

Legislative Assembly

Thursday, 26 October 1995

THE SPEAKER (Mr Clarko) took the Chair at 10.00 am, and read prayers.

PETITION - KENT STREET SENIOR HIGH SCHOOL, ADMINISTRATIVE AREA UPGRADE

DR GALLOP (Victoria Park - Deputy Leader of the Opposition) [10.02 am]: I present the following petition -

To: The Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undermentioned petitioners, point out to the State Government that the current administrative area at Kent Street Senior High School is divided and outdated and call on the Minister for Education to allocate adequate funds for an upgrade.

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

The petition bears 60 signatures. 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 161.]

PETITION - RIGHT TO DIE LEGISLATION

MS WARNOCK (Perth) [10.03 am]: I am pleased to present a petition on behalf of the Western Australian Voluntary Euthanasia Society. This is the eleventh petition to be presented for this organisation since 1988 and it is also the largest. The petition is as follows -

To: The Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, request that because the criminal code law in Western Australia is such that suffering people have no legal right to be allowed or helped to die, no matter what their degree of suffering nor the urgency of their plea for release by death, the Legislative Assembly, in Parliament assembled, should enact legislation that makes the right to be allowed or, if necessary, helped to die a legal option on the request of persons who are suffering more than they wish to bear; and that other persons participating in the fulfilment of such legal options shall not be subject to legal, professional or social action.

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 3 967 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 162.]

PETITION - KALGOORLIE, "ENDOWMENT BLOCK" LAND SALE

MR TAYLOR (Kalgoorlie) [10.04 am]: I present the following petition -

To: The Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, strongly oppose the sale of a gift of land in 1900 by the then Premier of Western Australia, Sir John Forrest, on behalf of the State to the Town

of Kalgoorlie and its residents. On this land are constructed 30 heritage listed properties, known as the "Endowment Block", faithfully restored, carefully maintained and proudly owned.

Your petitioners therefore respectfully request that the Legislative Assembly will give this matter earnest consideration, and will ask the Minister for Local Government not to approve the sale of this property as it will be detrimental to the long term future of the city.

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

The petition bears 3 355 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 163.]

SECURITY - MEMBERS' OFFICES

MR THOMAS (Cockburn) [10.05 am]: I rise on a point of privilege. I am advised that last night my electorate office was broken into and disturbed. Although I have not been able to visit the office, I believe a computer has been stolen and records have been rifled through. We have not yet been able to go through the files to ascertain whether any have been taken. However, as there is a photocopier next to the filing cabinet, the files could have been copied and returned without one knowing. In any event, the computer was taken together with the hard disk, which means that someone has a complete copy of all correspondence written and notes taken in that office over the past few years.

The computer files contain politically sensitive material but, more to the point, they also contain confidential material concerning constituents who have come to me with matters they wish to draw to my attention. It is my view that members of Parliament, in conducting their duties, must be able to assure their constituents that they can come to see them in the knowledge that the confidentiality of the matters that they raise will be protected. I certainly assure constituents who come to see me that their confidences will be respected.

A month ago today, the Premier issued a statement saying that security in members' offices would be reviewed. A number of members of Parliament - primarily my colleagues on this side of the House - have had their offices violated and their records rifled. This is a matter of some urgency; something must be done about it promptly. We cannot discharge our duties as members of Parliament unless constituents and others can approach us with the confidence that our offices will not be violated. I understand that security systems are available off the shelf and, quite frankly, I cannot see what needs to be reviewed. My office has a bank next door to it, which obviously has appropriate security systems, and it is never broken into. It is in the same building as my office and has similar doors and format. I can see no reason why security systems should not be installed in members' offices promptly.

The SPEAKER: I have noted the member's comments. I wrote to the Premier about a month ago, when members will remember that this issue was raised in the local media. The offices of the Leader of the Opposition, Hon Murray Nixon and a third member were broken into at that time. I subsequently received a response saying that investigations were currently under way in relation to security in members' offices. I ask the member to write to me detailing the events that he has described and I will again write to the Premier requesting that the matter be given prompt attention.

BILLS (4) - INTRODUCTION AND FIRST READING

1. Censorship Bill

Bill introduced, on motion by Mrs Edwardes (Attorney General), and read a first time.

2. **Workers' Compensation and Rehabilitation Amendment Bill**
Bill introduced, on motion by Mr Kierath (Minister for Labour Relations), and read a first time.
3. **Fines, Penalties and Infringement Notices Enforcement Amendment Bill**
Bill introduced, on motion by Mr Minson (Minister assisting the Minister for Justice), and read a first time.
4. **Police Amendment (Taxi Fare Default) Bill**
Bill introduced, on motion by Mr Ripper, and read a first time.

IRON ORE - DIRECT REDUCED IRON (BHP) AGREEMENT BILL

Second Reading

MR C.J. BARNETT (Cottesloe - Minister for Resources Development) [10.13 am]: I move -

That the Bill be now read a second time.

The Bill is the most significant iron ore related agreement to be introduced in this Parliament since the initial agreements of the mid 1960s that resulted in the development of the iron ore industry in the Pilbara. The Iron Ore - Direct Reduced Iron (BHP) Agreement Bill will herald a new era for the Pilbara iron ore province and will realise the longstanding dream from the early 1960s of large scale iron ore processing being established in Western Australia.

At a cost of \$1.5b, it makes the Port Hedland direct reduced iron ore plant the largest single investment undertaken not only in Western Australia but in the whole of Australia at present. The plant will be larger than any other DRI plant currently in operation in the world. The plant represents the beginning of Western Australia's entry into a fast growing market for direct reduced iron, particularly in this region of the world, supplying mini steel mills with DRI as a supplement to scrap steel, which varies considerably in quality and is also subject to substantial price volatility.

It should be noted by all members that the decision by BHP to invest in a DRI plant in the Pilbara, using the new and innovative FINMET direct reduced iron ore processing technology, sends a very clear signal to the domestic and overseas investment community that Western Australia has come of age as an internationally competitive State.

Before discussing the Bill in detail, it is worthwhile reviewing the project in an historical context. The concept of producing DRI in Western Australia has a long history. In the mid 1960s, considerable interest was shown in the idea of producing DRI as a substitute for scrap in electric arc furnaces. That was seen as a real prospect for the early development of significant processing in the Pilbara, as it could be exported, whereas steel was still regarded as a product for domestic consumption. However, international demand for DRI was not sufficiently strong to warrant investment.

By the 1970s, the discovery of gas on the north west shelf encouraged people to believe that major processing based on gas, salt and iron ore in the region was possible for export markets. The idea also began to develop that a jumbo steel works in Western Australia might be possible. However, it was found that the lack of infrastructure and high establishment and operating costs in the Pilbara outweighed the advantages of steel plants being located close to raw material inputs.

Such projects also suffered as a consequence of the first oil shock in late 1973, which sent the world economy into recession, followed by the second shock in 1978, which delayed recovery for many years more than expected. The economic problems experienced in that time caused the closure of the two Pilbara iron ore pellet plants and the Kwinana blast furnace.

As the steel industry worldwide continued to languish and incur heavy losses during the 1980s, most of which were absorbed by Governments, the chances for a steel industry or

other form of iron ore processing in this State seemed further away than ever. By the 1990s, it was apparent that the time frame for establishing further processing facilities, as reflected by the early 1960s agreement obligations, did not correspond to actual market conditions. Consequently, in 1994, the current Government successfully renegotiated all of BHP's iron ore processing obligations under its various agreements.

Members will recall that, towards the end of the 1993 election campaign, the previous Government announced that it had agreed to discharge all of BHP's processing obligations under the Mount Newman, Mount Goldsworthy, McCamey's Monster and Marillana Creek agreements in return for the construction of the Pilbara energy project. However, upon entering government, we reopened negotiations to achieve a better outcome.

Given our view that the economic benefit to the State of the Pilbara energy project was substantially less than BHP's processing obligations under the four agreement Acts, we successfully renegotiated a new set of arrangements which were more equitable for all concerned. I detailed those arrangements in a ministerial statement to the House on 23 September 1993, which provided for:

- (1) The construction of the Pilbara energy project under a new State agreement, which would discharge the steel making obligation contained in the Iron Ore (Mount Newman) Agreement.
- (2) An obligation for BHP to enter into a new processing agreement, the Iron Ore Processing (BHP Minerals) Agreement Act, which required \$400m, indexed, to be spent on iron ore processing facilities in exchange for the deletion of processing obligations under the Iron Ore (Mount Goldsworthy) Agreement Act, the Iron Ore (McCamey's Monster) Agreement Act, and the Iron Ore (Marillana Creek) Agreement Act.
- (3) The imposition of iron ore mining tonnage limitations under those three agreements linked to BHP's processing performance.

I indicated at that time that those new arrangements benefited BHP and were a much better deal for Western Australia than that negotiated by the previous Government in its last days in office.

The new arrangements provided a real incentive for BHP to invest in further processing. The Direct Reduced Iron (BHP) Agreement will result in an investment by BHP of \$1.5b.

If the Pilbara energy project is taken into account, BHP's total iron ore processing investment in this State will be \$1.8b, compared with the \$300m the former Government was prepared to accept in exchange for discharging BHP's processing obligations under the various iron ore agreements. The present agreement before the House will discharge BHP's further processing obligation under the Iron Ore Processing (BHP Minerals) Agreement Act. The commissioning of the first train of the direct reduced iron plant will be deemed to be an investment under the Iron Ore Processing (BHP Minerals) Agreement Act 1994 and will fulfil the outstanding processing expenditure obligation under that agreement. In addition, the commissioning of the DRI plant will also have the effect of removing the iron ore mining tonnage limitations under the Mount Goldsworthy, Marillana Creek and McCamey's Monster iron ore agreements.

I will now discuss specific details of the project. The DRI plant will be located about 10 kilometres south west of Port Hedland and will be supplied with electricity and gas by the Pilbara energy project. I have already tabled variations to the Pilbara energy project agreement that will facilitate these supply arrangements.

Mt Newman fine iron ore will be transferred from Nelson Point to Finucane Island via a \$85m under-harbour tunnel and further transported by conveyor to the DRI plant. This will be the first underwater tunnel constructed in Western Australia and represents another technological first for BHP as part of this great project. At the plant the iron ore will be beneficiated, processed by direct reduction and hot briquetted before being transported back to Finucane Island for shipping to Australian and Asian steel mills. The direct reduction process uses reformed natural gas, carbon monoxide and hydrogen as the

reducing agent to convert fine iron ore to metallic ore. The final product - iron briquettes - will be about 92 per cent iron, compared to the original iron content of the ore at about 62 per cent iron. The project will bring tremendous benefits to the region and the State. About 1 400 people will be employed in construction of the DRI plant and associated infrastructure and about 225 full time jobs will be created. In addition, BHP intends to contract out maintenance on the DRI modules, which will be carried out by locally based teams of nearly 200 people in an almost continuous operation.

The hot briquetted iron product adds value to the iron ore by over 500 per cent, earning export revenue of about \$400m per annum. For example, a tonne of iron ore is worth about \$US25 compared to \$US150 a tonne for DRI. This project alone will achieve over 50 per cent of the State's target of having 20 per cent by value of Western Australia's iron ore further processed locally by the year 2000.

The decision to construct the DRI plant is a clear demonstration that this Government's policies to attract large scale processing investment are working. For example, in 1994 the present Government put in motion what is arguably the most important single factor in creating an environment conducive to the processing of iron ore. Of course, I am talking about deregulation of the Western Australian energy sector, which became effective as at 1 January 1995. The deregulation of the Pilbara gas market and resultant cheaper gas prices encouraged BHP to seriously look at processing iron ore in the Pilbara.

As a direct result of the Government's initiative, current gas prices in the Pilbara, which are about half of what they were prior to deregulation, are considerably lower than those of comparable gas producers in the east Asia region for new projects. The availability of cheaper gas and lower energy prices has significantly enhanced the financial attractiveness of value added activities in the Pilbara. The recent decision by BHP to consider establishing a methanol plant at Dampier is another example of the success of the Government's energy deregulation policy.

I will now provide members with some background specific to this agreement and the Government's involvement with the DRI project. Buoyed by a positive pre-feasibility study based upon lower energy costs, BHP approached the State in August 1994 proposing that the processing expenditure obligation under the Iron Ore Processing (BHP Minerals) Agreement be discharged by a new DRI plant. At that time BHP had sought a new state agreement totally specific to a DRI plant.

I should explain to members that the existing Iron Ore Processing (BHP Minerals) Agreement Act 1994 was drafted with no single project in mind. That agreement was designed to provide a general framework in which one or a series of iron ore processing projects or alternative investments, which were acceptable to the State, could be constructed. A review of the agreement showed that it would be simpler to draw up a new agreement than to amend the existing agreement and Cabinet agreed in late August 1994 to the negotiation of the new direct reduced iron (BHP) agreement.

In negotiations in early 1995, BHP further requested that the beneficiation plant and materials handling facilities of the project be included in a separate new agreement - the iron ore beneficiation (BHP) agreement - as the company wanted to be able to assign interests in the DRI and beneficiation plants to different parties, which it could not readily do under a single state agreement. Consistent with the State Government's encouragement of the project since its early inception, the company's request was agreed to by the Government.

Both the Government and BHP recognised that the DRI project would have major impacts on Port Hedland and South Hedland in the construction phase and on South Hedland in the operational phase because most of the work force would live there. The project would also accelerate the development of the Boodarie resource processing estate planned for the Port Hedland region. The first major initiative to flow from this recognition is the South Hedland enhancement scheme which I and Mr Dick Carter from BHP jointly announced at South Hedland on 12 October 1995. As part of the scheme the State Government and BHP will each contribute \$3.5m to provide for a range of projects

designed to improve the quality of life for South Hedland residents. This initiative is directly linked to BHP's decision to proceed with its DRI project and is fittingly included in the agreements for the project. This investment will have a significant and direct effect on South Hedland through needed improvements to public facilities and infrastructure.

In addition to each party's \$3.5m contribution, BHP has agreed also to provide an additional \$70 000 per annum for seven years directly to the town council to assist with the upkeep and maintenance of facilities established through the enhancement scheme. The scheme will last three years, coinciding with the construction phase of the DRI project. By the time the DRI plant is operational the enhancement scheme will have made significant improvements to South Hedland. Training and improving skills for South Hedland's youth will be important when specific projects are considered for funding because the scheme is about not only building facilities, but also providing lasting benefits for South Hedland's residents. This second wave of development in the Pilbara based on processing rather than mining is being initiated by this project. This puts Port Hedland and South Hedland at the forefront of the Pilbara's expansion. It promises to make the town even more of a key business centre in the north west of the State.

In a second major initiative the State Government will spend \$5m on infrastructure for the proposed Boodarie resource processing estate. The priority is to construct an access road for the estate which will also service the DRI plant. Construction is expected to commence shortly and be completed early in 1996. Other infrastructure projects funded out of the \$5m could involve facilities for the supply of water, gas and electricity to the estate, making it extremely attractive for prospective resource processing and other industrial projects. Therefore, in total the State and BHP will be spending over \$12m to improve public infrastructure in the Port Hedland area that will directly improve the quality of life for its residents and provide new employment opportunities.

The third major initiative is the fast tracking of the project by this Government to enable BHP to meet its tight time frame for construction. These fast track mechanisms are: First, allowing the project to proceed on an interim basis under the Iron Ore Processing (BHP Minerals) Agreement Act 1994; secondly, the grant of general purposes leases under the Mining Act 1978 to secure land tenure; thirdly, drafting and tabling of an amendment to the Pilbara energy project agreement to provide for additional energy infrastructure associated with the DRI plant to proceed; and, fourthly, partial relaxation of mining tonnage limitations under the Marillana Creek agreement to facilitate early development of the new Yandi II iron ore mine, which will be needed to supplement BHP export sales as soon as ore is taken from Mt Whaleback for the DRI project. Under these arrangements, proposals will be submitted and approved under the 1994 agreement, but when the two new agreements become operative the project proposals will then be transferred from that agreement to those now before the House. This initiative alone will see the project commence construction in earnest at the end of this month.

Before discussing the specific aspects of the Bill before the House I would like to commend both the company and the Department of Resources Development which have worked long hours to conclude the two agreements to allow the project to commence within the shortest possible time frame.

