and open fillies and mares the reduction is \$3 000, down to \$22 000; for quality races the revised stake is \$25 000, a decrease of \$5 000; and for nominated listed races the revised stake is \$35 000, a decrease of \$5 000. Those figures indicate a vast difference between the mid week classes and nominated listed races. The revised stake figures are unacceptable. We have heard members say today that the Government cannot continue to put money into the pocket of the Turf Club, without asking questions. We may need to return to the suggestion made by the member for Peel. I think that the members for Avon and Geraldton agree with him, in that we may need to do what New South Wales has done and set up a racing commission.

Mr Trenorden: Queensland did that 10 years ago.

Mr CUNNINGHAM: I recall the member talking about that years ago when I first came to this place. I have never resiled from that viewpoint. We must have some kind of racing commission. For many years the AJC controlled racing in New South Wales, and that was a shocking situation. The AJC was a law unto itself. However, the new committee in New South Wales gives some hope for racing in New South Wales.

To conclude, I wish to deliver a brickbat. This morning I listened to Racing Radio 1206AM. Following the controversy which covered an entire inside page and half the back page of today's *The West Australian*, it was a disgrace that this TAB station did not mention any of those problems. A couple of months ago a friend of mine and the member for Avon spoke on Racing Radio 1206AM and criticised a certain aspect of racing, and the member was thrown out of the radio station.

Mr Trenorden: And it was mild criticism.

Mr CUNNINGHAM: It was. I did not believe that the member was criticising the industry, but he was thrown out. The radio station is going from bad to worse; it has its head in the sand. Until the Government does something about this station, the racing industry will not progress.

MR COWAN (Merredin - Deputy Premier) [3.27 pm]: I thank members for their support of the Bill. I would like to respond to the issues raised relating to the Bill. I would also like to respond to the issue that has dominated discussion - that is, the operations of the Totalisator Agency Board and the way in which it contributes funds to racing in Western Australia. I will not dwell on that aspect for too long because it is not a matter canvassed by the Bill.

Mr McGowan interjected.

Mr COWAN: I would have welcomed it. I lingered a little, in the hope that the member would. Sometimes I wish that I could hear the member for Rockingham's interjections, because I enjoy responding to some of them, inane though they may be. It gives me great pleasure to respond.

Mr Carpenter: He has batted you around the park!

Mr COWAN: If the member for Rockingham were confident of his game he might be prepared to speak up so that everyone could hear him.

Mr McGowan: I said that it was a pathetic interjection this morning.

Mr COWAN: Was it?

Mr McGowan: It was a pathetic point of order.

Mr COWAN: It was not. The member should read the standing orders. Had he done that, he would know that although the responsibility for this House rests with the Speaker, if the member for Perth had due regard for the standing orders she would not have canvassed so many unrelated matters this morning. The member should not tell me what we should or should not be doing in second reading debates. I will always remind him of the standing orders. He should read them.

Mr McGowan: Are you saying the Speaker was wrong?

Mr COWAN: I am saying that the member should have confined her remarks to the content of the Bill, but she did not.

The member for Perth indicated opposition support for this proposal, and the Government is grateful for that. She also referred to the delay. While I cannot give a full account of the time consumed, there were a number of reasons for that delay. First, the Turf Club did not have a fixed position about its borrowing powers and what it wanted. In addition, discussions took place between the Department of Land Administration and the Turf Club about land and land dealings. All I can offer to the member for Perth - apart from those two reasons, which are valid - is that the wheels of government grind very slowly. There is only one thing slower - the passage of legislation through this place.

The member for Perth's remaining contribution set the pattern for the balance of the debate. After that, the discussion was confined to the Turf Club's major income source; that is, the allocation of TAB moneys. I will not canvass those issues, but most other members touched on that subject.

Some comparisons can be drawn. There is no doubt that the structure of revenue from the TAB is different from the structure of revenue from the casino. If one looks at the tax on profits generated instead of using the total take on the turnover, the casino contributes 16 per cent, but the TAB contributes about 28 per cent. There is no question about that. However, the issue is the distribution of funds from the TAB to racing. I will not canvass the issue of the distribution between the different codes; I am just grateful that members of the Opposition did not raise the issue of dogs. It is clear that there will more debates and arguments about the distribution ratios and the value of that distribution to racing in Western Australia.

The member for Perth also stated that racing is a primary industry. I will not say that she is wrong, but I suggest that racehorse breeders might be associated with primary industry but racing itself is not. She also said that the Government should provide some support to the racing industry for breeding. The Government does that. For a number of years the department has had the inward buyer scheme, which racehorse breeders have been able to tap into and which they have used to attract buyers from overseas to the yearling sales in Western Australia. Overseas buyers have purchased a number of animals - the Malaysians and the Singaporeans particularly - and those animals have been trained and raced here and then taken overseas.

Ms Warnock: That is good news. When I asked the breeders, interestingly they did not mention that.

Mr COWAN: I approached the Turf Club when I first became the Minister and asked whether it would contribute to that program, and the answer was no. That disappointed me a great deal.

In addition, the Department of Commerce and Trade makes taxpayers' dollars available for the promotion of blood stock. That promotion is designed to attract those inward buyers. As the member knows, I publish annually the grants made available through the various schemes. There were howls of protest because Western Australia's leading bloodstock stud - Heytesbury - received funds to prepare the brochure to attract the inward buyers. I still get howls of protest because we gave the racing industry \$20 000 to promote the quality of the stock that would in turn attract buyers who would contribute \$2.5m to \$3m to the yearling sales that the industry would not normally receive. There is some support. However, given the Turf Club's reluctance to contribute, I am reluctant to continue that program. That issue rebounded on the Government because of the way in which it was presented by the media. It was stated that the Government was giving taxpayers' dollars to the nation's richest woman. I will not cop that. If people want to take a free kick, they will not get a second chance.

The member for Avon commented on the management skills at the Turf Club. It would be inappropriate for me to canvass those issues. As most members are aware, much discussion has ensued about management and the way in which racing as a whole is treated, particularly country racing, and the member made his views clear about that. To some extent, that was also supported by other members of the House.

Mr Carpenter: I bet he does not say that to their face.

Mr COWAN: I think the member will find that he already has.

The member for Girrawheen also indicated his support for the legislation, but referred to the absence of a level playing field with different structures for state revenue from the gambling dollar - the TAB versus the casino. That issue was canvassed by most members. He and other members also commented about the reduction in stake moneys. Irrespective of whether one is running a turf club or anything else, one must live within one's means. If the club has made a decision to improve the facilities on the course for patrons, it cannot have it both ways: It cannot continue to increase its stake money and make improvements to the course. If it has a fixed level of income, unless it increases its revenue, something must give.

Mr Cunningham interjected.

Mr COWAN: That is the reason the Turf Club is trying to improve the facilities. It wants someone on the course and that is exactly what is happening.

It was also suggested that as the TAB is generating a greater amount of revenue, it should be ensuring that the money going to the Turf Club increases correspondingly. For the same reason that I am sure the Turf Club wants to improve its facilities, the TAB has already taken that action; it has improved the quality of the TAB betting shops.

Mr Cunningham: It painted them purple.

Mr COWAN: I think the member for Girrawheen has indicated he is not a Dockers supporter! I also do not like purple; nonetheless, that was the choice of the TAB. The TAB made a conscious decision to improve the quality of its facilities in order to attract a greater number of patrons. I do not think too many people can complain about that, nor can the Turf Club complain too much about the TAB's funding to the Turf Club in the light of the club's deciding to withdraw one of its major race days. Effectively it will reduce the opportunity for the TAB to earn revenue of about \$800 000. The TAB was not advised of that move.

Although I have responded to some of the issues raised by respective members, I am pleased they support the legislation. They do not need to be reminded that this Bill sought only to remove the borrowing limits of \$20 000 for the simple reason that the State Government had no control over that issue. The Bill seeks to provide borrowing powers to ensure that the specific borrowing facilities that the WATC may use are properly catered for and seeks to ratify previous loans in excess of \$20 000.

In addition the Bill amends the Western Australian Turf Club (Property) Act to allow the Turf Club to dispose of real and personal property or to allow for the mortgaging and disposal of trust lands according to certain principles which can be found in the Land Act. I assure members present who speculated about what might happen that the Turf Club will not be able to act on those trust properties without conforming to the provisions of the Land Act which I understand require the approval of the Governor; in other words, Cabinet. Although the Turf Club can undertake to do as it wishes with the property it now has in fee simple, the trust properties will require the approval of the Government.

I thank members for their support. Although I too have strayed from the contents of the Bill, it was appropriate to respond to some of the remarks. However, I am very pleased that members on both sides of the House, notwithstanding their criticisms of the Turf Club or the TAB, support the provisions in the Bill.

Question put and passed.

Bill read a second time.

Third Reading

Leave granted to proceed forthwith to the third reading.

MR COWAN (Merredin - Deputy Premier) [3.43 pm]: I move -

That the Bill be now read a third time.

MS WARNOCK (Perth) [3.44 pm]: I seek the indulgence of the House to make a few brief remarks in this third reading stage provoked by two of my colleagues parading their credentials in the racing area earlier.

Mr Cowan: This is not a pinprick again, is it?

Ms WARNOCK: I can honestly say I have never been a racing tipster.

Mr Carpenter: I am, and I am extremely proud of it.

Ms WARNOCK: I will not seek to take that away from the member for Willagee; I would not make much of a racing tipster. In addition to parading some of those credentials, I will draw the attention of the House to a very interesting report about racing that it should know about.

Like the family of the member for Dawesville, my family has been in the racing game for a very long time. My family believes it has the oldest set of racing colours in the State, having used them - not the same clothes - since the turn of the century, although they have not been around the track for quite a while. They are still hanging in someone's cupboard somewhere. One of these days when I have worked out how to win a lottery I might have an opportunity to get back into the business.

My grandfather, John Frederick Gary Robinson, was quite a well known trainer at the time and won three Perth Cups

in the 1930s. He trained with a gentleman called Mr Stewart. They had three horses in the 1930s, Picaro, Tomito and Macadam, all of which won Perth Cups. I wish I could say I had the cups on my shelf, but alas they disappeared a long time ago. The green and gold colours appeared again in the 1970s - and many times over the intervening years - when my father won the Railway Stakes with the famous Star Glow. I cannot claim to be a racing tipster; I am not a gambler so I will leave that to some of my colleagues on both sides of the House.

As I said earlier, the Opposition supports this Bill which will allow the Turf Club to borrow more than \$20 000 and to sell real and personal property. Much discussion has occurred today and the Deputy Premier has been indulgent in allowing us to discuss a range of matters about the Turf Club.

Mr Cowan: If I had had my way I would not have let you.

Ms WARNOCK: The Deputy Premier tried to stop me but fortunately he relented. Many suggestions were made by both sides of the House including you, Mr Deputy Speaker, about what the racing industry should do about its problems. I therefore draw attention to an excellent report I read which was sent to me this week by someone in the South Australian racing industry. It is called "Ongoing Opportunities for Wagering in the Racing Industry" prepared by A. J. Windross, Chief Executive of the TAB of New South Wales, for a gambling conference held in March this year. The report ranges widely over problems in the racing industry which have been alluded to several times. In fact, the racing industry is in competition with many other codes and entertainments. The report refers to a number of strategies the racing industry can undertake. Many people today spoke about how the racing industry should be run by some sort of racing authority. This report suggests the industry needs a national lobby, as many other major industries - racing is certainly a major industry - have a national lobby. It should be very professional at the top level, and many of the speakers today supported that idea.

This report recommends providing a decent amount of money rather than just handing back bits after tax. Many people involved in the racing business will agree with that. Today members heard much interesting and varied discussion about the method of taxing the racing industry. The report also suggests that market research should be undertaken on why some people wager regularly and why others go to the races only once a year. For instance, why do so many people go to Melbourne Cup day and Perth Cup day and are never seen again? What else can racing do to draw them back more frequently? Obviously, the racing industry should be responsive to what the punters want, even if that means reorganising race meetings so that people have many events on which to place their bets.

There is also the question of how to sell the racing business, and the report refers to mystery bets and promoting bookies. We know the number of bookies is declining, but everybody agrees they are a colourful part of the racing industry and they should perhaps be promoted more. It suggests also that champion horses should be promoted. Even people who are far too young to have seen Phar Lap race will know of him because he was a champion. People these days do not seem to know as much about champion horses. Perhaps we need more promotion of famous horses such as that. Perhaps, also, courses could be run on how to win at gambling. Perhaps we should tell people how to gamble successfully, and promote the idea of horse ownership. The member for Dawesville spoke about the fun of owning a horse and having a part in it. My family has had a lot of experience of that, but my grandfather, the trainer, took it much more seriously than does the member for Dawesville.

It is also suggested there should be tours of racing venues so that they become a tourism attraction and are co-promoted with other forms of gambling. There is a series of extremely interesting suggestions, and I sought the indulgence of the House to mention this report which I neglected to mention this morning during the second reading debate. Anyone interested in the future of the industry would be interested in that report.

Question put and passed.

Bill read a third time and passed.

LOAN BILL

Second Reading

Resumed from 28 August.

MR TRENORDEN (Avon) [3.52 pm]: I shall raise in this debate, as usual, a side issue but it is very important to me and it is related to funding. For some time I have been trying to raise the profile of a very impressive woman in my electorate, recognised on several occasions in awards in this State, who has been a long time contributor to state history. I speak of Jan Goodacre, a genealogist and author, who has been working for 30 years in this area and has seven books to her credit. She has worked for several years contributing entries for inclusion in the dictionaries of Western Australians compiled by another prominent Western Australian, Dr Rica Erickson. Since the time those dictionaries have been completed, Jan Goodacre has worked solely on putting together Aboriginal genealogies.

These family trees form a huge database, are extensive and cover the whole State. The database comes from normal records of births, deaths and marriages, and missionary and other records that have been kept since white settlement. They are considerable records. They are capable of proving or disproving native title claims. Jan Goodacre has watched with interest as Aboriginal leaders have jostled for position in the race in recent days to recover Yagan's head. In her professional opinion even a distant connection between them and Midgegooroo, let alone Yagan, is very tenuous because Yagan was a young man when he died and did not appear to have any descendants.

A growing number of people in the Aboriginal community wish to be recognised in the ever increasing debate on the history of the Aboriginal people. It must be recognised, and has been recognised by the royal commission recently held in the federal arena with a great deal of publicity, that many Western Australian Aboriginal families have been dislocated in the past. We have heard some horrific stories, and I know of some in my own electorate, where women and children were moved from Northam, York and Toodyay to the Midlands area. I have heard of people who went to those areas to try to steal their women and children from camps. Many of these things are facts and are not debatable.

The net result of that washing machine of activity is that many Aboriginal people do not know their ancestry. From my strong contact with Jan Goodacre over a number of years, I know that many hundreds of Aborigines have been to see her and have been astounded to find that the people they thought were their ancestors were no such thing. That can be proved by birth, death and marriage records. Many of the people involved in the Aboriginal debate now claiming a strong position in that debate, have no right to do so on the basis of their blood lines. Obviously, it is reasonable that people who have strong emotions and a desire to do something about Yagan's head, should do so. I am talking of the head that was buried in the cemetery in the United Kingdom. However, it is important that distinctions be made. I advise members that a number of Aborigines in my area are very concerned that the people who brought Yagan's head back to Western Australia have less blood line connection to Yagan than do many others. In the eyes of many Aborigines, they were doing it for recognition purposes. That becomes a very serious question.

Many Australians regard Aborigines as one group of people. That is as logical as regarding Europeans as one race of people. They are not, and nor are the Aborigines of Western Australia a solid group. One has only to live among them to understand the deep tensions among families and groups in Western Australia, and those tensions have been present for as long as recorded history and as long as the living history of the people. That is not denied by Aboriginal people. To give fairness and equity to these arguments, we must be in a position to say that those acting on behalf of a group of Aboriginal people have the right to do so.

There are two kinds of rights: One is moral, whereby I can fight and argue for Bosnia or Princess Diana. I have that right, but I do not have the second right, which is the blood right to which Earl Spencer referred in his address. Unfortunately, a growing number of people want recognition and want to be part of the major action in the Aboriginal community. Those people are claiming direct access to the information. One example is Robert Bropho. Under Aboriginal law he should be dead or very ill because he claimed some ownership of the situation that arose with the Swan River and the brewery. However, it is not his country and, under Aboriginal law, it should not be discussed by him. An elder in the Northam district told Jan Goodacre in recent times that Robert Bropho talks of the old fellow snake in the Swan River as though it is his, but it is not. His origins are in Wyndham and Busselton, and he was born in Toodyay. His wife was born at the Moore River native settlement and her origins are in the Kimberley, Gingin, Dongara and Dandaragan districts. Under Aboriginal law, Robert Bropho has no right to argue about the Swan Brewery site, but he is the person recognised in the community and by the Press as having the carriage of the debate. That does not please many Aborigines, and we should be conscious of the rights of those people.

This problem will continue to grow, particularly in relation to native title. The member for Eyre is not in the Chamber at present and I do not wish to put words in his mouth, but he has made several speeches about the harm that native title claims are causing in his district, particularly by people making vexatious claims. The Kununurra situation is very interesting because people are putting in claims and being paid compensation whereas many people with rightful claims have not done so and have not been paid. The result is that native title has not been resolved at all. The ability to prove a rightful claim to native title is very important because if the State is going to recognise a group of people as having certain rights, they must be the right people.

Mr Bradshaw: The trouble is that the Mabo situation and the Keating legislation are two different things. They do not follow as they are supposed to do.

Mr TRENORDEN: That is right.

Mr Baker interjected.

Mr TRENORDEN: I am not arguing those points. I am saying the State has a capability through the Aboriginal dictionaries to present that information on a professional and logical basis, not on an emotional and court-driven basis.

A 10 point plan will be presented in the House of Representatives which may or may not succeed.

Mr Baker: It is certainly better than the status quo.

Mr TRENORDEN: It will succeed. I think points one and eight say there must be some proof upfront of the right of the person to make the claim. One must have some historical basis on which to make a judgment. The information exists, but it is all over the State. It can be found at funeral directors' offices, at missions and churches, in the Battye Library and in registers of births, deaths and marriages. It is in a whole raft of places and it must be put together.

Jan Goodacre has been working diligently in her own time to try to complete the task. For the past two or three years I have been attempting to get her some assistance to complete the work. That work should be an asset of the State, available to all Western Australians. Jan Goodacre is under a lot of pressure as a result of approaches from Aboriginal communities and individuals who want this information which has been compiled on a private and voluntary basis. She cannot cope with the flow of information. This dictionary should be completed because it will be a critical tool.

One of the sad things that is happening, and Jan Goodacre makes this point, is that a small proportion of Aboriginal people, particularly the leaders, are trying to rewrite Aboriginal history to suit themselves. Before any member interjects, I point out that many other people have done that as well; that has been a part of history. The winners keep on trying to rewrite history. However, it is important that questions of native title be brought under some control. Many Aboriginal leaders have been quoted in the Press as damning the white community for cultural genocide, when they themselves are doing the same to the Aboriginal people by not producing the correct information to enable correct procedures to take place in the decision making process about native title, whether through this Parliament, the Federal Parliament or the courts.

We are entering a period in which it will be increasingly important for the State and Federal Governments and the courts to act with some certainty about who has rights, in relation not only to native title, but also to a number of other areas involving the Aboriginal community. The last thing we need is for us to give those rights to the wrong people and find that at some time in the future we have to disentangle them. The member for Eyre has said that many times about what is happening in Kalgoorlie, and members who interjected earlier correctly pointed out that it has happened in Kununurra and other places.

Jan Goodacre's Aboriginal dictionaries must be completed so they can be an important factor in the functioning of this State. She is an outstanding woman. A couple of years ago she located the graves of the 80-odd stillborn babies in the Northam Cemetery. She found the mothers of the babies and spoke to them. She knew in her heart, because she had stillborn babies of her own, that the mothers would have named the babies before they were born. She put plaques on the graves of the 80-odd children and brought their mothers to a ceremony on the site, at which balloons were released. I attended on that occasion and it was an extremely emotional and moving ceremony. There were women in their seventies and eighties who had not released their grief over the loss of their children 40 or 50 years before. The work Jan Goodacre does and the compassion she shows for Aboriginal people is outstanding. People such as her should be recognised. As I said, she is doing this work on a voluntary basis. She has a job; she is the curator of the Northam Cemetery, so she can only do the dictionary work part time. It is important, given the recent incidence of conflict in Aboriginal rights, that we have some certainty. I put it to the public that it is a good, right and moral position to complete this Aboriginal dictionary.

MR BROWN (Bassendean) [4.10 pm]: I find myself in an interesting situation at the moment.

The DEPUTY SPEAKER: Order! Is the member the lead speaker for the Opposition?

Mr BROWN: No.

Mr Board: You can do it.

Mr Prince: Do it off the cuff.

Mr BROWN: That is exactly what it will be. I have a number of comments I would like to make -

Mr Trenorden: If you could think of some comments, you would.

Mr BROWN: - in what can be a broad ranging debate. The first relates to education facilities. In the lead-up to the election campaign last year, the Government announced the Good Start program in which proposals were put forward for four year olds and five year olds to attend school. During this year we are seeing the implementation of that program. However, on a number of occasions inadequate financial arrangements have been made to ensure appropriate facilities are provided.

I will give an example of a school in my electorate. Two classes for five year olds are now being transferred to the

school site, which had previously been conducted away from school, for which the school has been advised it will receive one transportable classroom. In terms of the make-up of the students at the school, it means the school must run a number of split classes. That is of concern to parents and teachers at the school. Indeed, there are serious concerns from the community about that change, particularly as it will mean less space and fewer opportunities for students. Although the notion of having all students on one site - that is, including the five year olds and four year olds - might be wise, insufficient attention seems to have been given to the financial resources required for that process. Unless the matter is corrected, the space provided in schools will impact on educational opportunities for students.

In addition, the school is small and parking is difficult for parents. Parents will now be required to drop off their five year old children at the school in an area which provides insufficient parking. The school is on a hill. It is just off a main road and already there are major parking problems. There is insufficient parking for staff and parents, yet the school must now cope with an influx of two additional classes for five year olds. That means additional resources are required for parking areas, otherwise parents will have to park their cars precariously on the side of the road, probably endangering themselves, other motorists and the small children who are departing for school.

It is one thing to have a policy that says that this program will provide sound educational outcomes if all the facilities are provided on one site, but it is another thing altogether to research properly and allocate appropriate resources to ensure the policy can be properly implemented. On the former matter, it seems a decision has been made, but on the latter, the resources have not been provided. I am keen to try to have these matters resolved before the beginning of the next school year. I have some concerns about the effect of this policy if it is implemented without these resources being put in place.

I refer to the education Green Bill which has been circulated and which has created a good deal of debate among parent groups and teachers. It has some implications for truants, particularly students who are non-conformists. Concerns have been raised with me about the level of resources that will be applied to that arena. Surely that matter also concerns the Minister for Youth, who is in the Chamber at the moment, as well as the Minister for Education. When we look at the facilities and the opportunities for young people, we often find young people at risk fall between the gaps of service providers.

I have referred before in this House to a program operating just beyond my electorate in Midland. It was an excellent program which catered for a small group of what I call school refusers. These young people aged 14 or 15 years refuse to go to school although it is compulsory for them to attend. That creates a major problem. Of course, they can be exempted from going to school by the authorities or the Minister, but I am not sure who. In any event, they refuse to go to school. A small program worked with a number of those students who were referred to it by various schools. That program provided an opportunity for those young people to obtain employment and to be granted an exemption so they could enter employment at a young age.

The program operated with a number of small and medium size businesses in which these young people were placed so that they could at least have an opportunity of obtaining some skills and work experience and of earning an income. In many instances, the program placed these young people in repetitive jobs that were not particularly appealing. Part of the process was to indicate to these kids that although they could earn money when they left school, without a better education they might be looking at the sort of job in which they were presently involved for the rest of their lives. The program had an educational context in trying to get young people to confront what might be their future if they failed to get an education or had no ambition in trying to improve their lot.

Although that program took only a small number of students at any one time, it was remarkably successful. The success rate was measured in this way: Six months after a young person left the program, it was considered a success if that person had returned to full time education or was in full time employment, and the young person was given a tick. That is not a bad measure. The program no longer exists because the very small amount of funds required for the program to continue were not forthcoming from the State.

It is interesting to see how programs fall through the cracks. The group first applied for funding through the Education Department. These people were told that money could not be given by the Education Department because the students had left school; therefore, it was not an education program. The department said that they have left school; they are school refusers. No money was provided by the Education Department. The group then looked at getting funding from the juvenile justice area of the Ministry of Justice. Although some of the young people involved in the program had had some scrapes with the law, not all were ex-offenders and they were not on bail or things of that nature. The Ministry of Justice said that the young people were not ex-offenders and so no money would be made available by that department. One would have thought that perhaps some funding could have been provided by Family and Children's Services; however, it said that the young people were of school age and they should be attending school; therefore, it said it was an Education Department responsibility. No matter where they applied for funding for this program, it was a minuscule amount. The person who worked on the program, the coordinator,

worked for an extraordinarily low wage. He certainly did not work there for the income, but because he enjoyed the work and got satisfaction out of the work. He pushed the program along on a shoestring budget. I was dismayed to learn that the program no longer operates. It has come to an end and funding has not been provided. Although I have referred to the matter in this place before and I have written to Ministers, it appears that that is not an appropriate program. I fail to see why it is not. That program catered for young people who were probably the most at risk - young people who, for whatever reason, did not participate in the education system. I do not understand why that program does not exist to look after them. I am most dismayed about that.

In questions on notice I have asked the Minister for Youth how much money is allocated to youth programs. I have no doubt people in the youth cadet program enjoy it in the same way as young people who participate in the scouts, guides, venturers or Army cadets or in soccer, football, rugby, or a multiplicity of the sporting clubs that are available, all enjoy those activities. Many of those organisations do not get a brass razoo from government. They are run on funds from parents and contributions from local businesses. In an answer to a question the Minister indicated to me that, from memory, \$445 000 was spent last year on the cadet program in schools. Many of the young people involved in the program are well balanced and come from good families and will make it anyway, without that level of state support. As the Minister said to me in answer to other questions, this is not a crime prevention program.

Mr Board: The point you make about kids falling between the cracks in government programs is valid. It is not just in the youth area; it is in many other programs where agencies tend to look vertically at their core business. We must look at an end result and get other agencies to come in and play a particular role. Government could do a lot better by looking at some of the end results in agencies and then inviting in participants. Part of what the Youth portfolio will do is that coordination. It is early days in achieving that. One of the Government's primary functions in Youth is to ensure that kids who have not fallen into trouble with the law or who are not involved with drugs or who do not already have a problem stay that way. You talk about socioeconomic areas. Many kids in what you called privileged families are getting into trouble and getting into drugs. We must be proactive across the board. The Government found it did not have enough programs for all young people. We tended to specialise in programs for young people who had already found themselves in difficulty. To that extent we must concentrate on all young people. I agree that there must be more coordination. That is something we are putting a lot of effort into at the moment.

Mr BROWN: I thank the Minister for that. The point has been made previously by other Ministers who have had responsibility for youth affairs that 90 to 95 per cent of young people will not have a brush with the law. The drugs task force report states that a high proportion of high school aged children try drugs. From memory, around 40 per cent try marijuana. I may stand corrected.

Mr Prince: It is 40 to 50 per cent.

Mr BROWN: If there were strict compliance with the law - that is, if massive resources were poured into that end - and all of those young people were fined or imprisoned, we would be going backwards. The enforcement policies of the police indicate that is not the case. Young people today are exuberant and they always push the boundaries, as did young people yesterday and young people 50 years ago.

Mr Prince: They experiment and take risks.

Mr BROWN: Yes, that has always been the case, whether it is today with drugs, 20 years ago riding motorbikes unsafely, or 30 years ago -

Mr Prince: With alcohol and tobacco.

Mr BROWN: That is right; with all sorts of other things. Equally, a range of young people do not push the boundaries all that far and one would not consider them to be at risk at all. At a time when government is limited with funds, when more money is needed in health, when young people are at risk, and when we are concerned about the drug problem with young people, the question is not whether these are good programs, because they are "good" programs, but whether they are targeted at those who are potentially at risk; or whether they are targeted at and are being used by young people who, if inclined to activities such as guides or scouts, potentially will not go down the wrong path anyway. If that is the case, are we targeting the resources in the most effective way? I appreciate it is not an easy process.

Mr Board: I will give you a figure that you will find astounding. The Office of Youth Affairs completed a survey some months ago for commonwealth, state and local government on the resources that were going into the youth area; that is, what percentage of mainstream programs across the board were being utilised by youth - whether it be sport and recreation or education. In Western Australia over \$2b is spent in the youth arena.

Mr BROWN: I can understand that if Education is included, for which the figure is about \$1.6b anyway.

Mr Board: I do not think the Education budget was included. I am talking about specific youth programs.

Mr BROWN: I would be interested to look at that information.

Mr Board: I would be happy for you to have it.

Mr BROWN: I have looked at the Youth budget; it is not huge. I have looked also at the budget of Family and Children's Services, not all of which goes to youth by any stretch of the imagination. If law enforcement, health and education are apportioned off and certain assumptions are made about young people using those services, I accept that that figure is probably correct.

[Leave granted for speech to be continued.]

Debate thus adjourned.

[Continued on page 5993.]

GRIEVANCE - SCHOOLS

Children with Disabilities - Integration

MR RIPPER (Belmont - Deputy Leader of the Opposition) [4.30 pm]: My grievance is addressed to the Minister for Education. It follows a visit I made to the nearest primary school to me, the primary school my son attends. It was not an official visit. I went there to discuss my son's progress at the school. While I was there I happened upon a meeting of teachers. Those teachers put to me strongly their concerns about the integration of children with disabilities into mainstream classes in that school.

I fully appreciate the desire of parents of children with an intellectual disability to have those children as far as possible educated in a mainstream setting; that is the children's human right. It is also a practical matter. It helps them achieve the greatest possible degree of competence if they are educated with other students in a mainstream setting. It is right for us as a community to have children with disabilities as far as possible educated in mainstream settings. However, when we make that decision we should make it on a dinkum basis. We should provide the resources necessary for that integration of students with disabilities to occur so that it best advantages them without in any way disadvantaging other students in the class. In other words, we must provide sufficient resources to support that integration. Otherwise I do not think the students with disabilities will get a fair go and it is possible that students without disabilities will also find that their education is affected.

I was concerned to learn that Tranby Primary School has seven students with intellectual disabilities integrated into the afternoon session of the year 1 class, which has a total of 25 students. That is a significant proportion of children with intellectual disabilities. Five of those students do not have any particular teacher assistant time allocated to them. Two of those students have teacher assistant time allocated to them; one receives 0.4 teacher assistant time, and the other 0.2. It must be remembered that the reason for allocating teacher assistant time to students with disabilities is the serious nature of their disabilities. For example, for the student who is allocated 0.2 teacher assistant time most of that time is taken up helping that student eat his lunch. That student needs considerable assistance at lunchtime simply to eat. That is where that teacher aide time goes. The school has an education support teacher, with 0.2 teacher assistant time. That education support teacher can assist in the year 1 class in the afternoon, but not all of the time, because education support students are integrated into other classes at the school. The education support teacher obviously cannot be everywhere simultaneously. This is a problem which is likely to become more serious. As these students have been integrated in year 1, for each of the next six years there will be a large group of students with disabilities at this school integrated into mainstream classes in the afternoon. It is a problem for the education of the children with disabilities, and it is also a potential problem for those students from the mainstream.

In addition, there are particular problems for the teacher. The teacher has a duty of care to safeguard the safety of all children. Unfortunately, it is not infrequent for children with disabilities to have behavioural problems as well. For example, it may be the case that a child with a disability needs help with toileting. If no aide is available the teacher must help that child, thus leaving the rest of the class unattended. In other circumstances a child may run away a lot. This is the situation at Tranby. The teacher faces a difficult choice: To follow the child who has run away to safeguard his or her safety, or to remain and look after the rest of the class that the teacher has responsibility for. There are some serious issues relating to the teacher's duty of care in these circumstances. I sympathise with the teacher who is faced with those difficult choices.

I have spoken to the State School Teachers Union about the general problem of the integration of students with disabilities into mainstream classes. I understand there has been longstanding disagreement between the teachers' union and the Education Department about the level of resources allocated to this program. I am told that the

situation I have come across at my child's school, Tranby Primary School in Rivervale, is not uncommon in the education system.

I support the integration of students with disabilities into mainstream classes; however, we need to solve this resources problem and not only at Tranby Primary School. If we do not solve this problem we will disadvantage the education of both groups of students, we will place unnecessary and undue stress on teachers and we will compromise teachers in the exercise of their duty of care responsibility. I ask the Minister for Education, firstly, to look at the situation at Tranby Primary School and to see what can be done to improve the situation for that year 1 teacher and her students. I ask the Minister also to address the issue right across the education system. It seems to be one of the running sores in our state school system. There are continual complaints and the continual possibility of conflict between those parents who have children with disabilities and those parents who are fortunate enough not to have a child with a disability. I look forward to the Minister's response.

MR BARNETT (Cottesloe - Minister for Education) [4.36 pm]: I do not want to put words in the mouth of the member opposite, but towards the end of his speech he said, "I support the integration of students with disabilities into mainstream classes; however . . .". That word "however" is important. All of us support in principle the concept of integrating these children and we would like to see it happen. However, the practical application of that principle raises important issues, and it has not been easy to achieve. It requires a lot of sensitivity and compassion.

I agree with the member opposite that the problem will increase. The nature primarily of premature births means that many children will continue in life and into the education system where perhaps previously they may not have lived to that stage. Also we find that parents of children with a physical or intellectual disability want their children to be integrated and have as normal a school life as possible. Both numerically and in the attitude of parents the problem will be more and more pronounced.

I have been provided with information on Tranby Primary School about which the member for Belmont might not be aware. Tranby Primary School has 32 children with either physical or intellectual disabilities out of a total of 223 students. That is a significant proportion. Twenty of those students are in the education support unit, which caters for students with intellectual disabilities. Eight school age students with physical disabilities are integrated into the classroom and four preprimary children have a mixture of both physical and intellectual disabilities. There will always be a need for more resources; however, Tranby has 2.5 FTE teachers' time allocated for the needs of students with intellectual disabilities and four FTE teachers' aide time to deal with the issue.

I am prepared to ask the Education Department to look at the situation at Tranby Primary School. It could be that some students who have been integrated within the classrooms might better be in the education support unit, and some of the children within the education support unit might better be in a special education centre. It is a very difficult and subjective decision to decide on that spectrum from a special education school, to a support unit, to partial or full integration as to where any child should properly be. I understand that what is appropriate for a child at one stage of development may not be appropriate in subsequent years. The child may move up and down the spectrum according to development, behaviour and the success with which the integration occurs. Therefore, we will look at Tranby. I am aware that it is not the only school because to an increasing extent, all schools will face this issue.

Recently the Catholic Education Office raised with me concerns by Catholic parents that the Catholic school system does more in the way of providing programs and catering for Catholic children with disabilities. It is symptomatic of the problem spreading across all education systems.

Mr Thomas: They use many volunteers.

Mr BARNETT: Yes. Again, the parents are requiring the facilities and services that, in most cases, are available in the government school system.

Mr Ripper: Can you comment on the difference in aide time allocations for children with physical disabilities versus teacher assisted time allocations for children with intellectual disabilities? I understand that a child with a physical disability receives more teacher-assistant time.

Mr BARNETT: I cannot answer that off the top of my head, but I think it relates to the level of disability of the child. I think in many cases some children with physical disabilities are easier to manage. Again, it is a case of considering each child, one by one.

To conclude on Tranby, the school principal has the ability to decide how the resources are deployed. It may be that one mix is not the best mix, and that some students are in the wrong educational facility or level. For the reasons I outlined earlier, the problem is growing. Prior to the last state election we committed to a program of integration. A trial program is proceeding now, with only five students, to integrate into the mainstream classroom children with

severe intellectual and some physical disabilities. At the beginning of the 1998 school year it is proposed to proceed with the inclusion of 20 students with intellectual disabilities into a mainstream classroom. However, to integrate those 20 students we are looking at an estimated cost of \$3.6m. It is a very expensive exercise, involving support time and facilities. That will be one of the dilemmas that the community will face. There is a demand to integrate but the cost is enormous because there will always be competing demands on education. Another difficulty is the reaction of other students and their parents.

Mr Ripper: It is exacerbated if there is a lack of resources.

Mr BARNETT: With respect, it is easy to say it is a lack of resources, but it goes beyond that. If one were to say there was an allocation of \$3.6m across 20 students, no-one could reasonably say that was a lack of resources; yet I am sure the same issues will recur. In some cases, behavioural aspects can be a problem. They can be disruptive, and many behavioural aspects make it difficult. I appeal to parents because we must have an individual, child by child basis of assessment. We must have close consultation and a preparedness by parents to try a higher level of integration, and if it does not work, we must be prepared to move the student back and try again later. It will require great flexibility and much management time and resources. However, we are headed down that path inevitably. It is not a political issue; it will be a community demand and it will be difficult to manage it within school systems.

I will look at the Tranby case. I am pleased that the member has raised the issue because it is an issue that members of Parliament need to think about. We all see it in our schools, to various extents, and it will be an increasing problem.

GRIEVANCE - WESTERN POWER

Electricity Charges in Esperance

MR AINSWORTH (Roe) [4.44 pm]: My grievance is with the Minister for Energy and relates to the ongoing problems with power costs in the Esperance area particularly - not only the price, which is an ongoing saga, but also some other events which have emanated from Western Power and caused continued confusion in the minds of people about the rules related to the price. The saga began when a small business applied to Western Power for a quote for a connection. Bearing in mind that the L2 business tariff at the time was 14.98¢ per unit, the business was quoted an indicative rate of 40¢ to 45¢ per unit which was treble the existing business rate. Needless to say the business did not proceed with the application. At that time we also heard rumours about the Port Authority's costs and charges for electricity increasing by a significant amount. Further investigation revealed that Western Power was considering charging domestic customers who wanted to connect to power and were more than 150 metres from the nearest connection a contract rate, not the domestic rate which is uniform across the State. Fortunately, that has not happened. However, because of the losses being incurred at the light fuel oil-fired station, it created a lot of confusion about the rules because various people in the system, as well as outside, were quoting different figures. That continues to be the case today.

We have had ongoing negotiations on the price of energy and what constituted a small business as opposed to a large business. The Minister and I differ on the designation of a large business, but that is not the issue of my grievance. We agree to disagree on that point. I am concerned about other things happening with Western Power. As an example, when the building in which I have my electorate office was built, it was wired with only one main meter but with sub meters for the tenants. Because collectively the centre uses more than 200 000 units a year, it is classed as a big business, and a single customer to Western Power. Therefore, any increase in power used is charged at an additional 7¢ per unit, which brings the price for the extra units up to 20¢ per unit. The increases have been apportioned to the various businesses within the complex, to the point where a small cafe business close to my office using only 40 000 units maximum a year, or even less, has received bills for excess power at the higher rate of 20¢ per unit. That may total only \$300 or \$400 a year but it makes a significant difference to the profit of a small business. Until recently, Western Power has refused to consider the prospect of individual meters to those buildings.

As another example, I refer to a new business complex with only two shops side by side - one tenanted by an Archie Martin outlet and another by a local carpet retailer. A letter from Western Power told the tenants that its current policy is to offer single metering to sites that are strata titled, and on that basis it is unwilling to offer individual meters. Again, if the two businesses collectively use more than 200 000 units, even though individually they are small businesses, because they come under the one master meter, they will be deemed big business and will be charged the additional cost for units used in excess of 200 000. That situation is contrary to the Minister's stated position. I am sure he will agree with that.

That situation would be bad enough but I am aware of a multi unit domestic development in Esperance comprising 12 to 14 units which will be sold as strata titled units. Again, a letter from Western Power to the tenants states that as part of regional power policy it will permit only one point of supply and master meter to the development. Again,

if this group of domestic users collectively used more than 200 000 units of power, they would be charged additional costs, which is totally contrary to existing government policy and which, as the Minister pointed out publicly more than once, he has no intention of changing.

Although government policy and the Minister indicate one thing, part of Western Power, the regional power division, keeps coming out with other little pieces of misinformation about electricity charges to some of its customers. That problem, in conjunction with the price of power to businesses, causes much concern in the community.

Recently, Cooperative Bulk Handling Ltd, which is upgrading a receival point at Grass Patch to be a strategic bin for the region, had its power disconnected while it completely cleared the site and rebuilt the installation to a larger capacity. It had a 200 kilovolt-ampere transformer on the site which Western Power disconnected for safety reasons. When CBH wanted to reconnect the transformer, Western Power refused, and said it would put in only a 25 kVa unit. Western Power also implied it would be examining charges at every CBH installation statewide because of the major variation in power usage throughout the year as a result of the seasonality of the power use.

We also face the possibility of the price of electricity to tenants at the Bandy Creek Boat Harbour rising from 15¢ to 30¢ a unit because the power is on-sold to them by the Department of Transport, which is charged at government rate by Western Power. Less than an hour ago I heard that the residential college at Esperance which gets its power at domestic rates, will go onto the government rate of 30¢ a unit - an increase of 150 per cent. Each day the story gets worse. I would like the Minister to address that problem and the confusion Western Power is causing.

MR BARNETT (Cottesloe - Leader of the House) [4.51 pm]: I assure the member that I am trying to address the problem; it is not always easy. The situation at Esperance is not much different from the situation at Broome, Exmouth or other centres. I visited Esperance last Friday with David Eiszele, the Chief Executive Officer of Western Power. Esperance has an installed generating capacity of 14 megawatts of diesel plus 2 MW of wind power. Its growth in demand is 9 per cent a year. Already peak demand has reached 12.5 MW against an installed capacity of 14 MW. By 2005 peak demand is expected to be approximately 18 MW. The two issues are that either Esperance does not grow or the generation capacity is expanded.

The other issue is cost. The power generated in Esperance is sold at an average price of about 16¢ a unit; the cost of generating power is 28¢ a unit. Western Power - if we like, the State - makes a loss in Esperance of \$7m a year. It is interesting to look behind the figures and see who uses the electricity. Five consumers in Esperance use more than 200 000 kilowatt hours a year. They account for 25 per cent of the total Esperance consumption.

A proposal which I have had for some time and which, not through my choosing, is now pretty well publicly known, is that if there were an increase of up to 4¢ a unit for consumption above 200 000 units, contrary to some of the claims being made, one of the large consumers in Esperance would face an increase of 4 per cent, one of 5.3 per cent, one of 9.6 per cent and the other of 2.8 per cent. The issue is not one of massive increases in power costs at all; they would be for consumption by large consumers of about 200 000 kWh. Having met those companies I found that most had a very reasonable, businesslike approach. Their main concern was whether there will be energy generating capacity for the growth and expansion of their businesses.

Larger price increases occur when companies are on an off-peak tariff which is totally inappropriate in regional areas. They could face increases of 30 per cent or more. Those companies have been told that they should be on a contract in any case. In transferring to a contractor we would guarantee that no business experienced an increase of more than 10 per cent in any given year. The potential exists for some businesses on a contract, for example in Kununurra and possibly other centres, to save.

We must define the uniform tariff along the lines I am suggesting. The policy of the Government prior to the last election was that the uniform tariff would remain for small to medium size businesses and householders. That was repeated in the Government's regional development policy and is appropriate and fair. Once the uniform tariff is defined we must find the market, when we will be able to invite private sector proposals for the generation of power. Part of the solution must be to lower generation costs given that they account for about 80 per cent of total costs of power production and distribution.

With regard to the impact of metering on small business, the commercial offices in Esperance referred to collectively consume about 277 000 units of electricity. They therefore come under the large business category. The metering of power to tenants is entirely a private matter between the landlord and the tenant. It is not something with which Western Power can or should interfere. Tenants have negotiated their leases and are billed by their landlord for power used. It is possible to individually meter those tenants, but that would probably require extensive rewiring of the building on safety grounds. It would not be realistic or practical to do so. However, it might be practical to rewire and give individual metering for the three or four relatively large energy consumers within that complex. That would bring their total consumption well below the 200 000 units mark and the issue would not exist.

Issues relating to new premises were raised in Esperance and Western Power has agreed to examine them on an individual basis. Generally, if separate titles exist for properties in principle, there should be no reason that they cannot be separately metered by Western Power. However, again it depends on the way in which buildings have been wired. I support Western Power's putting safety considerations first. Separate metering is available if the owner of the building is willing to go to the expense of ensuring that the wiring system is safe and that if work is being done the building can be shut down in its totality. Those issues are being pursued; the issue of power in Esperance continues.

The ACTING SPEAKER (Mr Ainsworth): Order members! The background noise level is far too high.

Mr BARNETT: It is my desire that we invite private sector investment in the three centres of Broome, Exmouth and Esperance. I am confident that will result in a significant reduction in energy costs in those areas and it may ultimately solve this problem. However, it will not get away from the broader issue that the community must face up to what is a uniform tariff. Although members might make speeches on behalf of small business, I doubt whether many small businesses in regional Western Australia would regard it as sensible to subsidise companies such as Coles-Myer in individual towns to the extent of \$100 000 or more. Some large businesses in Western Australia effectively receive State Government subsidies approaching \$500 000. That does not support small business and it is not sensible.

GRIEVANCE - HILTON POLICE STATION

Closure

MR CARPENTER (Willagee) [4.58 pm]: My grievance is to the Minister for Police. It stems from an incident which occurred to a Mrs Theresa Steele of Hamilton Hill, a patient in Fremantle Hospital. I visited there this morning and spoke to her as late as this afternoon on the telephone about the situation in which she finds herself. Members may have been made aware of her circumstances through television stories on the weekend when she was shown to be the victim of a brutal bashing in Hamilton Hill on the Friday night before last. She is a 58 year old school cleaner described, quite correctly by the journalist of *The West Australian*, as a quiet and gentle woman.

My conversation with Mrs Theresa Steele was about the incident in which she was injured and also - this is where the Minister for Police comes into it - the general policing resource in the electorate of Willagee. I have previously raised in this House the future of the Hilton Police Station. I pointed out to the Minister and the House that the Hilton Police Station is the only police station in my electorate and it serves a population of 20 000 electors and probably 45 000 people. Very recently it has become evident from statements made by the superintendent of police at the Fremantle Police Station that the Hilton Police Station is to be closed. In other words the only police station in my electorate, far from being upgraded as is my desire, is to be closed if Inspector Doug McCaffery has his way.

I am bringing this matter to the attention of both the House and the Minister for Police because it needs to be addressed. When I raised this matter before, I pointed out that in the electorates served by the Premier and the Deputy Leader of the Liberal Party there are up to three police stations, none of which will be closed. However, in my electorate, which is recognised as a high crime area, there is one police station which is to be closed. There is something fundamentally wrong with that. Furthermore, the police station which will replace the Hilton Police Station will be in the electorate of the member for Murdoch, who is on the record that he does not want a police station in his electorate.

Mr Board: Hang on!

Mr CARPENTER: The member said it in this House and I quoted him on a previous occasion.

Mr Board: Will you please show it to me?

Mr CARPENTER: I have read it to the House before and the member nodded his head sagely when I did so. I do not have it with me, but I am happy to provide the member with a copy of it. He said the days of the police station were over and that there should be police houses. That is fine. The member for Murdoch should be aware that the Brentwood Police Station is also closing and the proposed Murdoch police station will open in the heart of an area which has an extraordinarily low crime rate. People like Mrs Theresa Steele will be left more to their own devices.

I have previously pointed out to the House that the one existing and operational police station in my electorate operates only during business hours, Monday to Friday, from 8.00 am to 6.00 pm. According to the police Mrs Steele was brutally bashed with something that resembled a baseball bat between 7.00 pm and 9.00 pm on Friday. No-one is sure of the precise time of the assault and Mrs Steele does not have any recollection of the incident. She was found bleeding in a driveway by a neighbour.

As if what has happened to this woman is not bad enough, the only police station within cooee of her neighbourhood -

that is, the police station in my electorate - is to close and even now it is not operating after 6.00 pm. I repeat that she was viciously attacked at approximately 7.00 pm. People who live in that area do not have to be too smart to work out that if they wait until after 6.00 pm the police will not be at the Hilton Police Station. That is exactly what happens. It is an absolute disgrace that this Government is allowing a situation where police resources will be taken from the areas in which they are most needed.

I have known the Minister since our university days and he is a good man. He is fastidious in the way he goes about his work. However, on this issue he is wrong. When I raised this issue in January this year I suggested that if resources were a problem, he could easily close a police station in Nedlands, which is a low crime area, where there is a proliferation of police stations and allocate the resources saved to my electorate. The problem would be solved and nobody would be too upset.

The Minister for Police told me at that time - it is quoted in the local newspaper and he has said as much in this Parliament - that the allocation of resources to stations was a matter for the Commissioner of Police. I accept that, but only to a certain degree. If the commissioner decided that every police station was to be built in Nedlands or Cottesloe, I am sure the Minister would intervene and say that the Government did not accept that. We are here in the Parliament of Western Australia to represent the citizens of this State. We cannot leave it to the police superintendent or commissioner to decide where the police will do their work. As parliamentarians we have a role in trying to decide where police resources will be allocated.

I ask the Minister to take into consideration the circumstances that apply in my electorate, and that includes the suburbs of Hamilton Hill, Hilton, Willagee and Coolbellup. The number one subject which is constantly brought to my attention is crime and police resources. Could the Minister bring his influence to bear upon the police hierarchy to ensure that not only the Hilton Police Station remains open, but also the resources attached to it are increased and the hours of operation are extended beyond normal office hours.

MR DAY (Darling Range - Minister for Police) [5.06 pm]: I assure the member for Willagee and the House that people like Theresa Steele certainly will not be left to their own devices. The member is correct in saying that the Hilton Police Station is the only police station within the boundaries of his electorate. While it is a correct statement, it is not necessarily relevant.

When this subject was a public issue earlier this year I ascertained which electorates did not have a police station, and there are a number. The only electorates I could identify as not having a police station were coalition electorates. The point is that it is of no great significance because those areas have a significant police presence.

Mr Board: To set the record straight, before the boundary changes the seat of Jandakot had no police station and 60 000 people reside there.

Mr DAY: A suburb or electorate does not need a police station within its boundaries to have an effective policing presence. Policing activity has very little to do with electorate boundaries.

Mr Riebeling: What about the high crime rate in that area?

Mr DAY: I am about to explain the way in which policing is provided to the Willagee electorate. As well as being covered by the Hilton Police Station it is also covered by the Brentwood Police Station.

Mr Carpenter: That is closing, too.

Mr DAY: I will come to that in a moment. That is not a correct statement.

The electorate of Willagee is also covered by officers from the Palmyra Police Station. Earlier this year 13 officers were located at Palmyra. There are 24 officers, including five detectives, located at Brentwood. The electorate of Willagee is also covered by the Fremantle Police Station where there are 161 sworn officers, including 20 detectives and four Aboriginal liaison officers. There is a very significant policing presence in the suburb of Willagee and the electorate of Willagee.

The member for Willagee referred to police stations closing at 6.00 pm; the same situation prevails in my electorate. The Kalamunda and Forrestfield Police Stations are in my electorate and one closes at 4.00 pm and, I think, the other remains open until 6.00 pm. That does not mean there is not a police presence within the area. Police are not sitting behind desks but are out on patrol. They are in constant radio communication with police headquarters and they respond when the need arises.

I cannot comment on Theresa Steele's circumstances, but I hope she was given a satisfactory and rapid response when the Police Service was called. The member referred to the possible closure of the Hilton Police Station: The closure of police stations has not been at the forefront of my mind since I have been Minister, but what has been, is the

opening of police stations. In this year's Budget the Government announced the construction of new police stations at Bayswater, Rockingham and Nullagine and a substantial upgrade to the Carnarvon station. A whole range of other police stations are opening as well. The \$1.6m station at Murdoch should be opened by the middle of next year, and this will be equidistant between the current Hilton and Brentwood Police Stations.

There is no intention to close the Hilton Police Station. Comments were made by the superintendent of the Fremantle police district, who is doing a very good job. He was engaging in some speculation about what he might see as the future of policing in that area. However, any decision to close a police station requires consideration by the senior command of the Police Service and discussion with me as Minister. I will certainly ensure that, as the member requested, the needs of the electorate of Willagee are taken into account in any decision made in the future. I do not see it as likely that the Hilton Police Station will close in the future, and, as I said, the comments made were speculative. I agree that an effective and comprehensive policing response needs to be provided to the Willagee electorate, and I will ensure that it continues to be provided.

Most importantly, an effective policing response can be provided by the police, generally in mobile vehicles, but sometimes on horse or pushbike, operating from the Hilton, Murdoch, and Fremantle Police Stations or coming from further afield if needed. I reiterate that there is no intention to close the Hilton Police Station. Any decision in that regard will need to be discussed with me as Minister, and that certainly has not occurred.

GRIEVANCE- GOVERNMENT CONTRACTS

Regional Small Business

MR NICHOLLS (Mandurah) [5.12 pm]: I use this grievance to highlight a need for regional support within government contracting. The importance of supporting regional centres is understood by most people as providing a basis for the growth of the State. In fact, it is crucial for the continued economic expansion of our State. However, small businesses in regional areas face barriers in competing for these contracts with larger businesses centred in the metropolitan area. It is important that we recognise the bigger picture. If we do not support small business in regional areas, those businesses may fold or be limited in their potential and capacity to provide employment in regional areas.

Interestingly, the primary indicators contained in the "Yellow Pages Small Business Index" of May and August 1997 indicate that the prime concern of small business in May, as acknowledged by 21 per cent of those surveyed, was work and sales, and 11 per cent referred to cash flow. In August the prime concern was lack of work and sales as indicated by 22 per cent, with cash flow concerns registered by 16 per cent.

As we look at small businesses' perception about the state of the economy, we see that in May, in Western Australia, 19 per cent of those surveyed believed economic growth would occur, and 16 per cent believed things would recede. A net balance of 3 per cent believed that growth would occur. When looking to the future a year from May, 23 per cent saw improvement, and 18 per cent saw a decline. The August results indicate a positive trend as 30 per cent saw growth, as opposed to 6 per cent who saw the economy receding. That is a reflection of the way small business around Western Australia sees the economy. That is a clear indication of the growing optimism around Western Australia in small business.

Nevertheless, it is important for the Government to play an active role, where possible, in letting contracts for large jobs in regional areas. The future directions I promote have already been communicated to the Government through various Ministers. First, the Government needs to promote small business in regional areas if we are to continue to see stabilisation and growth in these areas. Secondly, the Government contracts need to contain more specific reference to utilising local subcontractors and the local work force where possible. I understand that limitations are involved. Currently, although we have a regional purchasing policy, and some benefits are already flowing to regional areas, contractors who are successful in gaining substantial capital work contracts in regional areas in many cases are overlooking the benefits which could be provided to the local community.

Thirdly, we need to monitor the large contracts to ensure that our regional purchasing policy is implemented and large contractors utilise small businesses and employees in regional areas where possible. For example, a large capital work project was awarded at the end of last year, and a local contractor tendered for the contract, and I understand submitted the lowest tender but was not awarded the tender. That contract translated to a loss of \$675 000 in income injected into the local economy. The tender went to a company in the metropolitan area. Members may regard that case as somewhat insignificant, but that sort of economic injection had the capacity to provide employment to the Mandurah area, which currently has an unemployment rate of around 14 per cent. That work would have been a significant boost to the local economy.

In summary, I would like the Government to be more proactive in supporting small business, particularly through contracting in capital works projects, in regional areas. The Government should ensure that government departments

and trading enterprises include in their contracts a need to utilise the local contractors and the local work force where appropriate when those businesses with the necessary skill level can provide the service at equal or a better cost compared with competitors. The Government should highlight the value of such a proactive policy. I know that the regional purchasing policy has been well received, but we could better highlight its value. We could implement such a policy with the support of all Western Australians.

Finally, I would like the Government, through its agencies, possibly through the Minister for Works, to undertake a monitoring process of contracts let for capital works in regional areas to ensure that large contractors are providing opportunities to small businesses and employees in regional areas. Therefore, regional areas will benefit rather than the work being soaked up by large multinational companies based in Perth.

MR BOARD (Murdoch - Minister for Works) [5.19 pm]: I thank the member for Mandurah for his grievance, which provides an opportunity to discuss the new direction and proactive stance which the Government has adopted to ensure that small businesses receive a very large slice of the \$4.5b -

Mr Riebeling: It has not started.

Mr BOARD: Yes, it has.

Mr Riebeling: We have not noticed it in regional centres.

Mr BOARD: I will explain so that the member knows what is happening in the regions. Firstly, \$4.5b of procurement is being taken by the Government both in construction and goods and services. With that in mind I am very conscious of what is happening in regional areas. Regional areas have been further disadvantaged by their inability to compete with large businesses. There has been a refocusing through the policies of both the State Supply Commission and the Department of Contract and Management Services. The refocusing has looked at contracting arrangements, government guidelines and programs across all of government with a view to making sure that small business has every possible opportunity, and in some cases some advantages, when competing for government contract business. The second meeting of the Small Business Procurement Committee was held recently. That committee is made up of representatives from the industries of printing, floor covering, cleaning, electronics and advertising, and representatives from commerce and trade, the Small Business Development Corporation and the Chamber of Commerce and Industry of Western Australia. Its specific purpose is to develop policies across government to make sure that small business gets a fair say and a fair slice of government buying. This will not be just another policy arm but will be a legitimate means of changing our contract agenda. We have already seen changes in the way in which we procure architects as a result of what has happened in this area. I guarantee the committee will have real muscle for changing some of the contracting arrangements.

Mr Nicholls: In the area I was talking about, John Severin of a company called Red Roo Sand Supplies in Mandurah would be very happy with what you have said.

Mr BOARD: In the building and construction area we have an advisory group called the Building and Construction Advisory Council, which is made up also of small business, which is representative of building and construction right across the industry. It has also made some input and changes.

I understand the member is referring to the Peel Hospital contract and the Red Roo company. The company did win some work. Because of the nature of the contract, the head contractor, Leighton Contractors Pty Limited, is trying to do all it can to ensure that small businesses get a fair slice. I understand that contracts have been won by Red Roo Sand Supplies, Mandurah Steel Supplies, which a Mandurah based contractor, 30 steel stud fixers and plumbers, and this is only the start-up stage. Our estimates through CAMS is that although some larger companies may win the head contracts, some 80 per cent of the work will come down to small contractors, the majority of which are on the ground locally. If members look at our maintenance contracts in which six major companies have won the right to the maintenance of some 2 000 government buildings, they will see a recent survey indicated that of the \$48m budget, 80 per cent is going to small businesses in local areas, the majority of which are no more than three or four man operations.

Mr Riebeling: If the contracts were smaller, those small contractors could bid successfully for them, cutting out the big contractors.

Mr BOARD: The member does not understand.

Mr Riebeling: I do understand. Who gets the major contracts for road construction in the north? It is big companies like BGC (Australia) Pty Ltd. The subcontracting truck drivers go broke.

Mr BOARD: We cannot subcontract to 200 different subcontractors through one agency. We have a geographical area in which work is subcontracted for by the agency or contractor which has won that geographical area.

The other day I launched the Department of Contract and Management Services Internet home page which demonstrates all available government contracts. It goes throughout Western Australia. I spoke yesterday to the Deputy Premier about advertising them through the 34 new telecentres so that one or two man operations throughout Western Australia will have access to all government contracts.

Ms MacTiernan interjected.

Mr BOARD: I am absolutely delighted with the CAMS Internet page. It is state of the art and leads Australia.

Ms MacTiernan: Have you seen the general government one?

Mr BOARD: I am talking about the general CAMS page, which I launched.

The member for Mandurah also mentioned the regional preference policy, which we are reviewing. I agree that it has not been applied well across government. It has generally been applied only to the procurement of goods and services and not to construction. It has not been applied consistently by government agencies. Government trading enterprises have generally avoided it. With that in mind we are reviewing the policy to give it some real strength to ensure that regional small businesses are able to access some advantage for contracting in their areas.

Mr Nicholls: Is there monitoring?

Mr BOARD: Yes. Tomorrow I will be making a ministerial statement on new maintenance contract monitoring and how we will be applying that throughout the public sector. All in all, a lot is being done for small business. There is new momentum and new vision. Certainly a priority will be given to small business. I can assure the member for Mandurah that while I am the Minister for Works, small business will get a great slice of the government procurement.

The ACTING SPEAKER (Mr Ainsworth): Grievances noted.

MOTION - METROPOLITAN BUS SERVICES

Privatisation or Contracting Out

MS MacTIERNAN (Armadale) [5.27 pm]: I move -

That the Government defer any further privatisation or contracting out of metropolitan bus services until the full financial impact of the existing contracts is known and until a proper independent review has been made of the risk to government in these contracts given their heavy reliance on post contractual regulation of costs.

I want to talk today about bus privatisation and, in particular, I want the House to support the motion which calls on the Government to defer any further privatisation of the metropolitan bus service until such time as we have made a full review of the contracts that have been let to date and have made a proper assessment of the financial cost of those contracts.

The metropolitan area for bus passenger services has been divided into segments, about half of which have been contracted out. Today we will not be discussing the wisdom of that in terms of service delivery. We will very much focus today on the question of cost. However, in the fullness of time we will see the folly of the fragmentation of the service in this way.

The first of the contracts was let at the end of 1995 and the majority were let around September 1996. The vast majority of those let at the end of the last financial year had been in place for only nine months. Some wild and fanciful claims have been made by the Minister for Transport about the cost savings that have accrued since the introduction of this service. Looking back through some of his press releases we see that on 4 October 1996, a couple of months after the bulk of the contracts were in place and at a time when public complaints were pouring in about the deterioration of the quality of the service, the Minister churned out a press release. He said that the move to contracted bus services was expected to save the State \$40m a year. That was a very bold and brave claim by the Minister for Transport, for which there was absolutely no basis. He was a little more subdued eight months later but still very jubilant about the heavily revised figures he put out. In a press statement of 26 June 1997 he rejoiced about the fact that privatisation had saved the taxpayers, not \$40m a year, but \$6.4m a year.

We concede that a saving of \$6.4m a year is not insubstantial. It is certainly not the \$40m that was first touted, but it would appear on face value to be somewhat of an achievement. We knew at the time that that was achieved largely by slashing the wages of the drivers who operated the bus services. One has to wonder about the impact of that on the economy, let alone about the equity of delivering a massive wage cut to what were already fairly modestly paid workers. Leaving aside that macroeconomic issue and focusing on that \$6.4m saving, it appears to us that that \$6.4m

saving cannot be expected to be duplicated in future years. While at the very best it can be said to be the figure for 1997, it says very little about what savings can be expected in the future.

It has become evident from the Opposition's probing of the alleged savings - and that has been quite a difficult task because the veil of commercial confidentiality has been constantly dropped before us and we have not had the opportunity of seeing these secret contracts - that these are not fixed price contracts but rather cost plus contracts in which virtually every line item can be renegotiated on an annual basis.

That is not claimed simply by the Opposition. I will table a report that was hitherto unavailable to the general public and was prepared by the Auditor General, entitled "Additional Brief on Bus Reform". I note that the Minister representing the Minister for Transport - the Minister for Local Government - has just arrived in the Chamber. We gave considerable notice of our intention to move this motion and we have already dealt with a substantial part of our argument. Has the Minister heard the argument to date or will he propose that I start again?

Mr Omodei: How do you feel about that? It is up to you.

Ms MacTIERNAN: This is a serious matter. The Minister's response demonstrates again the contempt that this Government has for the Parliament. We are raising a serious economic issue, an issue which this Government claims as one of the hallmarks of its administration, and we have given two days' notice that we will be debating this matter at this time, yet the Minister has not even come into the Parliament to listen to the argument. It is a detailed argument. It is not an argument that the Minister can come into halfway through and expect to follow. I want to know what response we will get to this serious issue.

Mr Cowan: Can you give me a guarantee that you will speak for only 12 minutes?

Ms MacTIERNAN: Of course not.

Mr Cowan: You said the Minister came in halfway through. You have been speaking for six minutes. If that is halfway through your speech, you will be speaking for only 12 minutes. Can you give me that guarantee?

Ms MacTIERNAN: What a fantastic contribution! What a nitpicking approach that is!

The ACTING SPEAKER (Mr Ainsworth): Member for Armadale, I rule that the paper that you wish to table lie on the Table for the balance of today's sitting. You cannot table it in the normal sense of the word.

[The paper was tabled for the information of members.]

Ms MacTIERNAN: Thank you, Mr Acting Speaker. As I was saying, and perhaps I will repeat this for the benefit of the Minister for Local Government so that we can be assured that he is following the argument, because we are very serious about this issue. We are calling upon this House to support a motion that seeks to have the Government defer any further privatisation of bus services until such time as the contracts that are currently let have been thoroughly reviewed and until such time as the full cost implications of those contracts are known.

Mr Omodei: I understand that; that motion has been on the Notice Paper and I have read it on a number of occasions, so if that is all I have missed out on, feel free to carry on.

Ms MacTIERNAN: I can repeat it.

The paper that is now on the Table is a briefing paper that was prepared for the Public Accounts and Expenditure Review Committee and has hitherto been unavailable to the general public. Mr Acting Speaker, may I have my copy of that document for a moment?

Mr Omodei: Talk about being well prepared!

Ms MacTIERNAN: Unfortunately we do not have a squad of staff. The Minister's performance, even with a squad of staff, is pretty pathetic. It would be interesting to see how he performed without any staff.

This morning I obtained the approval of the Public Accounts and Expenditure Review Committee to disclose the contents of this report. The Auditor General states in this report that the bus contracts that are in place are essentially cost plus contracts and that the Department of Transport's ability to contain such costs depends heavily on negotiation and contract management skills, and on the ability to maintain a competitive environment.

These contracts contain a series of escalation clauses. The only escalation clause with which we have no difficulty is the one that deals with fuel. Any escalation or variation in that clause can be measured against a clear external yardstick - the spot price of fuel on the Singapore market - and that seems to us to be quite reasonable because it will apply equally to a private or public operation. All of the other escalation provisions are highly problematic in that they display either complete incompetence on the part of the Government and those persons responsible for these

contracts, or, and possibly more likely, complete indifference on the part of the Government to the real cost of contracting out.

I will deal in some detail with the escalation clause that deals with wages. It is important to understand, and I think this is acknowledged in the Auditor General's principal report that was prepared in June 1997, that the real cost saving, or the real competitive advantage between the private operators and the public sector operators, is the wage differential.