This Bill is in many respects of a similar nature to previous negotiated agreement Acts. However, it does contain some unique features. One specific new provision is the ability of the State or the company to determine the agreement, until the commencement of the DRI plant, for matters arising out of native title. This is a reflection of current circumstances where the operations of the commonwealth Native Title Act are restricting the State's ability to grant secure title within a reasonable time frame. In turn, this is causing companies to be cautious in dealing with the State on land matters. Should determination occur, BHP has agreed to pay back to the State any funds expended on the South Hedland enhancement scheme and infrastructure for the Boodarie resource processing estate. Furthermore, I should stress that in such an event BHP's processing obligations would still remain, as would the iron ore mining tonnage limits under the

three iron ore agreements. It should be borne in mind that BHP is taking a technological risk with this project and the Government recognises that risk. BHP has agreed to use its best endeavours to construct the DRI plant and make it work, but this project will be using new technology and will involve a number of different and complex processes.

I now turn to the specific provisions of the agreement scheduled to the Bill before the House. The purpose of this Bill is to ratify an agreement dated 16 October 1995 between the State and BHP Direct Reduced Iron Pty Ltd, a specific new BHP company vehicle, for the establishment of a DRI plant with a capacity of not less than one million tonnes per annum of DRI. The draft proposals before me for this project provide for a DRI plant of at least two million tonnes per annum nominal capacity - twice the minimum size stipulated in this agreement. Clause 2 provides legal interpretations of how the agreement is to be generally read but, in addition, requires the company to comply with the laws relating to native title and the Environmental Protection Act respectively, in relation to all activities under the agreement.

Under clause 4 the company is required to continue engineering, environmental and market studies, and other matters to enable it to submit proposals under clause 5. The clause also provides access to land to enable the company to complete its studies. Under clause 6 the company is obligated to submit its development proposals under the agreement by 30 June 1996. As I have explained earlier, proposals already submitted under the Iron Ore Processing (BHP Minerals) Agreement Act 1994, will be transferred to the direct reduced iron agreement once ratification occurs. By that stage project construction will be well under way.

Clause 6(10), which I outlined earlier, provides for the termination of the agreement by either the company or the State, prior to the commissioning of the direct reduced iron plant, having regard to matters arising from laws relating to native title. Clause 7 provides for the consideration of proposals submitted under clause 6. Upon receipt of proposals, the Minister, subject to the Environmental Protection Act and laws relating to native title, may -

- approve the proposals wholly or in part; or

- defer a decision until such time as the company submits further proposals; or

- require a condition precedent prior to the giving of approval.

The company is to be notified by the State of a decision in respect of the proposals within two months of compliance with the requirements of the Environmental Protection Act and laws relating to native title.

Clause 8 provides for the grant of leases, licences and other titles for the project, provided such grant is in accordance with the Environmental Protection Act, laws relating to native title and the approved proposals. Clause 8 also relates to the development of a buffer zone to protect against residential encroachment too close to the DRI plant. I now table the plan attached to the agreement, which serves to show the location of the DRI plant, associated facilities and surrounding lands.

[See paper No 629.]

Mr C.J. BARNETT: The small hatched area corresponds to the proposed area for the DRI and beneficiation plants. Within the large hatched area in the circle on the plan, the agreement provides that the State shall ensure that -

- the boundaries of the Port Hedland town planning scheme within the large hatched area shall not be altered;

- the part of the large hatched area within those boundaries shall not be zoned urban; and

- neither the State nor its agencies shall approve residential development in the part of the large hatched area outside those boundaries,

without in each case prior consultation with the company by the Minister for Resources Development. This provision is very similar to that contained in the Pilbara Energy

Project Agreement Act for the Port Hedland power station. These provisions are designed to ensure that the company is able to operate within the noise level commitments stated in its consultative environmental review. Without such conditions it would be possible for future residential development to have interfered with the continued operation of the DRI and beneficiation plants. Furthermore, the large hatched area is consistent with the State's proposed Boodarie resource processing estate in the Port Hedland region, and the same considerations would concern projects moving into the estate.

Under clause 9, BHP Direct Reduced Iron Pty Ltd, at the request of the Minister for Resources Development, is required to submit reports on the rehabilitation, protection and management of the environment. The Minister may within two months from receipt of such a report, request amendment to the report or environmental program. The Minister can also require the submission of additional detailed proposals for the rehabilitation, protection and management of the environment.

Clause 10 obligates the company to maximise local industry participation. To this end, the company is required to submit reports to me on a periodic basis detailing project expenditure incurred. Clauses 11 and 12 detail state and company rights and obligations with respect to roads and water respectively. Clause 16 sets out the procedure by which the agreement can be varied. Clauses 19 and 20 deal with determination and the effect of determination of the agreement. Clause 24 defines the arbitration process that may be used to resolve disputes arising from the operation of the agreement. Clause 27 states that the term of the direct reduced iron agreement will be until 60 years after the agreement ratification date. In 2044 the parties will meet to review the need for an agreement extension. Clause 30 ensures that land subject to the agreement will be rated on an unimproved value, which is consistent with other state agreements. Clause 33 provides for limited stamp duty exemption in a prescribed manner, compatible with previous state agreements. Clause 34 is a new provision which provides for determination of the agreement, in a specified manner, in the event that the project is no longer economic. Other provisions within the direct reduced iron-BHP agreement are of a standard nature, as contained in existing state agreements, and they do not require any additional comment.

As I said at the beginning of my speech, this is the most significant iron ore related agreement brought before the House since the mid-1960s. I do not say that lightly, and I sincerely believe this agreement marks the start of a new era for Western Australia, which will see it transformed from a great mining State to a great minerals processing State. I commend the Bill to the House.

Debate adjourned, on motion by Mr Leahy.

IRON ORE BENEFICIATION (BHP) AGREEMENT BILL

Second Reading

MR C.J. BARNETT (Cottesloe - Minister for Resources Development) [10.36 am]: I move -

That the Bill be now read a second time.

The purpose of this Bill is to ratify an agreement dated 16 October 1995 between the State and BHP Direct Reduced Iron Pty Ltd, known as the Iron Ore Beneficiation (BHP) Agreement. This agreement forms the second part of BHP's \$1.5b direct reduced iron project at Port Hedland. The agreement provides for the construction and operation of -

a beneficiation plant, to be constructed adjacent to the DRI plant;

materials handling infrastructure that consists of stockpiling and shiploading facilities, and a seven kilometre conveyor system between the DRI plant and Finucane Island; and

residue disposal areas for tailings output from both the DRI and beneficiation plants.

As I mentioned in the second reading speech for the Iron Ore Direct Reduced Iron (BHP) Agreement Bill, the need for a separate state agreement, to address the beneficiation plant, materials handling and residue disposal facilities, stemmed from a commercial requirement by BHP. Although the two agreements are linked, there is nevertheless a natural divide in the project between the DRI plant itself and the beneficiation plant, materials handling and residue disposal, all of which are still primarily part of the iron ore business. I advise members, however, that the facilities to be established under this agreement are worth almost \$600m. That, in itself, is a huge investment, equivalent to a new iron ore mine with railroad and port facilities. The bulk of the provisions of this agreement are almost identical to those of the DRI agreement that I have just discussed in great detail. For that reason, I will not repeat that exercise for the beneficiation agreement, and in this speech will cover only major differences between the two.

Clause 33 of the beneficiation agreement provides for the establishment of the South Hedland enhancement scheme, which I detailed at some length in my earlier speech. Under clause 33, \$12.5m will be invested in the Port Hedland region to provide new or improved existing infrastructure, public facilities and services. The State Government and BHP will each contribute \$3.5m over the next three years. Furthermore, the State Government will put \$5m towards infrastructure for the proposed Boodarie resource processing estate, in which the DRI project is situated. The state and BHP funds will be used primarily to correct the planning mistakes of the past when South Hedland was first designed. Specific projects could include building connecting roads, bus shelters for schoolchildren, footpaths, new parks and sports ovals. BHP will pay \$70 000 per annum for seven years directly to the Town of Port Hedland, for operating and maintaining facilities provided from the funds.

The South Hedland enhancement scheme will be overseen by a steering committee, consisting of representatives of the State Government, the Port Hedland Town Council, the Pilbara Development Commission and BHP. It will be chaired by the State Government's representative, Mrs Robyn Crane. Mrs Crane, as a past president of the Shire of Roebourne, has vast experience in regional development and a local knowledge of the Pilbara. The steering committee will recommend to BHP and the State the most appropriate projects to be funded, and will oversee contracts awarded for approved projects. An office will be opened in South Hedland to allow local residents to have direct input to the scheme for improving South Hedland.

As I said before, I am particularly pleased to see this worthwhile community based scheme become a part of a historic state agreement. It demonstrates that this Government will ensure that the benefits of major resource development projects flow through to the local community. Apart from clause 33, as I mentioned earlier, the other provisions of this agreement are the same as for the DRI agreement except where details of the facilities are concerned. Members should note that the plan I tabled as part of the DRI agreement is the same as the plan contained in the beneficiation agreement. This agreement, in itself, represents a significant \$600m investment by BHP, and would be worthy of commendation even if it stood alone, not as part of the DRI project. However, its construction is an essential element of the DRI project as it will provide the required quality of iron ore to the DRI plant. I commend the Bill to the House.

Debate adjourned, on motion by Ms Warnock.

MUTUAL RECOGNITION (WESTERN AUSTRALIA) BILL

Report

Report of Committee adopted.

Third Reading

Leave granted to proceed forthwith to the third reading.

Bill read a third time, on motion by Mrs Edwardes (Attorney General), and transmitted to the Council.

WATER CORPORATION BILL

Cognate Debate

On motion by Mr C.J. Barnett (Leader of the House), resolved -

That leave be granted for a cognate debate for the Water Corporation Bill, the Water Resources Commission Bill, the Water Services Coordination Bill and the Water Agencies Restructure (Transitional and Consequential Provisions) Bill, and that the Water Corporation Bill be the principal Bill.

Second Readings

Resumed from 28 September.

MRS ROBERTS (Glendalough) [10.42 am]: The Opposition is opposed to these four Bills. I note that in the second reading speech for each Bill the Minister referred to that Bill being part of a suite of five Bills. One difficulty we are presented with is that the final Bill in the suite of five has not been introduced into the Parliament. We have not seen that Bill - that is, the plumbing corporation Bill - nor obviously do we have a second reading speech for that Bill at this stage.

I am well aware that that Bill is not part of the cognate debate; nevertheless, if it is supposed to be part of this package of legislation and had the Government been organised, it should at least have been able to present it to us during this cognate debate. I can only assume that the Government has run into problems with the plumbing corporation Bill. Allegations have been made by individuals and councils about the plumbing corporation Bill being based on some flawed figures, and people have highlighted other problems to me about it. I am disappointed that we are proceeding to debate the other four Bills without having an indication of what the plumbing corporation Bill will encompass.

One reason for our being opposed to these four Bills is that we are not convinced the Government can demonstrate that it will mean better water services or cheaper water for the public of Western Australia. The principal motivation for wanting to make changes to the way in which the Water Authority of Western Australia operates should be that a better service can be provided at a better price than currently exists.

The Opposition believes the contrary is more likely. The experience in other States and overseas countries which have moved to privatised systems, where substantial services provided by public utilities have been contracted out, shows there have been very negative results. We do not believe there is any guarantee that splitting of the Water Authority into three will result in better services or lower prices; in fact, we are arguing that the contrary is more likely. We do not believe splitting a well-functioning authority into three separate utilities will lead to greater efficiencies. We fail to see how new buildings, new letterheads, higher executive salaries, more consultancies and more duplications - in this instance, triplication - will lead to lower prices. It is far more likely that services will go down and prices will go up.

The triplication comes about by three new entities being formed out of the current Water Authority. One is the Water Corporation, with a focus on the provision of water services which takes on the utility functions of the Water Board; the second is the Water Resources Commission, which will oversee the protection and conservation of the State's water resources; and the third is the Coordinator of Water Services, who will provide advice to the Government and supervise the maintenance of water services through a licensing regime.

I also note the latter two, the commission and the coordinator, will be given new names in the same way as occurred with AlintaGas and the R & I Bank; hence, the requirement for new stationery and new premises. I am advised that both the commission and the coordinator - both are currently sections of the Water Authority - intend to move to the Hyatt Centre. The only section to remain in the John Tonkin Water Centre, located in my electorate in Leederville, will be the Water Corporation. It concerns me that instead of aiming for greater efficiency, we will be dividing up an organisation and costs will

increase. It seems that the more things change, the more they stay the same. The public becomes increasingly cynical in these matters. One Government is elected and decides that amalgamation will provide a better, more efficient and cheaper service. The next Government wants to make its mark and decides that these things will be achieved by division rather than amalgamation.

I revisited some of the earlier water legislation enacted by this Parliament. The Metropolitan Water Authority Bill was handled by the late Mr Andrew Mensaros, the then member for Floreat. I compared his comments on that Bill, which were made only 13 years ago, in April 1982, with those made on these Bills. Mr Mensaros stated -

The Bill takes a completely fresh and necessary approach to the extremely complicated matter of the best way to provide water services to the rapidly expanding areas of Perth, without imposing unfairly on the whole population. It does so by the simple application of the principles of the market place, and the principle of supply and demand.

He goes on to say -

The Bill does all this, and yet provides for services to new developments. It does so without the ordinary consumer having to subsidise new developments, either now or in the future. It also caters for a situation in the future - after past debts and their servicing have been paid off - where our children and grandchildren will not have to pay for the water services which we now enjoy.

That was the first stage in reforming the water industry, and was probably a preliminary stage to the establishment of the Water Authority of Western Australia. Two years later, in 1984, the Water Authority Bill was introduced by the member for Morley-Swan, Mr Arthur Tonkin. These comments were made by members in this place a little over 10 years ago. At that time there seemed to be a general agreement that an integrated authority was the best way to go, and a strategy for debt servicing of water in this State was developed. Looking through the annual reports and performance of the Water Authority over the past 10 years, one sees that strategy has been successful.

I am concerned that we are now risking a well-functioning, integrated authority that is the envy of other authorities in Australia and no doubt the world, for this new approach. Mr Speaker, you have seen many Governments come and go and many different approaches; however, this is change for change's sake. The current fad of the Government is towards privatisation and breaking things up into business enterprises and so forth; just as the fad some time ago was to integrate things. It seems more than passing strange that people argue so vehemently one way or another and then change their mind as time goes on. We have no evidence that would demonstrate why we should split the Water Authority into those three areas, rather than progress down the paths taken by Victoria, South Australia and New South Wales, and to a greater extent the United Kingdom, Wales, France and many other countries.

I note that Arthur Tonkin, in the second reading speech on the Water Authority Bill 1984 stated -

I am convinced that if we are to manage these resources to provide a proper balance between their protection and conservation and their development and use, and if we are to preserve a fair balance between the requirements of the city and the country and between private use, the requirements of commerce, industry and agriculture, and the demands of nature and of recreation, this can best be done if we have a single consolidated water authority which is devoted to the single-minded pursuit of these goals.

The purpose of the Bill is to establish the water authority of Western Australia. The authority is to be established on 1 July 1985 and, as initially established, will take over the roles and functions of the Metropolitan Water Authority and of those elements of the Public Works Department which are concerned with water supply, irrigation, drainage, and sewerage, and with the measurement, conservation, and development of the water resources of this State.

Members of the 1984 Opposition, some of whom are still in this place today as government members, supported the formation of that integrated authority, and the integration of the staff of the Metropolitan Water Authority and the Public Works Department. They claimed it would reduce duplication in many areas, including the areas of finance and administration, and engineering and surveying, and they saw the benefits of a streamlined administration by bringing those areas under one roof - that was eventually the roof of the John Tonkin Water Centre, Leederville. Those members also referred to facilitating common policy and commonality of purpose and the advantages of combining those functions. I fail to see that anything should have changed people's minds so considerably in 10 years. At the time the member for Vasse was concerned that over time there would be a grab for various other water boards, such as Busselton and Bunbury; of course, that did not happen.

The Opposition is further opposed to these four Bills because in many ways they represent privatisation by stealth as the Government contracts out the work of the Water Authority of Western Australia to the private sector. The Government has failed to recognise that water is a different commodity from any other commodity. It is a natural monopoly, and it has no substitute product. There can be no rival water service, or laying of alternative pipes. Unlike telecommunications, where one can choose to take advantage of dialling zero or one to determine which carrier one will use, only one set of pipes is laid to a house or commercial premises, and only one set of pipes comes out. Private companies cannot compete for our spending dollar on water. Although different private sector companies will be involved in different areas, effectively each one will run a monopoly.