MetroBus was party to a federal award, which we will call the public transport union award. With a bit of licence one can calculate an hourly rate of about \$13. However, the private contractors were not party to that award nor were they covered by it. They were able to use a very old transport workers union award - an award that had not been kept up to date because virtually no-one was employed under it. They were able to exploit that price differential and submit a tender price far lower than that submitted by MetroBus. There was no particular skill exhibited in that regard; it simply relied on industrial relations history. So, there were two separate awards: The public sector was party to one and the private sector was party to the other.

On the basis of that exploitation of the old TWU award, the private contractors were able to show they were cheaper and they got the job. Then what happened? Of course, they then entered into negotiations with the TWU, which was correctly seeking a fairer rate of pay for its members. Lo and behold, we see three consent agreements. The contractors and the employees agreed to a wage package that was then enshrined in the Australian Industrial Relations Commission.

Interestingly, the provisions of the contract are such that it is absolutely no skin off the nose of the contractors. They were quite happy to enter into a consent agreement because the additional cost would be picked up by the Government. There is no responsibility on the part of the private operators to try to contain the costs. Once they are in and have their agreement, they enter into a consent award to which the Government is not a party and over which it has no say. The contractors can then have their employees paid at a higher rate. Of course, morale goes up and the Government picks up the tab and that starts eating away at the private contractors' supposed competitive advantage.

That was not evident when the Auditor General produced his principal report in June 1997. Firstly, he said he had not made a detailed examination of the contract and, secondly, the claims are made once a year on the anniversary of the execution of the contract, and that does not happen until this month. So, the report based on the first nine months of contracting out is very misleading and does not address the issues raised by the Auditor General in the second briefing paper prepared for the Public Accounts and Expenditure Review Committee in August 1997.

Again, members of the Opposition have not been able to gain access to detailed information. Of course, we have been able to gain access to the consent awards that have been entered into and we have made some very rough calculations. Most of the drivers have received a \$1 per hour increase, most work an average of 40 hours at the normal rate and 10 hours' overtime at 1.5 times the normal rate per week and there are about 500 drivers - there might be more. Given those figures, the Opposition's rough calculation is that an additional payment of \$1.5m is being claimed by the private operators. As I said, the Opposition does not begrudge the drivers a fair and proper wage, but it brings the purported competitive cost advantage into considerable doubt.

The Opposition has no problem with the fuel escalation clause. That is sensible and it is achieved through an external yardstick. However, members on this side have grave problems with the wage mechanism because it is biased heavily against the public operators. The Auditor General points out that the claims are to be handled by negotiation between parties as the contract does not detail what sort of cost increases can be claimed nor the basis upon which the increase on the claims can be made. We have a contract providing that the private operators can come back every year and claim all their increased costs. However, it does not set out the parameters against which those claims are to be assessed; there is no mechanism for assessing the costs. In his second report, the Auditor General said that the bus contracts are essentially cost-plus arrangements.

Obviously the same luminaries who drafted the very effective contracts used for the Elle and Global Dance projects have been at work here. It is either a question of gross incompetence or they were keen to finalise these contracts and to get privatisation in place for ideological purposes rather than sound economic reasons.

There is another open-ended cost. Private operators can keep applying for maintenance and there is no basis upon which the Department of Transport can assess the claims. In each of the past four years the Government has spent approximately \$4m maintaining 1 000 buses. However, under the privatised contract, within the first three months the Government has spent \$2m for maintenance work on half of the fleet. Prior to privatisation, \$4m was spent each year on 1 000 buses. Since privatisation, \$2m has been spent in three months on 500 buses. That is a quadrupling of the rate.

It is more than that if one takes into account how this all happened. When the private contractors came in, they had the choice of the best 500 buses. They could pick the eyes out of the fleet and leave the older or more problematic to maintain buses, such as the gas buses, to MetroBus. That further distorts the maintenance provisions. Of course, MetroBus was not given the same advantage, notwithstanding the fact that it got the rough end of the fleet. It was simply not paid that amount of money. We know about the \$2m that has been paid - it showed up in the Auditor General's report - but we do not know what extra claims have been made for maintenance. We know that since the \$2m was spent, virtually every privatised and MetroBus vehicle that has had its annual inspection has been found to be defective. Indeed, about 10 per cent were found to be in a highly damaged state. We understand that there are major rust problems. What additional moneys have since been handed over to these private operators for maintenance? The sky is the limit under this contract; the contractors can come back to the Government every year and say that it must spend X amount on maintenance and the Government must rely on its negotiating skills. We have seen how good they are, particularly those of the Minister for Transport. Taxpayers forked out \$1m to his mate, Lennie Buckridge, because the Minister could not negotiate his way out of a paper bag in relation to the Stateships debacle.

Several members interjected.

The SPEAKER: Order!

Ms MacTIERNAN: How can the costs be compared? I am giving a clear example. MetroBus has the worst half of the fleet and it does not receive a scintilla extra for maintenance. However, \$2m has been handed over in the space of three months and we do not know, and we need to know before this Government goes any further down the road of privatisation, how much more has been delivered.

The Auditor General said he had not done a detailed analysis of these contracts but he has cause for some concern for the reasons I have highlighted. I quote from the report -

The performance examination objectives did not include a detailed analysis of the particular contracts. The performance examination staff did hold the view, however, that parts of the contract were not particularly well worded, and placed heavy dependence on negotiation to manage future contract variations. This latter view was shared by the State Supply Commission.

That is a theme repeated throughout this document. However, the Department of Transport said it is not concerned and that it will be able to manage the situation because of the competitive environment. It said the competition will keep these operators honest. How will competition work? These operators are each monopolies within their own areas. Their contracts are locked away until 2007, and there is no competition over their fields.

Mr Baker: What if they are in breach?

Ms MacTIERNAN: That is not the point. The Minister is saying they are cost-plus contracts and we should not worry because there will be competition and the companies will behave themselves and not allow costs to blow out. I am saying there is no competition because they are monopolies within their own areas. Once they have signed their contracts they are kings in bus castles - kings of the road.

At the moment there is one ray of hope; that is, half the area has not been privatised. We have already seen the preparedness of these bus companies under the current system, even while they may have their eyes focused clearly on the remaining areas of MetroBus' operations, to enter into consent awards. Prices have increased and they will come to the Government for extra money. Imagine what this will be like once the whole area is carved up and they have all that is available. Once that happens, there is absolutely no incentive for any containment of costs. When a cost-plus contract is operating outside a competitive environment, the Government is handing these companies a blank cheque. That is an appalling state of affairs and the House should demand of the Government that it be properly examined.

I have a series of specific questions on this matter which I believe the Government must answer. Firstly, we must know the extent of the claims for cost variations made by each of the private contractors to date for wages, maintenance and other items. We know that these claims have been made to the Government, but we have no idea of the extent of them. The Opposition asks the Minister for Local Government to provide that information. Secondly, we need to know what provisions have been made in the 1997-98 Budget tabled in this House earlier this year. From discussions within the Estimates Committees, the Opposition knows no allowance was made for these variations and, as I have detailed from my back of the envelope calculations, it involves millions of dollars. It is not evident from the Budget that any provision has been made for these escalations and, indeed, Department of Transport staff have said that no provision had been made. Thirdly, if no provision has been made, where will the additional funds be found? Fourthly, given the concerns expressed, not just by the Opposition but also by the Auditor General and the State Supply Commission, we need an undertaking from the Government that a full and independent review

will be carried out of the soundness and effect of these contracts and the potential liability. The fifth question which must be answered, and I see the Minister is assiduously making notes -

A member: He is reading the newspaper.

Ms MacTIERNAN: That is right, he would be reading the newspaper.

Mr Omodei: I am reading the Auditor General's report, and I suggest the member does so.

Mr Carpenter: You have it upside down.

Ms MacTIERNAN: That is right; he has it upside down and he probably has a copy of *Lady Chatterley's Lover* inside it. The old trick.

Mr Shave: He is not just a pretty face.

Ms MacTIERNAN: Unlike the Minister for Lands!

Several members interjected.

The ACTING SPEAKER (Mr Ainsworth): Order!

Ms MacTIERNAN: Of course, I am very shortsighted. I ask the Minister for Local Government to take the opportunity during the dinner break to acquaint himself with the terms of the Auditor General's second report. Unfortunately, this whole debate seems to have gone right over the Minister's head. The Opposition has been endeavouring to point out to the Minister that because the first report covered only the first nine months of the contracting out period, it did not come to terms with this problem of the escalation clauses in the contracts and the economic consequences of those, particularly in relation to the consent awards.

Mr Omodei: You have forgotten that when you tabled the document you tabled the notes from the Public Accounts and Expenditure Review Committee which gives the answers to most of your queries.

Ms MacTIERNAN: No.

Mr Omodei: Talk about incompetence.

Ms MacTIERNAN: I certainly tabled my notes because I thought they might assist the Minister. I thought he could use any little bit of help. If the Government has nothing to hide, this House can expect a full exposition tonight. The Minister will hop up and tell us about the wage increases and the application for increased maintenance costs under the escalation clauses because he has nothing to hide. I look forward to the Minister commenting on the concerns raised by the Auditor General, and by the State Supply Commission about the open-endedness of these cost-plus contracts.

Also, it is far too early to assess what will be the full cost of this privatisation, and a commitment is needed from the Government that it will defer further privatisation of these contracts until such time as it has been able to effect a full review of the nature of the contracts and to determine exactly what the costs are under these contracts once the escalation clauses have been in operation for a year. Finally, if the remainder of this service is allowed to be privatised, any control that might exist by way of competition will disappear.

Sitting suspended from 6.00 to 7.30 pm

MR RIPPER (Belmont - Deputy Leader of the Opposition) [7.30 pm]: The motion calls for the deferment of further privatisation or contracting out of metropolitan bus services until the full financial impact of existing contracts is known. I know of one impact of the existing contracts on a constituent of mine who came to my office and told me his story. He had had a long career in the public transport system - about two decades. When the contracting out decision was made he was given the choice of moving to one of the private bus companies. When he fully explored the implications of that offer, he found it would cost him about \$100 a week in lost wages. What happened eventually was instructive. He decided to stay with Transperth, which found no suitable work for him. For a time he was not working at all, and for another period he did make-work jobs. He was subject to a considerable period of very poor job satisfaction and insecurity. Eventually his career with the public transport system ended and he took a redundancy payment. This person could still have been productive in the work force and in other circumstances would have had many years' work ahead of him, but he is not working. That was the cost to that individual and his family of the Government's contracting out of metropolitan bus services. I am sure his story has been repeated time and time again in the Transperth work force.

The Government might say that that sort of individual pain and insecurity must be gone through to get efficient delivery of services and to achieve savings for taxpayers. There is an argument that savings for taxpayers is an

important objective. The Auditor General's report reveals that the contracting out of bus services has, at least in the short term, saved \$6.4m per annum. But that is not the end of the story. I will question whether that pain my constituent went through, along with many of his friends and colleagues, has been for any good purpose at all. First we must compare the claims about the short term gains with the long term reality when the process of privatisation and contracting out is entered into. It is easy to make claims about cost savings when the contracts are first let. Usually some risk is associated with the contracting out and contract management processes. Very few of those risks are realised in the short term. It takes a while before the full result can be determined.

Many risks are associated with contracting out. For example, there might be a loss of competitiveness among the private sector companies to which the contracts are awarded. In many circumstances monopolies have developed. What started out as a competitive situation delivering cost savings to the Government and replacing the public service delivery agency, became a private monopoly which screwed the taxpayer. Equally, the companies may start to develop a cartel mentality. That often happens with companies supplying services to government. The mentality develops that because it is the Government and the taxpayer that are paying, a company will charge a bit more. The company knows its rivals share this mentality, so it thinks it will get away with it.

It is instructive to look at the Auditor General's report on bus services because it backs up the point I am making. On page 26 the report states -

The Department's ability to maintain a competitive environment, and its associated benefits, will affect the extent to which lower costs can be sustained.

The Auditor General is concerned about the need to maintain a competitive environment in order to contain costs. The environment will not necessarily be that competitive. The contracts which have been awarded are very long term and provide a regional monopoly for each operator. On page 26 of his report the Auditor General states -

After the contracts were awarded, there is little price competition between operators until the next round of tenders.

We do have a problem with the level of competitiveness in this market. I will refer to that later because it affects the way in which a particular aspect of these contracts works.

Another problem with contracting out which can mean that the long term risks outweigh the short term gains is the loss of public sector expertise. When contracts are first let, there is a body of expertise in the public sector which enables an accurate assessment to be made of the validity of the tenders. There are people in the public sector who know how that service delivery area works; in this case, public transport. As time goes on and more services are contracted out, that level of public sector expertise is eroded. Eventually a situation is reached where the people managing the contract process do not have direct experience in providing the service they are seeking to contract. In those circumstances the public sector is vulnerable to overcharging and poor contract management. I am concerned that although in the short term, savings can be made, in the long term once public sector expertise is lost, the service is vulnerable because the customer is not as well informed.

Mr Omodei: That is blooming rubbish and you know it.

Mr RIPPER: It is not. We have not got there yet, but as we come to deal with some of these contracting matters we will find we have lost our public sector expertise, and we will suffer for it.

One of the problems with the loss of that expertise is that it contributes to a loss of competitiveness in the market. If the public sector cannot deliver the service because it has lost the capacity to do so, there is no alternative but to accept that the private sector will operate the service. It is often very expensive to rebuild a public service delivery capacity which has been destroyed.

Even a future Government which is supportive of public sector delivery of certain services might find that once the public sector agency that delivered that service has been destroyed, it will be extremely difficult to rebuild it. If there is a cartel in the private sector or only a few firms are prepared to offer the service and the Government cannot provide it in-house, the Government is a very vulnerable customer indeed. This is not an insignificant problem, particularly in Western Australia. This State has a unique economy. Very often only a very small number of private firms in this State are able to do the work which the Government is seeking to contract out. We are contracting out into a market which in many cases has few suitable suppliers. In those circumstances we are vulnerable. When contracting out, Western Australia is more vulnerable than other jurisdictions might be. The risks in a larger jurisdiction, with a larger economy and with more large firms would not be as great as they are in Western Australia.

There are long term risks which might outweigh the short term gains in another area; that is, the contracting management and monitoring expenses. As the report of the Auditor General points out, contract management is very important in realising these savings over the long term. We can start out well with the initial tenders looking good.,

but in the long term if the contracts are not managed properly, we are in trouble. Page 1 of the Auditor General's report on bus reform states -

The Department's ability to sustain lower costs, and make desired improvements to service delivery, will depend largely upon the ongoing quality of its contract management.

The Auditor General is confirming my argument, which is that contract management -

Mr Bradshaw: That is only his opinion.

Mr RIPPER: He has examined the reform. I am putting the argument that contract management is vital in sustaining the claimed savings in the long term. I am a little concerned about the quality of the department's contract management because I note some negative comments in the information which the Auditor General gave to the Public Accounts and Expenditure Review Committee, which information was made available to the House by the member for Armadale earlier this evening. It states -

The performance examination staff did hold the view, however, that parts of the contract were not particularly well worded, and placed heavy dependence on negotiation to manage future contract variations.

That is a statement that the contract was not very well drawn up by the department in the first place. One of the fundamental requirements of effective contract management is to have a good contract in the first place.

Mr Bradshaw: Who wrote that?

Mr RIPPER: It was written by the Auditor General. He is saying that this was a poor contract. We will be relying on these people who are responsible for drawing up a poor contract to manage it in future. The Auditor General says that that management of the contract in the future is vital to deliver sustained lower costs. I have some doubts about how well we will go with this particular contracting out process. On the basis of those comments by the Auditor General, I think the member for Armadale is very well justified in saying that there should be an independent review of these contracts before we go any further.

Let us look at some justifications for privatisation. At one level the Government might argue that certain services should be contracted out because that would be more efficient. If private service delivery is more cost efficient in that particular area, there is an argument for privatisation. Those who are opposed to privatisation would look at the quality of the services being provided and ask why the public sector is not reformed so it can deliver those services at the same price, instead of privatising them.

Mr Omodei: What benchmark did MetroBus compare itself with? Where was the competition?

Mrs Roberts: There was an independent comparison with other States in Australia.

Mr RIPPER: The member for Midland is quite correct. There are plenty of ways to benchmark the performance of an organisation and to determine whether that organisation -

Mrs Roberts: MetroBus came out on top of every other bus service in every other capital city.

Mr RIPPER: The information just given to the House confirms that it is quite often the case that the performance of a public sector enterprise can be benchmarked without the necessity to flog it off and deliver it all into the hands of the private sector.

That is one level of the justification that we might have for privatisation. Another level of justification for privatisation might be not that the private sector can do the job at a lower price because it is more efficient, but because it can do the job because it pays lower wages. I find that sort of justification for privatisation less defensible than the first case to which I have been referring. In the bus reform there was not a significant use of workplace agreements. The private operators relied on an obscure transport workers' award which paid a much lower rate than that governing the public sector bus drivers.

There is a pernicious combination raised by the Government's contracting out policies and its labour relations policies for workplace agreements. As a result of that pernicious combination, the wages of public sector workers are driven down. The private sector is cheaper than the public sector because it can offer its employees workplace agreements which undercut the award rates of pay; therefore, the private sector contractors get the work and the public sector workers lose their jobs. In effect, the same work is being done, but because they are working under workplace agreements in the private sector, those doing it are being paid less than those who were doing the work before, but working on awards or enterprise agreements in the public sector.

With bus reform we have had a variant of that process. The private companies found an award which is cheaper. Those companies won their contracts against the public sector because they did not have to pay their workers as

much. That is reprehensible, but it is even more so given the way the situation has developed. It now seems that even the ability to pay the lower wages which won those companies the contracts in the first place, in the long term will disappear because of the strange and ill advised contract which the Department of Transport used in letting the bus services go out to the private sector.

Let us look at what is wrong with these contracts and why the contracts will contribute to the disappearance of the claimed savings in the long term. Firstly, these are very long term contracts; they are let until the year 2007. Even the next Government will not be able to change those contracts. A new Government, elected in the year 2001, will run its whole term without being able to change this contracting situation. That is a betrayal of democracy and of the will of the people. If the people in this State vote for a public sector bus service, the next Government will not be able to deliver it because this Government has signed up the contracts until the year 2007. However, the main thing wrong with these long term contracts is what the Auditor General describes in his report as flexibility and in his further advice to the Public Accounts and Expenditure Review Committee as cost plus contracts. Page 23 of the Auditor General's report states -

The contracts are long term and have a degree of flexibility to cope with changes to the current operating environment. The contracts provide for annual reviews of rates and more frequent adjustments for fuel, wages and government charges.

Page 24 of the report states -

... any non-productivity based award increases, that gets passed on from the operators to the Department, will increase costs.

There is the nub of it. These contracts are cost plus contracts. The extra cost flowing from wage increases will be passed back to the Department of Transport, and back to the taxpayer, negating in the long run those savings through reduced wage payments that enabled the private sector contractors to win these contracts over the public sector in the first place. The Auditor General's paraphrase of the provision in that contract is that claims for increased wage costs must be based on official changes to the award. Companies are giving consent to changes to the award. It is easy for them to give that consent because they know they do not have to find the increased wage costs from their profits. They can simply say to the department that they have agreed to an award increase and that the contract will cost them much more than they said in their tender, and they can pass on the cost to the department. They will then ask the department to pay up.

The Government is at great risk of having to pay substantially increased amounts to these companies and of losing all the savings. The reason for that is a bad contract. If there is a bad contract at the start, the public and the Parliament must have considerable doubts about the ability of the department to manage the contract effectively in the next few years. The Auditor General's report says the management of the contract is vital in sustaining the so-called savings.

This is a double con. First, companies are conning the Government by saying they can deliver a service for a certain price based on certain wage rates. They are then negotiating and agreeing to higher wage rates and coming back to the Government and saying they will take advantage of a clause in the contract and have agreed to higher wage rates, and the Government must pay. Second, the Government is conning the public. The Government is saying it is a wonderful program and that it is delivering the same service with all the savings. The Government might be able to make the claim that there are savings in the short term, but there are good reasons to expect that those savings will not be there in the long term. That is because of the way the contract has been worded and because of what that wording says about the ability of the department and the Minister for Transport to manage these contracts in the future.

No doubt one of the defences of the Government and the department will be that the department will manage the contracts in a way that will preserve a competitive environment. However, the section in the report of the Auditor General that deals with maintaining a competitive environment casts grave doubt on that defence. The Auditor General says there will be little price competition between operators until the next round of tenders. I do not think in this circumstance the environment will be sufficiently competitive to protect the department from the faults in its contract letting and management process.

The Government has made a mistake. It has put itself and the State at risk of higher costs in the future. The Opposition does not want the Government to compound the error. Half of the bus services are still within the public sector. The Government can avoid the mistake it has made if it has an independent review of the contracts before it goes through the same process and disposes of the rest of the public sector bus delivery services. It is easy: Any company now knows exactly how it goes about it. It takes advantage of lower wage rates, either through a defunct award or through workplace agreements, and consents to higher wage increases - and then the Government pays.

From the point of view of the companies it is beautiful. However, from the point of view of taxpayers it is horrendous.

Mr Omodei: How can it be horrendous when you read that report and see there are \$31m of savings?

Mr RIPPER: I knew the Government would come up with the \$31m figure. Let us deal with this matter here and now. The bulk of that \$31m is savings in the public sector from reform of the public sector. That is exactly what the Opposition says the Government should be doing. Rather than contracting out, rather than throwing it all to the private sector, the Government should be doing the difficult work of reforming the public sector. The bulk of the savings have come from the reform of the public sector. All the Government has saved from the contracting out is \$6.4m.

Mr Omodei: That is the first time you have mentioned it, by the way.

Mr RIPPER: The member for Armadale mentioned it at the beginning of her speech. I have said that achieving savings for the taxpayer is an important objective. However, all the Government has saved is \$6.4m.

Mr House: All?

Mr RIPPER: The Minister representing the Minister for Transport claims \$30m; I am saying the Government has only one fifth of what it claims.

Mr Omodei: If you are going to use the Auditor General's report, read all of it. Do not quote selectively from it.

Mr RIPPER: If \$6.4m per annum can be achieved on a sustained basis, it is worth achieving; however, it will not be achieved.

Ms MacTiernan: The Minister for Transport's own press release says \$6.4m.

Mr RIPPER: I thank the member for Armadale for that. I warn the Minister representing the Minister for Transport that he had better not claim the \$31m later in the debate because the Minister for Transport in his press statement of 26 June claims only \$6.4m.

Mr Omodei: The fourth paragraph from the bottom says Mr Charlton said the Auditor General's office examined the Transperth bus reform process and confirmed that substantial savings of \$31m per annum had been delivered.

Mr RIPPER: That is from the whole process. The bulk of the savings are from the public sector reform process. In the paragraph before the one the Minister just read out, the Minister for Transport puts the savings from contracting out at \$6.4m. The Minister might like to read the second paragraph, but I have read the first. I thought the first paragraph had priority over the second.

There might be some levity in this debate and a little point scoring back and forth, but this is an important issue. If this sort of poor contract management continues, in the long run the savings the Government is claiming will not be achieved. All that pain my constituent and his family experienced and the pain and insecurity many other public sector bus drivers and their families have experienced will have been for nothing. I do not think that pain was worth it for the sort of result the Government has achieved. How much worse is it that that pain is for nothing; that those savings evaporate because of the Government's ham-fisted management of the contract process?

MR OMODEI (Warren-Blackwood - Minister for Local Government) [8.00 pm]: The Opposition has selectively quoted from the Auditor General's report to fit its argument. As usual, it was a pretty poor effort, because the Opposition knows that there have been savings in the public transport system. I will go through some of the notes provided to me by the Minister for Transport and the Department of Transport.

The first contract awarded to the private sector to operate a Transperth bus service was in January 1996, and subsequent contracts were awarded in September 1996. Those contracts have successfully tested the partnership between the private sector operators and Transperth.

Ms MacTiernan: This is rivetting.

Mr OMODEI: I will get to the member for Armadale in a minute.

Many new bus services have been introduced within budget and without additional buses. Private sector productivity has been demonstrated to be high. The Murdoch park and ride service has increased patronage by 30 per cent. Patronage on the Rockingham service has increased by 38 per cent and on the South Perth Como service by 15 per cent as a direct result of private sector involvement.

An independent review was undertaken by the Office of the Auditor General over a six month period in 1997. The

results of that review were tabled in the Parliament recently. The Auditor General's report No 3 of June 1997 titled "Competition Reform of Transperth Bus Services" provided a comprehensive analysis of the results of tendering for the Transperth bus service.

Ms MacTiernan: We accept that; that is not the issue.

Mr OMODEI: The member for Armadale has had her say. I will get back to the member's comments in a minute. If the member for Armadale will let me I will go through these points. The Office of Auditor General included an examination of Transperth's contract administration procedures and of the contracts. Most of these issues have not been mentioned by the Opposition. The Auditor General confirmed savings to the Government of \$31m a year as a result of reforms in the public sector.

The annual passenger survey conducted in April-May 1997 revealed an increase in the level of bus passenger satisfaction and a decline in the level of dissatisfaction by comparison with previous years. The patronage statistics showed an increase of 3.7 per cent for the year ended 30 June 1997. This is remarkable as an increase had not occurred for nine years. When the Opposition claims that contracting out has not been successful; this is proof positive that that is not the case. Patronage had been declining for nine years.

Ms MacTiernan: The Auditor General said that that review was worthless.

Mr OMODEI: I have almost finished, member for Armadale. All of those contracts, irrespective of whether they were with a public or private operator, require post contractual regulation of costs prior to awarding the tender for the services that were operated by MetroBus. The cost of MetroBus operations was reviewed annually and without the benefit of any benchmark. At the moment the Government has four service operators and a reliable set of benchmarks against which the costs can be reviewed. The Opposition might say that MetroBus used to compare itself with other States. We now have four private sector operators we can use as benchmarks.

The Opposition selectively quoted a couple of paragraphs from 53 pages of the Auditor General's report. The member for Armadale inadvertently tabled those paragraphs with her notes. This is the smart lawyer from Armadale who comes into this House and makes remarks like, "The Minister is making notes", when that was not the case. The member for Armadale does it all the time. The member for Armadale consistently misleads the public with misinformation and half-truths. I will not cop that. I will correct any misinformation that the member for Armadale puts about in the community. The member for Armadale did that with the situation with pensioner fares and she is doing it yet again. She puts out a statement and then moves a half baked motion in this House and selectively quotes from the Auditor General's report.

The member's own notes on her request to the Public Accounts and Expenditure Review Committee indicate that the clause dealing with disputes arising in connection with the contract or its conditions cannot be settled by negotiation between the parties and will be put to arbitration as per the Commercial Arbitration Act 1985, and if the dispute goes to arbitration the parties will be able to have qualified legal representation if they choose to commence and conduct proceedings. The member for Armadale did not quote that.

Ms MacTiernan: It is not relevant.

Mr OMODEI: It did not suit the member's argument. The member's note states that if that information was not sufficient and she wished the committee to write to the Department of Transport for further information she should contact the committee.

I will refer to findings in the Auditor General's report that have not been quoted by the Opposition. Page 11 reports on cost reductions achieved from public transport reform. The key findings were that Transperth bus services were becoming more costly to run prior to reform, and the reform program resulted in operating costs falling by nearly \$31m in real terms from 1992-93 to 1996-97. The report states that this represents a reduction of 20 per cent on Transperth's 1992-93 operating cost of \$151m. I did not hear the Opposition refer to that.

The report also states that costs within MetroBus were reduced by \$25m during the first three years of reform. It states that costs are projected to reduce by a further \$6.4m in 1996-97, mainly as a result of contracting out 50 per cent of Transperth's bus services in late September 1996. It also states that no new buses had been acquired in the past four years and as a result the bus fleet had aged beyond good practice standards. It states that the department has reasonably estimated that it would have incurred an additional net cost of \$1m a year if regular new bus purchases were made. This would have decreased the amount of cost reduction to \$30m over four years. The report states that the department has action in hand to acquire those new buses. It also states that the ability of the department to sustain lower costs is largely dependent upon the quality of its future contract negotiations and ongoing contract management. It sets out the key findings in relation to maintaining service quality during contracting. Most of this report has been complimentary to what has occurred in the transport sector. The Opposition will have to do better

than selectively quote a couple of paragraphs in an Auditor General's report that is complimentary about significant savings in the transport area in Western Australia if it wants the Government to vote for its motion.

Ms MacTiernan: Will you tell us the cost increases that have been incurred since this report has been completed?

Mr OMODEI: In the note that the member for Armadale sent to the Public Accounts and Expenditure Review Committee she stated that she could get hold of that information. The member for Armadale can put questions on notice. She knows that I am the Minister representing the Minister for Transport in this House and I have other duties to perform as well as those of Minister representing. If the member for Armadale wants specific information she can put on notice questions to the Minister for Transport to get that information.

The member for Armadale should not come into this place and make namby-pamby accusations about the contracting system. The truth of the matter is that across the public sector in Western Australia the contracting out of services has been successful, whether that is in the transport area or the infill sewerage program under the Water Resource portfolio. When we first announced the \$800m infill sewerage program there were not enough contractors but they soon appeared. In the early days of that program there were some problems with the quality of some of the contracts. Mr Speaker, you were involved in making sure that the Water Corporation ensured those works were maintained at a high standard. We have competition right across the water resources area. We are contracting out water maintenance north and south of the river. That represents huge savings to the State in the management of those facilities. This has happened to such an extent that the new companies which have been set up - Western Water Services and the one north of the river - are contracting for many other works in the private and public sector. Again, the Opposition has looked for a few little issues in the Auditor General's report or elsewhere. The member for Armadale, as a lawyer, is very good at ad-libbing and has tried to make a case when there is no case to answer.

MS MacTIERNAN (Armadale) [8.10 pm]: I was not expecting an enormous amount from the Minister for Local Government but even my very modest expectations were not met by that performance. I realised the difficulty in communicating with the Minister when he attacked me for misleading the Parliament about his taking notes. There is a concept called irony, and I must tell the Minister that when I referred to his assiduous note-taking I was being ironic. I was not trying to suggest that the Minister was taking notes. Indeed, I was referring to the opposite; that is, the fact that he was not taking any notes of the arguments we were putting forward. I realise now that it was most unfair of me, and that irony is not a concept that the Minister is capable of grasping.

Several members interjected.

The SPEAKER: Order! I formally call the Minister for Housing to order for the first time.

Ms MacTIERNAN: Our entire argument has gone over the Minister's head. This is most unfortunate. Therefore, I want to recap for the Minister, in the hope that a little light might flick on at some point: We accept and we have always accepted that the Auditor General's report states that \$24m was saved from internal MetroBus restructuring. That is enterprise bargaining; it has nothing to do with contracting out. Enterprise bargaining under a federal award was a great initiative of the Federal Labor Government; it has nothing to do with contracting out. I urge the Minister to re-read the passages he quoted and attempt to understand and absorb the information in them. That \$24m has nothing to do with privatisation. In the document the amount that relates to privatisation is \$6.4m. The member for Joondalup said that is all right. I acknowledge that. I said that it was a saving of \$6.4m; it is not the \$40m that Hon Eric Charlton initially claimed, but it is a substantial saving. However, since the report was prepared we know more and the Auditor General knows more about the nature of the contracts.

Far from my inadvertently tabling the Auditor General's second report, I deliberately asked for it to be put before the House. This morning I went to the Public Accounts and Expenditure Review Committee to seek approval to use the document, so keen was I to put it into the public arena. We now know that the contracts are cost-plus contracts. We do not say that \$6.4m may not have been saved in the first year. The point of our argument was that there is every likelihood and evidence that the savings will be unsustainable in future years. That point does not seem to have been grasped by the Minister for Local Government. It is a pity, because it is an important point.

Mr Omodei: When did you go to the Public Accounts and Expenditure Review Committee?

Ms MacTIERNAN: This morning.

Mr Omodei: Why is the facsimile dated 29 August?

Ms MacTIERNAN: I went to the PAC this morning to get approval to use the document in public. I was mindful of the standing orders of this place; and I did not want to breach the confidentiality provisions of the committee. I was assured that I had the right to use the document. Therefore, far from it being an inadvertent disclosure of the document, I was very keen to be able to use it and distribute it.

I will not go over all the arguments again. I am sure that other members have grasped them, even if they have been beyond the capacity of the Minister for Local Government. The argument is that the \$6.4m saving in the first year will not be sustainable. We know as a matter of fact that the three private bus operators, since the time the report was written by the Auditor General, have entered consent awards which have - and we are keen to receive further information - caused at least \$1.5m cost escalation repercussions for the Government. We suspect there will be similar increases in the maintenance area.

Our request of the Government was simple, and we gave the Minister ample time to receive the information. We have sought information on applications for variations. If the Minister has nothing to hide he will not have a problem providing information on the variations. We have also asked that the Minister review the contracts. The Minister said that they have been reviewed by the Auditor General, and so on. The Auditor General said in the document that the documents have not been given detailed examination, but from the examination given to them he is concerned about them; they are not well worded and there is a heavy reliance on post contractual negotiations. All that the Department of Transport can say to this is that we should not worry about it; it is a competitive environment, and it will be all right. It is not a competitive environment. The private bus operators have a monopoly over those areas until the year 2007. The only possible constraint upon them is the fact that part of the operation has not yet been made available to them. Once they have the whole area, it will be a blank cheque for the private operators.

The contracts have been badly managed. The member for Belmont made an excellent point: The same mob that has brought to the Minister a set of contracts about which the Auditor General and the State Supply Commission have expressed concern, will be the people on whose negotiating skills the Auditor General says he will be heavily reliant. We say that the Minister should hold off extending this contracting out until we have had an opportunity to review the matter and until we know the sorts of costs which are being accumulated under these escalation clauses. We are very disappointed that it is very clear that the Minister did not understand even the slightest part of that argument.

Question put and a division taken with the following result -

Ayes (17)

Mr Brown
Mr Carpenter
Dr Edwards
Dr Gallop
Mr Graham
Mr Grill

Mr Kobelke
Ms MacTiernan
Mr Marlborough
Mr McGinty
Mr McGowan
Ms McHale

Mr Ripper
Mrs Roberts
Mr Thomas
Ms Warnock
Mr Cunningham (*Teller*)

Noes (30)

Mr Ainsworth
Mr Baker
Mr Barnett
Mr Barron-Sullivan
Mr Bloffwitch
Mr Bradshaw
Dr Constable
Mr Cowan
Mr Day
Mrs Edwardes

Dr Hames
Mrs Hodson-Thomas
Mrs Holmes
Mr House
Mr Johnson
Mr Kierath
Mr MacLean
Mr Masters
Mr Minson
Mr Nicholls

Mr Omodei
Mrs Parker
Mr Pandal
Mr Sweetman
Mr Trenorden
Mr Tubby
Dr Turnbull
Mrs van de Klashorst
Mr Wiese
Mr Osborne (*Teller*)

Pairs

Ms Anwyl
Mr Riebeling

Mr Prince
Mr Shave

Question thus negatived.

FINANCIAL ACCOUNTABILITY BILL

Second Reading

MR PENDAL (South Perth) [8.22 pm]: I move -

That the Bill be now read a second time.

The controversy surrounding the forms of government support to Elle Racing Pty Ltd and the Global Dance Foundation have brought into sharp focus in recent months the wider implications of both the propriety and the methodology by which worthy groups and individuals might reasonably gain access to that support.

I begin today by talking about the concept of accountability as it is intended in the theory of responsible government. Central to responsible government is the concept of a direct chain of accountability running from officials to a Minister and so to Cabinet; then from Ministers and Cabinet to Parliament, and from Parliament and Cabinet to the electorate. Under responsible government, the accountability of the Executive is expressed in the convention of ministerial responsibility.

The whole issue of accountability is a crucial one for the State. Loss of accountability strikes at the basic tenets of our system of government. The 1989 Burt Commission on Accountability spelt out that the "... constitutional role of Parliament was to monitor and review the actions of the officials and agencies of Government". The report went on to say -

Accountability can only be exacted where those whose responsibility it is to call Government to account are themselves possessed of, or are able to obtain, the information necessary to make considered judgments. Information is the key to accountability. Given Parliament's role as the primary accountability agent of the public, accurate information is its lifeblood.

Importantly the Burt commission stated that "The events into which we have inquired were, in the main, kept out of the parliamentary arena."

We all accept that the Government of Western Australia has an interest in, and a responsibility for, encouraging private sector investment in its many forms in the State. International and local investors are constantly trying to maximise their returns on money and therefore always moving capital to places where returns are expected to be greatest. Government, on behalf of its citizens, lobbies for this investment by offering incentives in the form of public assistance.

Once again I refer to the Burt commission which states -

The vital issue is not the activities in which Government engages, but the conditions under which it engages in them. The public is entitled to insist that Government be conducted openly and that it be, and be seen to be, accountable for its actions. Nowhere is the need for this more apparent than when it undertakes initiatives which put public funds and resources at risk.

Putting public funds and resources at risk is exactly what successive Western Australian Governments have done, albeit in many cases with full justification, and in some cases with none. A short list of examples spanning 40 years should suffice: The BP Refinery, the Koolyanobbing iron ore mine and Kwinana blast furnace; the former Laporte Australia processing plant; the North West gas reserves; Australian Iron and Steel, Rothwells Ltd; Teachers Credit Society, Swan Building Society; the Petrochemical Industries Company Limited deals; and more recently the Global Dance Foundation and Elle Racing.

The events of the 1980s, now known as WA Inc, led to a plethora of reports that attempted to discover how these events occurred and how any downsides of government involvement could be prevented. Among them are the Burt commission, the Dowding White Paper titled "Investing for the Future", the Royal Commission into Commercial Activities of Government and Other Matters and the Commission on Government. All have made suggestions on ways of improving the accountability to Parliament, especially by the Executive. All sides of politics warmly embraced the recommendations of these reports, but no-one has yet to act comprehensively on them.

This Bill aims to place a limit on the Executive's ability to provide public funds unless there has been scrutiny in the Parliament. Since introducing my Bill last month, I have become aware that a fairly strong degree of support from the Government might be expected. It has just been drawn to my attention that in June 1988 the then member for Floreat, the late Andrew Mensaros, introduced a not dissimilar private member's Bill. Two years later, in August 1990, the then member for Nedlands, and now Premier, gave the Mensaros Bill enthusiastic support when he spoke on the amendments to the Financial Administration and Audit Amendment Bill. Mr Mensaros' 1988 Bill was designed to provide for parliamentary scrutiny of government financial assistance to business undertakings. This meant that any lending or advancing of money, or any guarantee of any advance or loan, or underwriting any bills of exchange would trigger certain requirements. Mr Mensaros envisaged that when government provided such financial assistance all instruments giving that help had to be tabled in each House within six sitting days. His Bill actually went further than mine by ensuring that if the Government of the day refused a debate on a tabled instrument, the instrument - and, therefore, the loan or assistance - was cancelled. Mr Mensaros saw this as a Bill aimed at restoring integrity to public life.

In debate on the FAAA Bill two years later, the present Premier recalled the Mensaros Bill, saying it had resulted from the disastrous underwriting of the \$150m for Rothwells. The present Premier had this to say, and as members listen, I invite them to keep Global Dance and Elle Racing in mind. My notes state that he said when describing the Mensaros initiative -

When a government body gives financial assistance to a corporation or an individual . . . the Government must lay that information before both Houses of Parliament. An interesting aspect -

He was referring to the Mensaros Bill -

- is that the Parliament cannot disallow the assistance . . . a debate must take place within 14 days . . . and if the debate does not take place the assistance will not be allowed . . .

The present Premier went on to say -

The purpose of this proposal is to inform the public of any financial assistance . . . this will keep the Government honest and open.

The Bill I now sponsor is similar. It does not seek to limit or prevent government from giving financial assistance. That is the legitimate role of government. What it does do is to insist that that process be publicly scrutinised, and that is Parliament's legitimate role. My Bill seeks to entrench in law the practice that within 28 days of a Minister signing an instrument of assistance, details must be tabled in both Houses. There is also a role for the Public Accounts and Expenditure Review Committee and the Auditor General.

Assistance, or government support, is defined in this Bill as any equity, loan, guarantee, contract, grant, subsidy, concession or any use of government property, services or infrastructure given to a non-public sector enterprise of \$50 000 or more. I stress on the House the relationship I am seeking to create between Ministers actually approving financial assistance, and the fact that they will have to defend it within 28 days. This, without apology, is intended to put them firmly on notice that within a month they may have to explain themselves.

Mr Speaker, the salad days of doling out public money should have been well and truly over! It is therefore inconceivable that against this background - Rothwells, PICL, Global Dance and Elle Racing - we are still acting as though those salad days are with us. All the guidelines are there. We do not need to dream up new ones. We simply need to implement those already laid down, and that is what this Bill seeks to do.

I am pleased to acknowledge the role of the Auditor General, Mr Pearson, in helping shape this Bill. He and his staff gave invaluable advice and it is a timely opportunity to reinforce the principle that the Auditor General is not an officer of the Government, but an officer of the Parliament. I especially thank him and his staff for their help and advice. Many others, including former Ministers, leading academics and other members have made vitally important contributions and I thank them for that.

I implore the Government and the Premier not to pigeonhole this exercise. Given his own comments in 1990, and the Mensaros Bill, the Premier can feel comfortable in supporting it. For its part, the Labor Opposition should be able to give the Bill its support in the light of the recommendations of the Burt commission appointed by a Labor Government, and the Dowding White Paper which followed. I commend the Bill to the House.

Debate adjourned, on motion by Mr Osborne.

MOTION - INDUSTRIAL RELATIONS LEGISLATION

Advertising Indemnities

MR KOBELKE (Nollamara) [8.37 pm]: I move -

That this House calls on the Treasurer to table all documents relating to the Government's industrial relations legislation advertising, particularly all indemnities given on behalf of the State and explain to the House -

- (a) which Minister takes responsibility for the granting of these indemnities;
- (b) what were the procedures followed to approve the granting of these indemnities;
- (c) were these procedures adequate;
- (d) if not, then what is to be done to ensure such failings are not repeated;
- (e) is Cabinet approval required for such indemnities;
- (f) when was a Minister of the Crown first advised of the granting of any indemnity;
- (g) what is the full number and extent of all indemnities given;
- (h) did crown counsel draft and approve the final form of all indemnities offered;

- (i) what were the suggested legal actions which could incur liabilities to media companies such as to require these government indemnities; and
- (j) was the Premier correct when on 27 August 1997 he said, "The Minister for Labour Relations was not aware that an indemnity was given on this advertising until he received briefing notes on Monday this week" - that was Monday, 25 August - or is the Minister for Labour Relations correct when on 28 August he said "I was not aware that an indemnity had been offered, in fact I was not aware until last Friday..." - that was 22 August 1997?

The whole matter of this indemnity is quite extraordinary. It is an extraordinary indemnity which certainly is not something one would expect from a Government in the 1990s. It was issued by an officer who is not even the chief executive officer of the Department of Productivity and Labour Relations. It is clearly contrary to the Treasury instructions which apply to indemnities and sureties. It was offered and that opened up the potential for the State to be liable for costs of millions of dollars. People can argue about the possible chance of the State having to pay up, but the fact is that the potential for the State to be liable for millions of dollars was created through an indemnity issued by an officer of the Department of Productivity and Labour Relations without the approval of the Minister, Premier and Treasurer or Cabinet.

Mr Baker interjected.

Mr KOBELKE: I will take interjections later. In the meantime the member should listen because I will put the facts to the House. I am sure the Government will be embarrassed by them.

In 1994 this Government issued Treasurer's Instruction No 821. It was issued for very good reason in the light of some of the things that had transpired in the previous 10 years. It was also issued in the hope that such events would not recur. Again we see the recurrence of the issuing of an indemnity which should never have been given and has placed taxpayers' money at risk without proper accountability for, and checking of, what was offered.

I will take up the matters contained within Treasurer's Instruction No 821. In relation to the definition, we are dealing with a surety. It defines a guarantee or indemnity as being split into either statutory guarantees or indemnities, which are given under a law of this State, and clearly taken up in that definition of a statutory guarantee, or a surety; this is defined as follows -

"Surety" means a guarantee or indemnity which is not a statutory guarantee or indemnity.

In terms of the definition from the Treasurer's Instruction, we are dealing with a surety. It says that -

An accountable Officer or other officer shall not grant any surety.

I emphasise that point in the Treasurer's Instruction, which also defines clearly that not every single measure which might be an indemnity is picked up as a surety. I quote the definition in part -

... but does not include ... an indemnity granted as part of or incidental to an agreement, transaction or arrangement between the grantor and beneficiary or recipient of the indemnity the principal purpose of which is not the grant of the indemnity;

Therefore, if it is completely incidental to something else, it is not caught by this definition. The indemnity or surety issued by the Department of Productivity and Labour Relations on behalf of the Government for government television advertising was in no way incidental. It was extraordinary and open ended. It was clearly covered by the Treasurer's Instruction; that is, it should have been, but it was slipped in without following the requirement properly laid down by the Treasurer.

The Premier's cop out was to say that the indemnity was incidental; therefore, it is excluded from the Treasurer's Instruction. In no way was it incidental. The Premier yesterday said, "Well, it's like an advertisement placed in *The West Australian*." He then tabled a standard document which is used when placing a classified advertisement.

Mrs Roberts: Where is the Premier now? Why is he not here for the debate?

Mr KOBELKE: The motion is addressed to the Government. I hope the Premier is here and listening to the debate so he can answer some questions, which he certainly did not answer last week.

Let us consider what *The West Australian* uses for classified advertisements. One part is a warrant and the other part is an indemnity. I will read them into the record so people can judge for themselves; it reads -

WARRANT that publication of the material will not give rise to any legal, equitable or statutory rights against the Publisher and will not breach any laws or regulations including, without being limited to, the proscriptions relating to advertising in part V of the Trade Practices Act 1974.

Therefore, a warrant is made by the advertiser to say that what they publish is legal, fair and reasonable. Then one adds the indemnity, which says that if the client breaks that, unbeknown to the newspaper, he will accept the liability. I further quote from the document -

INDEMNIFY the Publisher, its servants and agents against all actions, proceedings, claims and demands arising out of or in connection with the publication of the material including, without limiting the generality of the foregoing, all actions, proceedings, claims and demands relating to defamation, malicious falsehood, breach or infringement of copyright, trademark or design, breach of the Trade Practices Act 1974, or breach of other legal, equitable or statutory rights.

That is what is meant by an incidental surety. This standard form is the fine print used when one places a classified advertisement in *The West Australian*, and it is nothing like the indemnity offered by the Department of Productivity and Labour Relations. It was a one off; an open ended indemnity or surety according to the Treasury definition, and was not like what is required in *The West Australian*.

We are discussing a television station in this motion, and one will find a similar arrangement with these organisations. I am told - although I need not agree with it - that the three commercial television stations have almost identical or similar forms because they worked together on suitable wording for the so-called indemnity. I have forms from Channel 9 headed "Conditions For Air Time Booking" and "General Advertising Conditions". Again, one finds warranties and indemnities. So the advertiser gives an undertaking that the advertising material presented to the station for broadcast meets certain standard criteria one would expect, and an indemnity will follow if that is breached. Point 7 is headed "Warranties", and 7.1 reads -

Client warrants that Copy lodged with NINE or any Station by Client:

- (a) complies with all laws, statutes, regulations, codes of practice and any standards determined by any relevant regulatory agency or industry self-regulatory body applicable to free-to-air commercial broadcast of Copy;
- (b) complies with any standard or requirement specified by NINE and notified to the Client from time to time;
- (c) does not infringe copyright, trademarks or other legal rights of any person;
- (d) is not false or misleading and is true in substance and in fact;
- (e) without limiting (a) and (b) above, does not infringe the *Trade Practices Act 1974* . . . (as amended).
- (f) does not contain anything which may give rise to any cause of action by a third party against NINE, including without limitation material which is defamatory or obscene or which infringes any right of privacy or personality of which otherwise causes injury or damage to any person.

It is a list of standard requirements which one would expect a commercial television station to require of the advertisement put forward for it to broadcast. Paragraph 8.1, in reference to indemnities, reads -

Client indemnifies NINE and each Station against any action, claim, loss or expense arising from the broadcast of Copy lodged with NINE and/or any Station by Client, and all costs, losses and expenses suffered or incurred by NINE or any Station as a result of any breach by the Client of any of the warranties set out in clause 7.1.

That is the incidental surety or indemnity which need not meet the requirement of the Treasurer's Instruction. This was already given by the agent who, presumably, placed the advertisement on behalf of the Government. The indemnity or surety as defined in the Treasurer's Instruction was already given; it was the incidental indemnity given. What came on 29 April was not incidental as it was extraordinary and highly unusual, and would be required to meet the provisions laid down in the Treasurer's Instruction. The indemnity of 29 April, as addressed to all metropolitan regional commercial television stations, said -

On behalf of the Western Australian Government this Department undertakes to indemnify all metropolitan and regional commercial television stations in respect of all legal action taken against such television stations in relation to or arising from the screening of the Western Australian Government's campaign concerning its industrial changes.

Therefore, we can see that the indemnity was not offered along with the placement of the advertisements, as that incidental indemnity had already been given.

Dr Gallop: It raises the question of why they did it.

Mr KOBELKE: Exactly. Why did they need to do it? They had already given the standard indemnity or surety as was defined in the Treasurer's Instruction. That had been given, I assume, prior to placing the advertisement. I am told that is the standard procedure required by all commercial television stations. Why the need to offer this special indemnity on 29 April? What did it seek to achieve? There has been some suggestion from the Government that it was seeking to coerce or encourage the television stations to run advertising which could be seen to be contrary to the laws of this land. If that is what comes out of answering my questions honestly, we have possible criminal charges. Members know it is an offence to be party to encouraging someone else to breach the law.

Another line run by the Government is that its legal advice is very strong and that the television stations' legal advice was wrong. That argument does not make sense. According to newspaper articles of a month or so ago, television stations were not seeing a large increase in revenue. They would certainly like to be able to take up the business. No commercial television station would reject good money from this Government or anyone, if it did not believe that it had very sound legal advice that there was some problem with the advertising. That is what happened and the television stations refused to put to air the Government's advertising. They did so on the basis that they saw it as contravening the Broadcasting Services Act because the Government would not meet the required conditions. That is an open question because this Government has so far failed to be open and honest and place before the House and the people of this State what it was really trying to do in offering this indemnity. If the indemnity was to encourage the stations to break the law, we have one set of problems. If the indemnity was somehow trying to tidy up legal errors that had been made, perhaps relating to the Trade Practices Act, why was it given? Those indemnities were already signed.

Mrs Roberts: You have the Minister on the run. He has left the Chamber.

Mr KOBELKE: He has gone to get some legal advice. One hopes that the Minister gets meaningful legal advice. Unfortunately, this Government has made a habit of getting very poor legal advice. Either its legal advisers are incompetent and give Ministers self-serving advice which they think Ministers want to hear and which does not reflect the law or we have a Government which tells people about legal advice it has not been given. As I have said to the House, when commercial television stations refuse on the basis of legal advice to run advertising worth hundreds of thousands of dollars, one must assume that legal advice has some substance. For the Government to say its legal advice is that the television stations are wrong does not wash. The Government's suggestion that its legal advice is superior to the legal advice of television stations, which are foregoing revenue on the basis of that advice, does not stack up. If the Government wants to run that line about its legal advice, let us have it tabled. Let us make a judgment on whether the Government's legal advice has substance or is so poor that it should be discarded, or whether the Government is totally misrepresenting the legal advice it has been given on this matter.

Dr Gallop: Do you think it is conceivable that the indemnity itself might have been illegal?

Mr KOBELKE: The Leader of the Opposition raises a very good question. We do not know. We have not had a answers to very important questions we have asked about what is going on. We do know that an indemnity has been offered without the proper process being followed.

We need the Government to place before the House tonight answers to a range of questions which will give us some understanding of what has gone wrong. How did we get ourselves into this situation? Are we to repeat the problems that have been raised by these incidents? Are we to allow public servants to offer indemnities without following the proper process? Will liabilities of millions of dollars of taxpayers' money be run up at some public servant's whim? Will this Government set some sorts of standards of propriety for safeguarding the taxpayers' money or is it not concerned about that? Does it say to itself, "It is our political gain. We were using taxpayers' money for a party political propaganda program. The end justifies the means. If we can use taxpayers' money to try to sell legislation which is an absolute load of rubbish, it does not matter what it costs the taxpayer or how improper the processes is"?

The Leader of the Opposition asked whether illegalities are involved. The Government has told itself that the end justifies the means; it will put out a propaganda campaign because that is all that matters. I do not think the people of Western Australia see it that way. They hope that we will have learnt some lessons from the 1980s and this Government will try to do things properly and introduce a better form of management. However, we are not seeing it in incidents such as this.

This motion asks the Government to answer a range of questions. We are waiting to hear the answers to those questions. We want to know why this Government will not table all the documents relating to this matter. The Minister for Labour Relations has the height of arrogance to suggest that an education campaign is so secretive that he cannot put on the Table of this Parliament the advertisements which went to air. I put a question on notice to the Minister in which I asked him to table the videotapes, audio tapes and schedules of this propaganda campaign, which

the Government quite wrongly referred to as an education campaign. The Minister's answer was that we cannot have it; it is not the practice of Government to let the Parliament see the advertisements that taxpayers paid for.

Mr Kierath: I have here a video of political advertising which I am prepared to table.

Mr KOBELKE: The Minister wants to play games. A simple question on notice to the Minister asked him to table copies of the video and audio tapes. That is too embarrassing for this Minister. The Minister will try to give us a blast in a moment with a whole lot of half truths and rubbish and not address any of the issues in this motion on this indemnity question, because he is not able to do it without incriminating himself or members of his department or he is too embarrassed to do so.

I want to go through a range of very important questions that need to be answered. We need to know which Minister in this Government takes responsibility for the granting of these indemnities. The Premier has said in answer to a question that the Government stands behind the indemnities given. In that case, which Minister will take the rap for it? We need to know what procedures were followed to approve the granting of these indemnities. We need to know whether the procedures were adequate and, if not, what is to be done to ensure that such failings are not repeated or is this just one of a number of cases which will slowly be dragged out of this Government, indicating such poor management that the taxpayers' funds will be put at risk by middle ranking departmental officers offering indemnities when it seems to suit their purpose or what they perceive to be the political purpose of their political master? We need to know when a Minister of the Crown was first advised that an indemnity had been granted. We had a whole range of half answers and conflicting answers. One of the questions we are asking is who is telling the truth. The Minister and the Premier have given different dates as to when the Minister for Labour Relations first knew about this indemnity. There is conflict in evidence between what the Minister and the departmental officials have written. We want to know the truth. The Government must not cover it up by running a whole lot of half truths and stories to try to cover up what has happened here.

We need to know the number and extent of all the indemnities that have been given, because so far there has been no mention of whether the radio stations were given a similar indemnity, because they are also covered by the Trade Practices Act and the Broadcasting Services Act. We are aware that crown counsel advice was involved, but we do not know whether crown counsel drafted and approved of the final form of indemnity that was offered. Does crown counsel stand by the final form of indemnity, or was its advice used partially or misused by the Government or its officers in putting together this extraordinary indemnity which puts taxpayers' money at risk?

Dr Gallop: Did you notice when the heat went on last week that the Minister said it was not worth anything anyway?

Mr KOBELKE: That is another conflict. The Premier stood behind the indemnity and said the Government accepted it, but the Minister tried to weasel out by saying we would not have to pay up because the indemnity was technically flawed and would not stand up.

We need to know also who suggested that these media companies might incur liabilities that would require this extraordinary indemnity in addition to the standard indemnity that had already been given. Those are the questions that this Government needs to answer. This Government needs to be accountable for once in its life. It will finally be made accountable. The question is whether it will be open and honest and fully answer these questions now or whether we will have to drag out the answers one at a time like bad teeth until we finally clean up the mess which this Government is getting us into.

MR KIERATH (Riverton - Minister for Labour Relations) [9.01 pm]: This Government is accountable. I will account for all of my actions, not only to my party and Cabinet but also to this Parliament. I want to make that very clear at the outset. At a later stage I will compare our standards with the standards of members opposite when last they were in power.

One question which is very important is what the Premier had to say. I had presumed that the member for Nollamara had listened to what the Premier said, but after hearing his speech tonight I know that he did not listen to one word. I want to deal with how the Premier's instructions relate to these television advertisements.

Mr Kobelke: The Premier's instructions or the Treasurer's Instructions? What are you quoting from?

Mr KIERATH: A number of statements have been made to the effect that this indemnity should have been given by the Treasurer and approved by Cabinet. I want to clarify for the benefit of members the operation of Treasurer's Instruction 821 and Circular to Ministers No 44/94. That instruction and that circular were put in place following a recommendation of the Royal Commission into Commercial Activities of Government and Other Matters, which had investigated the various gentlemen's agreements entered into by the Australian Labor Party when in government. As a result of that Government's indiscretions, blunders and fatal mistakes along the way, a set of mechanisms was put in place for all the world to see.

The indemnity for Rothwells cost WA taxpayers \$150m, for Teachers Credit Society \$128.5m and for Swan Building Society nearly \$18m. Our whole advertising campaign cost less than \$300 000. Those are the sorts of indemnities that members opposite were prepared to give when they were last in government.

Treasurer's Instruction 821 applies to statutory indemnities and sureties. A statutory guarantee or indemnity is given under an Act. A surety is defined in the instruction as a guarantee or indemnity which is not provided under an Act. The instruction states specifically that it does not apply to an indemnity that is incidental to another function such as the purchase of a good or service - for example, a contract where the purchaser indemnifies the supplier of software against any unauthorised use of that software or a contract for advertising where the advertiser indemnifies the publisher against legal action arising out of publication of the advertisement. That is precisely what this indemnity was. *The West Australian* indemnity is an example of such an indemnity, and the Premier referred to that the other day. I will table that in a moment so that the House will understand.

The instruction states also that it does not apply to an indemnity that is granted to persons or officers in the performance of their duties. That does not apply in this case. Statutory guarantees and indemnities and sureties covered by the instruction must be recorded in a register, and a copy of each surety must be tabled in the Parliament.

I repeat for the benefit of members opposite, because they seem to have some difficulty in understanding it, that these requirements do not apply to those common types of indemnities that are excluded from the operation of the instruction. Clearly the instruction does not relate to this indemnity in any way, shape or form, and I am amazed that even this desperate Opposition would attempt to latch that in.

The Crown Solicitor's Office has advised that the DOPLAR indemnity was incidental to the contract for the broadcast of the advertisements; therefore, Treasurer's Instruction 831 did not apply. Members opposite know that the tradition of this House is that we do not table legal advice. However, I have asked crown counsel to prepare a summary of its advice that will be suitable for publication, and I hope to table that in this House in the near future.

Point of Order

Mr KOBELKE: Mr Speaker, I ask you to request the Minister to table that two page document, because at the outset he referred to it as the Premier's instructions, and I am not sure of the nature of that document. The Minister made it sound as though he was quoting from a formal document, and standing orders provide that it can be requested to be tabled. I request that it be tabled.

Mr KIERATH: Mr Speaker, these are my personal notes, as I can show you from a distance. There is no heading or anything else. They are notes that have been done on a word processor rather than in writing. The notes are paraphrasing things that the Premier has said and things that have been tabled in this House.

Mr KOBELKE: I ask for a ruling on that.

The SPEAKER: Order! As members realise, if Ministers are quoting from official documents, there is a requirement that they can be requested to table that material. On the other hand, if they are personal notes, the Minister is not obliged to table them. The Minister has claimed that he is quoting from his personal notes, albeit from what I can see they have been typed and are highlighted, and that is where the matter rests.

Debate Resumed

Mr KIERATH: I have been a victim of the tactics and intrigues of the other side in the past. Some members may remember that one day I quoted from a series of documents that had a series of blank papers. This Opposition is so predictable that I know exactly what it will do. If I had wanted to quote from any documents, I would have paraphrased those documents and stuck them on pieces of paper, because I know what this mob is like. They are so dumb that they are defeated by their own stupidity. I did say that I was prepared to table a summary of the Crown Solicitor's advice that there was no exposure to the Government in giving that indemnity, and that is most important.

The Premier said also that the Public Sector Management Office had examined the issuing of the indemnity and found that the instruction was not applicable. However, PSMO has advised that as a result of its assessment, it has become apparent that the scope of the instruction is unclear and needs further clarification, and it is prepared to assist in that regard. The Premier said also that he was satisfied that proper processes and procedures were followed and that all legal advice has indicated that there was no risk to the Government or taxpayers.

Dr Gallop: Then why was it issued?

Mr KIERATH: Because it was asked for. I want to table a number of indemnities. It is important to understand what we are talking about. These are advertisements aired on networks. The Network TEN terms and conditions of air time bookings state -

... the advertiser agrees to indemnity and keep indemnified Network TEN and its officers, employees and agents against all claims, demands, damages, costs penalties, suits and liabilities of any nature whatsoever ...

One cannot advertise without agreeing to that.

The Seven Network conditions state -

... and indemnifies Seven for itself and as agent for Seven's subsidiaries ... against all liability that may arise from any telecast of such advertisement;

The good old *The West Australian* -

Mr Cowan interjected.

Mr KIERATH: I was being sarcastic because its political writer would not recognise an indemnity if he came face to face with one. There is one in his own paper, but he has never bothered to read it. I will read it because it is classic for such a person to refer to an indemnity and not to understand it. Any good reporter would know the conditions under which his own newspaper accepts advertisements.

Dr Gallop: About whom are you talking?

Mr KIERATH: I am talking about Mr David Utting. The indemnity states -

INDEMNIFY the Publisher, its employees and agents against all actions, proceedings, claims, demands, losses, damages, cost and expenses arising out of or in connection with the publication of the material ...

One cannot advertise in that newspaper without agreeing to that.

The *Sunday Times* again has a warranty and indemnity -

Advertisers and/or advertising agencies upon and by lodging material with the Publisher for publication or authorising or approving of the publication of any material INDEMNIFY the Publisher its servants and agents against all liability claims or proceedings whatsoever arising from the publication...

This are no qualifications in that; it applies to everything.

The Community Newspaper Group's indemnity states -

Advertisers and/or advertising agencies, by submitting or authorising material for publication by the publisher and in consideration of the publisher agreeing to publish the material:

- (a) Indemnify the publisher, its servants and agents against all actions, proceedings, claims and demands arising out of or in connection with the publication of the material...

The Voice newspaper group has a similar indemnity as follows -

Advertisers and/or advertising agencies, by submitting or authorising material for publication by the publisher and in consideration of the publisher agreeing to publish the material:

- (a) Will indemnify the publisher, its servants and agents against all actions, proceedings, claims and demands arising out of or in connection with the publication of material...

Perhaps the Independent Post Newspaper group has something different. Its warranty and indemnity states -

... the advertiser or his agent indemnifies the publisher against all liability for the matter contained therein.

Country Press also has an indemnity -

... INDEMNIFY the publisher, its servants and agents against all liability, claims or proceedings whatsoever arising from the publication ...

I seek leave to table these documents.

Leave granted. [See paper No 660.]

Mr KIERATH: By advertising in any of those publications, even if one does not offer an indemnity, one agrees to the terms and conditions.

Dr Gallop: Why was the indemnity of 29 April issued? Why will you not answer questions?

Mr KIERATH: Any other indemnity associated with that is incidental to the business at the time. I am prepared to answer the questions; I will come to them.

The motion before the House has a number of questions and I will deal with them all. I point out to the member that again I am referring to personal notes. The first question asked -

Which Minister takes responsibility for the granting of these indemnities?

I do. The Minister for Labour Relations takes full ministerial responsibility for the indemnity offered on 29 April as the Minister responsible for the Department of Productivity and Labour Relations. The second question asked -

What were the procedures followed to approve the granting of these indemnities?

The procedure followed for the indemnity offered by the department on 29 April was to obtain legal advice on the various issues.

Mr Kobelke: Were they in writing?

Mr KIERATH: Some were, and I told the member that I would provide copies of some of that advice.

Mr Kobelke: Was the legal advice in writing?

Mr KIERATH: The legal advice was obtained in writing. I have said that I will get crown counsel to paraphrase that advice for publication. That is more than the ALP ever did when it was in Government, but I am prepared to do it. The third question asked -

Were these procedures adequate?

I am satisfied that the proper processes and procedures have been followed. As well, the Public Sector Management Office has examined the matter and is satisfied that the appropriate procedures were followed.

Dr Gallop: Will you table its report?

Mr KIERATH: The fourth question asked -

If not, then what is to be done to ensure failings are not repeated?

That is not applicable. The fifth question asked -

Is Cabinet approval required for such indemnities?

Clearly it is not; Cabinet approval is not required for indemnities and sureties that are incidental to another function such as the purchase of a good or service, which is the point I am making. The sixth question asked -

When was a Minister of the Crown first advised of the granting of any indemnity?

The poor old member for Nollamara desperately tried to find some flaw. I will explain chapter and verse what happened. When I answered a question on the Thursday, I was not aware that an indemnity had been offered. However, I was aware that one had been discussed and I carefully phrased my answer to this House. Knowing what members opposite are like and knowing from rumours I have heard that they have several lawyers combing everything I say looking for flaws, I am very careful about how I answer questions.

However, on the Friday afternoon, as is my usual practice, I went to my electorate office. My press secretary rang me and told me that an indemnity had been given. He said he would make available a copy of it and all the appropriate papers. I told him I did not have time to look at them that afternoon and I did not see any reason to read them before the next week. I told him to put them with my other papers in the normal way.

Mr Kobelke interjected.

Mr KIERATH: I am just getting to that. I said that on Friday as a result of the phone call. I could have denied it, but I am very honest. A person did telephone me and tell me that an indemnity had been offered and I have indicated that was the case. However, it was not until the Monday evening that I saw the papers and what was entailed in the indemnity; I did not see anything until late Monday. That is why the answer was that I saw the details on Monday, 25 April.

There are two parts to this: First, the claims by the member opposite that the advertising was misleading and inaccurate - the indemnity was offered in relation to every union member having a right to participate in the secret ballot -

Several members interjected.

Mr KIERATH: I thought the issue of indemnity had been discussed when we were talking about the political tag that went on advertisements. On the Monday morning, when I was launching WorkSafe, I spoke to a couple of the television station personnel. I was talking about the political tag because I did not see the context of the indemnity and to what it related until later on the Monday. That explains it clearly. I am sorry to disappoint the member but that is the chapter and verse.

The seventh question asked -

What is the full number and extent of all indemnities given?