The Opposition is also opposed to these four Bills and their impact on the Water Authority, because of what is happening so needlessly to the public sector work force in this State. The Water Authority work force has been streamlined and improved over the past 10 years, and it seems inexplicable that the Government now wants to impose these massive changes on it. Around Christmas last year the Water Authority's workers received a letter complimenting their improved productivity and increased efficiency of over 4 per cent and advising they would receive a pay rise. By Easter that had changed and the reports that the Government was about to embark on massive employee number reductions were confirmed by the Minister for Water Resources. He said that he expected that by the end of the year 1 500 employees at the Water Authority would no longer be required.

WAWA has developed into an efficient, financially unencumbered authority. It is fully integrated. Not only does it deliver a very good service to consumers, but also it provides \$24m to the consolidated fund. The proposed split of the Water Authority is potentially a costly experiment which will more than likely be financially disastrous. I say that it is an experiment because the proposed split is not modelled on a system that is working successfully elsewhere. If the Government were able to point to another State or even another country to make a suitable comparison to indicate that such a system was working effectively and efficiently, we could consider that. Our common aim should be to achieve a better service at the best price for consumers. The questions I have asked about this legislation have resulted in answers indicating that it is not modelled on similar legislation in other States. I am advised that it is based on the AlintaGas legislation recently introduced and passed in this place.

I ask members to bear in mind that we are advised that the so-called experts who have investigated the measure have examined systems in other States, the changes made there, and that legislation. If the Government had considered the same reports which I have examined, it would have concluded that that legislation was not working well, and it would not be appropriate for Western Australia. However, the Government believes it can do it better -

Mr C.J. Barnett: Which legislation is not working well?

Mrs ROBERTS: The Victorian legislation.

People are tired of reorganisation for reorganisation's sake: One Government combines

different authorities, and the next Government splits them. That cycle continues. Only this morning I spoke to people who commented that various government departments continue to change their names. People wonder about the costs involved. Years later people still refer to a government department or agency by its former name. Older people still refer to AlintaGas and Western Power as SECWA, and to other government instrumentalities by their old names. People cannot keep up with the new titles, and cannot remember whether it is the Education Department or the Ministry of Education. The general public becomes very cynical because it regards this process as little more than grandstanding by politicians who practice their theories at the public's expense. Politicians want to make their mark: If a body is an amalgamation of several organisations, it is divided. Alternatively, they amalgamate several authorities.

One of the first principles to consider is the current position of the Water Authority: Is it operating so badly that it needs a massive restructure - or, as I call it, destruction? The chairman's overview in the 1994 annual report of the Water Authority states -

The Authority remained amongst the leaders of the Major Urban Water Authorities of Australia. The Authority had the lowest operating cost for metropolitan water and wastewater services and the second highest real rate of return on metropolitan assets.

It is also pointed out in the annual report that the Water Authority met community service obligations of \$154.3m, funded through internal cost subsidies. This is another reason that the Government argues it should split the authority. The Government wants to be able to identify those community service obligations and cost them separately. Although we do not oppose in principle the identification of consumer service obligations and the areas subsidised, I am concerned about the Government's motivation. While we have one authority which can subsidise the community service obligations from within, there is a better capacity to service those obligations. Although splitting the authority into three parts will enable one of the three to deliver a high return to the consolidated fund, the difficulty will be that on an annual basis the other two areas must go, cap in hand, to the Government to retrieve some of that money. Initially, when the Water Authority was set up, the logic was that the revenue raised would be held within the authority. The logic was that water should not be used as a commodity on which to tax the general public. It should be used as an integrated resource. The money made in one area can directly subsidise community service obligations from the one source, so that we need not raise taxes through a revenue raising unit of government over and above the return from other areas. Also we would not be putting pressure on consolidated funds through utilities which are not meeting our expectations. With this split we may have to take additional moneys from the consolidated fund, other than that raised by water. That is another reason that we are loathe to accept the four Bills.

I must emphasise that apart from meeting the cost of community service obligations through cross-subsidisation, the Water Authority additionally contributed \$24m to the consolidated fund in 1993-94. Many benefits can be gained from a fully integrated, consolidated authority. There are economies of scale. We have many more opportunities to improve services and return significant dividends to the consolidated fund without the need to increase the cost to consumers above the cost price index.

The Opposition is not opposed to everything that has been done at the Water Authority. We have witnessed tariff reforms and we do not have much difficulty with that. Debates have occurred in this House over 10, 15 or more years about commercial sewerage charges and the subsidisation of residential charges. Tariff reforms embarked on by the Government since it came to office include the area of commercial sewerage charges. I do not say that we agree with the way that was done. However, there has been some rebalancing, perhaps to a greater extent than we would like at this time. Some rebalancing was justified. The Government has also undertaken tariff reforms in country water and sewerage charges to reflect more accurately the cost of service provision and to minimise the cross-subsidies. We must be very careful about the rhetoric that is used there when we look at the dichotomy in what is said by the coalition Government; namely, that, on the one hand, it wants to identify the cost of service provision and

minimise cross-subsidies, which basically translates to user pays in country areas and, on the other hand, it wants to encourage decentralisation and industry in regional areas. It has become patently clear to us that consumer service obligations and what I call cross-subsidisation should remain in a number of areas, including some country regions.

Mr C.J. Barnett: I have had some argument with the Electricity Authority about that point. I have taken the view that cross-subsidisation for a uniform tariff is not a community service obligation but an obligation under the franchise which the authority has. One could argue the point either way, but I make the comment because it is worth thinking about whether uniform tariffs are a community service obligation or a cost which the Electricity Corporation must bear in order to have that monopoly right.

Mrs ROBERTS: The Minister has made a reasonable point, but there are some significant differences between the delivery of electricity and the delivery of water, particularly that effectively there are no government provided water services to many areas of Western Australia. In order that members can be a little better informed of what is happening in the water industry throughout Australia and compare that with what the Government is doing in this State, I refer to an article in the August 1995 edition of *Infrastructure*, which comments on what is happening in regard to water in many Asian countries and also in other States. The article states -

Outsourcing is the buzzword in South Australia.

That is probably similar to what is happening here, with the outsourcing and contracting out upon which the Government has embarked on a massive scale. It continues -

By December, a private and foreign company will manage state capital Adelaide's water and sewage system in a deal that should fetch between A\$1.5 billion and A\$2 billion.

One argument that is presented by government members is that what the Government is doing is not full privatisation. When I refer to what happened in England, government members say, "Yes, but we are not doing that here. We are not selling off the pipes and the infrastructure and so forth. We are only getting in the private sector to manage that infrastructure." Government members say that as though that somehow makes it not so significant. In my view, it makes it no less significant. The article continues -

SA's Minister for Infrastructure, John Olsen, said that the deal is expected to save the state government up to A\$40M a year through private sector efficiency gains.

However, that is untried and, therefore, unproved at this stage. His argument is similar to what is argued by government members in this State, because he said that it will not be full privatisation because the South Australian Water Corporation, which will be known as SA Water, will retain control of assets and pricing policy.

The four companies which were short-listed to manage South Australia's water and sewerage system were all major overseas companies: Two French - Lyonnaise Des Eaux and Compagnie Generale Des Eaux; and two British - North West Water and Thames Water. Three of those companies - Lyonnaise Des Eaux, North West Water and Thames Water - then determined to establish joint consortia with some Australian companies and make joint bids. Lyonnaise Des Eaux of France combined with Lend Lease and P&O Australia, Thames Water combined with Kinhill Engineering and Henry Walker Contracting Pty Ltd, and North West Water said that it would involve local South Australian companies as partners. The coalition argues that this is what the Federal Government wants - this was proposed by Hilmer and is supported by Keating - so why do we not agree with our federal colleagues? I am advised that in respect of water, this is not what the Federal Government wants. An article in *The Weekend Australian* of 1-2 April 1995 states -

The federal Minister for Industry, Senator Cook, speaking following a meeting with his State counterpart, Mr Olsen, said yesterday industry groups had assured him up to two Australian bids for the prime contract would be in position within one to three months.

But the proposition was rejected by Mr Olsen.

The articles states also -

Senator Cook said: "I encourage foreign investment wherever I can, but in a core and central strategic issue like water . . . Australian ownership is a requirement.

"If I drank South Australian water every day of the week I would want the owners and administrators of that company to drink the same water."

Mr C.J. Barnett: You would probably get very ill if you drank South Australian water every day of the week!

Mrs ROBERTS: By the sound of this, people could become even more ill.

I turn now to what is happening in Victoria. The article in *Infrastructure* of August 1995 refers to the corporatisation in Victoria and states -

The list of difficulties that led to Victoria's restructuring of its water industry is so extensive and serious, it is a wonder they made it this far. The list includes: overstaffing, poor productivity, over investment, capital misallocation, and high outstanding debt and annual debt servicing costs. A new strategy came into effect on January 1 and involves a licensing system for the provision of water, sewerage, drainage, sewage treatment and water headworks services.

The thrust of the legislation can be seen in the breakup of Melbourne Water into five separate entities. These include Melbourne Water Corporation which retains responsibility for the headworks and for the sewerage treatment works, three retail businesses becoming state owned companies, and Melbourne Parks and Waterways becoming a statutory corporation with its own legislation.

Having highlighted the many similarities between what is happening in Victoria and the way in which this State is progressing, it is relevant to quote from a report that was prepared by London Economics in July 1992 entitled "Restructuring Melbourne Water". That well respected group makes a number of salutary comments about what is happening in Victoria, and those comments are as valid to what is happening here as they are to what is happening in Victoria. The executive summary and overview states -

Structural reform options need to be judged against the background of the reform process already under way, and in particular the substantial advances in efficiency achieved in recent years. Any suggested reform needs to be technically feasible, politically acceptable and have a demonstrable benefit in terms of reduced cost before it will be accepted.

That is exactly the situation in this State. We have had substantial advances in efficiency in recent years. Given those substantial advances, we must ask why this reform is needed, and that is the point from which I commenced my comments today.

The report states also that the general conclusions from the study are that -

Overseas models do not provide a simple template upon which MW can be restructured, but they do provide some important lessons.

International evidence suggests that market structure and regulation are more important determinants of efficiency than ownership per se. In particular the privatised structure in the UK, and the French system of franchising have led to only very limited forms of competition and often at substantial regulatory cost.

In Western Australia, we will obviously need to keep an eye on those cost blowouts. It continues -

On the balance of evidence it would appear that corporatisation is preferable to pure public sector monopoly. However, it is too early to tell whether the benefits of corporatisation are greater than those from privatisation, when there exists a non-competitive market structure. The corporatisation structure does have potential to facilitate relatively inexpensive forms of regulation over both levels of service and prices, and to encourage efficiency improvements.

Fragmentation of MW would result in significant losses in scale and scope and increased finance charges.

That is exactly what I have been arguing. It says further -

To achieve net cost savings, very strong assumptions need to be made about efficiency improvements from increased competition to outweigh the losses in scale and scope.

Significant improvements in MW's profitability, possibly of the order of 30%-50% may be achieved by retaining MW as a single integrated business, applying disciplined management and taking advantage of competitive forces relating to input services to MW operations and non-core business. Over time, improvements in the efficiency of allocation of resources will be achieved through the adoption of user-pays pricing and the principle of demand management.

I understand from what is being argued there, that significant improvements can be made with the system without having to run this risky strategy of splitting the authority into three. The Government is already moving to a user-pays pricing system and many efficiencies have already been gained in streamlining management and better work practices.

Mr C.J. Barnett: Whatever the merits or otherwise of Victorian policies for Melbourne Water, the utility function has been split. Here we are not proposing to split the utility function. I am not arguing for or against your argument. We are not going anywhere near as far as you are suggesting.

Mrs ROBERTS: Here it is being split into three but the first category of the utility in Victoria has been split further. The Eastern States have bigger populations and other factors to consider. My comments about contracting out and privatising industries such as this in Western Australia were echoed by a consultant from P.A. Consulting Group, a London company, who visited here. That company has been used extensively by the Water Authority in the past couple of years. He suggested that the isolation of Western Australia would mean that the potential disadvantages would be far greater and we may not be able to get the competitive advantages that could be gained, even on the east coast, by major international companies being prepared to competitive bid and tender. We may find that in Western Australia all we are really doing is handing over a monopoly to one company and because the level of competition will not occur, the cost advantage will not eventuate.

As my time is running out I will not go into the detail of what is happening in New South Wales to the extent that I intended. Suffice to say that the former Liberal Government in New South Wales made moves similar to those made by the Liberal Governments in Victoria and South Australia.

Where did this all start? It started in England under Margaret Thatcher. While the coalition here continues to point out that we are not going that far at this stage, many of the principles remain true. One of the most controversial privatisations of Margaret Thatcher was that of the water industry in England and Wales, in 1989. I have taken the opportunity of looking up some of the speeches from the House of Commons on that water Bill. The papers I refer to are from the House of Commons debate of 6 February 1989. Some very salutary comments were made in that debate. I will quote from the debate to give members an idea of the colour of the debate that took place in England. One of the Labour members said -

As I have often said, a clear difference between the two sides of the House is that, while Conservative Members judge everything in cash terms and invariably take money as the criterion that matters, we see many other important issues.

He goes on to say -

It was clearly possible to remove the industry from the limits on its capital investment through means other than privatisation.

If we were considering only the dollars - my argument is that even that is wrong - a Labor Government would still place emphasis on its obligations to the community.

Mr Blaikie: How has the restructure worked in England?

Mrs ROBERTS: I will get to that. I am not sure the member will want to hear it.

I thought this was interesting. In the debate in the House of Commons, another member said -

Mr. Keith Court, chairman of South West Water, has been talking about finding ways of outwitting the NRA and Mr Gordon Jones, -

Another significant name in this issue -

chairman of Yorkshire Water and of the Water Authorities Association, said that the duty of experienced water industry executives is to be responsible to their shareholders, not consumers.

We do not wish to see that emphasis adopted in Western Australia.

Mr C.J. Barnett: Do you not think those two can be consistent?

Mrs ROBERTS: It is always a matter of judgment. Water authorities have community service obligations which outweigh the simple matter of cost. I will come back to that. One of the comments made at the time by an opponent to the United Kingdom legislation was -

There are plenty of other additional costs for the consumer that are still to come. We shall soon be seeing flashy adverts on television, for which we shall all have to pay. There will be the costs of flotation, which the City will not have to meet . . . There will be the extra costs of higher management salaries . . . and . . . an obligation to put shareholders first.

That is the colour of the debate that took place then. There were then 10 water authorities in the United Kingdom. The salaries of the chief executives of those privatised companies rose dramatically and there were relentless increases in bills; for example, with North West Water, one of the 10 private water companies and one which is competing for work in Australia, the average water bill increased over five years from £110 to £182, or 60 per cent. At the same time North West Water's shareholders received a dividend of £269m, which was a massive increase on the last return to government which was £44.3m. Mr Brian Oldfield, the chief executive, received a salary of £50 000 when the authority was non-privatised, and the current chief executive, Sir Dennis Pitcher, receives £360 500 per annum. There was a great gain to executives but a cost to consumers in the order of 60 per cent.

That occurred in all 10 authorities. At Thames Water, for example, bills increased by 60 per cent from £101 to £162 per annum; profits increased from £207m to £242m; and, while the non-privatised authority's chief executive Mike Hoffman was paid £181 000, the same man working for the privatised authority now receives £317 000 per annum. In five years from 1989 domestic bills increased by 67 per cent. During that period the United Kingdom retail price index rose by 19 per cent, so the real increase was 48 per cent. Super profits went to shareholders and pre-tax profits went up dramatically. At the same time, the number of disconnections increased dramatically; low income people and people unable to afford to pay their bills were being disconnected. Some argue that as a consequence the number of people with diseases increased dramatically. I have seen Public Health Laboratory figures for dysentery and hepatitis over the same period, and a strong correlation exists between what happened in the water industry and the incidence of those diseases.