The standard form of indemnities exists as a condition of contract with each media outlet and is designed to cover all that can be covered by an indemnity. The letter of the indemnity from the Department of Productivity and Labour Relations dated 29 April is in addition to those normal indemnities. The eighth question asked -

Did Crown Counsel draft and approve the final form of all indemnities offered?

Several members interjected.

Mr KIERATH: He asked me to table all indemnities. Each contract has an indemnity and this was an indemnity over and above that contract.

Dr Gallop: Exactly! Why was it issued?

Mr KIERATH: Crown counsel did approve the letter of indemnity offered by the department dated 19 April 1997.

Mr Kobelke: Was that 19 or 29 April?

Mr KIERATH: The form of the indemnity was discussed beforehand. Crown counsel approved a letter of indemnity but it was not involved with the standard terms of indemnity that exist as a condition of contract.

It continues with the ninth question -

What were the suggested legal actions which could incur liabilities to media companies such as to require these government indemnities?

The indemnity offered by the Department of Productivity and Labour Relations in a letter dated 29 April 1997 was offered in response to concern expressed by the television stations about their liability with respect to Part V of the Trade Practices Act. Crown counsel's advice under that section was that there was no exposure to Government. That is why crown counsel did not hesitate to agree to an indemnity because in his view there was no exposure. Any reasonable lawyer would agree with that. The tenth question was -

Was the Premier correct when on 27 August 1997 he said, "The Minister for Labour Relations was not aware that an indemnity was given on this advertising until he received briefing notes on Monday of this week" (Monday 25 August) or is the Minister for Labour Relations correct when on 28 August he said "I was not aware that an indemnity had been offered, in fact I was not aware until last Friday..."(22 August 1997)?

I have explained that.

Mr Kobelke: No you have not.

Mr KIERATH: I have. I said a press secretary rang me and said there was an indemnity.

Mr Kobelke: Are you saying the Premier was wrong?

Mr KIERATH: No. I did not see the details of any indemnity until Monday 25 August. The Premier would not have known. I do not discuss my telephone calls with the member for Nollamara, the Premier or anyone else. I had a telephone call from my press secretary that Friday afternoon when I was seeing my constituents. I said I would await the normal formal advice with the details, not only for that indemnity but also some briefing notes. I did not read them until Monday, 25 August. When I was advised I was away from my ministerial office and in my electorate office, and I did not receive the briefing notes until the following Monday. That is in answer to the question put in relation to this motion.

I was totally horrified at the attempts to prevent these advertisements going to air. I saw the advertising by the ALP when it was in government. To my mind it is fair enough to advertise legislation that has been passed by the Parliament. I am not sure it is a legitimate expense to advertise the Government's policy, and the jury is out on that

one. However, certainly it is the Government's responsibility to advertise its legislation even if it is well understood. When legislation is not understood because of misleading information, there is an added burden of responsibility on the Government to explain the details of its legislation. I was incensed that the ALP would stoop to such lengths to prevent those advertisements going to air.

Several members interjected.

The ACTING SPEAKER (Mr Barker): Order! The member for Nollamara will come to order.

Mr KIERATH: If the Opposition were saying that policy matters should not be advertised, I might agree with it. However, if it is serious in saying that legislation should not be advertised, I cannot agree with the Opposition. All Governments have not only a right to publicise legislation but an obligation to do so. Members can imagine how surprised I was when I went through the journals of history.

Mr McGowan: You have made this speech before.

Mr KIERATH: I have in my hand a full page government advertisement placed by the Minister for Education at the time, Carmen Lawrence, with the headline "Teachers, spare a thought for our students". It is not about legislation, but is about industrial relations negotiations. Imagine if I adopted the standards of the Australian Labor Party and went to the Press on all my negotiations with the unions. I would saturate *The West Australian* every day. I could not believe that advertisement, but it gets better. I would like to put my name to some of the advertisements that were placed under the Labor Government. An advertisement appeared in the Press in July 1989 with the headline "The Teachers' Union 15% Pay Claim". Does that ring a few bells? What chance did the union have? That advertisement was authorised not by the Minister of the day, but by Dr L.W. Loudon, Chief Executive Officer of the Ministry of Education. Fancy that!

Dr Gallop: What point are you making?

Mr KIERATH: The Labor Government was not advertising its legislation or policies; it advertised its points of view. I would love to abide by the standards of the ALP and advertise my points of view in *The West Australian*. That would give me such freedom, that I could do almost anything. Another advertisement run in September 1989 read "Students in Limbo". It was signed by Carmen Lawrence, Minister for Education. It gets better. The following advertisement which was run on 9 September 1989 contained a few statements with which I agree: "We all want the best for our children and teachers. But what good will striking do?" I think every member of this House agrees with that. The advertisement further stated "We have offered teachers the best package possible within the wage fixing guidelines." Members opposite should stop and think about this because it could result in an onslaught such as they have never seen. Once a fortnight I sit in judgment on between 20 and 30 wage deals and negotiations. Imagine what would happen if I took a full page advertisement on each of those items. It would involve 30 full page advertisements every two weeks, or two a day, if I were to adopt the Labor Party's guidelines and standards for advertising.

Mr Kobelke: Did we spend more money than your Government?

Mr KIERATH: Absolutely. Another publication was not about legislation but was headed "Putting Families First - A Social Strategy for Western Australia". It then became "The Social Advantage" in the lead-up to the election. Just before the election it became "The WA Advantage", which was also a theme of the ALP's election campaign. The Government also advertised "A Fair Go for Everyone - A Disability Policy for Western Australia". The member for Belmont, Mr Ripper, sprouted earlier about this, but he was not averse to putting his photographs on these advertisements when he was a Minister. The Labor Government advertised the personal opinions of its Ministers.

Mr Kobelke: Were there indemnities?

Mr KIERATH: Yes. In fact, one incurs those indemnities when placing advertisements in *The West Australian*. Members opposite should have listened to what I said. People cannot place advertisements unless they agree to those conditions of the contract.

Several members interjected.

The ACTING SPEAKER: Order!

Mr KIERATH: In summary, the indemnity the Government has on responsible legal advice, and not the irresponsible advice of members opposite -

Dr Gallop: Table that advice.

Mr KIERATH: I said I will.

Dr Gallop: Do it now.

Mr KIERATH: No. The Leader of the Opposition refused to table legal advice when he was a Minister. I will do what he would not do. I have asked crown counsel to paraphrase that legal advice in a form suitable for publication. I shall do something the Leader of the Opposition never once had the courage to do when in government. I am more than happy to do that because I know it will stand up to scrutiny.

Their advice was that the indemnity was negligible and it was similar to normal media indemnities that apply when one lodges an advertisement. I have already said why I was prepared to consider the indemnity if I had been asked - at the time I was not asked until after the event. If it were offered to me today for approval, I would agree to it.

Dr Gallop: Why?

Mr KIERATH: Because I was incensed by the Opposition's underhand, gutter tactics in attempting to apply censorship to the people of Western Australia. That is what I think was so disgusting. I can understand members opposite not agreeing to legislation, but whether they like it or not, once legislation has passed through both Houses and been proclaimed, it is law. Every Government, including Labor Governments, has a responsibility to make sure people who are subject to legislation are aware of its contents. That is important.

Another reason I was so incensed is that this matter went to a second stage when we were talking about the political tag. It was pointed out to me that anything that was "political" required a tag. When I asked the media companies what was the definition of "political", I was told that it was everything. I said that if that was the case, nothing could be advertised. I said, "What about the gun laws?" They replied that the controversy had died down. I said, "What is this about controversy?" They said that they determined a matter to be political if it was in the political and public arenas for debate and controversy was associated with it. We said there was still controversy associated with the gun laws. They said, "Oh no, the difference is there are not people marching down the street and there is a squatters' embassy opposite Parliament House." That being the case, their definition was that the matter was political.

When I sought advice on this section of the Act, I found that it appeared to be a wide interpretation of "political". I thought I should write to the federal Minister and point this out because I am not sure any Government would want to be constrained by such a straitjacket. I asked the federal Minister whether he was aware of this fundamental flaw in the legislation and he wrote back and said he was not, because the interpretation was supposed to pertain only to material associated with an election.

Mr Kobelke: No such thing.

Mr KIERATH: It is. I am going to follow this through because the Minister has referred my letter to the Australian Broadcasting Authority for action. I am writing to the ABA to take the matter further because I do not believe that was the intention of the legislation.

Dr Gallop: After you had those thoughts in relation to this issue, did you talk to your department about your feelings on this matter in any way whatever?

Mr KIERATH: Yes, I have discussed the issue of political tags and political matter with the department and those officers find it unbelievable. They pointed out to me various advertising campaigns which the ALP had carried out in the lead-up to elections. In that situation the advertising was covered and it was put out in the three months preceding an election, under the government logo and using the government payroll, ostensibly as government information when actually it was ALP party propaganda.

Dr Gallop interjected

The ACTING SPEAKER: Order!

Mr KIERATH: I want to highlight the hypocrisy of the ALP and its double standards. I contrast what members opposite were prepared to do in government and what they now proclaim. They are clear double standards. I thought I had seen all sorts of tactics from this Opposition, but this one is the most useless of all. The Opposition should send a few of its members to engage in legal studies because it might help them.

Mr McGowan: The Minister has been expelled!

Mr KIERATH: That is a classic example of what I am referring to. Members opposite do not have a clue about anything. I am still enrolled as a student but I withdrew from my subjects during the last semester while I was debating the legislation before this House. I have a capacity for work, but the workload got too great even for me.

Mr Kobelke: Did you have to tell the truth at Murdoch?

Mr KIERATH: Yes, no problem at all.

I have made my points and exposed the Opposition for what it is. The indemnities were in line with the indemnities that are offered as a purchaser of the contract.

Dr Gallop: No they weren't. You said they were different.

Mr KIERATH: They are when one is placing advertisements. When the question was asked in relation to that piece of advice - when members see the advice they will be able to read the details - I said I was not aware the indemnity had been offered until way after the offer. As I have said consistently, I was aware that indemnities had been discussed at various stages because when the Opposition was trying to prevent the advertisements going to air, there were lots of discussions going on about how we could get them to air. If the stations were baulking, what was required?

Dr Gallop interjected.

Mr KIERATH: I said all the way along that I was aware that indemnities had been discussed but I was not aware one had been offered. The first I knew about it was a phone call on the Friday afternoon - I think it was 22 August - from my press secretary saying there was an indemnity. I did not know what it related to. Most of the discussions I had been involved in had related to the political tag that was required and not to the issue of whether something was inaccurate or misleading. It is important to identify that. Most of my public comments in relation to questions by journalists related to that. I had a query from one of the Seven Network reporters who played back the tape of the Monday morning of the Cabinet meeting. If members listened to it, they would realise I was clearly talking about political tags. I was not aware the indemnity related to the inaccurate and misleading advertising component.

That also shows that at 10.00 am on that Monday I had not read the indemnity and the briefing notes associated with it. The indemnity that was offered on the strength of our legal advice was almost worthless. Our advisers could not see any situation where it could be called on. It was similar to the indemnities that are offered when one places an advertisement. I forget the exact words, but someone said to me they were part of that arrangement.

Mrs Roberts: Part of what arrangement?

Mr KIERATH: Part of the arrangement for placing advertisements. The member obviously did not listen when I went through all the indemnities associated with placing an advertisement. It is ancillary to that obligation. It was not something similar to the bailing out of Rothwells, the Swan Building Society or Teachers Credit Union. It was not an indemnity like that; it was an indemnity which one gives, whether one realises it or not, when one places an advertisement with any of the media outlets. I read the important parts, which did not qualify the indemnity; it said "all losses, indemnities, claims whatsoever". They are very wide indemnities indeed. The indemnity in question was fairly narrow and any intelligent legal analysis would show that.

I had an exchange of letters with the Editor of *The West Australian* and guess what? He acknowledged that point in one of his letters - perhaps I should find it and table it tomorrow. He said the company's legal advisers had acknowledged that point. I had complained to him about the falsity of the headlines; perhaps I should explain the falsity to members opposite. I want to make sure I get this right because I know members opposite will repeat my comments to me. The headline is "State faced \$8m fines over TV ads". The indemnity did not relate to fines. It related to civil liability, not criminal liability.

Mr Kobelke: That is what I said - any legal action.

Mr KIERATH: No. The point we make is that that cannot be done. I will try to find the editor's reply to me.

Dr Gallop: I think we have a bad case of obsessive compulsive here.

Mr KIERATH: No. I will take up this issue at another time. I am happy to table the letter to me at a later stage. The editor says that his legal people acknowledge that people cannot indemnify against criminal liability, yet the headline says that the indemnity is against fines. If it had said that the indemnity was against civil action, the newspaper may have been able to get away with it. To use a headline that says it is against fines is illogical. These fines are imposed by Statute, by law, and indemnities cannot be given against the provisions of law. If that were possible, a murderer could say, "You go and murder a person and I will cop the penalty for you." That cannot be done. Every lawyer worth his salt knows that, but not the mob opposite. Those opposite are hopeless; they are ridiculous; they have no idea. Now I can understand how, when in government, they got themselves into so much hot water. They do not even know the difference between civil liability and criminal liability or between indemnities and sureties under a Statute as against indemnity and sureties under a normal contract of service. They do not know any of those things. This matter has been the most monumental beat-up, starting with that ridiculous headline in *The West Australian* which was false by definition.

I am determined that I will not let this matter rest. I will take it all the way through to finality until I prove my point.

I hope that when I do members opposite will say, "Graham, you were right and we were wrong." Will they do that? No. Even if I were to get an apology from *The West Australian*, this mob on the other side still would not admit that I am right and they are wrong. I am more than happy for anyone to conduct an examination of this process. The Public Sector Management Office has look at it, as has the Crown Law office.

Dr Gallop: Table the papers.

Mr KIERATH: The Leader of the Opposition has probably written to all and sundry and every man and his dog will have looked at this issue before it is finished. If those opposite look at the information I have tabled tonight, they will see I am right. They should compare that with their double standards when they were in government. Although I hate to do this, I just remind them that had I adopted their standards, I would be quite capable of placing in every edition of *The West Australian* two full-page advertisements relating solely to industrial relations negotiations, not to mention any government policies, which I believe have a little more standing than the negotiations, or the legislation passed by both Houses of Parliament.

I have answered all of the points in this motion, and I took great care to do so accurately. This is another case of the Opposition being so desperate that it will beat up any issue, even when there is nothing to beat up. This Opposition should be spending its time and energy on pursuing real issues, instead of fabricating them. No Government is perfect. There are always issues on which the Opposition can focus its time and attention. I do not want to point those opposite to those issues directly, but if they want to be a credible Opposition, they should find the real issues rather than making them up.

DR GALLOP (Victoria Park - Leader of the Opposition) [9.44 pm]: We can now start to construct the events that occurred in this issue, given what the Minister for Labour Relations has told us tonight; the evidence that has been gathered by the member for Nollamara on this issue; and what has been published in *The West Australian* and spoken about on radio stations. It goes something like this: This Minister for Labour Relations was very disappointed that his industrial relations legislation did not receive the endorsement and support of the people of Western Australia. What is more, whenever he went near any of his Cabinet colleagues or his colleagues in this place, they told him what a disaster the legislation had been and asked him what he wanted to do about it. He was so affected by what his colleagues were saying to him and by the reaction of the public to the legislation that he resorted to the final instrument that is available to this authoritarian - to try to "re-educate" the people.

The Minister got his department to allocate some money to re-educate the people about his legislation. About \$400 000 went into that process. The advertisements were drawn up. The bookings were made and some of the advertisements appeared. Then there was a spanner in the works. My colleague the member for Nollamara, knowledgeable as he is about the Broadcasting Services Act and the Trade Practices Act, wrote a letter to the relevant authorities asking them to examine whether that advertising broke the Trade Practices Act inasmuch as it may have been false and misleading and also contravened the Broadcasting Services Act inasmuch as it was political and, therefore, required a tag.

In the process of that correspondence being received, the various authorities contacted the television stations, where the alarm bells started to ring. They went back to the Department of Productivity and Labour Relations which, in turn, went to the Minister for Labour Relations. Now, there was a problem: How could the Minister go ahead with his little propaganda campaign when the television stations were nervous that some aspects of that legislation might carry some sort of liability for them in respect of the law of the land?

The Minister has admitted to this Parliament that he knew that in the conversations that sprung up within his office and the ministry at that time, indemnities were mentioned. I will now hypothesise. I may be right, or I may be wrong. I reckon what happened was this: The Minister had his departmental officers around him and said something like this, "Do whatever you have to do to get these advertisements on the air." I ask the Minister whether it went something like that, in those general terms.

Mr Kierath: I would have done whatever it took to get them on the air.

Dr GALLOP: He would have done that, but he did not say it. I think we are getting a little closer to the real situation. The Minister was incensed. He was having discussions with his department. Indemnities were being discussed. Then, out of the blue, unknown to him - so he tells us - an indemnity is offered to the television stations for this legislation. No-one knew about that indemnity until it surfaced in the media and in the questions asked by the member for Nollamara.

A second lot of issues emerged in relation to this matter. Did that indemnity emerge as the result of a proper and legal process? When the alarm bells started to ring within the Government about the indemnity, it got all the legal advice; it got everyone in to discuss the matter and it found it had a problem - Treasurer's Instruction 821 and the Circular to Ministers 44/94. That instruction and circular state that the issue of sureties, other than indemnities

incidental to another function, must be limited to the Treasurer after having been first approved by Cabinet. As the Premier explained in his answer to Parliament this week when I asked him a question, many indemnities are issued as incidental to contractual arrangements and it would be impractical for every one of those to go through to the Treasurer and Cabinet. However, the issue is: Did this case study meet the exception that was allowed by the Treasurer's Instruction and the circular to Ministers? The Government says it did, but let us look at the facts about what the Government says.

Fact No 1: The Premier in his answer to a question in Parliament yesterday said the instruction was not applicable, but that the Treasurer's Instruction should be reworded and put into lay language so it was easier for people to understand. It is always interesting when people make those concessions, because it indicates that they are very nervous about what happened. They do not like what happened. They maintain a public stance that what happened was okay in legal terms, but they say the words of the instruction should be changed so it is a little clearer and - I think I can safely conclude - so things like this do not happen again. I am sure that is what is being said at the moment in Treasury, in the Crown Solicitor's Office and in the Premier's office. Whatever interpretation is placed on the Treasurer's Instruction, that is convenient for the Government. The instruction did not mean that departments such as the Department of Productivity and Labour Relations could write letters like the one it wrote on 29 April to the television stations. That is the first evidence we have about this issue.

I turn now to the interesting evidence the Minister for Labour Relations gave this evening. This Minister is so convinced that he is always right that he has a habit of sinking deeper. I am sure this Minister has a bathtub without a bathplug because the water always gets higher and higher and there never seems to be any way he can let it out. Tonight he quoted with great gusto from indemnities that are incidental to contractual agreements that are entered into with Channel 10, Channel 7, *The West Australian*, the *Sunday Times* and the Community Newspapers Group - indemnities that are part and parcel of the contractual process that is entered into when a Government or other body advertises with those organisations. He went on to say that "over and above" or "extra to those" - or something to the tune of that - an indemnity was issued on 29 April. If it was over and above, extra to, or written separately, how can it be "incidental to"? That is where the Government has a major problem in its argument about the processes that were followed in the issuing of this indemnity.

The Government acknowledged that problem when the Premier said that the words of the instruction needed to be tightened up. If the Government was convinced it had a legal basis for what was done by that department, why did the Premier say those words needed to be tightened up? Could it be there is another interpretation of those words that is not so convenient to the Minister, who says he accepts full responsibility for what went on? Is it because if the Government accepts there is another interpretation, which might be a better one, that Minister is in serious trouble? Further, the Minister has convicted himself with his admission that the letter was separate to the normal indemnities that come with contractual indemnities that are entered into when bodies advertise on television.

The Government has a major problem. The Minister for Labour Relations had a much larger role to play in the issuing of that indemnity than he has admitted to this Parliament.

Mr Cunningham: Deadly silence.

Dr GALLOP: He is very silent in response to that claim I make this evening. The issuing of that indemnity was illegal. Would it not be interesting to have the legal opinion of this Minister to which he referred tonight tested before other legal authorities? Perhaps the Minister would not be so cocky if that legal opinion were subject to a little scrutiny. Is that something the Minister would accept in this case?

Mr Kierath: When I am dealing with you, I always make sure I get legal opinions before I do anything.

Dr GALLOP: The Minister will not answer the question. We want to see that full legal opinion. When people provide doctored versions of legal opinions, sometimes bits and pieces are left out. Often those pieces are as important as the pieces that are left in. Let us take two scenarios. Scenario No 1: This was illegal. Scenario No 2: This may have been illegal. Whichever way we go, someone must carry the can for what happened. The Minister has been happy to say he accepts full responsibility. From either interpretation of this situation - that it may have been illegal or it was illegal - the Minister must accept his responsibility under our system of government.

The Government has not proved that either of those two propositions is incorrect. All it has done is indicate it has advice that says the indemnity was legal. However, it has not said whether that was qualified or unqualified advice, who gave that advice, or precisely to what that advice related.

Members should make no mistake: The Opposition will continue on this issue. The Government has not succeeded tonight in convincing the Opposition in this Parliament that there is not a major issue of maladministration in the Government of Western Australia. Questions are unanswered about the role the Minister played in the issuing of that indemnity. All the Minister has said is that he was aware of discussions about an indemnity. That is not good

enough. In what way was he aware of those discussions? How did he contribute to those discussions? What did he say to his department when it said it might issue an indemnity that would allow his propaganda to go to air? Did he encourage the department to continue discussing the indemnity and working out ways and means by which it might be issued? The Minister has not accounted satisfactorily to Parliament for the role he played in that. Additionally, the Minister has not answered satisfactorily the fundamental question of whether the issuing of that indemnity was either illegal or may have been illegal.

The Opposition believes there is just as much a problem for the Minister if it may have been illegal as if it were illegal. If something may have been illegal and this Minister allowed it to happen, what does that say about the standards that are set in government in Western Australia today? The people of Western Australia should be grateful that members of Parliament such as the member for Nollamara have the foresight to act so that government Ministers are held to account, and that once they get their teeth into an issue they do not let go. The people of Western Australia can be thankful that we have a member with the determination of the member for Nollamara. They can be thankful that the media in this State are willing to pursue this issue and to make sure that statements made by people like the Minister for Labour Relations are tested. I believe that even with the questioning by the member for Nollamara and investigation by the media in Western Australia we have not yet received an adequate account in the Parliament of this episode.

The Opposition will continue to raise this issue and to press the Government on it. The only conclusion that we can reach this evening about the Minister for Labour Relations is that he has not properly accounted to this Parliament in the way that is required under our system of government.

Question put and a division taken with the following result -

Ayes (19)

Mr Brown
Mr Carpenter
Dr Constable
Dr Edwards
Dr Gallop
Mr Graham
Mr Grill

Mr Kobelke
Ms MacTiernan
Mr Marlborough
Mr McGinty
Mr McGowan
Ms McHale

Mr Pental
Mr Ripper
Mrs Roberts
Mr Thomas
Ms Warnock
Mr Cunningham (*Teller*)

Noes (28)

Mr Ainsworth
Mr Barnett
Mr Barron-Sullivan
Mr Bloffwitch
Mr Board
Mr Bradshaw
Mr Cowan
Mr Day
Mrs Edwardes
Dr Hames

Mrs Hodson-Thomas
Mrs Holmes
Mr House
Mr Johnson
Mr Kierath
Mr MacLean
Mr Masters
Mr Minson
Mr Nicholls

Mr Omodei
Mrs Parker
Mr Sweetman
Mr Trenorden
Mr Tubby
Dr Turnbull
Mrs van de Klashorst
Mr Wiese
Mr Osborne (*Teller*)

Pairs

Ms Anwyl
Mr Riebeling

Mr Court
Mr Prince

Question thus negatived.

LOAN BILL

Second Reading

Resumed from an earlier stage of the sitting.

MR BROWN (Bassendean) [10.05 pm]: I will depart from what I was saying earlier today to go onto another matter entirely; that is, concerns about the economy and particularly lack of confidence in the domestic economy. Despite the fact that the inflation rate is about 2 per cent and interest rates are falling - by Australian standards they are the lowest in the past 20 years - the level of confidence in the economy is not great.

The level of confidence in the economy by small business and the labour force is declining. The declining confidence in both of those areas is the reason that the domestic economy is sluggish at a time when other economic indicators

suggest we should have strong economic growth. If we look at the changes that have been instituted in Western Australia and picked up nationally we will see how they have undermined confidence and therefore spending and the preparedness of ordinary people to invest in this State and in their future.

A number of business publications refer to the issue of confidence and how it has been shattered. I refer to a publication that reported on how changes introduced by the coalition Government have damaged confidence among the work force. An article in the *Western Australian Business News* reads -

In WA, the industrially-weak - especially part-timers in retail with no experience in negotiating with management - have complained at falling incomes and bemoan the trend towards individual contracts.

That comment was not made in a union publication by a member of the Labor Party or by anybody associated with what one might consider to be the Labor side of the politics. It was made in the *Western Australian Business News*, 4 - 17 September 1997. An article in this business newspaper traces the reason for the fall in confidence. It points out that if people do not have confidence in the domestic economy, if employees and small business proprietors are not confident about the future of their businesses, families or capacity to afford their homes and living standards they will not invest in the future. If they do not invest and people do not spend the economy will not generate the jobs that it could otherwise generate.

This Western Australian business publication accepts that the changes introduced by the state coalition Government have led in this State to falling incomes and to employees being worried about the prevalence of individual contracts. Therefore, this Government's legislative changes and the changes that have been so forcefully put in place by the coalition are having a marked effect on confidence and on Western Australian business, particularly that which relies on the domestic economy. The concern about the economy slowing, particularly the domestic economy, is not simply a matter that affects employees. It is instructive to examine the survey in August 1997 of small business entitled "Small Business Index", in which the economic outlook and perceptions of the outlook by small business are discussed. The survey is a broad one encompassing not only Western Australia, but also other States. Under the heading "Economic Outlook" the survey reveals -

Small businesses' perceptions of the economy remain strongly negative, with more than 80% of proprietors surveyed in August seeing the economy in recession or at a standstill.

Small businesses in Victoria and South Australia are the most positive in their assessment of the current state of the economy but most negative in Queensland and the Northern Territory.

They are strong negative views about the future from small business. Why is that the case when so-called other reforms are being put in place which are assisting small business? It is because of an incoherence of the change. We should consider that aspect. On the one hand, the Federal Government has said, just as the State Government has said, that it will help small business by removing compliance costs. That statement was made and repeated, and the Small Business Development Corporation has set up red tape forums and considered those issues. What did the Government do to pursue that agenda? It passed payroll tax legislation which expands the base and the complexity of assessing payroll tax. That is, it includes in the payroll tax legislation requirements to assess superannuation and fringe benefits. I am pleased to see that a number of members on the coalition benches are nodding their heads.

The situation has changed from a difficult calculation to a somewhat impossible calculation. Small business asks what is the Government doing. It is supposed to be reducing red tape, but it is going backwards. I tell small business that I do not know; that normally the Government is trustworthy on these matters but it is going the wrong way. Small business is not alone. Look at the Federal Government's imposition on small business. That Government cuts red tape by imposing on each small business, each employer who employs one or two people, a requirement to give all new employees the option of joining any of five superannuation funds. Therefore, the employer will sit with each new worker and explain each fund, and if the employee says that he will join fund A, B, C or D the employer must make the deduction for that fund and send the cheque at the end of the month.

Mr Bloffwitch: We have been doing that all along.

Mr BROWN: But not at that level. This Government and the member's federal colleagues were supposed to be reducing red tape. I fail to see how that is reducing red tape, particularly on the superannuation fund issue. It is not reducing red tape, because the federal coalition has bowed to the financial institutions to ensure they get some superannuation money, and transferred the obligation to small business. Is it any wonder that people scratch their heads and say they cannot work it out, while the economy is subdued, and the inflation rate and interest rates are low, and they ask why the economy does not pick up. The economy does not pick up because the average worker does not have the confidence to spend. The ordinary working people who have a job are putting their money into house repayments. They are not spending money on goods and services; they are paying off their homes as quickly as possible because they do not know whether they will have a job in six months, 12 months or two years.

That insecurity is pervasive, because gone are the days when a person working in the public sector had a job for life if he did the right thing. Gone are the days when workers in the banking sector who did the right thing had a job for life. Gone are the days when a person with a job in the mining industry who did the right thing by the boss, and the boss made money, had the job for the rest of his life. Those days are gone, partly as a result of industry restructuring but primarily as a result of legislation introduced by the coalition Government which is now biting the domestic economy and will continue to bite because of the drop in confidence levels by workers and small business.

MRS van de KLASHORST (Swan Hills - Parliamentary Secretary) [10.16 pm]: I wish to deliver a message from the Western Australian wine industry to the Government and to voice that industry's major concerns. We are all very aware that on 6 August 1997 the High Court brought down a decision which affected the wine industry due to the fact that this State Government could not collect tax. That ruling has major implications for the Western Australian wine industry, indeed for the wine industry throughout Australia.

My major concern is for all wineries but especially those in my electorate. The Swan Valley, which is one of the best wine growing areas in the State, is in my electorate. We also have a great fledgling hills wine association. I think there are five hills wineries in my electorate, but I believe there are about 20 wineries altogether in the hills, and the decision by the High Court will affect each of those wineries. After the High Court decision the Commonwealth Government must now collect a wholesale sales tax of 41 per cent on each bottle of wine produced in Western Australia. Unfortunately that is 15 percentage points higher than the previous tax of 26 per cent that the wineries paid. The main problem is that the local wine tax has increased overnight.

When the Federal Government introduced the package on 6 August 1997 it was clear that the Commonwealth would collect this tax on behalf of State Governments. At the Commonwealth's insistence each State had to make a commitment that any additional revenue would, as far as possible, be returned to the producers, to avoid any major price increases for the consumer. The Western Australian wine industry is looking to this Government to reinstate the 15 per cent wholesale tax refund so that the industry will not be disadvantaged by the High Court decision, compared with other States, because wine is produced in almost every other State.

Ms Warnock: Less wine is produced here.

Mrs van de KLASHORST: Two per cent of the nation's wine is produced in Western Australia. We must look after our fledgling wine industry because it is a major growth industry.

Mr Kierath: Some of the best wine is produced here.

Mrs van de KLASHORST: Yes. Not only is wine produced and sold for consumption but the wine industry is a major tourist attraction in this State. I hate to say this because I am a Swan Valley person, but Margaret River produces beautiful wines, as does Albany. However, the best wines are produced in the Swan Valley and hills areas.

Mr McGowan: What about Baldy's wines?

Mrs van de KLASHORST: They are very good too. I have had a couple of bottles of those wines in my day.

One of the great things about this industry is the fact that the wineries not only produce wine, but also use that wine to increase tourism into Western Australia. Tourism is one of the major growth industries in Western Australia, and the wineries are an integral part of this tourism. The wineries also educate the public in the growing of vines and wine making, and they promote wine consumption in moderation and educate people about how to drink wine safely and properly. They are involved in many promotions of wine throughout the State.

I want to talk first about cellar door sales. The Premier said in this House yesterday that he would try to rebate to the wine industry the 15 per cent wholesale sales tax on cellar door sales. The Government of Western Australia has previously refunded that 15 per cent tax in order to stay in line with the other States. If that tax were added to cellar door sales, the price of those wines would increase. The wine industry has welcomed the statement that the State Government will rebate the wholesale sales tax for cellar door sales, and the industry is asking the Government to reinstate all previously exempt cellar door sales so that it can continue to support the tourism industry in this State.

One problem that has not yet been determined is mail order sales. The wine industry and wineries in the Swan Valley regard mail order sales as an extension of cellar door sales, where people come into the valley to do some wine tasting, buy some wine and ask for that wine to be sent by mail order, perhaps overseas or interstate.

I will tell members a short story. I visited the Hunter Valley in New South Wales a number of years ago. Recently I received a telephone call from the chief wine grower in the Hunter Valley who said that he and his wife and some other couples would be visiting Perth and would like to tour the Swan Valley, so we hired a 10 seater bus because there were five couples and I took them around the Swan Valley for a day's wine tasting. The Hunter Valley, as most people would know, is renowned for its chardonnay, yet when we got to Evans and Tate in the Swan Valley, they

loaded up the bus with Evans and Tate chardonnay, which I felt was a compliment to the quality of the wines being grown not only in the Swan Valley but also in Margaret River.

Mr Osborne: I bet the wine did not make it back to New South Wales!

Mrs van de KLASHORST: I will not comment on that, but they bought a considerable amount. They also bought wines from other wineries.

In all circumstances in Western Australia, mail order sales are an extension of cellar door sales and are genuine cellar door sales. Over half of the 153 wineries that are operating in Western Australia are small producers, which means that they produce under 50 tonnes a year. Those wineries rely on cellar door and mail order sales for the majority of their income. Direct mail order is a natural extension of the relationship which develops between the wineries and purchasers at the cellar door; therefore, the industry maintains that mail order sales should also be exempt from the 15 per cent wholesale sales tax and is asking the Western Australian Government to acknowledge the role that is played by mail order sales and to reinstate mail order as a genuine cellar door sale to enable the full rebate of 15 per cent to be applied.

It is interesting to note that the South Australian, New South Wales, Tasmanian and Queensland Governments have announced that direct mail order sales will be treated in the same way as cellar door sales. The Victorian wine industry is still in discussion with its Government and as at today no announcement has been made, but it believes that this will also be the case for Victorian wineries. We would be out of step with the remainder of Australia if we did not rebate the 15 per cent wholesale sales tax.

The second section is wineries with restaurants. Most people would know that two years ago, Lamont Winery, Restaurant and Gallery, one of the wineries and restaurants in the Swan Valley, won the Australian award for the best winery restaurant in Australia. Several of the Gold Plate Award winning restaurants are in the Swan Valley, such as Dear Friends, and the hills have other winery restaurants such as Darlington Estate Winery, which is also a quality restaurant. As a person who lives in the hills and represents the Swan Valley, I believe I live in the most wonderful place because I have five Gold Plate Award winning winery restaurants within a few kilometres of where I live, and it is nice to live in such an area. I always maintain that people who live in the hills or the Swan Valley live in 'God's own place', and many people spend the whole year saving up to spend two weeks enjoying the lifestyle that we enjoy every day.

Mr Cunningham: You are biased!

Mrs van de KLASHORST: Of course I am biased. I have lived there for 30 years. If I was not biased towards my electorate, something would be wrong!

It should also be realised that as with mail order and door sales, wines that are sold at places like Lamont's restaurant and Jane Brook Restaurant, or at any wineries that produce wine from vineyards on their premises and sell it in their restaurants, should also be considered as part of cellar door or mail order sales and be granted an exemption from the 15 per cent wholesale sales tax. Wineries are a major tourist industry. People who come to this State from overseas or interstate have a meal at a winery and drink the wine produced at that winery during their meal. These sales are a fairly major part of the sales of many of the wineries in Western Australia. The industry again asks the Government to acknowledge the interrelationship between cellar door sales and on-premise restaurant sales by reinstating the full 15 per cent rebate for this item.

Last week I met with people from a number of wineries who had invited me to discuss this issue with them and I was rather surprised to be told that one reasonably large winery uses 8 per cent of its annual stock for what it calls "application to own use". It uses this for consumer production stock, for wine donated to charitable and community organisations, and for tastings at wine shows and at the cellar door. Smaller wineries usually give away between 2 per cent and 4 per cent of their stock, or use it for free tastings at the door. This stock should definitely not be subject to the 15 per cent wholesale tax.

There has been ongoing discussion between the wine industry and the Commonwealth Government for some time that the original 26 per cent tax should not have been applied to stock that is given away because it is not equitable, and the industry can demonstrate that in most other industries no sales tax is paid on sample goods due to the use of bonus trading terms which effectively deliver the goods into the hands of retailers free of wholesale sales tax. This part of the wine industry is currently taxed at 26 per cent. Under the High Court order, this will be increased by 15 per cent. The industry is urging the Government to reinstate the rebate for wine classified as "application to own use". Recognition is sought of the important role that cellar door tastings play in regional tourism, employment and education.

Should the State Government reinstate all rebates or even those it has already announced - that is, the cellar door

tasting rebates - that would avoid a detrimental effect on cashflow for wineries. If there is a time limit from when the rebate is reinstated and if the wineries are required to pay the Commonwealth in advance, there will be problems. In one instance a small winery would have to find \$80 000 that it has never had to find previously. That will prove difficult for many smaller wineries.

As the South Australian Government has committed itself to pass on all rebates electronically on the day that the wholesale sales tax is paid to the Commonwealth, the wine industry is asking the Western Australian Government to recognise the cashflow implications of the tax collection changes and to commit to providing rebates electronically on the day that the wholesale sales taxes are remitted to the Commonwealth. This is a solution to the time and the cashflow problem that will allow these businesses to remain viable. If it does not happen, many will be hit with major cashflow problems.

I refer members to the small business exemptions. The 15 per cent increase in sales tax on alcoholic beverages will mean that some businesses that currently do not pay sales tax because of the small business exemption, as a result of the creep, will now be above the threshold and will be liable for that sales tax. The wholesale sales tax threshold was previously \$38 000 per annum, but it now drops to \$24 000. Therefore, these businesses will be subject to sales tax on their inputs and will be paying double taxation. They will lose the previous SBE threshold, so they are also asking the Government to take that into consideration.

In the space of 30 years in Western Australia, wine production has grown from a cottage industry to a key element of the Australian wine industry. We produce less than 2 per cent of the national total, but 25 per cent of the premium bottled wine sold for more than \$15. That accounts for almost \$10m in exports from this State. This industry has achieved national and international significance and has done much for Western Australia. It involves just a few hundred people who, along with their sponsors, by their endeavours have developed skills and applied financial resources to the industry. This is a labour intensive industry developed by small business.

The Government has already recognised the value of wineries. I point to the Swan Valley planning legislation introduced in the Parliament two years ago. The Government has also supported many other aspects of the industry, including implementing a strategic plan. The Government, working with the producers, is trying to optimise business and the operating environment for premium wine production in Western Australia. It is looking to maximise Western Australia's competitive advantage and develop markets. This is a growing, environmentally benign industry that is developing a very strong manufacturing base for Western Australia. On those grounds I ask that the Government consider the whole issue with a view to reinstating the 15 per cent rate.

MR MCGOWAN (Rockingham) [10.34 pm]: In addressing the Loan Bill what I have to say is a matter of great importance to this place. I have come upon a situation being perpetrated by a bureaucracy in this State, which is somewhat obscene and which impinges on all of us as members of this place. It is my belief that Western Australians are paying too much for their drivers' licence fee both annually and five yearly.

On 26 August this year the Legislative Council struck down a number of increases in drivers' licence fees on the basis that they were a tax and therefore ultra vires the capacity of the Department of Transport.

Mr Bloffwitch interjected.

Mr MCGOWAN: It is nothing to do with that. I am sure members will recall that the increases sought were from \$26 to \$29 for an ordinary one year drivers' licence fee and from \$90 to \$92 for the five year licence fee.

However, the Department of Transport is not only still applying the increased levels of drivers' licence fees but also has increased them above the \$29 and the \$92 limit. Western Australian motorists are paying \$30 for their one year drivers' licence and \$95 for their five year drivers' licence.

Mr Bloffwitch: It makes you wonder how that can be so.

Mr MCGOWAN: It does make us wonder how the bureaucracy can be running roughshod over the expressed intentions of a democratically elected House of this Parliament. It is an outrage. If this Parliament cannot tell the bureaucracy what to do, who can?

Mr Osborne: We have never been able to tell the bureaucracy what to do.

Mr MCGOWAN: I will outline the legal aspect so that members understand what took place in the upper House on 26 August. The Legislative Council decided that the increases in the drivers' licences fees brought into operation in May of this year of \$3 and \$2 respectively were a tax.

Mr Bloffwitch: What were they called?

Mr MCGOWAN: There is a concept of law whereby only the Parliament can impose taxes. If the bureaucracy of

its own accord decides to impose fees, unless those fees are authorised by Statute, they are ultra vires the capacity of the bureaucracy except in one situation; that is, where it is a fee for service. A fee for service is able to be imposed by the bureaucracy across a range of government departments, both commonwealth and state, where a service is performed by the bureaucracy which benefits an individual and the cost of the service relates to the fee charged. That is permitted under the law. However, it has been determined by a series of court judgments that if the fee charged by the bureaucracy is higher than the actual cost of the service provided, the fee becomes a tax and it is not within the capacity of a department to impose it. The Legislative Council in August this year decided that the cost increases justified by the department as a fee for service were not in fact a fee for service, but were a tax and, therefore, unlawful.

Mr Baker: Was the Council sitting as a duly constituted court of law?

Mr McGOWAN: I did not think the member for Joondalup would need me to explain that the Legislative Council has the capacity to disallow regulations.

Mr Bloffwitch: As we do.

Mr McGOWAN: Yes, the Legislative Assembly has that capacity. The cost increases being imposed by the Department of Transport relate to different styles of drivers' licences to be issued to motorists in Western Australia. In the coming five years certain security measures and photographic information will be included in drivers' licences that are more technically advanced than the current licences, and will include holograms and such things. The fee was supposed to cover the cost of those new licences, but the service is not yet being provided. In effect, motorists paying for those licences now may never receive a benefit from paying that fee.

The Legislative Council, having regard to a range of legal opinions - it was not acting without examining a number of authorities - decided that the increases exceeded the cost of the service provided, simply because no service was being provided. Secondly, it decided that the benefit would be in the future and, thirdly, that there was no nexus between the reasonable cost of administering the service and the actual cost being imposed. In other words, there was no reference to the service being provided, and people were paying for a benefit they did not receive. The upper House struck out those regulations.

However, motorists are still paying those increased fees. In addition, in the meantime those increases have been further increased and from 1 July this year motorists must pay \$30 for a one year licence - an additional \$1 on the \$3 increase disallowed - and \$95 for a five year licence - an additional \$3 increase on the increase of \$2 already disallowed. In effect, Western Australian motorists are paying \$4 too much for a one year licence and \$5 too much for a five year licence. I have calculated the cost to Western Australians. People may think it is not much money, but the Department of Transport is raking in approximately \$20 000 a day which it is not authorised to impose. Those increases have not been authorised by this Parliament, and the department has been told it should not raise the extra funds through fees for drivers' licences.

I will explain how I made that calculation. In Western Australia approximately one million people have a driver's licence which must be renewed each year and I have calculated that Western Australian motorists are being ripped off by the Department of Transport to the tune of approximately \$20 000 each working day. It is an absolute outrage and should not be permitted. I will explain the reason this has occurred. Firstly, the Department of Transport has taken it upon itself to ignore the wishes of the Parliament. Secondly, it has used an arcane, mixed up, polyglot method of reasoning to reach the conclusion that it is able to ignore the wishes of the Parliament. It did that by saying that the Parliament struck down the increase which was imposed in May this year. However, before this Parliament did that another increase came into effect in July. The department is saying that that increase should apply on top of the increase that was struck down in May. That smacks of the Department of Transport blithely ignoring the wishes of a democratically elected Parliament. It is a matter of grave concern and one about which the Commission on Government spoke at length. It said that the Parliament should be supreme in the Westminster system of democracy. The mistakes of the past were the result of the Executive wielding too much power.

In this instance the Department of Transport, an arm of the Executive, ignored the will and wishes of the democratically elected upper House of this Parliament. There are two reasons for this. Firstly, the Department of Transport is either acting outside the knowledge of the Minister for Transport, in which case the department should be swiftly pulled into line, or the Minister has accepted the reasoning put forward by the Department of Transport to wriggle out of the ruling of the upper House. Either way there is something rotten about this and something should be done about it in the interests of Western Australian motorists.

My second concern came to light in the aftermath of the High Court judgment which essentially was that the techniques used by the States to impose certain types of taxes were outside the control of the States and it struck down all sorts of things; for example, petrol and cigarette excises. Following that decision the Minister for Transport

announced that the Kwinana Freeway extension south would again have to be delayed. It is unacceptable and unfair that yet again the southern suburbs of Perth have come off second best while other suburbs are not subject to the same pressures.

It is demeaning of the Minister to issue a press statement that the freeway south extension may be delayed for 10 years when it appears that commonwealth funding will be available to allow an immediate start on the Mitchell Freeway north extension. The Minister should treat this as a matter of urgency and take it up with the Commonwealth Government to ensure that the southern suburbs are treated fairly and are not, yet again, the bridesmaids to the rest of the State.

Debate adjourned, on motion by Mr Osborne.

House adjourned at 10.50 pm

QUESTIONS ON NOTICE

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

EDUCATION - LANGUAGES OTHER THAN ENGLISH

Budget Allocation

1407. Ms WARNOCK to the Minister for Education:

- (1) What financial or other resources have been allocated in the budget of the Education Department or the curriculum branch to ensure that all ethnic schools who wish to participate in the 10 June 1997 Languages Other Than English (LOTE) program can do so?
- (2) What financial or other resources have been allocated to assist other groups, which do not have language classes at present, to develop skills to establish new classes and programs?
- (3) When will the Minister release the Curriculum Council's *Learning Area Statement on Languages Other Than English*?
- (4) Will the Minister also release the report to the interim Curriculum Council from the Languages Other Than English community reference group as part of the above report?
- (5) Who are the members of the above community reference group?
- (6) What is the qualification and criteria for membership of this group?
- (7) What steps have been taken by the Education Department to maximise Western Australia's share of the federal money available for language insertion classes?
- (8) Is the Education Department planning to discontinue any language insertion classes because of the lack of availability of federal money for these classes?
- (9) If this is the case, will the Minister allocate funds from the State education budget to ensure that all insertion language classes at present will not be discontinued?

Mr BARNETT replied:

- (1) The 10 June 1997 LOTE program referred to in the question is unknown. The Education Department has a list of 12 priority languages (Aboriginal languages, Chinese, French, German, Indonesian, Italian, Japanese, Korean, Modern Greek, Spanish, Thai and Vietnamese). These languages receive Education Department support for their teaching during school hours as part of the curriculum of Education Department primary and secondary schools.

The Education Department also allocates funds to community groups (or ethnic schools) to conduct after hours classes in some 26 languages. All school-aged children are eligible to attend these classes. In 1997 \$1.203 million was allocated to this program from State Government funds and \$215,718 from Commonwealth funds. Another \$45,000 of Commonwealth funding was allocated to the professional development of ethnic schools' teachers.
- (2) Advice and support, but no funding, is provided to schools which require assistance in establishing new programs. New ethnic schools are accepted into the program at the beginning of each year once they meet the eligibility requirements. These schools are funded at the rate of \$35 per student per year from State Government funds and \$20 per student per year from Commonwealth funds.
- (3) The Curriculum Framework was released on 30 July 1997 for a six month public consultation period. The Learning Area Statement on Languages Other Than English is a part of the Framework. However, it is important to note that this Statement is not a stand alone document. It is directly linked to the Curriculum Framework's Overarching Statement and to the Learning Area Statements for The Arts, English, Mathematics, Health and Physical Education, Science, Society and Environment and Technology and Enterprise.
- (4) No. The views of the Community Reference Groups for Languages Other Than English have been taken into account in the development of the Learning Area Statement for Languages Other Than English. The Community Reference Group has now endorsed that Statement for public release.

- (5) Mr Alan Blanckensee (Chair)
Mr Graham Bean
Ms Barbara Blackburn
Mr James Chong
Ms Laurel Johnson
Mr Michael Kailis
Mr Carmelo Musca
Mr Nick Agocs
Ms Kathy Trimmer
- (6) The members of the Community Reference Group for Languages Other Than English were selected from a list of applicants responding to a public advertisement for expressions of interest and from nominations by the education sectors. The Members were selected on the basis of community involvement, expertise and balance of interest in Languages Other Than English.
- (7) Commonwealth funding for ethnic schools' programs is currently under review and the Education Department is undertaking negotiations with the Commonwealth on this issue.
- (8)-(9) Insertion classes will not be discontinued. The Education Department will transfer responsibility for Italian and Modern Greek insertion classes from Italian and Greek community organisations to the direct control of the Education Department. This is not due to lack of funding from any source, but due to a desire to ensure that all languages taught in government schools maintain optimum standards of teaching, curriculum and learning outcomes. The change of control from community groups to the Education Department will occur gradually, as part of the LOTE 2000 strategy, with full implementation by the year 2000. More funding will be available and teachers will be paid Education Department salaries, instead of the comparatively low rates of pay they currently receive. This change of control will also make more funds available to after hours ethnic schools programs.

TOURISM - TOURISTS

Statistics

1433. Mr BROWN to the Parliamentary Secretary to the Minister for Tourism:

- (1) Further to question on notice 176 of 1997, can the Minister advise when the review of visitor targets for 1997-98 and the following years to 1999-2000 will be completed?
- (2) What are the existing target figures up to the year 1999-2000?

Mr BRADSHAW replied:

The Minister for Tourism has provided the following response:

- (1) The Tourism Forecasting Council of Australia (TFC) did not publish international forecasts for Australia until April 1995. Domestic forecasts were not published until December 1995. In the absence of other data in early 1995, the WATC developed 'targets' which reflected the projected expectations and goals for international and domestic tourism in Western Australia. Since then, the TFC forecasts have become the 'standard' for Australian tourism forecasts and are a reflection of what is believed will occur, rather than what is being aimed for. The TFC forecasts are reviewed annually and are currently available until the year 2006. In line with the Australian Tourist Commission, the Office of National Tourism, the Bureau of Tourism Research and State/Territory tourism authorities and the tourism industry Australia-wide, the WATC has moved to adopt the TFC 'forecasts' rather than 'targets' as the standard for projected visitor numbers. Accordingly, forecasts have been developed using the existing sources of the TFC forecasts, in conjunction with BTR estimates of WA market share for both international and domestic tourism.
- (2) The forecasts for the years to 2001 are:

International Visitor Forecast ('000)
Western Australia
1997 to 2001

Actual Forecast

Origin	Destination	1996	1997	Year 1998	1999	2000	2001
Singapore	WA	78	86	94	102	109	116
Malaysia	WA	40	45	52	57	62	66
Indonesia	WA	54	65	77	90	104	121
Thailand	WA	18	19	21	25	29	34

Hong Kong	WA	8	9	10	11	13	14
South Korea	WA	1	1	1	1	2	2
Taiwan	WA	2	2	2	3	3	3
China	WA	3	3	4	5	6	7
Other Asia	WA	15	17	19	22	24	27
Japan	WA	51	54	59	65	71	78
UK (1)	WA	90	94	99	109	116	124
Germany	WA	24	24	25	27	30	32
Other Europe	WA	56	59	63	68	74	79
New Zealand	WA	39	40	40	41	43	44
North America	WA(2)	36	38	39	41	45	48
All Countries	WA	529	568	613	669	733	793

(1) UK excludes Ireland

(2) Based on WA market share for USA only. (Forecasts of major international markets only).

NOTES:

- WA forecasts are based on Tourism Forecasting Council (TFC) national origin market forecasts
- WA State market share (1996) of visitors from origin markets is applied to TFC national origin market forecasts
- WA State market share (1996) of visitors is assumed to remain constant throughout the forecast period

Domestic Visitor Nights Forecast ('000)
Western Australia
1997 to 2001

Actual Forecast

Origin	Destination	1995	1996	1997	Year 1998	1999	2000	2001
Interstate	WA	7289	7298	7484	7620	7727	7816	7923
Intrastate	WA	18430	18489	18962	19305	19577	19804	20073
Total Domestic	WA	25719	25787	26446	26925	27304	27620	27996

NOTES:

- WA forecasts are based on Tourism Forecasting Council (TFC) domestic visitor night State forecasts
- WA's origin market (interstate and intrastate) proportion (1995) of domestic visitor nights are applied to TFC domestic visitor night forecasts. WA's interstate proportion of visitor nights in 1995 was 71.7% and intrastate proportion 28.3%
- WA origin market (interstate and intrastate) proportions of visitor nights are assumed to remain constant throughout the forecast period
- TFC revised forecasts are due at the end of 1997

TOURISM - EVENTSCORP

Board Members

1438. Mr BROWN to the Parliamentary Secretary to the Minister for Tourism:

- (1) Further to question on notice No. 635 of 1997, was the number of members on the advisory board for EventsCorp extended either late last year or earlier this year?
- (2) How many members have there normally been on the advisory board?
- (3) If the advisory board membership has been extended, what is the purpose of the extension?
- (4) Has the Tourism Commission/EventsCorp received any special or extra funding from Cabinet to financially assist events over the last three years?
- (5) What is the nature of the events provided with such financial assistance?
- (6) How much was provided for each event?

Mr BRADSHAW replied:

The Minister for Tourism has provided the following response:

- (1) No. The two most recent members of the EventsCorp Advisory Board are Phillip Neck who was appointed in February 1997 and Hallam Pereira who was appointed in April 1997.
- (2) The maximum number of Advisory Board members is ten. There are currently nine members of the EventsCorp Advisory Board.

(3) Not applicable.

(4) Yes.

(5)-(6) Supplementary event funding over the past three financial years was as follows:

Event	1994-95	1995-96	1996-97
	\$	\$	\$
1995 Abilympics (1)	143 000	213 000	
1997 World Track Cycling Championships (2)	30 000	200 000	160 000
1997 World Dance Congress	215 000	215 000	
Whitbread Around the World Race 1997-98 (3)		50 000	100 000
1997 Triathlon World Championships (4)		225 000	460 000
1996 Hopman Cup		confidential	
1997 Hopman Cup			confidential
1997 Windsurfing World Championships (5)			85 000

(1) This event received supplementary funding of \$614 433 prior to 1994-95

(2) This event will receive supplementary funding of \$410 000 in 1997-98

(3) This event will receive supplementary funding of \$350 000 in 1997-98
Funding of \$250 000 is provided by EventsCorp.

(4) These events will receive supplementary funding of \$715 000 in 1997-98

(5) This event will receive supplementary funding of \$165 000 in 1997-98
Funding of \$50 000 is provided by EventsCorp.

LEEUEWIN SAIL TRAINING SHIP - FUNDING

1539. Mr PENDAL to the Parliamentary Secretary to the Minister for Sport and Recreation:

(1) Is the Minister aware that the sail training ship *Leeuwin* is facing financial difficulties following withdrawal of Commonwealth Government funding which previously existed under its contract with the Department of Employment, Education, Training and Youth Affairs?

(2) Has the State Government been approached about assisting with funding, even of a temporary nature, for the vessel?

(3) If so, what is the Government's response to such a request?

(4) If financial assistance is to be provided by the Government, when is this likely to take place?

Mr MARSHALL replied:

The Minister for Sport and Recreation has provided the following response:

(1)-(2) Yes.

(3) The Government is working very actively with the *Leeuwin*, with the aim of ensuring that this valuable resource is retained in Western Australia.

(4) This will depend on the outcome of current discussions.

SCHOOLS - COMPUTERS

Budget Allocation

1441. Mr BROWN to the Minister for Education:

(1) In the 1997-98 State Budget how much is provided for the provision of technology/computers in class rooms?

(2) How much was provided in the 1996-97 Budget for this purpose?

(3) How much will each school receive from the amount allocated?

Mr BARNETT replied:

(1) The following amounts were included in the 1997/98 State Budget for the provision of technology/computers in classrooms:

Technology Focus Schools Project	\$1 million
Internet in the Curriculum Project	\$2.5 million
Repairs and replacements of computers in classrooms	\$1.6 million
Graphics calculators (Note)	\$150,000
Computers in classrooms (increase in base allocation)	\$1.12 million
Library automation	\$550,000

Note: The Department has approved the reallocation of this funding (\$600,000 over four years) into a single financial year 1996/97.

- (2) The following amounts were included in the 1996/97 State Budget for the provision of technology/computers in classrooms:

Technology Focus Schools Project	\$1 million
Internet in the Curriculum Project	\$2.5 million
Innovation in the Classroom Project	\$450,000
Repairs & replacements of computers in classrooms	\$1.6 million

- (3) Schools receive funding based on their student populations. In addition to the above specifically targeted funding, the Department's budget up until 1996/97 provided for a centrally funded "fleet" of computers based upon a ratio of:

- one computer per 40 students in each secondary school;
- one computer per 100 students in every primary school,
(schools with student numbers less than 100 receive one computer per 50 students).

The additional funds provided in 1997/98 mark the start of a four year initiative to double the ratio of computers to students (ie, one computer per 20 students in secondary schools and one computer per 50 students in primary schools). It should be noted that this "fleet" funding is supplemented by specific purpose technology funding (eg. Internet in the school) and that flexibility is provided through the general purpose school grant to supplement the equipment base in the school.

SCHOOLS - CLASS SIZES

Reduction - Budget Allocation

1442. Mr BROWN to the Minister for Education:

- (1) How much has been allocated in the 1997-98 State Budget to reducing class sizes?
- (2) Which years will have class sizes reduced?

Mr BARNETT replied:

- (1)-(2) While there were no funds allocated in the 1997/98 budget to enable a reduction in class sizes, the government is addressing this issue in other ways. As part of the Government School Teachers Enterprise Agreement 1996 it was agreed that the Department would commission a study of the literature relating to class sizes. This is being conducted by Professor Cuttance of the University of Sydney and will be completed in October. A reduction in class sizes, as announced in November 1996, will commence in 2003 as a result of the change to the entry age cut-off date. In 2001, the year in which the new cut-off date is introduced, about half the usual number of children will enter kindergarten. This opportunity will be used to reduce class sizes in Years One and Two, the years in which research demonstrates smaller classes have the greatest educational benefit. Implementation of reduced class sizes in these years will begin in 2003 when the reduced cohort of children moves into Year One. Prior to 2003 the Government is adopting a more flexible approach to class size. For example, the new staffing formula, which was announced by the Director-General of Education recently, provides opportunities for schools to reduce class sizes using staffing resources allocated from within the total staffing allocation to schools. Principals will also be able to create mixed age classes to reduce class sizes. For example, a class of 30 students and a class of 20 students could be reformatted into two mixed aged classes of 25 students each.

SCHOOLS - PORT HEDLAND

Ovals - Improvement

1515. Mr GRAHAM to the Minister for Education:

- (1) Have additional resources been allocated to improve the ovals in the schools in the Port Hedland area?
- (2) If so -

- (a) which schools received additional resources;
- (b) on what dates were the additional resources allocated;
- (c) how much was allocated to each school;
- (d) for what particular purpose was the allocation made;
- (e) for what period were the additional resources made available;
- (f) what form have the additional resources taken?

(3) If not, when will additional resources be allocated?

Mr BARNETT replied:

(1) Yes.

(2) (a) Hedland Senior High School, South Hedland Primary School, Cassia Primary School, Baler Primary School, Cooke Point Primary School.

(b) Funding for the rectification of the school ovals was sourced from a number of different budgets: Reticulation consultancy, connection to scheme water and oval earthworks were funded from the 1996/97 Capital Works Program. Reticulation repairs were funded from the 1996/97 Major Breakdown Maintenance.

Weed spraying was and is still being funded from the 1996/97 Pest and Weed Control in Schools.

Training of school gardeners was funded from the 1996/97 Gardening Services. This funding is ongoing for schools throughout the State.

(c)-(d) Hedland Senior High School received \$39,563.00 for reticulation consultancy, weed spraying, reticulation repairs, maintenance, plus installation of scheme water attachments. Work included oval resurfacing, reticulation repairs, installation of scheme water back-up system, weed spraying, training of grounds maintenance staff.

South Hedland Primary School received \$21,593.00 for reticulation consultancy, weed spraying, reticulation repairs, maintenance, plus installation of scheme water attachments. Work included oval resurfacing, reticulation repair, installation of scheme water back-up system, weed spraying, training of grounds maintenance staff.

Cassia Primary School received \$30,034.00 for reticulation consultancy, weed spraying, reticulation repairs, maintenance. Work included resurfacing oval, repair reticulation, weed spraying, training of grounds maintenance staff.

Baler Primary School received \$16,700.00 being reticulation consultancy, weed spraying, reticulation repairs, maintenance. Work was done to repair reticulation, weed spraying, training of grounds maintenance staff.

Cooke Point Primary School received \$5,101.60 for over-seeding of oval, reticulation repairs. Work included repair reticulation, over-seeding of the oval, training of grounds maintenance staff.

(e) The additional resources were allocated in the 1996/97 financial year. However, weed spraying will be continued in 1997/98 and subsequent years, and the benefits of reticulation upgrade and staff training are ongoing.

(f) Oval resurfacing, reticulation repairs, installation of scheme water back-up system, weed spraying, training of grounds maintenance staff.

(3) Not applicable.

SCHOOLS - PRIMARY

Mundaring - Effect of New Staffing Formula

1706. Mr RIPPER to the Minister for Education:

- (1) Is Mundaring Primary School likely to lose at least 0.4 teaching staff as a result of the application of the new staffing formula in 1998?
- (2) Will this reduction in teaching staff mean a reduction in the specialist programs provided by the school?
- (3) Is it the case that the new staffing formula discriminates against medium and large schools like Mundaring Primary?

Mr BARNETT replied:

- (1) No. Based on the current enrolment, Mundaring Primary School would lose 0.3 teaching staff.
- (2) The school will have a total staffing allocation and the principal has the responsibility for deciding how these resources are used to meet the identified needs of students.
- (3) No. The new formula provides a more equitable distribution of available resources than the current formula.

SCHOOLS - PRIMARY

Tuart Hill - Lease of Buildings

1714. Mr RIPPER to the Minister for Education:

- (1) What is the value of the former Tuart Hill Primary School buildings now used by the Primary Principals Association as a business centre?
- (2) Have these buildings been leased by the Primary Principals Association on a fully commercial basis?
- (3) If yes, what annual rental or lease payments are being required?
- (4) If no, on what basis have the buildings been made available to the Primary Principals Association?
- (5) What commercial rental or sale opportunities have been forgone in order to make these buildings available to the Primary Principals Association?

Mr BARNETT replied:

- (1) In 1995 the Valuer General's Office valued the former Tuart Hill Junior Primary School administration buildings and land at \$180,000. The costs of excising this portion of the site for disposal were estimated at \$90,000, producing a net value of approximately \$90,000.
- (2) No.
- (3) Not applicable.
- (4) A peppercorn rental is being charged, with the Primary Principals' Association being responsible for outgoings. However, the Association has already spent in excess of \$5,000 to improve the amenity.
- (5) In 1996 the Valuer General's Office determined that a fair market rent would be \$6,000, inclusive of outgoings. It is not known if any sale opportunity has been lost by not advertising the property. However, the Education Department has received no expressions of interest to purchase it. The property intrudes into the school site and there are a number of site impediments that could deter potential purchasers.

GOVERNMENT INSTRUMENTALITIES - ANNUAL REPORTS

Costs

1733. Mr BROWN to the Minister representing the Minister for Finance:

- (1) For each department or agency under the Minister's control, what was the cost of producing the 1995-96 annual report, including -
 - (a) artwork;
 - (b) publication;
 - (c) distribution?
- (2) How do the costs for the 1995-96 annual report compare with the costs associated with the 1994-95 annual report?
- (3) Was the 1995-96 annual report produced wholly within the department or agency?
- (4) If not -
 - (a) what services were provided by contractors;
 - (b) at what cost?
- (5) Who printed the 1995-96 annual report?

- (6) How many copies of the 1995-96 annual report were printed?
- (7) To whom was the 1995-96 annual report distributed?
- (8) Was environmentally-friendly or recycled material used in the production of the document?

Mr COURT replied:

The Minister for Finance has provided the following reply -

Government Employees Superannuation Board

- (1)
 - (a) \$19,579
 - (b) \$ 6,320
 - (c) \$ 1,001
- (2) The 1995/96 Annual Report cost \$2,400 less to produce than the 1994/95 Annual Report.
- (3) No.
- (4)
 - (a) Desktop publishing, photography, typesetting, printing.
 - (b) \$25,899
- (5) Frank Daniels.
- (6) 700.
- (7) The Government Employees Superannuation Board's Annual Report is distributed nationally and internationally, to other superannuation funds, fund managers, other government agencies, superannuation industry bodies and fund members (on request).
- (8) Yes.

State Government Insurance Commission

- (1)
 - (a)-(b) \$21,730 total for both.
 - (c) \$829.
- (2) \$17,673 in 1994/95 for 400 copies.
- (3) No.
- (4)
 - (a) Graphic design, printing, photography.
 - (b) \$21,730.
- (5) Allwest Print Pty Ltd.
- (6) 600.
- (7) Mainly to WA State Government agencies, other insurers, financial and securities institutions.
- (8) Yes.

State Revenue Department

- (1)
 - (a) \$1,120.00
 - (b) \$2,511.00
 - (c) \$ 55.00
- (2) \$1,409.00
- (3) No.
- (4)
 - (a) Artwork and Printing.
 - (b) \$3,631.00
- (5) Park Print.
- (6) 400
- (7) Government agencies, professional bodies, educational institutions and employees of the department.
- (8) Yes.

Valuer General's Office

- (1) (a)-(b) Nil.
(c) \$190.00 postage
- (2) 1994-95 \$3,289
1995-96 \$6,165
- (3) No.
- (4) (a) Printing
(b) \$6,165
- (5) Moore Print, 356A Rokeby Road, Subiaco.
- (6) 450.
- (7) Parliament, Clients, Central Agencies, Staff.
- (8) No.

GOVERNMENT INSTRUMENTALITIES - ANNUAL REPORTS

Costs

1735. Mr BROWN to the Minister representing the Minister for Racing and Gaming:

- (1) For each department or agency under the Minister's control, what was the cost of producing the 1995-96 annual report, including -
 - (a) artwork;
 - (b) publication;
 - (c) distribution?
- (2) How do the costs for the 1995-96 annual report compare with the costs associated with the 1994-95 annual report?
- (3) Was the 1995-96 annual report produced wholly within the department or agency?
- (4) If not -
 - (a) what services were provided by contractors;
 - (b) at what cost?
- (5) Who printed the 1995-96 annual report?
- (6) How many copies of the 1995-96 annual report were printed?
- (7) To whom was the 1995-96 annual report distributed?
- (8) Was environmentally-friendly or recycled material used in the production of the document?

Mr COWAN replied:

The Minister for Racing and Gaming has provided the following reply -

Office of Racing, Gaming and Liquor

- (1) (a) Nil.
(b) \$2,671
(c) \$398
- (2) 1995/96 report was \$435 less than 1994/95.
- (3) No.
- (4) (a) Printing.
(b) \$2,671
- (5) Snap Printing
- (6) 250.

- (7) Liquor authorities in all Australian States; relevant Government agencies and interested parties in the liquor industry.
- (8) 100% recycled paper.