I also wish to comment on what I see as some lost opportunities for Western Australia. South Australia believes that by appointing one of the overseas companies in conjunction with a local company it will be able to take advantage of the opportunities of the water market in Asia. I have heard informally from people at the Water Authority who have spoken to executives from overseas companies that they have been quite impressed with

the way we manage water in this State. They have looked at the Water Authority's water treatment plants and so forth and do not believe they could be handled better. We need to be aware of the existing infrastructure of the Water Authority. The article in the August edition of "Infrastructure" noted that in the next few years alone about \$26b worth of work will be available in Asia in the water and sewerage area. Members will know that many areas of Asia use raw water and that problems with raw water quality are quite common in Asia. As their economies improve they are looking at spending a massive amount on water and sewerage services. A former employee of the Water Authority put to me that, with the Water Authority's in-house expertise, gained over the years, and with our fully integrated authority, we could well have been able to position ourselves to pick up some of those opportunities in Asia, which I do not believe we will now be able to do. The irony is that the two French and English companies previously referred to also are aiming at getting into the Asian market. We are placing before them an incredible advantage. From what I am advised and have read, part of their strategy is to establish some bases in Australia, and to get some runs on the board and make inroads here to springboard into Asia. Their intention is to get together with our authorities and use our well developed expertise to assist them to springboard into Asia. Some have estimated that over the next 20 years the South East Asian market will be worth in the order of \$100b. I am advised that Asian cities with large populations are looking for design, planning, operation and manufacturing packages for water and sewerage systems. We must maintain WAWA as an integrated organisation, and then we could consider offering this kind of service either in our own right or in partnership with Asian authorities. Ironically, as I have said, those overseas private companies are attempting to copy the integrated model which we already have in Western Australia. We must learn from our mistakes and seize the opportunities for the development of the expertise that we have in Western Australia and look at opportunities for Western Australians to take advantage of that market.

In conclusion, I will make a number of things clear: Labor supports healthy competition, but it does not support dogma driven by ideology or change for change's sake. It is not sufficient to justify making these changes by saying that it is the Government's belief the private sector can do things cheaper. In this day and age the Government must be able to demonstrate through benchmarking reports or other reports that by privatising, contracting out, outsourcing or splitting up there will be some definite advantages from this massive change. We should not gamble with water in this State. Perth has a population of 1.2 million people. By 2021 Perth's population is expected to reach two million - nearly double in a little over 25 years. When the Government is managing something well, I do not know why it would want to throw that out and embark on something risky which is not working anywhere else.

Of great concern to me also is that although the Government says that it is not selling off the pipes and infrastructure, but only the management of that - we have some idea of what the management of those resources can be worth in contracts to foreign countries - it is the taxpayers of this State who will ultimately be responsible for the maintenance of that public asset; those pipes and that infrastructure. If it is not operated as a fully integrated authority with profits ploughed back into the infrastructure, government may have a tendency, having got the money into the consolidated fund, not to spend the money on the water infrastructure that will be needed desperately in this State as its population doubles in 25 years.

The Labor Party supports public ownership of this public resource. The privatisation of water services is socially undesirable and economically indefensible. With public ownership there is public control of a monopoly power. The unforeseen consequences of water privatisation in the United Kingdom have been disastrous. The UK, too, said that it would have price capping rules to prevent the abuse of monopoly power. However, as things eventuated the consumer could not object to the significant increases in water prices if they were the result of capital expansion. That is something else we must be wary of in this State. Effectively the Government has already started advertising staff positions in these three new entities as part of the authority. Through the water industry

restructure implementation group, Peter Jones and the Minister this process is already under way and is due to be in place by 1 January 1996. With these four Bills this Parliament has been taken for granted.

[The member's time expired.]

MR KOBELKE (Nollamara) [11.43 am]: I oppose this move by the Government to restructure the Water Authority of Western Australia. The member for Glendalough outlined well the reasons members on this side of the House are opposed to the moves being taken by this Government. Members all recognise that water is of critical importance to the people of Western Australia. This is such a dry State that we must give the preservation and production of potable water the highest priority. I hoped that any major move by the Government to restructure the management of water in this State would be a bipartisan approach. I hoped that the Government in moving to make major structural changes to the supply and control of water in Western Australia would involve a cross-section of public interest so that any change improved on the existing system. However, that has not been the case.

We have seen a narrow ideological drive to change the system to fit in with the philosophy of the Government. If that were on the periphery of the matter, whether it be water or something else, the Opposition might oppose it simply on the basis of its political position on this side of the House. However, dealing with the water resources of this State should be above politics. It is crucial to ensure the production of high quality water at the lowest possible cost. It is not only crucial to the quality of our lives - the environment, our gardens and access to safe and clean drinking water - but is fundamental to economic development in Western Australia. It is crucial that we not mess with the provision of water in this State in a way that is likely to lead to a reduction in the quality of that water supply and how it is delivered to the people.

The Water Authority has established an enviable record both in Australia and internationally. However, we have seen no evidence from the Government of the major difficulties that must be addressed with this barrage of legislation. Any organisation, even the Water Authority of Western Australia, can do it better; there are areas for improvement. However, the Government has not come forward with an argument based on the deficiencies. The arguments from the Government seem to be based on the premise that it can be done more efficiently in an economic sense by changing the structure. However, even in that area there is no evidence to support the hypothesis that the authority can be more economically efficient by adopting this new structure.

The move to contracting out illustrates the point I am making. In the steps that have already been taken by the Water Authority, driven by the directives of this Government, contracting out has not led to greater efficiency or an improvement in the quality of service. Given that the Government has not attempted to rationalise these moves by producing facts in this area, we can do nothing other than conclude that the direction of the Government is based on an ideological position rather than sound management.

The Minister in the second reading speech points out that this is not a step towards privatisation. However, the Opposition does not have confidence that that is not the agenda of this Government. Given the decisions already made by this Government, it seems obvious to the Opposition that this move is a step towards privatisation. Perhaps I and members on this side are wrong in that respect. If we accept the stated intention of the Government that this legislation is only about corporatisation and is not a definite step towards privatisation, we must look at the reasons it is doing that. The terms that have been used by the Government in suggesting there is some advantage in this move might be summarised by one word - corporatisation. In the second reading speech on the Water Corporation Bill the Minister states -

The sum total of the changes will result in the disaggregation of the Water Authority in that its assets and liabilities will be distributed between the new agencies, and appropriate arrangements will be made for the transfer or redeployment of its staff.

It states further -

It will pave the way for a new competitive environment for the water industry and for the cultural changes which are necessary to allow this environment to prosper.

Those brief quotes accurately sum up what these changes are about - this new competitive environment in which the Government believes things will be done better if the overriding rule is that the marketplace should prevail. I have great difficulty with that ideology. I do not believe the Government has made any real attempt to substantiate it: It cannot be substantiated by any thorough and rational argument. The Government believes in the god of profit motive; that if the profit motive is there, everyone will benefit. Clearly, the Government cannot give examples of that.

Profits are important. Our economy requires people to risk their capital and their energies in an enterprise so that they can advance themselves. In that way, our economy grows. I am not taking issue with the importance of our free market economy. However, I take issue with the fact that the Government is guided solely by the profit motive. If no profit motive is involved, the Government sees that as having a very low priority.

There is great difficulty in introducing the idea of profit and competition in an area which, by its very nature, is a natural monopoly. We will not run two sets of pipes into every house to deliver water. While there may be an ability to compete in some areas, that ability is very limited. In most areas of this State, a monopoly will provide the water which is required. This is not an area where normal market forces can be allowed to reign. It is not an area where we can expect efficiencies and reductions in costs to consumers as a result of those market forces. I am not suggesting that there is not some room for competition or to improve efficiency. That is clearly the case. Government controlled enterprises must always strive to improve their efficiency and to provide the best possible service at the lowest cost. However, they must do that in the context of professionalism and where there is a total view of the service being delivered and the product being supplied. It must be part of delivering a public service which is required for the public good.

Unless moves to achieve efficiency are considered in the total sense of providing a service which is essential to the good functioning of our community, we will not improve the service, reduce costs or improve efficiency in the longer term. If we do not address the issues which relate to the quality of the service so that there is a guarantee of supply and a standard of supply on which people can rely, it will cost us more in the longer term.

As a result of the Government's moves, and of these changes if they are implemented, costs have shifted. We do not see a reduction in costs, we simply see costs being shifted to someone else. Who will pick up the extra costs as a result of the moves that we are debating today? It is quite likely that consumers will pick up those costs. In the longer term, consumers will pay more because friends of this Government will make profits out of some aspects of the supply and delivery of water services. The long term result may be a diminution in the quality of service and people will not be able to rely on the security and high quality of our current water service. I will give examples later of countries which have followed a philosophy close to that of this Government where it is clear that people have paid the price in additional costs and a reduction in the quality of the services offered.

We are very fortunate that we have many professional and capable people in the Water Authority at the moment who have not simply seen the Water Authority and the supply of water as a job which brings them a weekly pay packet. While that is obviously important to all of us, my personal contact with people in the Water Authority has led me to believe that a large number of people there consider it to be their professional duty to supply water to the people of this State and to provide the best quality of water and the best standard of service. They take great pride in their work and the professional services they provide.

However, with the changes which have occurred so far, and possibly with the further changes being mooted now, a real disaffection is growing among the staff of the Water

Authority. They believe that the Government does not respect them. They believe that the Government has no real regard for their skills and the services they offer. I am sure that the Minister does not wish to engender that kind of attitude among the staff. When he replies to the debate, the Minister may like to comment and say whether he accepts what I have said. If he does accept what I have said, I am sure that he regrets it. However, it is a fact. If we speak to the staff in the Water Authority, we find that, as a result of the mismanagement that has occurred over the past two to three years, people have become disaffected with the changes.

The staff may consider setting up their own consultancies. Having lost the primary objective of being professionals delivering a critical service to the people of this State, all they have to fall back on is the profit motive which the Government is promoting. They will set up their own companies and they may do quite well out of them. However, they realise that the State will lose professional ability in the Water Authority, the goal of which is to produce a quality service in relation to the water supply for the people of this State.

This is a kind of internal subsidisation in the current structure. When it comes to the cost of control and managing and protecting important resources, the Water Authority funds itself from its revenue. As we know, the Water Authority has quite a substantial revenue. There is a disaggregation of the Water Authority into several independent organisations, some of which will have the role of overseeing the control and maintenance of standards. Those authorities will be funded from the annual grants from the Government, which we have traditionally called the consolidated revenue fund. The very important role of monitoring standards and ensuring that we preserve our important water resources will now be at the beck and call of the annual Budget.

If the Government of the day does not consider water to be a priority, or if there are pressures on the Government to restrict expenditure, those organisations may not be able to provide the services which are essential for the management of water resources in this State. On that basis alone, the disaggregation of the Water Authority is likely to lead to a reduction in standards in the longer term for the supply of water in this State.

Resources are limited. When the squeeze is applied, the new organisations which are to be funded directly by the Government through the annual Budget will always be scraping to meet the needs which they must fulfil. While they are still part of the Water Authority, they are likely to have a more sympathetic ear from the production side in terms of ensuring that they put the necessary resources into maintaining our important water resources and ensuring that standards are met. In that case, they are dealing with fellow professionals who, while they are in a different part of the industry, realise the crucial importance of directing funding to quality and preservation of the resource. That will not be the case when those agencies must fight for their funding from the State's Budget every year.

I have already referred briefly to the fact that many professional people in the Water Authority, for whom I have a great deal of respect, are not satisfied with the current structure. As a result of the changes, they are likely to be pushed out of the system. They may be able to continue to offer services, but those services may be offered through a different structure or through some form of contract. That will be very much to the detriment of the good management of our water resources.

It is very important that a government organisation which plays a primary role in the provision of water to the State should have a corporate memory of what was done in the past with regard to water management. There are people with the expertise which they gained from a university degree. In addition, they have worked in an organisation which has a professional standard for the delivery of water services. They have learnt by working alongside people with many years' experience of managing the water resource. They have experience of the mistakes and how they were corrected. With the massive change being proposed, we are likely to threaten that corporate memory which the Water Authority has built up.

I now wish to refer to the underlying philosophy of these moves to restructure the Water

Authority. This Government's dealings with the Water Authority and many other government agencies give ample evidence of what drives its decision making. Clearly, it is a very shortsighted view of reducing costs.

Mr Lewis interjected.

Mr KOBELKE: I will provide evidence to the Minister for Planning. There is certainly ample evidence that this Government is concerned simply with reducing costs in the short term, and even in that it has often not achieved its goal. This Government has no sense of public interest. It does not show by its actions any real interest in ensuring that the best possible services are delivered to the public of this State.

While I am sure that most members on the Government side think that those things are important, when one looks at the decisions made, one sees that those issues run a very poor last to cutting costs and having the private sector play a bigger role. The private sector must play a very important role in a whole range of government services; I am not questioning that at all. However, we should be looking to see how the private sector can be involved in a way that meets a specific goal; that is, the goal of improving the public service so that it is more effective and efficient. However, we have plenty of evidence to show that that is not the way this Government has gone. This Government has looked only at greater involvement by the private sector in order to reduce short term costs, with little or no view to what is in the public good.

A simple example of that relates to the Water Authority. I will not go into all the details as in this case they have been mentioned previously. The Water Authority sought to tender out a particular operation and when a division of the authority submitted a quote it was found that it could do the work cheaper than could private contractors. The Government seemed to think that there was something wrong; there must have been some hidden subsidy. As a result, it engaged a Perth accounting firm to go through the figures to see whether the authority had somehow fudged the books in order to put in a lower quote. The report from the accounting firm showed that the authority could do the job properly and more cheaply than could the private contractors. Yet this Government said that that could not happen and passed the work to a private firm. That very clearly illustrates what I am saying: This Government is not about providing the best possible service in the most efficient manner. It is driven by a desire to promote private profits at the expense of the public and by very narrow, short term cost savings. In the example I have just given, we see that the Government was not even interested in cost savings.

We must take a longer term view if we are to ensure that we have quality in the provision of our water services and a whole range of necessary public services provided by the Government in this State for many years. If we take only a short term view, we will build up the costs. As I indicated earlier in my contribution, this Government is often involved in cost shifting. When we do not have a long term view - when we look to short term cost savings - we simply defer the cost for a few years or to the next generation.

The member for Scarborough wrote a famous letter criticising the sewerage infill works in his area. In that case, the tendering among private contractors was judged on the lowest possible price. We have ended up with work that is unsafe and, as a result, could mean that the cost is transferred to other people who might be injured because of the unsafe nature of the work, or there could be added maintenance and repair costs in five, 10 or 15 years because the work has been done on the cheap. Unfortunately, those sorts of practices are becoming all too common under this Government. This Government does not take a long term view of what will be efficient if it can save a few dollars now and pass that cost on to the next Government or the next generation. The Government has certainly been willing to accept that situation.

I refer members to the British experience. I acknowledge quite openly that these examples are dealing with privatisation and not just corporatisation or restructuring. I have already given an indication that the Government's goals are very similar to the results of privatisation; that is, promotion of the profit motive in private industry in the provision of government services and trying to cut costs. That was clearly a major motivation in the Thatcher Government's moves to privatisation in the United Kingdom.

In the *New Statesman and Society*, dated 27 May 1994, the following points are made about privatisation in Britain in relation to the Water Authority and other utilities -

Pay settlements in the utilities averaged 2.95 per cent last year. Since privatisation, the salary of the chairman of British Gas has increased by 512 per cent, of BT -

That is, British Telecom -

by 713 per cent, and of Thames Water by 758 per cent.

This reflects the move to give more money to the people heading up these new authorities. This Government has already embarked on that path, as we have seen recently with the Rottneft Island Board and the appointment of a public relations officer for the Police Service. This Government is looking after a few people so that they will run the system the way it wants it run and the ordinary workers will pay the price - the Government holds down their wages or reduces them or does away with their jobs altogether.

Mr C.J. Barnett: I do not defend those salaries because I do not know the people or the organisations concerned. However, with government trading enterprises such as Western Power and the Water Authority, which handle huge amounts of money, the most valuable asset is a chief executive officer who is top flight. The commercial market price for those people is very high. While the public decry high salaries and that is a problem for the Government, there is only a limited number of people who have the vision and capacity to handle organisations such as this. It is a real problem for the Government.