Gaming Commission of WA

- (1)
 - (a) Nil.
 - (b) \$837
 - (c) \$60
- (2) 1995/96 report was \$446 less than 1994/95.
- (3) No.
- (4)
 - (a) Printing.
 - (b) \$837
- (5) Snap Printing.
- (6) 100.
- (7) Casino authorities in all Australian States; relevant Government agencies and interested parties
- (8) 100% recycled paper.

Betting Control Board

- (1)
 - (a) Nil.
 - (b) \$500
 - (c) \$100
- (2) Similar.
- (3) Yes.
- (4) (a)-(b) Not applicable.
- (5) Fineline Print & Copy Service Pty Ltd.
- (6) 100.
- (7) Racing industry organisations.
- (8) Yes.

Racecourse Development Trust

- (1)
 - (a) Nil.
 - (b) \$500
 - (c) \$100
- (2) Similar.
- (3) Yes.
- (4) (a)-(b) Not applicable
- (5) Fineline Print & Copy Service Pty Ltd.
- (6) 100.
- (7) Racing industry organisations.
- (8) Yes.

Racing Penalties Appeal Tribunal

- (1)
 - (a) Nil.
 - (b) \$500
 - (c) \$100
- (2) Similar.
- (3) Yes.

- (4) (a)-(b) Not applicable.
- (5) Fineline Print & Copy Service P/L.
- (6) 100.
- (7) Racing industry organisations.
- (8) Yes.

Burswood Park Board

- (1) (a) \$470
(b) \$1,165
(c) \$25
- (2) 1995/96 report was \$665 less than 1994/95 (100 copies).
- (3) No.
- (4) (a) Printing, artwork, writing.
(b) \$1,885
- (5) Cover: Advance Press. Contents: M&M Print. Artwork: Copy Type & Design.
- (6) 30.
- (7) Government agencies, visitors, private companies.
- (8) No.

Totalisator Agency Board

- (1) (a) \$18,228
(b) \$3,607
(c) \$321
- (2) 1995/96 was \$15,164 more than 1994/95.
- (3) No.
- (4) (a) Cato Design Inc CDC Graphics. Fairplay Print
(b) \$21,835
- (5) Fairplay Print.
- (6) 600.
- (7) State racing and trotting clubs, interested TABs and racing clubs in the Eastern States, and private organisations.
- (8) No.

WA Greyhound Racing Association

- (1) (a) \$657
(b) \$3,462
(c) \$100
- (2) 1995/96 report cost \$501 more than 1994/95.
- (3) No.
- (4) (a) Design, artwork preparation, typesetting and printing.
(b) \$4,119
- (5) Print Image Pty Ltd.
- (6) 250.
- (7) State Treasury, BankWest, SGIC, Minister for Racing & Gaming, Office of Racing, Gaming & Liquor, associated bodies, committees and interested industry participants.
- (8) No.

Lotteries Commission

- (1)
 - (a) artwork) design costs \$ 8,000
 - (b) publication) artwork costs \$ 9,690
 - (c) distribution - by standard mail/personal distribution only. printing costs \$11,901 Total \$29,591
- (2) 1994/95 costs \$28,939; 1995/96 costs \$29,591 - increase of \$602
- (3) No.
- (4)
 - (a) design, artwork, printing.
 - (b) design - \$ 8,000; artwork - \$ 9,690; printing - \$11,901.
- (5) Park Printing Company.
- (6) 750 copies.
- (7) National and international gaming organizations; Western Australian community groups; business organizations; government departments; media; and those wishing to know about the activities of the Lotteries Commission (eg. Job applicants).
- (8) Stock included recycled paper for financial section and grants list.

GOVERNMENT INSTRUMENTALITIES - ANNUAL REPORTS

Costs

1739. Mr BROWN to the Minister representing the Minister for Transport:

- (1) For each department or agency under the Minister's control, what was the cost of producing the 1995-96 annual report, including -
 - (a) artwork;
 - (b) publication;
 - (c) distribution?
- (2) How do the costs for the 1995-96 annual report compare with the costs associated with the 1994-95 annual report?
- (3) Was the 1995-96 annual report produced wholly within the department or agency?
- (4) If not -
 - (a) what services were provided by contractors;
 - (b) at what cost?
- (5) Who printed the 1995-96 annual report?
- (6) How many copies of the 1995-96 annual report were printed?
- (7) To whom was the 1995-96 annual report distributed?
- (8) Was environmentally-friendly or recycled material used in the production of the document?

Mr OMODEI replied:

The Minister for Transport has provided the following response:

Department of Transport

- (1) Total cost - \$26 904.00
 - (a) \$10 500.00
 - (b) \$16 044.00
 - (c) \$ 360.00
- (2) 1994/95 Annual Report production costs were \$23 570.00.
1995/96 Annual Report production costs were \$26 904.00.
- (3) No.
- (4) (i) Writing, editing and print supervision.

- (ii) \$11 970.00.
- (5) Scott Four Colour.
- (6) 1 000.
- (7) Parliament, relevant government agencies, academic institutions, libraries, relevant industry sectors and others on request.
- (8) Yes, paper from plantation grown timber.

Main Roads Western Australia

- (1) (a)-(b) \$22 821.90.
(c) Approximately \$750.00.
- (2) (a)-(b) \$33 140.42
(c) Approximately \$750.00.
- (3) No.
- (4) (a) Production, printing, photographic services.
(b) \$21 211.90
- (5) Production, including printing was undertaken by the Eclipse Group, West Perth.
- (6) 800.
- (7) Members of Parliament, industry, public, Main Roads metropolitan and regional offices, Government agencies and overseas contacts.
- (8) No.

MetroBus

- (1) (a) \$5 984.00
(b) \$4 290.00
(c) \$ 300.00
- (2) Total costs for 1994/95 were \$9 270.00.
- (3) No.
- (4) (a)-(b) Design and production was undertaken by Spencer Group Media at a cost of \$5 984.00. Printing and finishing by Quality Press at a cost of \$4 290.00.
- (5) Quality Press.
- (6) 1 000.
- (7) Members of Parliament, State Government Agencies, selected private companies, suppliers, other operators and copies are made available to all staff.
- (8) No.

Eastern Goldfields Transport Board

- (1)-(2) Approximately \$200.00.
(a) Nil.
(b) Approximately \$100.00.
(c) Approximately \$100.00.
- (3) No.
- (4) (a) Printing and binding.
(b) Approximately \$100.00.
- (5) Thompsons Office Products.
- (6) Approximately 40.
- (7) Department of Transport, Minister for Transport, Auditor General, Politicians (Local), State Libraries, Board Members, City Council (Local), Goldfields Development Commission.

(8) No.

Westrail

- (1) (a) \$ 9 031.00
(b) \$18 532.00
(c) \$ 1 000.00

(2) Costs for the 1994/95 Annual Report were as follows:

Artwork	\$ 6 800.00
Publication	\$27 200.00
Distribution	\$ 1 000.00

(3) No.

- (4) (a) Artwork,
Photography;
Typesetting;
Negative preparation; and
Printing.

(b) \$23 563.00

(5) Scott Four Colour Print.

(6) 1 200.

(7) Clients, suppliers, Members of Parliament, staff, and to members of the public upon request.

(8) Yes.

Fremantle Port Authority

- (1) (a)-(b) \$29 494.00
(c) \$ 1 688.00

(2) \$22 910.

(3) The annual report was researched, written, edited and supervised by the Fremantle Port Authority.

- (4) (a) Design and printing.
(b) \$29 494.00.

(5) P K Print Ltd.

(6) 1 500.

(7) Port customers, relevant Government Departments/Agencies, Local Authorities, Fremantle Port Authority staff, other port authorities, libraries, members of the public on request.

(8) Yes.

Albany Port Authority

- (1) (a) \$6 030.00.
(b) \$3 922.00.
(c) \$ 100.00.

- (2) (a) \$5 790.00.
(b) \$4 039.00.
(c) \$ 100.00.

(3) No.

(4) (a)-(b) Design and printing.

(5) Advance Press.

(6) 500.

(7) Government Agencies and Port Users.

(8) No.

Bunbury Port Authority

- (1) (a)-(c) Combined cost of \$7 485.00.
- (2) 1995/96 report - \$ 7 485.00.
1994/95 report - \$16 800.00.
- (3) No.
- (4) (a) All annual report production services are provided by a printing company.
(b) \$7 485.00.
- (5) Scott Four Colour Print.
- (6) 1 000.
- (7) To all relevant Government Departments and Officials and Port Authority customers such as shipping agents, importers and exporters and service providers.
- (8) The paper used in the 1995/96 report had a content of around 70-80% recycled paper in its production.

Dampier Port Authority

- (1) \$9 700.00.
- (2) 1994/95 cost \$10 100.00.
- (3) No.
- (4) Design, artwork and printing done by contractor for \$9 700.00
- (5) Scott Four Colour Printing.
- (6) 400.
- (7) Port customers, visitors, interested Government agencies, etc.
- (8) Yes.

Esperance Port Authority

- (1) (a) \$18 519.90.
(b) \$ 3 960.00.
(c) \$ 178.00.
- (2) 1995/96 report was \$1 692.60 cheaper than 1994/95 report.
- (3) No.
- (4) (a) Artwork and Publication.
(b) \$22 479.90.
- (5) Autographs Studios Pty Ltd.
- (6) 500.
- (7) To all relevant Government Departments and Officials and Port Authority customers such as shipping agents, importers and exporters and service providers.
- (8) No.

Geraldton Port Authority

- (1) (a)-(c) \$29 169. The contract was granted on a total job basis and therefore no breakdown of specific costing areas are available.
- (2) \$29 090.00.
- (3) No.
- (4) (a) Design, artwork and publication of final documents.
(b) \$29 169.00.
- (5) Frank Daniels Pty Ltd.

- (6) 1 000.
- (7) The Annual Report is distributed to Port users, various Government agencies and used by the Authority as the primary promotional tool to attract new investment and trade into the Mid West Region.
- (8) No.

Port Hedland Port Authority

- (1) Total cost - \$19 630.15.
 - (a) Artwork cost included in publication cost.
 - (b) \$18 220.00.
 - (c) \$1 410.15
- (2) Costs for 1994/95 were \$16 220.30 with artwork and publication costing \$14 920.00 and distribution \$1 300.30.
- (3) No.
- (4) (a) Artwork, printing, and distribution were performed externally.
(b) \$19 630.15.
- (5) Frank Daniels Pty Ltd.
- (6) 1 000 copies.
- (7) Government Ministers, Government Departments, Port users, shipping agencies, overseas companies, local businesses and any other interested parties.
- (8) No.

GOVERNMENT INSTRUMENTALITIES - ANNUAL REPORTS

Costs

1741. Mr BROWN to the Parliamentary Secretary to the Minister for Tourism:

- (1) For each department or agency under the Minister's control, what was the cost of producing the 1995-96 annual report, including -
 - (a) artwork;
 - (b) publication;
 - (c) distribution?
- (2) How do the costs for the 1995-96 annual report compare with the costs associated with the 1994-95 annual report?
- (3) Was the 1995-96 annual report produced wholly within the department or agency?
- (4) If not -
 - (a) what services were provided by contractors;
 - (b) at what cost?
- (5) Who printed the 1995-96 annual report?
- (6) How many copies of the 1995-96 annual report were printed?
- (7) To whom was the 1995-96 annual report distributed?
- (8) Was environmentally-friendly or recycled material used in the production of the document?

Mr BRADSHAW replied:

The Minister for Tourism has provided the following response:

West Australian Tourism Commission -

- (1) (a) Production - \$17,531.67
(b) Printing - \$12,300

- (c) Specific distribution costs are unavailable as they are included as part of the Corporate Communication Division's general postage.
- (2) (a) Production costs including design, artwork, illustrations, colour separations and professional services \$15,970
- (b) Printing, including plates \$11,765.
- (c) Specific distribution costs are unavailable as they are included as part of the Division's general postage.
- (3) The 1995/96 Annual Report was produced in association with several contractors.
- (4) (a) Desktop publishing, design, photography, proofreading and layout services.
- (b) \$21,970
- (5) Advance Press printed the 1995/96 Annual Report in consultation with Copy Type and Design.
- (6) 2500 copies were printed.
- (7) The 1995/96 Annual Report was distributed to a database of tourism related businesses, government and interested persons.
- (8) Copy Type and Design have indicated that the 1996 Annual Report was produced in an environmentally friendly manner.

ROTTNEST ISLAND AUTHORITY

- (1) (a) \$ 2 100
- (b) \$10 744
- (c) Nil.
- (2) 1994-95 costs - nil - produced, published and distributed in house.
- 1995-96 - \$12 844
- (3) No.
- (4) (a) collation of material and preparation of text, artwork, publication.
- (b) \$12 844
- (5) Scott Four Colour.
- (6) 500.
- (7) Rottneest business community, consultants, businesses with an interest in Rottneest, government agencies, universities, staff and other market outlets.
- (8) No.

TOURISM - TOURISTS

Asian - Declining Numbers

1795. Mr BROWN to the Parliamentary Secretary to the Minister for Tourism:

- (1) Have the number of international tourists from Asia or South East Asia declined in recent months?
- (2) Has the Government assessed whether any slow down in the number of tourists coming from Asia or South East Asia has been affected by the Pauline Hanson factor?
- (3) Has the Government any research, reports or preliminary reports which suggest the tourism trade has been affected by the Pauline Hanson factor?
- (4) Has any research the Government has undertaken shown that the tourism trade has not been affected in any way by the Pauline Hanson factor?
- (5) What research, reports or interim reports does the Government have on this matter?
- (6) Do any of those reports or surveys suggest or conclude that the tourism industry has been affected in any way by the Pauline Hanson factor?

(7) If so, in what way has the industry been affected?

Mr BRADSHAW replied:

The Minister for Tourism has provided the following response:

- (1)-(7) Western Australia has been experiencing excellent growth out of South East Asia. The latest available accurate data the Government has on international visitors (International Visitor Survey (IVS) December 1996) shows that Singapore returned a growth of 15.2% over 1995, Malaysia 21%, Thailand 17.5% and Indonesia 12.1%. Japan showed a 9.9% growth in 1996 over 1995.

According to the IVS, the State in 1996 received for the first time in excess of half a million (529,000) international visitors. This represented an increase of 8.9% over 1995. More importantly, these international visitors stayed for in excess of 10,000,000 nights which represented an increase of 23.7% and were worth \$827,000,000 (up 19.5%) to the State's economy.

In general there is no decline in the number of tourists coming from Asia or South East Asia in the March to April period - in fact the numbers are increasing, except in April 1997 where visitors from South East Asia decreased 2% on April 1996. Discussion with tourism industry representatives and the Australian Tourist Commission has been undertaken in regard to the "Pauline Hanson factor".

Industry has indicated that in a number of the markets, there was a high awareness of the Hanson issue but it was believed that the impact on tourism numbers was minimal but if it continued for too long then the impact could be greater. There is no qualifying evidence to link Hanson's comments with a downturn in visitor numbers but the long term effects will need to be continually monitored. It was felt that Hanson was one person who is not necessarily representative of the nation. The Hanson issue alone has not had a significant impact however, combined with other more important factors such as the economic situation and competitive pricing has resulted in a softening of some markets.

PAULINE HANSON - EFFECT ON TOURISM

1806. Mr BROWN to the Parliamentary Secretary to the Minister for Tourism:

- (1) Is the Minister aware of comments made by the Australian Tourism Council concerning Pauline Hanson being partly responsible for the drop in the number of Japanese tourists?
- (2) Has the Government assessed the degree to which, if at all, the sentiments expressed by Pauline Hanson are impacting upon tourism?
- (3) If not, why not?
- (4) Does the Government intend to carry out such an assessment?
- (5) If so, when?
- (6) Does the Minister accept the views expressed by the Australian Tourism Council?
- (7) If not, why not?
- (8) What specific activities does the Government intend to take to combat damage being done to the tourism industry by Hanson?

Mr BRADSHAW replied:

The Minister for Tourism has provided the following response:

- (1) I believe the member for Bassendean is referring to the Australian Tourist Commission and I am not aware of their comments in this regard.
- (2) Discussion with industry representatives and the Australian Tourist Commission has been undertaken in this regard. Industry have indicated that in a number of the markets, there was a high awareness of the Hanson issue but it was believed that the impact on tourism numbers was minimal but if it continued for too long then the impact could be greater. There is no qualifying evidence to link Hanson's comments with a downturn in visitor numbers but the long term effects will need to be continually monitored. It was felt that Hanson was one person who is not necessarily representative of the nation. The Hanson issue alone has not had a significant impact however, combined with other more important factors such as the economic situation and competitive pricing has resulted in a softening of some markets.

- (3) Due to the findings of the industry discussion, it was considered that a more detailed assessment was not warranted.
- (4) No further assessment will be undertaken.
- (5) Not applicable.
- (6) As I am not aware of the specific comments referred to, I am unable to accept or reject the view.
- (7) Refer above.
- (8) The WATC has launched its Brand WA Campaign in Singapore, Indonesia, Malaysia and the UK. This campaign presents WA in a positive manner reflecting unique lifestyle and vibrant personality - fresh, natural, free and spirited and at the same time presents WA as a destination that welcomes foreign tourists. Linked to the Brand campaign, is a strong tactical component that is aimed at converting awareness to sales and building immediate visitor numbers to WA. The WATC will also continue its own media and trade awareness as well as working with the Australian Tourist Commission's Visiting Journalists Programme, to bring out to WA influential travel trade and media personnel to reflect WA as a friendly, vibrant destination that welcomes overseas visitors.

ROADS - CITY NORTHERN BYPASS

Contracts

1809. Mr KOBELKE to the Minister representing the Minister for Transport:

- (1) How many further contracts is it anticipated will be let for planning, construction or any related works for the City Northern Bypass project?
- (2) For each of these anticipated contracts -
 - (a) when is it to be awarded;
 - (b) what will be the name or number used to identify the contract;
 - (c) what is a brief description of the work which will be involved in the contract;
 - (d) is there a preferred contractor or contractors and if so, who is this;
 - (e) what is the anticipated date for completion of the contract;
 - (f) what is the estimated cost of the work involved;
 - (g) is it to be a fixed price contract or will allowance be made for variation from the tendered price?

Mr OMODEI replied:

The Minister for Transport has provided the following response:

- (1) Two.
- (2)
 - (a) (i) September 1997.
 - (b) 909/96
 - (c) Demolition various properties in Claisebrook and part Readymix site.
 - (d) No.
 - (e) November 1997.
 - (f) Subject to tender conditions.
 - (g) Lump sum.
 - (a) (ii) October 1997.
 - (b) 907/96.
 - (c) Demolition Blocks E & G.
 - (d) No.

- (e) January 1998.
- (f) Subject to tender conditions.
- (g) Lump sum.

TRANSPORT - TOTAL WESTERN TRANSPORT PTY LTD

Sale

1818. Ms MacTIERNAN to the Minister representing the Minister for Transport:

- (1) When was Total Western Transport Pty Ltd sold?
- (2) To whom was it sold?
- (3) What valuations were made of Westrail's share prior to the sale?
- (4) What was the price for Westrail's share?
- (5) Has the full price of the share now been received?
- (6) Where have those funds been applied?

Mr OMODEI replied:

The Minister for Transport has provided the following response:

- (1)-(6) Westrail sold its 50% share holding in Total Western Transport Pty Ltd on 3 April 1996 to Gascoyne Trading Pty Ltd. The sale was reported in Westrail's 1996 Annual Report. I am therefore unable to comment on any subsequent sale of Total Western Transport Pty Ltd. For the member's information, Westrail's holding of 3 618 001 ordinary shares in Total Western Transport Pty Ltd was sold for \$7 million. Additionally, as part of the sale arrangements the purchaser was to seek to unwind the Total Western Transport Pty Ltd Superannuation Fund and, if successful, pay to Westrail by way of adjustment of the purchase price, half of the after tax surplus of such funds received. This matter is not yet resolved and is being pursued by Westrail. The sale price was received by Westrail on 3 April 1996. The proceeds of the sale were used to reduce short term debt incurred by Westrail to meet employee severance payments.

EDUCATION - ETHNIC GROUPS

Opportunity to Comment on Legislation

1822. Ms WARNOCK to the Minister for Education:

- (1) What measures have been taken by the Minister to ensure that parents and groups from culturally and linguistically diverse backgrounds are provided an avenue to comment in a meaningful manner on -
 - (a) the School Education Bill 1997;
 - (b) Curriculum Framework Consultation Draft?
- (2) If no steps up to date have been taken to meet the need to consult these groups, will the Minister utilise the resources of such organisations as the Ethnic Communities Council of Western Australia, the Ethnic Child Care Resource Unit and the respective Migrant Resource Centres?

Mr BARNETT replied:

- (1) (a) 14,000 copies of a plain English summary of the Bill have been prepared and distributed widely to schools, parent groups and public libraries throughout the State. These have also been distributed and discussed at public consultation meetings. The inside front cover of the consultation booklet contains a message in 10 languages other than English. The message reads:

"A new Act of Parliament is planned for school education in Western Australia. This book contains information about the new law.

If you need help in your own language to understand the information in this book, please contact the Translating and Interpreting Service on 13 14 50."

- (b) A representative of the Ethnic Communities Council of Western Australia was a member of the Languages Other Than English Community Reference Group.

Preliminary advice has been provided to the Secretariat on processes and opportunities to gain meaningful feedback on the draft Curriculum Framework from parents and groups from culturally and linguistically diverse backgrounds. Plans are being developed to achieve this feedback.

The Ethnic Communities Council of Western Australia, the Ethnic Child Care Resource Unit, the One World Centre and Migrant Education Resource Centres are being included in the formal consultation process for the Framework. Copies of the Curriculum Framework will be sent to Migrant Education Resource Centres.

- (2) Not applicable.

EDUCATION - TEACHERS

Male

1845. Mr RIPPER to the Minister for Education:

- (1) How many teachers are employed by the Education Department of Western Australian in country primary schools?
- (2) What proportion of these teachers is male?
- (3) How many teachers are employed by the Education Department of Western Australia in metropolitan primary schools?
- (4) What proportion of these teachers is male?

Mr BARNETT replied:

- (1) 3,179 active teachers as at 1st Semester 1997, including Primary Teachers at District High Schools.
- (2) 24.9%
- (3) 5,670 active teachers as at 1st Semester 1997.
- (4) 23.7%

SCHOOLS - COLLEGE ROW

Therapy Services - Budget Allocation

1846. Mr RIPPER to the Minister for Education:

- (1) What moneys are allocated in the Education Department budget for therapy services at College Row School in Bunbury?
- (2) If no money is allocated would the Minister explain why not?

Mr BARNETT replied:

- (1)-(2) Therapy Services are provided through the Disability Services Commission's School Age Therapy Service. Therefore no money is allocated in the Education Department budget for therapy at College Row School.

SCHOOLS - PICTON SITE

Rezoning

1850. Mr RIPPER to the Minister for Education:

Taking into account all fees and charges, parents and citizens association fund raising, donations and bequests, sponsorship revenues and all other sources, what is the total amount of private funding going to Education Department schools on an annual basis?

Mr BARNETT replied:

Private funding totalled \$42,534,573.00 for the 1996 academic year.

ROTTNEST ISLAND - AUTHORITY

Takeaway Food and Beverage Facility

1854. Mr PENDAL to the Parliamentary Secretary to the Minister for Tourism:

- (1) I refer to the Rottne Island Authority advertisement (*The West Australian*, 19/7/97) for a takeaway food and beverage facility at Thompson Bay and ask, why is a temporary transportable needed?
- (2) What buildings or services are being provided in the redevelopment?
- (3) Are all being provided by the private sector?
- (4) Is a cinema involved?
- (5) If so, will the Minister give details?

Mr BRADSHAW replied:

The Minister for Tourism has provided the following response:

- (1) To provide sandwiches and take-away food and drinks following the closure of the Tearooms.
- (2) The Rottne Island Authority engaged a consultant to prepare a feasibility study to explore options available and to meet Western Australian holiday makers' expectations. These options are being examined.
- (3) To be determined at Public Expression of Interest stage.
- (4) No.
- (5) Not applicable.

HOUSING - PORT HEDLAND

Priority Assistance Policy - Change

1878. Mr GRAHAM to the Minister for Housing:

- (1) Has the priority assistance policy changed in the Port Hedland area?
- (2) If yes to (1) above -
 - (a) when did the policy change;
 - (b) for what reason did the policy change;
 - (c) does the changed policy only apply in the Port Hedland area;
 - (d) when was the new policy announced;
 - (e) from what date is the new policy effective?
- (3) If no to (1) above, is the policy dated August 1996, and contained in the Homeswest Policy manual, still the determining policy?

Dr HAMES replied:

- (1) No.
- (2) Not applicable.
- (3) Yes. However, Homeswest is concerned about the influx of people to the area seeking priority assistance. I will arrange for Diane Blade, the Regional Manager, to ring you and explain the position.

HOUSING - KEYSTART LOANS LTD

Oakvale Capital Ltd - Appointment as Treasury Manager

1898. Ms MacTIERNAN to the Minister for Housing:

- (1) When was Oakvale Capital Limited appointed Treasury Manager of the Keystart Scheme?
- (2) How was the appointment made?

Dr HAMES replied:

- (1) 1 October 1996.

- (2) Through a public Expression of Interest process.

HOMESWEST - STANTON PARTNERS

Contracts

1899. Ms MacTIERNAN to the Minister for Housing:

Other than their role as managers of the Keystart Scheme, what contracts or consultancies do Stanton Partners currently have or have had since 1993 with Homeswest or any Homeswest subsidiary?

Dr HAMES replied:

- (1) September 1994. Training course for inspection and auditing of Terminating Building Societies. Value of contract \$9,590.
- (2) July 1995. Review of Bond Assistance Programme. Value of contract \$2,500.
- (3) September 1995. Review of Maintenance to incorporate compliance based auditing. Value of contract \$2,000.

HOUSING - LOW START SCHEME

Town & Country Bank - Contract

1900. Ms MacTIERNAN to the Minister for Housing:

- (1) Can the Minister confirm that, in 1993, the contract to administer the Low Start scheme was put to tender and awarded to Town & Country?
- (2) Why is the Low Start scheme no longer administered by Town & Country?
- (3) Did Town & Country transfer the lowest risk loan contracts directly into its own loan book?
- (4) Who now manages the Low Start Scheme and was the awarding of that contract the subject of a tender?
- (5) If not, why not?

Dr HAMES replied:

- (1) The contract was put to tender in October 1994. Town & Country Bank was awarded the contract.
- (2) A loan assistance package was provided to Keystart Low Start borrowers in September 1996 which included a restructure of their loans. It was agreed with Town & Country Bank that this restructure would be done by Keystart. The contract was handed back to Keystart.
- (3) No. However, a borrower always had the option to refinance through Town & Country Bank or any other lender.
- (4) As a result of the restructure of the loans, the loans are directly managed by Scheme Manager for Keystart. The scheme management contract includes provision to manage loans for Keystart therefore a tender was not necessary.
- (5) As above.

HOMESWEST - VENDOR SETTLEMENTS

Kwinana and Ellenbrook Projects

1903. Ms MacTIERNAN to the Minister for Housing:

- (1) Who undertakes the vendor settlements for Homeswest in respect to -
 - (a) the Kwinana Redevelopment Project;
 - (b) the Ellenbrook Development?
- (2) Was this work the subject of tender?
- (3) If not, why not?
- (4) If yes, when was the tender issued?

Dr HAMES replied:

Kwinana

- (1) (a) McCusker and Harmer Solicitors
- (2)-(4) The tender and negotiations on the appointment of the Project Manager for the Kwinana Estate Improvement project were subject to a number of processes. The process involved included the calling for public registrations of interest, independent financial appraisal, selection process by a panel and approval from the Homeswest Board of Commissioners, Minister for Housing and Cabinet. The tender accepted included provision for the vendor settlements to be undertaken by McCusker and Harmer.

Ellenbrook

- (1) (b) Ellenbrook Management Pty Ltd (of which Homeswest has a 47.138 % interest) has contracted the Project Management, including vendor settlements, to Sanwa Vines Pty Ltd.
- (2)-(4) See (1)(b).

TOTALISATOR AGENCY BOARD - TAX RATE

1914. Ms WARNOCK to the Minister representing the Minister for Racing and Gaming:

- (1) In the years 1991-92 to 1994-95 inclusive were the following amounts received by the Government and the codes from the TAB -

	Government	per cent	Codes	per cent
1991-92	27 580 000	47.84	30 067 415	51.16
1992-93	31 189 000	45.56	37 264 000	54.44
1993-94	35 083 000	45.43	42 147 000	54.57
1994-95	37 241 000	44.66	46 151 000	55.34
Average over four (4) years		45.87 per cent?		

- (2) If so, how can the Government justify an average tax rate of 45.87 per cent on the TAB results, as against the codes who generate all of the turnover for the TAB?
- (3) What other industry in this State is taxed at an average rate of 45.87 per cent per annum?
- (4) How does this tax rate compare with Burswood Casino being taxed at approximately 28-30 per cent?
- (5) Will the Minister initiate an enquiry into the taxing of the TAB by the Government?

Mr COWAN replied:

The Minister for Racing and Gaming has provided the following reply -

- (1) No, as the "Government" figures appear not to be net of tax rebates paid and the "Codes" figures appear to include on-course taxation rebates. The correct comparative figures are:

	Tax to Government less Rebates \$m	TAB Distribution including rebates \$m	Government percentage %	Codes percentage %
1991/92	27.1	28.0	49.18	50.82
1992/93	27.3	33.3	45.05	54.95
1993/94	29.2	38.1	43.39	56.61
1994/95	31.0	41.7	42.64	57.36

- (2) Like all averages they are a product of high and low extremes of the range of events being averaged and therefore produce a meaningless result. The important point is that as a result of the Liberal Party January 1992 Racing Industry Policy, the TAB turnover tax rate was reduced from 6 per cent to 5 per cent, which has resulted in a current ratio of Government turnover tax to TAB profit distribution to the codes of 44.3 per cent to 55.7 per cent. When the distribution of unclaimed dividends to the Racecourse Development Trust are included, the Government to industry ratio becomes 43.1 per cent to 56.9 per cent. It should be noted that in 1996/97, the Western Australian racing codes generated only 31.2 per cent of the TAB's turnover.
- (3) As the TAB only pays a turnover tax on its wagering income, the tax on overall betting turnover generated by the TAB and the racing clubs is 3.6 per cent which is 50 per cent less than the NSW rate of 7.2 per cent. It should be noted that no other Government has abolished on-course totalisator taxes or fully rebates

bookmakers' betting taxes as is the case in Western Australia, which is intended to give racing clubs the incentive to encourage more patrons on-course to bet on the tote.

- (4) From the Burswood Property Trust 1995/96 Financial Statements -

	\$000	\$000	
Distribution to Unitholders		47,358	33.8%
Commonwealth Income Tax	26,384		
Casino Tax	56,691		
Burswood Park Board Fee	3,779		
Casino Licence Fee	1,708		
Rates and Taxes	4,272	92,834	66.2%

- (5) No.

TRANSPORT - BUS

MetroBus - Debt Reduction

1930. Mr BROWN to the Minister representing the Minister for Transport:

- (1) Is the Minister aware that in answer to question on notice No. 986 of 1997, the Treasurer advised that MetroBus had a debt of \$115.7 million on 30 June 1993 and had a nil debt on 30 June 1996?
- (2) Has the total debt owed by MetroBus been reduced by income earned, appreciation or sale of assets or some other way and, if so, how?

Mr OMODEI replied:

The Minister for Transport has provided the following response:

- (1)-(2) Yes, the debt has been reduced due to the sale of Assets to the Department of Transport.

PORTS AND HARBOURS - FREMANTLE PORT AUTHORITY

Debt Reduction

1931. Mr BROWN to the Minister representing the Minister for Transport:

- (1) Is the Minister aware that in answer to question on notice 986 of 1997, the Treasurer advised that Fremantle Port Authority had a debt of \$65.8 million on 30 June 1993 and had a debt of \$42.9 million on 30 June 1996?
- (2) Has the total debt owed by Fremantle Port Authority been reduced by income earned, appreciation or sale of assets or some other way and, if so, how?

Mr OMODEI replied:

The Minister for Transport has provided the following response:

- (1) Yes.
- (2) The business rationalisation programme adopted at the Fremantle Port Authority and associated reduction in employee numbers, sound commercially based financial management techniques together with more than average shipping and cargo growth has facilitated the substantial reduction in debt while at the same time ship and cargo prices have reduced significantly.

PORTS AND HARBOURS - GERALDTON PORT AUTHORITY

Debt Reduction

1932. Mr BROWN to the Minister representing the Minister for Transport:

- (1) Is the Minister aware that in answer to question on notice 986 of 1997, the Treasurer advised that Geraldton Port Authority had a debt of \$13.0 million on 30 June 1993 and had a debt of \$9.9 million on 30 June 1996?
- (2) Has the total debt owed by Geraldton Port Authority been reduced by income earned, appreciation or sale of assets or some other way and, if so, how?

Mr OMODEI replied:

The Minister for Transport has provided the following response:

- (1)-(2) Yes. The contributing factors behind the variance over the two years, has been the ongoing reduction in debt through the payout of loans at maturity and the accumulated collection of cash reserves through recent trading years.