Mr KOBELKE: I thank the Minister and I accept that it is a problem. It highlights exactly what I am trying to say; that is, we are dealing with a major change that must take -

Mrs Roberts: But this Government has kept four of the same people managing them and has paid them twice as much.

Mr KOBELKE: One really needs to take a total approach. I see the Government's approach to achieving its goals as being driven by very narrow guidelines. A consequential problem must be remedied; I acknowledge that. Any Government will have that problem moving down this road. However, the Government must also realise that the end result is that many ordinary people - the people whom we are supposed to be looking after - either lose their job or have their wages reduced and the people at the top do a lot better. That is unacceptable. We must find a way of looking after the people of this State. I do not want two societies - the haves and the have-nots. We have a wonderful State that has so far avoided being divided into strict classes of those who can do well and those who will simply get nothing. We on this side of the House are very keen to ensure that we have a harmonious community where people are looked after. The decisions being made by this Government - whether or not members opposite wish to acknowledge it - are going very much in the opposite direction.

The *New Statesman and Society* also states -

Water charges have increased by 45 - 82 per cent since privatisation, electricity prices by 7 - 14 per cent. Share prices of the regional electricity companies have increased by 200 per cent and water companies by up to 170 per cent over the same period.

That is further evidence of what I am saying. This whole move to restructure, to corporatise and to move to privatisation simply shifts the cost burden so that ordinary people pay more and those people who get to the top do very well out of the system.

People who end up buying the companies do very well, but ordinary members of the public simply pay the price. My third quote is -

More than 200 000 jobs will have been lost since privatisation in the utilities alone and more than twice that number if mining and associated suppliers are included. BT plans to cut its workforce by over 60 per cent.

Again, those changes are taking place, and restructuring is necessary. However, if the Government's moves do not take account of the bigger picture, we will simply alienate more and more people. We will cause people to be the have-nots whom any Government simply will not be able to look after. We must take account of the broader issues when we move to such restructuring.

My last quote is from an article by Michael Johnson in the "Public Sector Report", which is produced by the University of New South Wales. It states -

The British experience suggests that there will be substantial costs from any water utility privatisation in Australia for consumers. The potential for higher prices (and achieving high levels of monopoly profits by privatised water companies even with regulation), and for declining quality of services is significant. For those on low incomes, the change to "user pays" and higher prices for water poses an immediate challenge that must be addressed, with measures introduced to ensure that the essential level of water services to maintain minimum levels of health and welfare are delivered at an affordable price. This problem is likely to become serious again as prices accelerate after privatisation, if this occurs. The lesson to be drawn from Britain's "model" reforms of the water industry is that it has the potential to make a few people a lot richer, but millions of consumers of water services a lot poorer.

British water authorities themselves have become the major polluters that the regulators have picked up. I do not have time to go into the matter in detail, but the water authorities that have been set up have been found to be major polluters. Scores of British beaches no longer meet health standards for people who swim there. Beaches have been polluted by sewage when water authorities should be responsible for ensuring that they do not end up dumping waste into rivers and oceans.

Mr C.J. Barnett: In that sense, the real cost of a quality service may actually be increasing, regardless of whether there is privatisation. The member should distinguish that point. The cost of water is rising.

Mr KOBELKE: I have one last example for the Minister. In Perth, through the Government's cost cutting when there was no need for it because the Government had increasing revenues, huge amounts of sewage went into the Swan River on more than one occasion. That can be attributed to cost cutting, which meant that the Government did not have the backup systems or maintenance to ensure that that did not happen. We can see clearly what will be the result of the Government's continuing its moves to restructure the Water Authority and potentially lead to privatisation of an important resource for the people of Western Australia.

MR RIEBELING (Ashburton) [12.13 pm]: I shall comment on the restructuring of the Water Authority and, in particular, refer to its impact on country people. I hope that members of the National Party of Australia and those of the Liberal Party who represent country electorates will impress upon the Government how the changes are likely to impact on country citizens. A Deputy Chairman recently commented on the impact of privatisation and corporatisation on country electorates in his area. I agree with his comments on the likely adverse impact of those and other changes that were announced by the Government.

It appears that Bunbury is one of the few areas that will not be affected. A month or so ago, the member for Bunbury said that water is not an essential service and that it should be in the hands of private industry. In the Pilbara in particular, water is an essential service. Water is vital in my area; it is difficult to provide. We value greatly the quality of water that has been provided by the Water Authority and by its officers, who provide an excellent service.

We are seeing an attack on an organisation that is already efficient, especially in the Pilbara. A recent survey found that the public has an exceptionally high acceptance and appreciation of the quality of the authority's work in the Pilbara. People complain not about the provision of services but about the quality of water. Bearing in mind the

natural resource with which the Water Authority must work, that is an understandable problem. Outstanding skills are required to provide water to a predominantly desert region. The authority, in its current structure, has served the Pilbara very well.

Over the past 40 years, in the Pilbara we have seen the development of skills in the provision of water. Those skills will be lost as a result of corporatisation. I have written to the Minister on several occasions about the changes. The Minister's letter, which my office received on 6 June this year, outlines exactly what the Government is on about. It is not on about improving services. The Government is changing the way in which the service is provided and providing exactly the same range of services with a different style of costing. The Minister for Water Resources, Hon Peter Foss, stated -

As outlined in the attached Background Information Document, the Water Authority is not being privatised or sold.

That is debatable. He went on -

The new utility will remain a totally government owned corporatised organisation and will continue to provide the same range of services as the existing Water Authority.

There is no indication from the Minister that services to the public will be improved or that there will be benefits for the public of Western Australia, especially people in the Pilbara. In fact, quite the reverse will occur. Corporatisation means that most water services will be privatised. I fear what will occur to citizens who work in the Water Authority and what will happen to their skills. I have great fears also in respect of several other issues to which I shall refer.

I have been quite disturbed by the lack of information from the Minister's office on what will happen to its own work force. The Government has a pathological hatred of people who work for the Government, and at all times is hell-bent on destroying the knowledge and confidence of those people. Morale within the Water Authority in my region is extremely low. However, that is not to say that what people fear will occur, but it indicates that the Minister's office is refusing to inform people of what is likely to occur to them and how it is to be effected. It is a very sad state of affairs and already the pressure has become too much for a number of government employees who have lived in the Pilbara for up to 20 years or more, and they have packed up and moved on. Of course, their action makes it easier for the Government to privatise the services they provided.

The Government's action is nothing more than a push to reduce its costs. The end result will be an increase in costs to the consumer and a reduction in the living and work standards of workers in country areas. The Government will be the only one to benefit, having reduced its costs.

The people of the Pilbara did not have to wait for the passage of these Bills before they were advised that their water costs had increased. Last week they received a list from the Minister's office detailing the new rates that will apply in the region and those rates will differ between the various towns. The people in the major towns in my electorate - Karratha, Wickham, Dampier, Point Samson, Onslow and Roebourne - will be charged different rates for the water they use. The Government has an obligation to make sure that the cost of a glass of water is the same in every town in this State. It appears the push to reduce the cost of government, once again, is being controlled by the bean counters. They consider that if it costs more to provide water to Point Samson than to Karratha, the citizens of Point Samson should foot the bill. It comes down to what the member for Bunbury said; that is, the supply of water is not an essential service. I suggest he is wrong and most people in this State will agree with me. Without water, especially in the desert areas such as the Pilbara, there would not be any development and the State would not be benefiting from the massive royalties generated by the mining activity in the north. It is time the user pays system was applied according to the royalties received. If it costs extra money to produce the royalties that this State desperately needs, the State must make sure that the services provided to people in

country areas are not similar, but exactly the same as those enjoyed by people in the metropolitan area.

This Water Authority is penalising people for being productive by going to the Pilbara to produce wealth for the State. The people of the Pilbara are sick and tired of having to pay more for the services that are required to produce the great wealth from the Pilbara area. The splitting up of the Water Authority and the costing structures being introduced are a classic example of productive people in this State being overlooked and being told that because it costs more to provide them with a drink of water they will have to pay for it. By its actions, the Government is ensuring that this State will go backwards at a great rate of knots and will suffer an inevitable backlash by not having skilled workers in remote areas of the State. The people required in those areas for their skills will not be offered any incentive to go there. Why take one's family to an isolated area where it will cost more to drink water than it would cost in the metropolitan area? It is outrageous that the lack of supply of services such as water, health, education and police will eventually disadvantage isolated areas, especially those productive isolated areas.

I hope members opposite have a serious look at the impact of this legislation on their electorates when they vote on the various changes to the structure of the Water Authority of Western Australia. Not only the Water Authority, but also a number of government departments are being targeted and various changes are likely to occur in a number of areas. As the member for Roe said, it is time we had another look at privatisation and the corporatisation process, especially as it affects the country and remote areas of this State.

One of the greatest problems I have is the direct impact these changes will have on the people who have worked in the Water Authority for a number of years. The Minister said quite clearly that the Water Authority was not being privatised or sold, but the functions carried out by it would be. The management structure will remain the same, but the rest of the organisation will be privatised. That is exactly what the Government will do. It is privatising agencies under another guise. The Government should not be allowed to get away with its actions.

What the Government did before these Bills were introduced created havoc among its work force. I hope the Minister will answer a number of questions put to the Minister in the other place so that the employees of the Water Authority can be told what their future will be. I hope also that he will advise how the unique problems experienced by people in the country will be dealt with so that a minimum amount of damage will be caused by these changes. Basically, the first question that comes up at every meeting of the Water Authority I have attended is housing. The cost of privately renting a three bedroom house in Karratha is approximately \$350 a week and the government employees who are accommodated in the Government Employees Housing Authority homes are paying between \$85 and \$95 a week. The government employees are saying that a contract would offer them employment but no accommodation, simply because none is available in the area. What will happen to them if they accept a contract? Would provision be made for them to remain in the houses they now occupy or will the Government say, "Bad luck, you are now in the private sector and you are out on your ear"? It will mean that the vast majority of workers who are not exceptionally well paid will leave the area. There is no way they can afford to pay the high cost of accommodation.

If I were a private contractor trying to get a contract from the Water Authority and I knew of someone who had 20 years' experience in doing the job I was tendering for, I would encourage that person to remain in the area. However, what will happen is that the experienced people in the Pilbara will leave and they will be replaced by people who have no experience. The Government stated that corporatisation to this extent will mean that the Pilbara will not be losing the people who have the skills. The simple fact is that when a job is tendered out by contract the Government, by its own actions, reduces its ability to do that job. It gets rid of the people who have done the job for many years and reduces the Government's ability to not accept tenders in future years because it would have to restructure its own work force to do the job it is doing.

The previous two speakers referred to what has occurred in the United Kingdom. The

provision of water in that nation has been a total disaster. My information is that the water being produced actually makes people in certain parts of England sick. The water is of such low quality that it is killing people. It is unacceptable to think of such a situation applying in this State. Previous speakers have made the point that when a change is made from a system in which the primary objective is to provide a high quality service to a system in which the prime objective is profit, the quality of that service in the long run will be adversely affected. We shall move from the exceptionally high standard currently demanded by the Water Authority, to the exceptionally cheap system that will be demanded by the Water Authority. The people of Western Australia do not yet fully appreciate the ramifications of that change in emphasis. Although they will become apparent, by the time that happens this Government will no longer be able to provide the service currently being provided. Service delivery will be in the hands of private contractors. When members in future ask questions in this House about the quality of the water supply in some remote area, for example, the Minister will answer that the service is provided by a private contractor and it is an operational matter. He will not be able to provide the answer, but may undertake to provide one at a later stage. We frequently hear the Minister for Police respond to questions in those terms. The responsibility for providing a high quality water supply will be shifted from the Government to the private sector. It is a backward step that should be avoided.

The announcement of differential charges throughout the State is of great concern to me and, I am sure, to the vast majority of members in this place. It is unacceptable to charge different fees in different areas, purely because in some instances it costs more to supply the water. Had that philosophy been prevalent in the early days of settlement, Kalgoorlie would have been a long time in the making. This State should be developed by the State Government for the benefit of all the people. In my view the State Government has an obligation to make sure the costs of these services are borne by all, because the benefits from the entire State are shared by all. That is the way it should be.

Some people in the Pilbara say that a certain percentage of the royalties earned in that area should flow back for the development of the Pilbara. I believe that as we all belong to the same State, the royalties belong to the entire population of the State. However, the Government cannot have it both ways; it cannot expect the cost of those services to be borne by a small group if it wants to distribute the wealth produced by that group throughout the State. It is a user pays situation, and the users are the entire population of this State because they use the royalties produced in remote areas. The Government cannot penalise people for living in the Pilbara by charging them high water rates, and at the same time keep all the profits earned in that area. We must have a system that cross-subsidises and makes sure everyone in the State has equal access to the service and pays an equal charge. The recent announcement by the Minister for Water Resources is the thin end of the wedge for country people and the future of many services they currently enjoy, and should continue to enjoy.

I ask the Minister to put at ease the minds of the work force in my area on a number of issues. I sent a list of those concerns to the Minister for Water Resources and received in reply a standard brochure. It is not an in depth list, but contains matters raised with me by the workers after they had read the information the Minister provided to them. Unfortunately, the brochure I received had already been distributed to the workers and they were not convinced that it answered their queries, although the Minister was. Therefore, I tried to set up a meeting with the Minister and drafted these questions for him. His office replied by sending a document which did not tell the workers anything they did not already know. It is a real problem. It is of great concern that the workers involved in these changes will be the last to find out what is going on, rather than the first. That demonstrates the absolute contempt this Government has for its work force.

I am glad the member for Bunbury is now in the Chamber because his statements about water supply, indicating that government employees should not expect to have a job each day they arrive at work and things of that nature, are outrageous. They should be put to bed by this Government as the rantings of a person who does not understand what is happening. Water supply may not be an essential service in Bunbury, but it definitely is

in the rest of the State. I am sure the people of Bunbury would be exceptionally concerned if they had heard the member for Bunbury state that it is not an essential service.

Mr Osborne: That is not what I said.

Mr RIEBELING: That is what the member said in this place.

Mr Osborne: You are wrong.

Mr RIEBELING: It can be checked in the *Hansard*. I have not checked it but I listened to what the member said and was staggered by it. The member's statement that the water supply should be in the hands of the private sector because it is not an essential service does not reflect the views of any country members of Parliament.

Mr Osborne: I did not say that at all.

Mr RIEBELING: I will check the *Hansard* and refresh the member's memory for him.

The actions of this Government have reduced the problem to some extent because some workers have been so intimidated by the process that they have packed up and gone. If the Government continues its policy of not informing people about their future, it will be an ever-reducing problem. I am concerned about those people who are left and those who are likely to leave as a result of the Government's actions. The following concerns have been raised: What will happen to the government employees' housing? Will it continue to be provided at the present rental, if the service is run by the private sector? What will be the position of those employed by the contractor? I understand the contract will contain a provision that a certain number of the existing work force must be employed. What will happen if the contractor employs people initially and six weeks later dismisses them? Will they go on the redeployment list after that period? What is the structure for this changeover? What will happen to their current benefits, such as superannuation, annual leave, sick leave, study leave, subsidised flights and air-conditioning? The latter benefit is a major subsidy in the Pilbara, although perhaps not in other areas and clearly not in Bunbury. What will happen with benefits such as overtime, area allowance, long service leave and the like?

I now refer to redeployment. What are the rights of the workers? Can they turn down redeployment? If so, how many times can it be turned down by the affected workers? Can workers be made to take a job outside the area in which they are currently living? That is a major concern to all country members. Can redeployees be transferred to Perth or will they stay in Karratha until a position becomes available within a government service in that area? As redeployed employees, do they retain standard overtime rates? People may think that is a question of self-interest; however, in my area where some of the salary packages are not great, without overtime these people would not be able to live there. How long can a person be on the redeployment list? The Minister refuses to answer these sorts of questions.

Mrs Roberts: There are problems associated with people wanting to be given voluntary redundancy and not getting it, so they leave.

Mr RIEBELING: That is right. A chap told me that he had been acting in a job for over two years and was offered redundancy at the same time as the job was advertised. He did not know whether to proceed with redundancy because he did not have the job that was being advertised, or whether to go through the process of applying for the position. As a result of the pressure under which he was placed by the Water Authority, he left. Not only did the Water Authority lose a valuable staff member but also the town lost a valuable member of the community.