ROTTNEST ISLAND - AUTHORITY

Accommodation - Winter and Off Season Rates

1933. Mr BROWN to the Parliamentary Secretary to the Minister for Tourism:

- (1) Further to question on notice 1608 of 1997, what special promotions did the Rottnest Island Authority run to advertise the winter or off-season accommodation rates?
- (2) Can the Minister advise what months of the year the Rottnest Island Authority consider to be the winter or off-season when lower accommodation rates apply?
- (3) What have been the occupancy rates for the 1995-96 and 1996-97 financial years?
- (4) In the 1996-97 financial year, how many units were removed from the rental market?
- (5) For what period of time were the units removed from the rental market?

Mr BRADSHAW replied:

The Minister for Tourism has provided the following response:

- (1) "Discover the Charm of Rottnest Island" winter breaks campaign included -
 - attendance at the 1997 Holiday & Travel Show
 - advertising in "Winter Breaks" supplement in "The West Australian"
 - advertising winter breaks in "The West Australian", "Have a go News", "Statewide Country News", and a series of radio commercials.
- (2) May - August.
- (3) 1995-96 - 74%
1996-97 - 71%
- (4) 15 Bungalows
41 Units
2 Heritage Units
- (5) May until September.

AGRICULTURE WESTERN AUSTRALIA - STAFF

Shire of Katanning

1946. Dr GALLOP to the Minister for Primary Industry:

- (1) How many Agriculture Western Australia (WA) staff were located in the Shire of Katanning at -
 - (a) 1 January 1995;
 - (b) 1 January 1996;
 - (c) 1 January 1997?
- (2) Does the Minister have any plans to reduce Agriculture Western Australia staff over the next three years?
- (3) If yes, to (2) -
 - (a) what is the size of these planned reductions;
 - (b) what is the justification for such action?

Mr HOUSE replied:

- (1)
 - (a) Department of Agriculture plus Agriculture Protection Board staff totalled - 58.
 - (b) Department of Agriculture plus Agriculture Protection Board staff totalled - 57.
 - (c) Agriculture Western Australia staff totalled - 61.

- (2) No. A new office complex is to commence construction during the 1997-98 financial year and this will enable the agency to better meet the needs of the area.
- (3) Not applicable.

TRANSPORT - LICENSING

Agents - Effect of Changes to Fee Collection

1951. Dr GALLOP to the Minister representing the Minister for Transport:

- (1) How many local government authorities are currently acting as licensing agents for the Department of Transport?
- (2) Of these local government authorities, how many have been consulted to date about proposed changes to the collection of licence fees?
- (3) What analysis has been undertaken of the effect that the loss of a licensing agency will have not only on the Shire but on other small businesses on country towns?
- (4) Does the Minister intend to consult with the local government authorities before making a final decision on future licensing agencies?
- (5) If not, why not?

Mr OMODEI replied:

The Minister for Transport has provided the following response:

- (1) 72. Of these, 63 are located in the southern region of Western Australia as defined by the Review of Non-Metropolitan Licensing Agents.
- (2) All Shires within the review area have been consulted. 57 of these were visited in person by Senior Licensing Staff.
- (3) After consultation with local government authorities, all local government authorities have been given the opportunity to act as on-line licensing agents. If any local government authority decides not to continue acting as a licensing agent, Expressions of Interest will be sought from organisations within that local government authority's area, to provide a licensing service. Therefore, it is not anticipated that any Shire will experience the loss of licensing agency. The community will receive additional service opportunities to all licensing requirements.
- (4) Yes. Senior Licensing Staff will continue to consult with each local government authority before any final decisions are made.
- (5) Not applicable.

FAIR TRADING - OCCUPATIONS REGISTERED OR LICENSED

1961. Dr CONSTABLE to the Minister for Fair Trading:

Which occupation and professions in Western Australia operate under some system of registration?

Mr SHAVE replied:

The following occupations operate in Western Australia under a system of registration or licensing administered by an agency within the Fair Trading portfolio:

- Auctioneers
- Builders
- Business Agents
- Business Sales Representatives
- Credit Providers
- Debt Collectors
- Employment Agents
- Finance Brokers
- Land Valuers
- Motor Vehicle Dealers (includes car hire operators)
- Motor Vehicle Yard Managers
- Motor Vehicle Salespersons
- Painters

Petroleum Measuring Instruments Repairers
 Public Weighmen
 Real Estate Agents
 Real Estate Sales Representatives
 Scale Adjusters
 Scale Repairers
 Settlement Agents (Real Estate Settlements)
 Settlement Agents (Business Settlements)
 Travel Agents

The member should note, there may be other occupations or professions operating under a system of registration outside of the Fair Trading Portfolio.

SPORT AND RECREATION - SPORT MANAGEMENT 2000

Introduction

1966. Mr CARPENTER to the Parliamentary Secretary to the Minister for Sport and Recreation:

- (1) Has a sports management system called Sports Management 2000 been introduced into Western Australia, as promised by the Coalition in the 1996 election campaign?
- (2) If not, why not?
- (3) If yes -
 - (a) when was it introduced;
 - (b) how was it introduced;
 - (c) what money was or has been allocated for its introduction?
- (4) Who has been or is being consulted in the sport and recreation industry over the introduction of the Sports Management 2000 system?
- (5) What key quality benchmarks for sport management have been or are being established to be articulated in an industry endorsement system which will give recognition to associations which are performing well?
- (6) If already established, when were they established?
- (7) By whom were they established and in consultation with whom were they established?

Mr MARSHALL replied:

The Minister for Sport and Recreation has provided the following response:

- (1) Yes. Sport Management 2000 consists of the following elements all making a contribution to the improvement of management in sport:
 - Management of Sport Evaluation survey (MOSES)
 - Sport Personnel Management Training Series
 - Sport personnel job interview assistance
 - Business planning workshops for sport
 - Sport Club Development Scheme
 - Term Funding Assistance Review
 - Contracts for Services for peak bodies in sport
 - Business of Sport Magazine (BOS) (a quarterly publication)
 - Consultancy and advisory services available from Ministry of Sport and Recreation staff.
 - Further initiatives as they are developed.
- (2) Not applicable.
- (3) (a)-(b) The integration of various initiatives into the Sport Management 2000 model was achieved in July 1997. Parts of Sport Management 2000 existed prior to that time.
 - (c) \$250 000 for the Sport Club Development Scheme and the rest from within existing budget.
- (4) Different working groups have been used for planning and establishing different initiatives. For example, BOS has an editorial committee; the Sport Club Development Scheme had a planning group from sport associations; MOSES has been trialled with the Yachting, Netball and Softball Associations.
- (5) The MOSES tool is to be expanded with a modified version to allow it to assist a broader range of sports. When this has been completed the matter of an industry endorsement system will be addressed. Existing

Term Funding Agreements with sports require the meeting of performance indicators for agreed outcomes negotiated between the sport and ministry.

(6)-(7) Not applicable.

SPORT AND RECREATION - ARTIFICIAL SURFING REEF

Cable Station, Cottesloe

1967. Mr CARPENTER to the Parliamentary Secretary to the Minister for Sport and Recreation:

- (1) Has an artificial surfing reef been constructed at Cable Station, Cottesloe, as promised by the Coalition in the 1996 election campaign?
- (2) If not, why not?
- (3) What money has been allocated to the construction of such a facility?
- (4) How much will construction of the facility cost?
- (5) Will the State Government bear all of the construction cost?
- (6) If so, why?
- (7) At what stage of development is the project?
- (8) Who is advising the Government on development of the project?
- (9) What money is being spent on such advice?

Mr MARSHALL replied:

The Minister for Sport and Recreation has provided the following response:

- (1) No.
- (2) The construction of the reef is continuing as planned and involves a complex process of consultation with environment groups, Local Authorities and other Government Agencies.
- (3) The Government has allocated \$1.5 million to this project.
- (4) Tenders are yet to be called and final costs therefore not known.
- (5) Yes.
- (6) The Government has a policy of supporting the construction of sport and recreation facilities to encourage community participation in sport and physical activity. A surfing facility meets this objective.
- (7) On shore planning issues are now being considered. All offshore reef design is complete.
- (8) The Government is being advised on the development of this project by the Artificial Surfing Reef Committee appointed by the Hon. Minister for Sport and Recreation with input from the Environmental Protection Authority, the Ministry of Planning and the Department of Transport (Marine Division).
- (9) None.

SPORT AND RECREATION - RESOURCE AND PLANNING TOOLS

Development

1976. Mr CARPENTER to the Parliamentary Secretary to the Minister for Sport and Recreation:

- (1) Since the 1996 State election, what new resource and planning tools have been developed through the Ministry of Sport and Recreation to assist sports to plan more effectively?
- (2) When were they developed?
- (3) By whom were they developed?
- (4) What sports have been assisted to plan more effectively by the development of such resource and planning tools?

- (5) Who can verify such improvement?
- (6) How much has the development of new planning and resource development cost?

Mr MARSHALL replied:

The Minister for Sport and Recreation has provided the following response:

- (1) A Management of Sport Evaluation Survey (MOSES) has been developed as a management diagnostic tool for sport. This will be used to assist sports ensure ongoing quality management. In addition, as a result of the work to date it has been established that a modified version will be required for sports at a different level of development.
- (2) During the last six months.
- (3) Development was by Ministry of Sport and Recreation staff in collaboration with an external management consultant.
- (4) MOSES has been trialled to evaluate its validity with the Yachting, Netball and Softball Associations.
- (5) Feedback from the above Associations has been positive.
- (6) \$8 000.

SCHOOLS - CADET TRAINING SCHEME

Cost

1989. Ms ANWYL to the Minister for Youth:

- (1) Which 34 schools currently have cadet training units?
- (2) Are there any plans to extend the units and, if so, which schools and on what dates are they to participate in the program?
- (3) What is the cost of the program for each of the financial years ending -
 - (a) 30 June 1993;
 - (b) 30 June 1994;
 - (c) 30 June 1995;
 - (d) 30 June 1996;
 - (e) 30 June 1997?

Mr BOARD replied:

- (1)

Balga Senior High School	Kelmscott Senior High School
Ballajura Community College	Kent Street Senior High School
Belmont Senior High School	Leinster District High School
Beverley District High School	Maddington Senior High School
Broome Senior High School	Mandurah Senior High School
Carnarvon Senior High School	Marble Bar Primary School
Central Midlands Senior High School	Mt Magnet District High School
Clarkson Community High School	Newman Senior High School
Collie Senior High School	Northam Senior High School
Craigie Senior High School	Nullagine Primary School
Eastern Hills Senior High School	Pinjarra Senior High School
Exmouth District High School	Ravensthorpe District High School
Hamilton Senior High School	South Fremantle Senior High School
John Forrest Senior High School	Swanleigh Residential College
John Septimus Roe Anglican School	Swanview Senior High School
Jurien District High School	Willetton Senior High School
Katanning Senior High School	Yanchep District High School
- (2) Discussions are continuing with a number of secondary schools for inclusion in the 1997 school year. Schools will be invited to express an interest in participating in the program in 1998 with the intention that in time all secondary schools will have the opportunity to establish a program.
- (3) (a)-(c) Not applicable as the program had not been established.
 - (d) \$131,085.73.
 - (e) \$564,214.77.

QUESTIONS WITHOUT NOTICE**CORRUPTION - ANTI-CORRUPTION COMMISSION***Police - Investigations by Colleagues***605. Dr GALLOP to the Premier:**

- (1) Does the Premier believe it is acceptable for Western Australian police to be involved in investigating allegations of corruption against WA police?
- (2) If not, will the Premier guarantee that the Anti-Corruption Commission is not using WA police to investigate WA police?

Mr COURT replied:

- (1)-(2) We have answered questions relating to the makeup of staff at the Anti-Corruption Commission. As I understand it, the ACC has invited opposition members to obtain a full briefing of its operations.

Dr Gallop: What is government policy?

Mr COURT: Was the question to do with police in the ACC?

Dr Gallop: It relates to the use of Western Australian police to investigate allegations of corruption which go to the ACC. It is a matter of principle.

Mr COURT: We have answered the question about the makeup of the ACC investigating officers -

Dr Gallop: The question is: Does the ACC use Western Australian police officers to investigate allegations of corruption that it receives?

Mr Ripper: And is that acceptable?

Mr COURT: As to operational matters, I would need to ask the ACC, and I will do that.

CORRUPTION - ANTI-CORRUPTION COMMISSION*Police - Investigations by Colleagues***606. Dr GALLOP to the Premier:**

Is the Premier aware that Justice Wood, the royal commissioner in New South Wales, said that as a first principle in uncovering corruption in our society, police officers were not in a position to investigate allegations against their colleagues?

Mr COURT replied:

In relation to the operations of the Anti-Corruption Commission, this House and the upper House have set up a joint committee -

Mrs Roberts: We know that.

Mr COURT: Does not the member think it is appropriate that that committee -

Dr Gallop: We want to know your policy!

Mr COURT: The Leader of the Opposition has asked a question relating to the WA police as part of the ACC operations -

Dr Gallop: Being used by the ACC.

Mr COURT: I do not have the answer in front of me. However, I have provided all the details of the makeup of the ACC. If members have a concern about the way the ACC is operating, why do they not use the committee, the creation of which they supported?

MINING - URANIUM*Yeelirrie - Radiation Levels***607. Mr MASTERS to the Minister for Resources Development:**

With the recent voluntary admission by Western Mining Corporation Resources that radiation levels at its Yeelirrie uranium deposit exceeded health and safety standards, will the Minister please advise -

- (1) What were the real risks to human health and safety from the higher than average radiation levels?
- (2) What remedial actions are WMC Resources undertaking to satisfy health and safety requirements?

Mr BARNETT replied:

I thank the member for some notice of this question. It is appropriate that he ask it because he has extensive professional knowledge in the area of mining, rehabilitation and environmental issues in the resources industry. Western Mining Corporation's 1996 environmental report, which attracted some attention, made it clear that the company had not adhered to standards. However, those standards were set by the company itself - it did not breach national or international standards for radiation levels. To its great credit, the company has rectified that situation. It has now repaired security fences and has attended to general maintenance and standards on the site, and the site continues to be monitored in respect of radiation levels and the like through the Department of Minerals and Energy. Despite standards not having been breached and no threat to public safety having been created, this case highlights the need to maintain vigilance, constant monitoring and maintenance of sites. Although Western Mining Corporation's operating standards fell below its own criteria, to its credit it has rectified the situation.

HEALTH - METROPOLITAN HEALTH SERVICE

Board - Remuneration of Members

608. Dr GALLOP to the Minister for Health:

Is it not the case that while the health system reels from yet another budget crisis, the new members of the Metropolitan Health Service Board are haggling over whether they are to be paid \$25 000 or \$40 000?

Mr PRINCE replied:

Whether the Metropolitan Health Service Board has debated that subject has not been brought to my attention recently. It is certainly intended that the members will be paid.

Dr Gallop: Members of the old hospital boards were not paid.

Mr PRINCE: I know that.

Dr Gallop: Where is the health dollar going?

Mr Carpenter: Have you been to Fremantle Hospital lately?

Mr PRINCE: Yes. Eleven members of the board are already paid because they are the hospital general managers and chief executive officers from throughout the metropolitan region. It is more than reasonable that the remaining nine - from industry and so on - be paid something for the responsibility they will bear and the service they will provide in looking after a \$1.3b health budget for the metropolitan area. I will discuss with them how much they are paid if they are concerned about it, but they certainly should be paid.

LOCAL GOVERNMENT - ALBANY

Amalgamation of Town and Shire Councils

609. Mrs van de KLASHORST to the Minister for Local Government:

Is the Minister aware of the article in this morning's newspaper in which the Opposition says he should take a more active role in changes to local government boundaries in Albany? Is that necessary? What is the current situation in Albany?

Mr OMODEI replied:

I thank the member for some notice of this question. It appears that, once again, the Opposition is not up to date with recent events in Western Australia. Yesterday, the Albany Shire Council announced its decision to advise the Local Government Advisory Board - a board supported by the Labor Party when the relevant legislation was introduced - that it favours the amalgamation of the Albany Town Council and the Albany Shire Council. That decision removes the most serious obstacle to a smooth transition to significant change in the structure of local government in the Albany area. In its decision, the Albany Shire Council nominated seven benefits expected for the region, including a unified community of interests, establishment of a strong financial authority and the removal of all perceived duplication of services. I agree with that. It will still be necessary for the advisory board to report to me on what it thinks should happen in the area. However, the potential for serious division in the Albany community now appears to have been removed.

Yesterday afternoon, I issued a statement to the media congratulating the Albany Shire Council on its community leadership and applauding the example it is setting for other councils in Western Australia currently considering whether to restructure local government in their region. It is a very refreshing change. Only two days ago people were marching in Albany over their concerns about local government boundary changes. It is obvious that the shire thought very deeply about where it should be in the next couple of decades, and the result of its decision will be a great example to other local governments in the State.

HOSPITALS - SIR CHARLES GAIRDNER

Cardiac Services Unit and Accident and Emergency Department

610. Mr McGINTY to the Minister for Health:

I refer to the report that the Sir Charles Gairdner Hospital may close its heart surgery unit and downgrade its accident and emergency department to meet the \$9m budget cut this financial year. Will the Minister assure the public that neither of these facilities will suffer from budgetary cuts?

Mr PRINCE replied:

I can give the assurance that neither of the two units will be closed.

Mr Ripper: That is not quite the assurance sought.

Mr PRINCE: I know it is not. If members listen carefully they will hear something that might be of interest and informative. From where we stand, 2 kilometres to the east is the largest hospital in the State, Royal Perth Hospital, which has excellent facilities. About 2 km to the west is another one, Sir Charles Gairdner Hospital, again with excellent facilities. Between them they take just under 50 per cent of the hospital budget of this State. However, that is not where the people live.

For as long as I have been Health Minister people have said that far too many of the services are concentrated along the river and not enough services exist in the suburbs where the people are. The Metropolitan Health Service Board was created as, among other things, a forum for debate about where services should be within the total metropolitan area.

Mr Marlborough interjected.

The SPEAKER: Order, member for Peel.

Mr PRINCE: There is no intention that the two units should close. However, we cannot have a debate unless everybody involved is informed about the delivery of services to the whole of the metropolitan area. The Metropolitan Health Service Board comprises all those people and they should examine where cardiothoracic surgery should be done and in what quantity. Four units are in the city - Royal Perth, the Mount, Sir Charles Gairdner and Fremantle Hospitals. Given that the Mount Hospital is private the MHSB must also examine which accident and emergency department services should be within the totality of the metropolitan area. There is no intention for any of the places to be closed.

Clearly, from the view of providing the best accident and emergency service to the total population in the metropolitan area it is a subject that should be examined. The board is the instrument to examine it because that is where all the operators gather in one place.

RESOURCES DEVELOPMENT - LAMINARIA AND CORALLINA OIL FIELDS

Local Content of Project

611. Mr SWEETMAN to the Minister for Resources Development:

I refer the Minister to the announcement by Woodside Offshore Petroleum Pty Ltd that major contracts for the development of the Laminaria and Corallina oil fields in the Timor Sea have been awarded to two Western Australia based companies. Given community concern about the amount of work done by Western Australian and Australian companies in such oil and gas projects developed in commonwealth waters, what will be the level of local content in this \$1b project and what other benefits will flow to Western Australia?

Mr BARNETT replied:

I thank the member for some notice of this question.

The Laminaria and Corallina oil fields are located approximately 500 kilometres out to sea off Darwin. They are in commonwealth waters and fall administratively within the jurisdiction of the Northern Territory. Nevertheless, the

oil and gas industry is primarily located in this State and Woodside is here. Much effort has been made to ensure that as much of this work as possible comes to Western Australia.

It is pleasing that today Woodside announced the awarding of two major contracts to Western Australia based firms, the first for approximately \$60m to Coflexip Stena Offshore Asia Pacific Pty Ltd for the construction of the flexible flow lines and risers. The Deputy Premier will be pleased with that as he was instrumental in attracting that firm to Western Australia.

The other \$45m contract is for United Construction Pty Ltd to construct the processing modules that will be placed on top of the floating production facility. It will involve approximately 580 000 man hours of work. The modules, which involve more the hi-tech end of the business, will be built in Kwinana in United Construction's workshop and assembled at Fremantle Harbour for transport to Singapore to be fitted to the floating vessel.

In reply to the second part, the local content is an issue in the offshore oil and gas areas in terms of whether Australia maximises its full potential. The total cost of the project is approximately \$1b, most of which will be spent on the construction of a large barge to be built in Korea. Of the total value of the project, 34 per cent will be Australian content. That translates to approximately \$360m, of which at least \$200m will be spent in Western Australia.

Mr Kobelke: You have just announced 0.6 of 1 per cent. Where is the rest?

Mr BARNETT: My calculation is different from that. An amount of \$360m from more than \$1b is about -

Mr Kobelke: Amounts of \$20m and \$45m from \$1b is 0.6 of 1 per cent.

Mr BARNETT: The member opposite clearly does not understand arithmetic, which he should as a former teacher. According to Woodside's figures, the Australian content for this project is 34 per cent. Woodside's analysis of what could practically be done in Australia - the ship could not be built here - shows that the level of Australian content is of the order of 70 per cent. Today Woodside has awarded two contracts; one for \$65m and another for \$40m. They are not all the contracts awarded, but they are two significant contracts that will benefit Western Australian industry.

Mr Grill: Have they commented on Laminaria?

Mr BARNETT: I am talking about Laminaria.

POLICE - MOTOR AND DEALER SQUADS

Funding Cutback

612. Mrs ROBERTS to the Minister for Police:

- (1) Will the Minister confirm that funding to the motor squad and dealer squad has been cut by up to 30 per cent this year?
- (2) Will the Minister please advise the reason for these cutbacks, given that Western Australia is still the car theft capital of Australia?

Mr DAY replied:

- (1)-(2) The Opposition seems to be taking an inordinately long time to come to grips with the way the Police Service operates and how it is structured these days. Members opposite have been offered, and have received, briefings. If they need more, I am more than happy to arrange for more to be given.

Dr Gallop: Can I offer you a private briefing on the role of the Minister for Police in our system of accountability? I am happy to give that free of charge.

Mr DAY: The Leader of the Opposition obviously needs a few lessons on that, and if he has any doubt about it I suggest that he start with section 5 of the Police Act.

Dr Gallop: You should look at section 32.

Mr DAY: The Opposition, either deliberately or otherwise - I suspect deliberately - fails to appreciate and recognise that the officers in the motor squad and dealer squad are not the only people involved in the investigation of car theft. To assert that is the case is similar to saying the search for the young boy at Byford - I have just visited that area, and a magnificent community effort is being made - is being conducted only by officers of the emergency operations unit. Clearly, that is patent nonsense. Approximately 80 police officers are involved from a broad range of police units, including some highly operational units.

A broad range of police officers and groups are involved in the investigation of car theft in this State, including traffic operations, district support groups, the Bureau of Criminal Intelligence, Crime Stoppers and so on. This Government is taking action to lower the rate of car thefts in Western Australia. The incidence is decreasing and one of the outstanding pilot programs introduced by this Government, which makes this State a leader in Australia, is the immobiliser scheme. It has been very successful and it will have even greater benefits in the future.

HEALTH - JOONDALUP CAMPUS

Extensions

613. Mr BAKER to the Minister for Health:

Will the Minister please advise the House on the current status of the extensions to the Joondalup health campus?

Mr PRINCE replied:

The member asked a similar question in May and has sought information from me on this occasion to update some of the changes to the construction and commissioning program of the Joondalup hospital. The member is aware that the accident and emergency department opened, as planned, in May. The west wing, which is allied and health, was opened in July and the day chemotherapy unit was opened in August. It was originally programmed for July. The renal dialysis satellite unit opened in August and I had the pleasure of opening that splendid facility. The opening of the intensive care and cardiac care units has been brought forward by four weeks; they will now be opened this month rather than in October. The diagnostic services unit will be opened in October instead of September because of a minor problem. The new theatre complex was to open in October and, because a number of different things need to be done, it will now be opened progressively between September and November. The existing theatres have to be used during that time. The aged care restorative unit will be opened in November and the east wing, which is inpatient obstetrics and pediatrics, will be opened in December. The opening of the psychiatric inpatient and community health units will be brought forward from January next year to December. In other words, the whole hospital should be completely opened and commissioned just before Christmas.

POLICE - ALARMS

Response - Increase in Times

614. Mrs ROBERTS to the Minister for Police:

Given the Government's policy introduced on 1 April this year to not respond to up to 90 per cent of home and business alarms and the Minister's claim that this would free up police to respond to more urgent duties, why have police response times blown out?

Mr DAY replied:

That is an assertion by the member for Midland which has not been confirmed by me. I want to confirm it before I make a response to the question on the basis of fact. That policy was implemented by the Police Service, not by the Government. It was implemented in response to the fact that 94 per cent of calls are false alarms. It was implemented so that there could be a much better targeting of resources and a much more effective response, and that is exactly what is occurring.

POLICE - ALARMS

Response - Increase in Times

615. Mrs ROBERTS to the Minister for Police:

Does the Minister know whether response times have increased or decreased as a result of this major policy change?

Mr DAY replied:

No, the response times for home burglaries are not something that I have been intimately studying in the last couple of days. If the member wants to bring something to my attention, I would be very happy to look at it.

RAILWAYS - MANDURAH-PERTH

Options - Cost of Assessment

616. Mr NICHOLLS to the Minister representing the Minister for Transport:

Some notice of this question has been given. I refer to the development of the master plan for the extension of the

metropolitan railway system to Mandurah and the inclusion of two options to extend the railway into central Mandurah, as shown in planning documentation.

- (1) Which organisation or agency recommended the consideration and/or inclusion of these options for assessment?

Mr Thomas: How many Mandurah people want to go through Kenwick?

The SPEAKER: Order!

Mr NICHOLLS: To continue -

- (2) What is the estimated cost of undertaking an assessment of these two options?

Mr Thomas: How many Mandurah people want to go through Kenwick?

The SPEAKER: Order! I formally call the member for Cockburn to order for the first time.

Mr NICHOLLS: To continue -

- (3) Has the Mandurah City Council indicated through any of its representatives support for these options?
- (4) If so, when?
- (5) If either of these options were implemented, is it likely that residential homes would need to be demolished?
- (6) Is the Minister prepared to remove these options from any further consideration, if the people of Mandurah clearly indicate that they do not support either or both of them, thereby saving the costs associated with future assessments?

Mr OMODEI replied:

The Minister for Transport has provided an answer which is comprehensive. Therefore, I will summarise it and provide the member with a copy of the Minister's full response.

- (1) In 1994 the Western Australian Planning Commission approved a structure plan for the south west corridor. The study now proposed is the result of negotiations between the City of Mandurah, the Ministry for Planning and the Department of Transport. Subsequently it was agreed by these parties that a study should be undertaken to determine the optimum site for a railway terminus in Mandurah. The options are listed in the Minister's reply.
- (2) The Department of Transport has received a number of submissions for a comprehensive study and a realistic study cost would be between \$50 000 to \$100 000.
- (3) A representative of the Mandurah City Council has requested a comprehensive assessment of the submissions. I understand the council would support the study as a legitimate long term planning measure.
- (4) That indication was given on 6 August 1997 at the offices of the Department of Transport.
- (5) Residential housing would definitely be affected by the options for a rail terminus at Peel Street and also just north of the Mandurah Forum Shopping Centre.
- (6) The aim of the proposed study is to investigate options for an optimum railway terminus location in Mandurah for the long term. I have been provided with other information in the response from the Minister, which I will provide to the member for Mandurah.

HOUSING - KEYSTART LOANS LTD

Mortgages - Foreclosures

617. Ms MacTIERNAN to the Minister for Housing:

- (1) Were the Keystart retailers last week issued with instructions not to take back into possession, nor undertake mortgagee sales of, any more Keystart properties?
- (2) Is it true that this direction was made because the Minister was embarrassed by revelations that in the past 12 months nearly 300 Keystart loans had been foreclosed on?
- (3) What does the Government intend to do about the more than 140 homes on which it has foreclosed, but not yet sold?

Dr HAMES replied:

I thank the member for some notice of this question. The question asked by the member varies to a large extent from the one of which I was given notice, which is not unusual.

- (1)-(3) In relation to the first part of the question about vacant possession, the answer is no. The retailers were advised to obtain approval from the scheme manager before seeking vacant possession or offering the property for mortgagee sale. I have a copy of the instruction which I am perfectly prepared to table. I will read from it so that people will know what was said to those scheme managers. This issue was raised because, as the member knows, the Government, through Homeswest, put in place in March - before the member raised any questions about Keystart - a safety net program. We were concerned to ensure that that safety net was put in place. The letter says that the scheme manager is to ensure that the safety net has been applied in all cases and that Keystart borrowers have been given every opportunity to avail themselves of the safety net. As a result the scheme manager was requested to obtain approval before seeking vacant possession on any property and before offering a property for mortgagee sale. This is a direct effort by the Government to make sure the safety net procedures were put in place.

Last week I was offered some information by the member for Armadale. She has been running this issue over and over again. She said that she had conducted a telephone poll with the complainants calling in. She promised me, and indicated to this House, that she would provide me with that information so that we could make sure that the safety net was effective and all those people, who she purports called in, could have their issues reviewed, so that no-one was disadvantaged. I ask whether the member for Armadale is still prepared to give me that information.

Ms MacTiernan: This is question time. You are the Minister. You should be answering the question.

Dr HAMES: Keystart is an excellent scheme that has provided 20 000 loans to people on low incomes who otherwise would not have been able to access housing loans. It is a tremendous scheme, and I am proud of it.

[See paper No 659.]

DRUGS - SAVE A MATE PROGRAM*Aims***618. Mrs HOLMES to the Minister for Health:**

Can the Minister outline the Save a Mate program and advise the House how this program aims to reduce drug abuse in Western Australia?

Dr Gallop: That is the NCB scheme!

Mr PRINCE replied:

I am sure when the Leader of the Opposition hears just a little information about this program, he will support it. Earlier this year the Governor, Major General Jeffery, issued a challenge to young people in the State to take some leadership roles in areas of particular concern to youth. This was reported widely in community newspapers. One of the people who picked up the call was Liz Gent, who is a senior instructor with the Australian Red Cross in Perth and also happens to be heavily involved with the Duke of Edinburgh Award scheme. As a result of reading what the Governor said, she developed a scheme to target people aged between 15 and 24 years to encourage them to take certain forms of first aid training, particularly basic cardiopulmonary resuscitation.

The program is designed for not only youth at risk, but also those perceived not to be at risk. The program was established on the basis that if one winds up with a greater number of people in society with such skills, clearly it is a benefit to society generally and particularly for young people who are able to act among their peers as examples or mentors. We hope to save lives through this scheme, especially as it applies to those who wind up taking drugs.

I was privileged to launch the scheme three or four weeks ago, and it fits in very well with the opiate overdose project which I also launched around the same time. The latter program is aimed directly at intravenous drug users, most of whom will have at least three overdose episodes during their period of drug use. If someone is around during those episodes who is competent in some form of resuscitation, the number of people who die in that manner will significantly reduce.

Therefore, this scheme by the Red Cross and Duke of Edinburgh Award is aimed at equipping young people with skills in basic first aid training at a minimum cost. It fits in well with the general government strategy to try to ameliorate the effect of drug use, which, among other things, is part of the drug strategy. I commend the program

to members of Parliament and other people listening. It is very worthwhile to promote the program through electorate offices and the community generally, especially for young people.

TOURISM - DARLING ESCAPES SPRING FESTIVAL

Tourism Commission's Lack of Support

619. Mr BROWN to the Parliamentary Secretary representing the Minister for Tourism:

Some notice of this question has been given. I refer to the Western Australia Tourism Commission's failure to be represented at the inaugural Darling Escapes Spring Festival as a consequence of so many of the commission's staff flying to London for the launch of the Elle advertisements.

- (1) Does the Minister approve of the WATC's lack of support for the Darling Escapes Spring Festival and the excessive concentration on Elle at the expense of local tourism initiatives?

Several members interjected.

Mr Shave: Your colleague asked where you would have been.

Mr BROWN: I would have been patriotic and been in Western Australia. I had an invitation to go to the launch. If I had wanted to go, I could have used the imprest account, but I did not do so.

The SPEAKER: Order! The member will continue with his question.

Several members interjected.

Mr BROWN: I note that the Minister for Police did not ask the question as the festival is in his electorate. Continuing my question -

- (2) Can the Minister explain why the organisers of the Darling Escapes Spring Festival were refused use of the WATC logo?

Mr BRADSHAW replied:

The festival is not in the electorate of the Minister for Police. The Minister for Tourism has forwarded the following answer.

- (1) I would like to correct the false impression regarding the attendance of the WATC at the inaugural Darling Escapes Spring Festival. Firstly, it is understood that the WATC received only two invitations to the festival. One was to the chief executive officer, listed as being received on Friday, 29 August for the festival which opened on Monday, 1 September. The second invitation was received by the interstate marketing manager. Due to the short notice and prior commitments, it was not possible for either to attend.

The Western Australian Tourism Commission is extremely supportive of local tourism initiatives and has actively assisted and attended many launches in the past. It should be noted that only two Western Australian tourism staff from Perth attended the Elle campaign launch in London, which was WA's largest ever consumer advertising launch.

- (2) The WA Tourism Commission makes the new Brand WA marketing logo for the State available to all operators and is not aware of its being refused. However, as per normal business practice, the commission does not allow external organisations to use its corporate logo. If the member cares to provide more detail on this request, the Minister will be pleased to clarify the issue.
-