Let us look at personal qualifications. Will the positions held by these employees flow over to the company employing the redeployees? There are major concerns about whether the qualifications and the salary scale will be the same and whether a redeployee will remain in an area. Every employee in my area is concerned about a severance package; in particular, whether the severance, if it were chosen, would include an ability to get the former employee's family from the Pilbara to a new home base, such as the

metropolitan area. That involves a huge expense for someone who may have received his last pay packet; it can run into many thousands of dollars.

Those are the broad concerns of people in my electorate, although I have raised other concerns with the Minister to which I have not received any answer. I hope during the second reading debate that the Minister assisting can offer a solution of those problems so that the people in the country can be given information to ease their concerns about these changes.

MR THOMAS (Cockburn) [12.43 pm]: I reinforce the opposition expressed by my colleagues to this legislation to dismember the Water Authority of Western Australia. In examining any such proposal, we should firstly look at the circumstances which led to its creation, from memory, in 1984. It was formed from the amalgamation of the Metropolitan Water, Sewerage and Drainage Board and the country water supply section of the Public Works Department by then Minister for Water Resources Hon Arthur Tonkin. It was seen as an amalgamation of two water utilities, in the broad sense of the word, and their regulatory function. Everyone agrees that it was a most sensible move and it brought together under one head very similar services carried out in various parts of the State.

Since then we have had a public authority of which this State and its various Governments should be proud, one that has served the State well. The thrust of my argument to the Minister about this legislation is this: If it is working okay, why fix it? Why does the Government want to play with this organisation which, by any index, has performed so well in providing services to the public in a very economical and efficient manner? It is worthwhile noting that the Water Authority has not only the role of a utility for providing water, waste water, drainage and irrigation services, but also the responsibility for managing that resource. That is a very important part of the Water Authority's functions, although not one which occupies a great proportion of its staff. Ultimately the Water Authority must plan for the provision of future water services as communities all over the State grow, and to ascertain that adequate water resources will be available to meet the needs of those communities. The Water Authority undertakes those functions in an exemplary way, in part, using the resources of the Hydrogeology and Ground Water Resources Branch of the Geological Survey Division of the Department of Minerals and Energy which provides advice on ground water resources. At the moment one authority has responsibility for providing water, waste water or sewerage, drainage and irrigation services - all closely related in terms of the skills required of the staff and the resources infrastructure - and for conserving the resources to ensure that as communities develop, they can be provided with necessary services. As I asked the Minister before: If it works, why fix it?

Let us look at the performance of the Water Authority in discharging its functions. The most recent report of the Water Authority is one that any Minister for Water Resources could feel proud to table in this House. The report indicates that by any standard the Water Authority is outstanding in the service it provides to the community. Each business - the water business, the waste water business, the drainage business and the irrigation business - is reported on separately. We can come to some sort of judgment about how those businesses perform. One reason often given for the dismembering of utilities is cross-subsidisation between the organisation's functions. On occasion, it can be difficult for people reading reports and accounts to know how one segment of an organisation's activity is performing as part of the whole, because that segment tends to get buried. It is desirable that there should be transparency - the in-word, and justifiably so, in public administration - when different functions are carried out in one organisation. We should be able to see, for example, how the irrigation business is going. If it is subsidised, we should know the extent to which that is occurring so that judgments can be made about the desirability of having these funds transferred.

[Leave granted for speech to be continued at a later stage of the sitting.]

Debate thus adjourned.

[Continued on page 9928.]

STATEMENTS - MEMBER FOR VASSE

Margaret River High School, Opening of New Buildings

MR BLAIKIE (Vasse) [12.50 pm]: Friday, 27 October will be a special day for the Margaret River community. On that day the Minister for Education, Hon Norman Moore, will officially open the new school buildings. The total cost of constructing those buildings is \$2.98m, and they represent the first major construction work at that school since the mid-1950s. It is scandalous that any community should wait 40 years for an upgrade of education facilities. It is an indictment of successive governments that have failed to meet the requirements of that school. One of the new buildings will replace a library that was built in 1955. Mr Acting Speaker (Mr Ainsworth), you will understand how pleased I am for that community.

The Margaret River High School takes students up to year 10, and those students wishing to continue on to years 11 and 12 are bused to Busselton. Augusta students wishing to go on to years 11 and 12 are faced with travelling 200-plus kilometres each day to attend Busselton Senior High School. Those circumstances are difficult for students. Full credit must go to Norman Moore and the Court Government on the opening of the new school facilities. It will be the most significant education achievement in this community since 1955.

[The member's time expired.]

STATEMENTS - MEMBER FOR PERTH

Homosexual Comments by Lord Mayor of Perth; Sex Discrimination Reform

MS WARNOCK (Perth) [12.52 pm]: An incident this week involving the Lord Mayor of Perth has drawn attention in a fairly dramatic way to the need for an amendment to equal opportunity legislation in this State. When the Lord Mayor made those startling and indiscreet comments about two councillors of the Town of Vincent, who happen to be homosexual - disappointing comments from someone in a high public office - he drew attention to the fact that it is still possible to discriminate legally against people in this State on the grounds of their sexuality.

An Equality Opportunity Commission report recommending an amendment making such discrimination illegal has been lying on the Attorney General's desk for months now. Why does the Government not move an amendment immediately? It is not a costly reform, and it will not cause a budgetary crisis. In view of the storm over the Lord Mayor's remarks it would seem to be necessary in the name of equal opportunity. It is unreasonable and inexcusable that in 1995 anybody should suffer discrimination on the grounds of his or her sexuality. We already prohibit discrimination on the grounds of sex, race, religion or disability. It is time to make a change, so that we can no longer discriminate on the grounds of sexuality.

STATEMENTS - MEMBER FOR BUNBURY

St Vincent de Paul Society Clothing Bins; Commercial Clothing Bins

MR OSBORNE (Bunbury) [12.54 pm]: I draw the attention of members to an issue that was first drawn to my attention at the opening of the new collection and distribution centre of the St Vincent de Paul Society in Bunbury on 5 August this year, and again by letter from Maurice O'Sullivan, the chairman of the society's fundraising committee - that is, the incursion of commercial clothing bin operators into Western Australia. Everyone knows that the society, with the Salvation Army, is the main charitable provider of direct assistance to needy people in Western Australia. The operations of the society have recently been severely hampered by the incursion of commercial clothing bin operators. The commercial bins are the same size and colour and are located on the same sites as the society's clothing bins. In some case the society's bins have been nudged aside, so commercial bins can take their place. As a result, collections in the society's bins have fallen in some instances by about 40 per cent and across the board by 25 per cent. Legislation has been enacted, or is in the process of being enacted, in other

States of Australia to curb the operation of commercial clothing bin operators. In South Australia the society has successfully negotiated with commercial operators to modify their activities.

The Charitable Collections Act is being revised in Western Australia, and I take this opportunity to urge the Attorney General and the Government to bring a new Bill to the Parliament as quickly as possible.

STATEMENTS - MEMBER FOR ARMADALE

Armada Domestic Violence Intervention Project

MRS HALLAHAN (Armada) [12.55 pm]: This morning I attended a forum at the Armada City Council which provided an update on the Armada domestic violence intervention project. I place on record my congratulations and this public recognition for the remarkable success of this cooperative community based project which, in a short two years of operation, has gained a national family violence prevention award. The project will now be implemented in 17 police districts in Western Australia. It is a great success story.

I recognise two people, Arena Newhouse from Starick House women's refuge and Sergeant Fred Heald from Armada Police Station. They have been the driving cooperative force who have drawn around them all the other government and community based agencies that have made this project such a wonderful service to women subjected to domestic violence, to the children of those families and, of course, to the men who have been apprehended and had the opportunity to attend a program to assist them in dealing with their behaviour. It is notable that core involvement has come from every relevant government department except the Department for Family and Children's Services. A general criticism exists in the community, which is a much wider criticism in Armada, of the personally antagonistic attitude from the Minister for Family and Children's Services towards domestic violence intervention work and that social problem generally.

[The member's time expired.]

STATEMENTS - MEMBER FOR JANDAKOT

Artificial Surfing Reef, Cottesloe Proposal

MR BOARD (Jandakot) [12.56 pm]: I draw the attention of the House to the progress towards the construction of the world's first artificial surf reef at cable station, south of Cottesloe. Cabinet gave preliminary approval to the construction of an artificial surf reef based on further environmental considerations and liaison with the Cottesloe and Mosman Park councils.

Dr Watson: It was an initiative of the Labor Government.

Mr BOARD: Yes, it was. The approval was based also on funding, and whether funding could be sought from outside sources.

It is worth noting that this project is a world first, and we are proceeding with those three aspects. Alan Tingay and Associates will complete an environmental and social impact report, which we will receive at the end of next week. Mosman and Cottesloe councils have formed a working group to look at local issues. We have most of those in hand. The Department of Transport is completing the design criteria and construction methods. We hope to receive tender documents within the next few days; and funding options are still being explored. I commend this project to the House as surfing has the highest participation of any sport in Western Australia.

STATEMENTS - MEMBER FOR MORLEY

Western Power, Power Poles Policy

MR BROWN (Morley) [12.58 pm]: I raise a matter that concerns the policy of Western

Power. Most constituents in the metropolitan area have power provided to their homes, and the only cost to consumers in the provision of that power is related to power usage. However, some constituents are unfortunate enough to live on the wrong side of the road to the power poles. In the circumstance where Western Power does not elect to put down powerlines or underground power on the opposite side of the road, constituents can be forced to buy their own private power poles. This is a disgraceful state of affairs. It means that, simply by chance, one may or may not be provided with electrical power free of cost. I do not mean a cost in the provision of the power, but in getting the power to one's home. That is a discriminatory situation that should be rectified.

Recently, one of my constituents who is a low wage earner has been required to pay for a replacement pole at great expense and at great personal sacrifice. I hope that policy can be reviewed, so it is equitable to all constituents.

BILLS (7) - ASSENT

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

1. Pay-roll Tax Amendment Bill
2. Pay-roll Tax Assessment Amendment Bill
3. Marketing of Eggs Amendment Bill
4. Stamp Amendment Bill
5. Financial Institutions (Western Australia) Amendment Bill
6. Misuse of Drugs Amendment Bill
7. Salaries and Allowances Amendment Bill

Sitting suspended from 1.00 to 2.00 pm

[Questions without notice taken.]

MATTER OF PUBLIC INTEREST - ELECTORAL SYSTEM, ONE-VOTE-ONE-VALUE; LEGISLATIVE COUNCIL AS HOUSE OF REVIEW; ELECTORAL BOUNDARIES

THE SPEAKER (Mr Clarko): Today I received a letter from the Leader of the Opposition seeking to debate as a matter of public interest one-vote-one-value for both Houses of Parliament, the establishment of the Legislative Council as a House of Review and the prevention of party political fiddling with electoral boundaries.

If sufficient members agree to this motion, I will allow it.

[Five members rose in their places.]

The SPEAKER: I will allow the motion to proceed in accordance with the sessional order, with half an hour being allocated to members on my left, half an hour allocated to members on my right, and three minutes to Independent members should they seek the call.

MR MCGINTY (Fremantle - Leader of the Opposition) [2.34 pm]: I move -

That this House supports recommendations 42(1), 42(2), 43 and 53 from the first report of the Commission on Government which will establish one-vote-one-value for both Houses of Parliament, establish the Legislative Council as a House of Review and prevent party political fiddling with the electoral boundaries and calls on the Government to introduce legislation to effect these recommendations as soon as possible.

Over many years, the issue of electoral reform in this State has exposed the naked self-interest that is driving both conservative parties. We all know the shabby and disgusting history of the Liberal Party and the National Party in this State when it comes to electoral matters. We need only to refer to what was known as the Charliemander

back in 1974, when there was legislative change to the metropolitan boundary, which converted Mundaring into a marginal Labor seat but consolidated Kalamunda as a safe Liberal seat. That was done by a manipulation of the electoral boundary for one reason only. It had nothing at all to do with principles but it had everything to do with the survival of the Liberal Party and its immediate self-interest.

It happened again in 1981, when 6 000 electors, mainly Labor voters from several mining towns in the Pilbara, were shifted into the most remote and inaccessible seat in the State - that of Kimberley - giving it a voting population of 12 000 electors because the Government knew that a Labor member would be returned for that area. That reduced the Pilbara to only 9 000 - the number was far closer to that of Perth with far more amenities - in the hope of saving the political skin of the then Liberal member for Pilbara.

We also saw the same rorting occurring in 1981, at the hands of the Government's predecessors, when the metropolitan boundary was changed again to include Rockingham, Wanneroo and Ballajura, but not some of the hills suburbs which returned Liberal members. You will recall, Mr Speaker, that your predecessor referred to that as jiggery-pokery. It was a matter of concoction or a bastardisation of the State's electoral laws in order to achieve one thing, and that was political advantage for the Liberal Party in this State. It is quite clear that on this issue the Liberal Party cannot be trusted. Its track record in this State over the past 20 to 25 years has shown a propensity to corrupt the electoral system by rorting it for its own advantage, devoid of any semblance of principle whatsoever.

Only last month, the Deputy Leader of the Opposition and I went to the High Court in Canberra to argue for the implementation of a system approximating one-vote-one-value in our electoral laws in Western Australia. For three intense days before the six judges of the High Court, we had to listen to representatives of the Government decrying the principle of equality and decrying the principle that every citizen in Western Australia should have an equal say in electing the Government that is to govern the State. We heard the greatest extent of humbug, nonsense and cant coming from the Government's legal representatives, under instructions from the Government, saying that one-vote-one-value is against Western Australia's interests and that that provision is not contained in our Constitution.

What do we find now? Suddenly, the Premier has turned around and embraced the very principle that he has cost hundreds of thousands of dollars of taxpayers' money in Western Australia in order to defend the system of malapportionment here in Western Australia. His motivation is not pure. No principle underlies it. It is self preservation. It is simply a means of trying to win the next election based on rorting electoral boundaries rather than the adoption of any principle.

Mr Shave: Are you saying that the commissioners are corrupt?

Mr McGINTY: Principle and the member's party are absolute strangers on the issue. What is corrupt are the electoral laws in this State. The minute the member departs from principle - that principle is that every citizen in Western Australia is equal and should have an equal say in electing the Government that governs the State - and corrupts the system by directing the electoral commissioners to take into account factors beyond the issues that have traditionally determined such questions in order to set up a system under which he thinks he might win, that is when the corruption comes in, and not one minute before that.

That principle is at stake. The Government set up the Commission on Government and appointed its people to do the job. It has a moral obligation to accept, or at least give substantive reasons for not accepting, its recommendations. The Liberal Party has been silent on the question of whether it accepts or rejects the recommendations from the Commission on Government.

Mr Shave: You do not support the recommendations.

Mr McGINTY: The Labor Party said it would endorse 111 of the 114 recommendations of the Commission on Government. It has spelt out the reasons it does not accept the

other three recommendations, because we think they can be improved upon to enhance the system of government in Western Australia. The Labor Party has nailed its colours to the mast, but the Government is not game to do that. The Government has been asked questions in the Parliament about its position on the COG recommendations. It has replied that it does not know. It has been asked why its representatives on the committee voted for a fairness clause with respect to the National Party. The Government replied that it does not know because it did not ask. What a load of nonsense. The Government has no credibility on electoral matters. It is motivated by crass self-interest. That is not just my view; it is the view of the broader community. If members opposite do not believe me, they should note the editorial from *The West Australian* on Tuesday, 26 September when this question of the fiddle clause was raised. It can be described only in such terms because it is designed to enable proper electoral boundaries, constructed on the basis of community interest, to be fiddled in the interest of the Liberal Party. The editorial states -

The Liberal Party is acting on crass political self-interest. It will be a significant blot if its first response to a recommendation from the COG - established ostensibly to help to realise election promises of openness and accountability in government - is to jettison it for the worst of motives.

That is exactly what this Government has done. The majority report tabled in this Parliament on Tuesday, which is the report of the National Party and the Liberal Party, is quite clear. Ten of the 13 COG recommendations on the electoral system have been dispatched to the waste paper basket. Why is the Government turning its back on the body it created? That body conducted widespread public consultations, and came up with a model system of government designed to be fair. Why has the Government thrown out its recommendations? It is for crass self-interest. That is the hallmark of the Liberal Party in these matters, exactly as it was in the past. Members representing the north west of this State will recall the way in which the electoral system was changed to disfranchise Aboriginal voters, by requiring their electoral enrolments to be witnessed by a policeman or justice of the peace. The Liberal Party knew full well that most Aboriginals in the remote parts of this State would not be enrolled on the electoral roll as a result of that requirement and, therefore, would be disfranchised from voting in the election of the Government. That was done not because the Government dislikes Aboriginal people, but because it knows that they vote overwhelmingly for the Labor Party. The Government should be ashamed at that blatant attempt to disfranchise those people. This fiddle clause is a similar issue.

The Government is prepared to drive the coalition and itself into tatters, with divisions in its own ranks, for one thing: Self-interest. This Government believes in self-promotion. It always wants to know what is in its interest, and it forgets about the rest of the community and principles. The principle of electoral fairness is at stake. Every citizen of this State has an equal right to determine the Government that will rule in this State. The history of the Liberal Party over the past 100 years indicates - the member for Melville, as Parliamentary Secretary representing the Minister for Parliamentary and Electoral Affairs, should know this better than others - it has rorted the upper House in this State. At every election, regardless of the popular vote, a majority of conservative members is returned in the upper House. That gives the Liberal Party an absolute veto over the proceedings in the Legislative Assembly. In a sense, it does not matter which party forms government because the Liberal Party can veto in the upper House anything a Labor Government does. The Liberal Party has exercised that power of veto.

How much legislation has the upper House knocked back in the past three years? The average, when the Liberal Party has the majority in the upper House and the Labor Party is in government, is 30 Bills for each term of office. Notwithstanding that the Labor Government has a mandate, the Liberal Opposition vetoes its legislation. That is a corrupt electoral system which must be thrown out. It must be replaced with the principle of one-vote-one-value for both Houses of Parliament in Western Australia. Not one other Parliament in the whole of Australia is elected on other than the basis of one-vote-one-value. No upper House or lower House anywhere in Australia operates in any

other way. Even the colleagues of members opposite in Tasmania earlier this year realised the error of their ways. The National Party gerrymander of Joh Bjelke-Petersen was set straight by Wayne Goss, who implemented a system of one-vote-one-value in Queensland. There is a minor exception in five seats in the remote north west of Queensland. Every citizen in Western Australia has an equal say in electing senators to represent the State in the Federal Parliament. As part of the federation compact, members opposite know as well as I do that the States are represented equally in the Federal Parliament. Every Parliament in every State and Territory now has one-vote-one-value, except the two Houses in Western Australia that are corruptly elected because the laws which underpin them do not regard the vote of every citizen as equal in electing the Government. Supporters of the National Party are given twice the vote of city voters, whether Liberal or Labor Party supporters. That is wrong. This matter must be approached on the basis of principle and if that is deviated from, the Government will degenerate into the mire of self-interest. That is exactly what happened. I can quote no higher authority on this matter than the Leader of the National Party.

The challenge for members opposite is to win the next election based on good government. The Government should not need to rot the system and effect a last minute change to the electoral system; if it is a good Government, it will be elected in 1997. Members opposite know as well as I do that, sitting in the Premier's seat is Mr Fifty-one per cent. Fifty-one per cent of the population of Western Australia positively disapprove of him as the Premier in this State. I refer members to the latest poll in *The Bulletin*. His and the Liberal Party's approval ratings are collapsing. The motivation driving members opposite is the realisation that the Premier is in free fall in an unpopularity slide. The Liberal Party, according to all the polls, is in the same position. The Government has not shown leadership and commonsense. It has not decided, with regard to the second wave of industrial legislation, to sit down and think about the common good of Western Australia, as urged by the Leader of the National Party and the Deputy Leader of the Liberal Party. It has not rejected the notion of plunging itself into the chaos that occurred a week ago and is likely to occur next week, all for the bravado and imagery of the Premier. It has not decided to think about the interests of Western Australia. The Government does not want to do that; it is about thumping its way through, regardless of the cost. If the Government were not in trouble electorally, it would not talk about rigging the electoral boundaries. The Premier is in free fall, and the Liberal Party is on the slippery dip and will now try rotting the electoral boundaries. Members opposite should collectively be ashamed of themselves. COG has recommended the principle of equality, for which the Labor Party has stood for decades, and which this Parliament, if it has any self-respect, should support. Rejecting the COG recommendations and the notion of equity, and promoting the notion of ongoing Liberal Party fiddling with the electoral system, brings all members opposite into contempt and disrepute.

DR GALLOP (Victoria Park - Deputy Leader of the Opposition) [2.49 pm]: There are two aspects of Western Australian political history that are a cause of some shame: The first is the way in which the Government of Western Australia during more than 100 years of history has treated the original inhabitants of this State; the second is the way in which the conservative parties in Western Australia have rigged, have fiddled with, and have manipulated the electoral system to their own advantage. That has been a constant theme in Western Australia's political history over the past 100 years.

It is interesting that after all of that time we now hear a few Liberals talking about the need for change in our electoral system. Why for the first time are we hearing a few Liberals say that we need change? The reason is simple: In the past few months the Liberals in this State have realised that they are on the nose. Liberals, outside of this Parliament, realise that they may be defeated at the next election and they had better try to do something about it, and one way they might be able to do something about it is to change the electoral system before the next election. That is why we are debating this motion in this Parliament. However, I am pleased that some people in the Liberal Party have realised that we need to have some principles at the core of our political system.

Let us look at the other side of the equation. Another problem in Western Australian

political history has resulted from that great bulwark of malapportionment - our friends in the National Party. I have discovered a motto for the National Party. It comes from Dylan Thomas, that great Welsh writer. When reflecting upon the inevitability of death, he said -

Do not go gentle into that good night,
Old age should burn and rage at close of day;
Rage, rage, against the dying of the light.

That is what we see from the National Party. It is raging at the closing of the history which has seen its members enjoy an unfair advantage in this Parliament, an advantage that no other political force in this State has ever enjoyed - the advantage of malapportionment. That has meant that through the history of this State the people whom the National Party has represented have had an extra say. Aborigines, ethnic people and all others who are in a minority in the State have not enjoyed the advantage that the National Party has enjoyed in this Parliament in this State's history. National Party members will fight to make sure they continue to enjoy that advantage.

The Liberal partner in the coalition may have one thing over the National Party in its last days: The Leader of the National Party, the member for Merredin, and the Deputy Leader of the National Party, the member for Stirling, are becoming a little lazy, a little quiet about the way the coalition Government works. They have enjoyed the fruits of office. They are coming towards the end of their political careers and they might do a deal with the Liberal Party that preserves their positions in the short run, but does not allow the full realisation of one-vote-one-value in the longer term.

I say this to the Liberal reformers, like the member for Scarborough: Beware of the National Party. Even though the National Party has caved in on the \$50 levy; the 4¢ a litre levy to the disadvantage of its constituents; and on BankWest, the one thing it will be trying to do now is to convince Liberal Party members that a deal is possible that will help it and Liberal party members against the Labor Party. National Party members will offer all sorts of little deals that allow them to hang on to their ministerial portfolios, to their positions in this Parliament, and to the advantage of self-interest.

The real issue is this: The Royal Commission into Commercial Activities of Government and Other Matters made it clear that we needed to establish our system on the basis of principle. The Commission on Government has followed on from the royal commission and put forward a coherently argued case for reform. It is incumbent upon us in this Parliament to take very seriously the arguments of the Commission on Government. The only basis on which we should reject any of its recommendations is incontrovertible evidence that the recommendations so put are not in the interests of the State.

In respect of one-vote-one-value and the need to have a Legislative Council that is a proper House of Review, there can be no compromise if this Parliament is to be taken seriously by the people of Western Australia and if it is to be in a position to develop an electoral system that we, collectively, can sell to the young people and the new electors of this State as being based on principle, one of which we can all be proud. However, we cannot do this because of the historic corruption of the National Party and its supporters on the Liberal side. The National Party should be ashamed of itself. What it has done is consistently corrupt. It has continued to convince Liberals in this State to support an electoral system based not on the public interest but on self-interest - and that is the definition of corruption. It is about time that we came to grips with the consequences of that.

Further, we must not get into a situation where we encourage the electoral commissioners to manipulate the electoral system. That is what the Commission on Government says about the fairness clause. The member for South Perth said, "It is not a fairness clause; it is a fiddle clause." That is the truth of the situation.

We must establish the Legislative Council as a proper House of Review. To do that, we must have a quota for the election of members of the Legislative Council which is low enough to enable a variety of interests to take their place in that Chamber. That is what

the royal commission and the Commission on Government said; but no, that is not what government members have said. They have said that they want to make it impossible for there to be a hung Parliament in the upper House. That goes directly against the thrust of the royal commission's recommendations about a House of Review. We want that Legislative Council constituted so that a wide variety of interests can be represented in it.

This motion allows us to support those three principles: First, one-vote-one-value for the Legislative Assembly with a recommendation of plus or minus 15 per cent to allow for local factors; secondly, a Legislative Council as a proper House of Review based on five regions, each electing seven members that makes it possible for a range of interests to be represented there; thirdly, for there to be a system where we do not encourage the electoral commissioners to fiddle with the boundaries on the basis of the so-called fairness clause that currently is being recommended by certain sections of the Liberal Party. The Australian Labor Party is happy to compete in the 57 seats in this State on the basis of all of those seats having a roughly equal number of electors, so no bias is built in. If we can win 50 per cent plus one of the vote in 50 per cent plus one of the seats, we reckon that we deserve government. That is how we will have fairness. If members of the Government want fairness as they define it, we must have proportional representation. That is the only way that guarantees seats related to votes.

For the first time in our history we have reached a point where there is no longer any possibility of compromise. We must stand for one thing and one thing alone - principle, so we can go into the twenty-first century with an electoral system that we can sell to our young voters as an electoral system of which we can be proud.

MR COURT (Nedlands - Premier) [3.01 pm]: I appreciate the opportunity that this debate provides to outline the positions of both the Liberal Party and the coalition on these matters. There has been and always will be debate in the community on electoral systems. The comments made by the previous two speakers, the Leader and Deputy Leader of the Opposition, on the Commission on Government were interesting. I can recall the personal abuse heaped on the appointees to the Commission on Government when this Government announced its make-up. Members opposite have obviously overcome that problem.

Mr Marlborough: They tell me that the Premier is abusing them now.

Mr COURT: Not at all. The commissioners have done a good job in bringing forward a number of recommendations. The Liberal Party and the coalition accept some of their recommendations, and not others. When the report came down the initial reaction of the Opposition was to support all of the commissioners' recommendations. However, when members opposite read the report they stated that they did not support all of them. Members opposite wanted to pick and choose, and now they say that they accept some and do not accept others. The Leader of the Opposition should understand that the Government is in the same position: We accept some and we reject some.

The electoral system in this country has evolved over many years. By and large the changes have improved our system of democracy. For all the faults that the Leader of the Opposition and I find in our system, we can be mighty proud of the system in this country.

Mr McGinty: Western Australia is held up to public ridicule the length and breadth of this country over its electoral system.

Mr COURT: The Leader of the Opposition was wrong when he implied that one-vote-one-value occurs in many countries.

Mr McGinty: The Premier should look at our federal system.

Mr COURT: The Leader of the Opposition knows that one-vote-one-value does not occur in this country's federal system.

Mr McGinty: Yes, it does.

Mr COURT: No, it does not. The Leader of the Opposition would accept that Tasmania has fewer seats in the House of Representatives than other States.

Mr McGinty: This little bit of hair splitting will do the Premier no good. A system of one-vote-one-value operates the length and breadth of this country.

Mr COURT: The Leader of the Opposition would also accept that the Senate system that is built into our Constitution is as far away from one-vote-one-value as one can get. However, we all accept it because there is good reason for it in our federation.

Mr McGinty: What other State has such a corrupt electoral system?

The DEPUTY SPEAKER: Order! I have no doubt that all members have an interest in this debate, and matters relating to it. However, it is important that the member on his feet has an opportunity to be heard and, of course, that appropriate interjections are responded to. That will assist the debate. However, we cannot allow interjections from several people from both sides of the House at the same time.

Mr COURT: No perfect democratic system of government exists. What might work in one set of circumstances might not work in another. I will give members three examples of electoral systems around the world. Members opposite have this magical impression that identical systems of one-vote-one-value exist around the world. In the House of Commons' elections in 1990 the ratio of enrolments of the largest and smallest electorates was 4:1.

Mr Marlborough: This is a from man who does not want to take any notice of United Nations' guidelines; now it suits him to turn to the world.

Mr COURT: I will come to that.

Several members interjected.

Mr COURT: Members should listen to this if they want to talk about an international body. In Belgium -

The DEPUTY SPEAKER: Order! If the member for Peel wants to make a speech I am sure he will have an opportunity. However, he is interjecting at a rate which does not allow the person on his feet the proper opportunity to be heard.

Mr COURT: In Belgium some ethnic groups have special representation. Disparities in voting value have been accepted by the European human rights court as being consistent with a democratic system of government. I am not saying that we should do that here; however, members opposite are quick to say that all other countries have this arrangement. In the United States the Supreme Court held that its Constitution required the populations of congressional districts within a State be as nearly equal as possible. This applies to the population, not to the number of voters. That is what the United States is prepared to accept with its system.

Mr McGinty: Whether it is population or electors, it does not matter. Voters demand equality.

Mr COURT: There is no perfect system. We do not have it in this country at the federal level. The Leader of the Opposition knows it and he is trying to say otherwise.

Recommendations have come from COG and the Commission on Government Joint Standing Committee. Considerable debate has taken place within the Liberal Party in recent months on the electoral system.

Mr D.L. Smith: The Premier is the leader; he should tell us what are his views.

Mr COURT: The member for Mitchell will know when our views on all these issues are made public.

Mr D.L. Smith: The Premier is the leader; he should tell us his position.

Mr COURT: The member for Mitchell has asked for a position and I am telling him. We have had ongoing discussions with our coalition partners on our electoral system. We are well down the track with those discussions. We are not trying to hide the fact that some pretty vigorous negotiations have taken place - as they should in a coalition on an important issue such as this. We will resolve those matters at the appropriate time.

Dr Gallop: We have been debating those issues for three or four years and the coalition still does not have a position!

Mr McGinty: Does the Premier support one-vote-one-value?

Mr COURT: I will come to those points in a minute. I listened with interest as members opposite made their comments on a fair system. The most recent example of electorate reform is in South Australia.

The change was brought about by a Labor Government that had been under tremendous pressure from the electorate. It is now accepted that the Government of that State has got it right.

Dr Gallop: It is not accepted at all.

Mr COURT: It is accepted by Labor and other parties in that State. The motion covers points in the Commission on Government report. Recommendation 42 paragraph 1 is that the present metropolitan and non-metropolitan zones for the Legislative Assembly should be abolished. That is one of the issues we are working through. I can say at this stage that we support that change.

Dr Gallop: "We" means who?

Mr COURT: The Liberal Party.

Dr Gallop: Not necessarily the National Party?

Mr COURT: We are in the middle of negotiations with our coalition partners on these matters. As we have said, our position on the 15 per cent deviation is that we would prefer 20 per cent, but only where it complies with certain criteria. That in itself would bring about quite a major change. If the Deputy Leader of the Opposition is referring to weightings between the regional areas and the metropolitan area, I have already commented in question time about our party's position on the fairness clause. Our party does not have difficulty with recommendation 53. Again, we are currently working through that, both within the party and with the coalition.

Dr Gallop: What about the upper House?

Mr COURT: That is what I said on recommendation 53. When we refer to a fair or democratic system of government, every State and country has different requirements. I unashamedly support the system we have had in this State; geographically it is a very large State with the bulk of the population situated in the Perth metropolitan area, and yet in the remote parts of the State, in the agricultural areas and particularly in recent years in other remote parts of our State, such as the goldfields, the Kimberley and the wheatbelt, we have populations that are often living and operating in difficult circumstances but also happen to be very productive. The member for Pilbara and others who have electorates of that sort, under the changes will have -

Dr Watson: They have nearly all got a phone. They can speak to their members.

Mr COURT: It is easy to say, but I am sure the members representing those areas would have a different view.

Mr Graham: I have no difficulty at all with a one-vote-one-value system. I have more remote areas in my electorate than the member for Merredin.

Mr COURT: The point I make is that there have always been and there still are very good reasons why those areas should have proper representation. Just as the Labor Party supports the Senate system where States have different weightings, we believe it is quite appropriate for representation in this State to be operated similarly.

Mr McGinty: What a hypocrite!

Mr COURT: The Leader of the Opposition cannot use that argument for a federal system and then change it for a state system.

Several members interjected.

Mr COURT: Our State is unique internationally in its size and spread of population. In

summary, the issue is currently being addressed by both the Liberal and coalition parties. It is quite appropriate that we come out with a decision after both COG and the joint standing committee have reported, and we will do that.

Amendment to Motion

Mr COURT: I move -

That all words after "House" be deleted with a view to substituting the following -

Acknowledges the recommendations relating to electoral change contained in the first report of the Commission on Government and the subsequent report of the Joint Standing Committee on the Commission on Government which was tabled in this House on 24 October 1995, and notes that the Government will respond to those reports in the appropriate way as soon as practicable.

Several members interjected.

The SPEAKER: Order!

MR COWAN (Merredin - Deputy Premier) [3.16 pm]: I listened with great interest to the Deputy Leader of the Opposition.

Dr Gallop: I am an expert on the National Party; I know more about it than you do.

Mr COWAN: He predicted the demise of the National Party.

Several members interjected.

The DEPUTY SPEAKER: Order! It is highly disorderly to continue interjections while I am on my feet. I know that the member for Collie is very interested in this motion, but she must abide by the rules of the House. We cannot allow debate to continue while there is so much cross-Chamber interjection. Hansard has a problem in recording the debate and I have a very keen interest in this matter and I want to be able to hear what speakers are saying.

Mr COWAN: I have always listened with great interest -

Several members interjected.

The DEPUTY SPEAKER: Order!

Mr COWAN: I will get this out if it takes all my eight minutes. I knew the member for Victoria Park long before he entered this place. He predicted then the demise of the National Party. He was wrong then, and we will prove him wrong again. It is important in this debate that we -

Mr D.L. Smith interjected.

The DEPUTY SPEAKER: Order! The member for Mitchell.

Mr COWAN: COG has made a recommendation. The COG report has been examined, and in its turn recommendations have come from the parliamentary committee. We are going through the process -

Mr D.L. Smith interjected.

The DEPUTY SPEAKER: Order! The member for Mitchell will come to order.

Mr COWAN: It is not my usual decision to respond to the member for Mitchell because the member for Mitchell when he is on his feet ignores anybody who interjects. However, I will make the point to the member that when he was on this side of the House he blatantly manipulated the regional development processes that were in effect in this State to the political advantage of the Labor Party. He calls that good government. He was part of WA Inc, and he calls that good government. He should not talk to me about the process of Parliament, because he was involved in the most irresponsible and corrupt Government that ever existed in this State. He should get back in his box.

Several members interjected.

The DEPUTY SPEAKER: Order!

Mr COWAN: We are going through a process which, over time, will deliver what is necessary in Western Australia; that is, changes to our electoral system. We must decide which changes we should countenance in this State and which changes will be of obvious benefit to the State of Western Australia.

I have been here for a while and I have seen electoral systems change over a period. As is his right, the Leader of the Opposition commented about the changes which occurred between 1974 and 1977. He did not spend much time talking about the changes which occurred between 1986 and 1989. However, they were some of the most significant changes to the electoral system in Western Australia and they took a long time to evolve. This time -

Dr Gallop: This time you have no room to move.

Mr COWAN: This time, we have a more formal process in that the Commission on Government has reported, as has the parliamentary committee. The issues can be considered. Recommendations have been made which the Government can consider. Let us consider the specific issues which seem to have attracted the Opposition's attention. The Premier has spent a lot of time saying that one-vote-one-value is something of a misnomer. Most people will accept that. Elections are about fairness and democracy. Most people would argue that someone who comes to this place does not come here simply as a member of Parliament. I accept that that is a significant part of our responsibilities.

Dr Gallop: It is our main job.

Mr COWAN: It is a significant part of our responsibilities, but no-one would ever suggest that it is the only part of our responsibilities. We must represent our areas in many other ways apart from simply taking our place here and casting a vote. It does not matter what aids or support are available. I am sure that the member for Pilbara will agree that, the greater the number of communities, the greater the difficulty in servicing that electorate.

Mrs Henderson: Do you have a modern car?

Mr COWAN: Yes, I have a modern car. The member for Thornlie must acknowledge that I can get into my car and drive to her electorate in 10 minutes. However, I would like the member for Thornlie to go and talk to people in the different communities in the electorate of Pilbara and find out how long it would take her to service the electorate in that modern car. That does not mean anything to members opposite. Opposition members do not believe in the word "fairness". They do not believe that it should be fair for constituents to see their member and have an equal right to speak to their member, and have their member represent them at different functions when they believe that the presence of their member will enhance that function.

Mr Graham: You have applied all those various principles to my constituency. What is the difference between that and Mandurah?

Mr COWAN: That is a critical issue and I thank the member for allowing me to reach the next part of my speech.

I have no difficulty in moving towards the concept of one-vote-one-value, even though it is a misnomer. However, consideration must be given to such issues as remoteness, isolation, distance from the capital city, community of interest and previous boundaries. The existing law includes, at the insistence of the Opposition, demographic trends. At the moment, the need for demographic trends shunts aside all other requirements. That means that the seats of Mandurah and Murray are the seats which receive vote weighting which should be afforded to constituencies like Pilbara, Kalgoorlie, Kimberley, Eyre, Ashburton and Northern Rivers. That issue must be addressed and I have no difficulty with that.

With regard to fairness, because of the location of people and the way in which they vote in certain areas along the river or the coast, we will not get a graduated scale with a

fairness clause which means that if there are five seats on a two party preferred basis with a margin of 2 per cent, there must be five seats on this side with a margin of 2 per cent. That would be nonsense because we could never charge the commissioners with drawing boundaries in such a way that we could not say that it was not just gerrymandering.

Mr McGinty: We would support you 100 per cent -

Mr COWAN: Normally I would respond to the interjection of the Leader of the Opposition, but I do not have much time left. The third reference relates to the issue of the upper House. Just as we have enshrined in the Constitution of Australia that we can have one-vote-one-value in the lower House, we need to have equal representation in the upper House. I agree with that. As we have six States with an equal number of senators representing those States there is no reason why we cannot have six regions in Western Australia with an equal number of members representing those regions. That is the reason I am pleased to support the amendment.

We will work through this program and we will deliver a program which I believe will be satisfactory to the majority of Western Australians.

MR SHAVE (Melville - Parliamentary Secretary) [3.27 pm]: Is it not ironic? We have not yet introduced legislation in Parliament, but Labor is on the attack claiming that the Liberal and National Parties are trying to rig the electoral system. The Opposition has been bellyaching for two or three years about changing the electoral system during this term and now, when it is proposed that that might happen, the Opposition says that it does not want it. They are saying that we will be corrupt. Worse than that, they are saying that if there is a clause in the electoral legislation which ensures that the party which receives 50 per cent of the vote governs, that is a licence for electoral commissioners to fiddle the electoral system. What a joke!

An electoral system which allows electoral commissioners to fiddle the vote is a system without proper checks and balances. It is a system which allows electoral commissioners to draw boundaries where they think they should be and where the majority of people want them.

I am not reflecting on the existing electoral commissioners, but it is a fact of life that, in 1989, the political party which received less than 50 per cent of the vote in Western Australia formed the Government. That is a fact. If we asked the people of Western Australia who should govern if 51 per cent of the voters vote Labor and 49 per cent vote for the National and Liberal Parties, 99 out of 100 Western Australians would say that the party which gets 50 per cent of the vote plus one should govern. What do Labor members do? They get up in Parliament and, with sections of the socialist Press, say, "That's a fiddle." They say that an electoral system which allows the majority to govern is a fiddle!

What nonsense it is to say that a clause in the Electoral Act that ensures that the party gaining 50 per cent plus one of the vote will govern is unfair. One-vote-one-value is a nonsense if it does not allow a system whereby electoral commissioners are obliged to ensure that the party attracting 50 per cent plus one of the vote governs. I will tell the House how hypocritical members opposite are being. On 30 March this year on the Sattler program the Leader of the Opposition was asked about the electoral system. The Leader of the Opposition - the same person who in his maiden speech said all sorts of things about the Swan Brewery and then did his rotten deal with his mate John Roberts -

Points of Order

Mr GRAHAM: The standing orders do not allow members to impugn other members. That is what the member for Melville is doing when referring to the Swan Brewery deal and he should withdraw.

Mr C.J. BARNETT: I think the member for Pilbara is referring to impugning improper motives. The member for Melville described the activities as a "rotten deal", or words to that effect. I do not think that necessarily implies that the member had some ulterior motive other than that it was a rotten deal.

The DEPUTY SPEAKER: The standing orders are clear on this matter, but sometimes there are difficulties in interpretation. In this case I do not believe that the words used did impugn the member and therefore I will not rule that they be withdrawn. At the same time, all members must be well aware at all times of the need to be careful in the way in which they make their statements, particularly if they involve other members of this place and imply improper motives or impugn those members.

Debate Resumed

Mr SHAVE: What did the Leader of the Opposition say on 30 March on the Sattler program? He said -

Well, the problem that we have in Western Australia, Sue, can I say I agree with you. In order to win the election, you should get a majority of the votes. That should be the basic principle upon which we operate.

The Liberal Party is proposing that if a party gets 50 per cent of the vote plus one, that party should govern. No-one in a democratic society can invalidate that proposal. We can have the Press saying that it is a fiddle and we can have Mr McGinty saying it is a fiddle -

The DEPUTY SPEAKER: Order! According to the standing orders it is important that we refer to members not by name but by reference to their seat or their position.

Mr SHAVE: I apologise for using the member's name. There is a number of issues addressed in any legislation brought to this Parliament. If one area of legislation involves a fairness clause, it will be in order to achieve fair and democratic government. It will not be the only issue addressed. However, whatever happens, it is indefensible to say that the party or group of parties that wins 50 per cent plus one of the vote should not be able to govern.

MR RIPPER (Belmont) [3.35 pm]: Here we have what is probably the most major issue of principle in a representative democracy; that is, the right of people to participate equally in the political system. What has this Government done when given an opportunity to vote for this principle? It has done nothing; it has made no response. We get this joke of an amendment saying that the Government will respond to the reports in the appropriate way as soon as practicable. Members of the Opposition suspect that the Government will not respond in an appropriate way but in a way that is quite inappropriate because we know the history and tradition of the conservative side of politics in this State when it comes to electoral reform.

We have firm recommendations from the Commission on Government and we have an equally strong pointer to the way in which this State should proceed in the recommendations of the Royal Commission into Commercial Activities of Government and Other Matters. What sort of answer do we get from the Premier? We hear from the Premier that the "issues are currently being addressed" and "we are working through issues". That is a weak response from the Premier when given the opportunity to commit himself to a major principle underlying our democratic system.

I believe there are some people of principle on the other side of the House. However, on this issue, sadly, they seem to be in a minority because what we see opposite is a ferment. Everyone in this State knows that there is considerable division, debate and discussion on the other side about how to respond to this issue. What is driving it? It is self-interest and only self-interest. Clearly, the Liberal Party does not like the present redistribution and it is under pressure because of the recommendations of the royal commission and the Commission on Government, and because of the looming High Court decision. The Liberal Party must respond to those pressures and, in the light of its own estimation of its self-interest, it must do something about the present redistribution. What will it do? Will it respond in an appropriate way or according to its tradition?

Given the Premier's remarks today, the weakness of this amendment and the position of the National Party, we can draw only one conclusion: The Liberal Party will not respond in an appropriate way but according to its tradition. That tradition has been to rot the electoral system year after year in this State to the extent that whatever the result of the

popular vote, the conservative side of politics has control of the upper House. The Liberal Party has used that control to frustrate the legislative program of Labor Governments. The Legislative Council is a vigorous House of Review and of negation when the Labor Party is in power and does nothing at all when conservative Governments are in power - their legislation goes through unscathed.

The Premier spoke in support of what he called a one-vote-one-value system with a 20 per cent tolerance. If there is a 20 per cent tolerance both ways -

Dr Watson interjected.

Mr RIPPER: Yes, possible support. If there is a 20 per cent tolerance, it is not a one-vote-one-value system. Liberal members have also spoken in favour of what they call a "fairness clause". We know it as yet another mechanism by which to manipulate the electoral system in their own interests. This amendment cannot be supported. The principles underlying democracy should be supported by this House.

Question (words to be deleted) put and a division taken with the following result -

Ayes (26)

Mr Ainsworth
Mr C.J. Barnett
Mr Blaikie
Mr Board
Mr Bradshaw
Dr Constable
Mr Cowan
Mr Day
Mrs Edwardes

Dr Hames
Mr Kierath
Mr Lewis
Mr Marshall
Mr McNee
Mr Minson
Mr Nicholls
Mr Omodei
Mr Osborne

Mr Prince
Mr Shave
Mr W. Smith
Mr Tubby
Dr Turnbull
Mrs van de Klashorst
Mr Wiese
Mr Bloffwitch (*Teller*)

Noes (18)

Mr Brown
Mr Cunningham
Dr Edwards
Dr Gallop
Mr Graham
Mrs Hallahan

Mrs Henderson
Mr Kobelke
Mr Marlborough
Mr McGinty
Mr Ripper
Mrs Roberts

Mr D.L. Smith
Mr Taylor
Mr Thomas
Ms Warnock
Dr Watson
Mr Leahy (*Teller*)

Pairs

Mr House
Mr Trenorden
Mr Johnson
Mr Court
Mrs Parker

Mr Bridge
Mr Grill
Mr M. Barnett
Mr Riebeling
Mr Catania

Question thus passed.

Question (words to be substituted) put and passed.

Motion, as Amended

Question put and a division taken with the following result -

Ayes (26)

Mr Ainsworth
Mr C.J. Barnett
Mr Blaikie
Mr Board
Mr Bradshaw
Dr Constable
Mr Cowan
Mr Day
Mrs Edwardes

Dr Hames
Mr Kierath
Mr Lewis
Mr Marshall
Mr McNee
Mr Minson
Mr Nicholls
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Mr Osborne

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Mr D.L. Smith
Mr Taylor
Mr Thomas
Ms Warnock
Dr Watson
Mr Leahy (*Teller*)

Pairs

Mr House
Mr Trenorden
Mr Johnson
Mr Court
Mrs Parker

Mr Bridge
Mr Grill
Mr M. Barnett
Mr Riebeling
Mr Catania

Question thus passed.

**WATER CORPORATION BILL
WATER RESOURCES COMMISSION BILL
WATER SERVICES COORDINATION BILL
WATER AGENCIES RESTRUCTURE (TRANSITIONAL AND
CONSEQUENTIAL PROVISIONS) BILL**

Second Readings - Cognate Debate

Resumed from an earlier stage of the sitting.

MR THOMAS (Cockburn) [3.46 pm]: I said previously that the proposal before the House to dismantle the Water Authority of Western Australia was not a good one and that the Government had not made a proper case for doing so. The Water Authority is part of the public sector of which the Government and the Opposition, to the extent it can claim credit for the existence of the authority, having created it in 1984, should be proud. The Minister for Water Resources, who is in the other place, should be proud, and justifiably so, to be responsible for an authority which presents an annual report, like the one it did, to the Parliament. It is worth looking at the authority's financial performance as reported in its last annual report. For example, in the several businesses into which its accounts are divided the authority made an operating profit in the water business of \$78.6m; the waste water business, \$74.6m; the drainage business \$457 000; and the irrigation business, \$5.9m. It is a profitable part of the public sector. After various costs are taken into account the contributions of those businesses to consolidated revenue under the public authorities contributions provisions is \$13m from water, \$9.8m from waste water, \$773 000 from drainage and \$214 000 from irrigation - a total return of \$23.8m to consolidated revenue and \$110m in retained earnings.

The Water Authority is a very successful organisation which has provided the people of Western Australia with water, waste water, drainage and irrigation services and the management of water resources. It has done so in a profitable way which is the aim of not only this Government, but also the Opposition. It has been done efficiently. The 1994 annual report for the Water Authority of Western Australia does not document those factors. However, in prior annual reports the productivity levels of the Water Authority were enumerated. It was established that the productivity levels of the employees at all levels were very high and had improved over a number of years, not only since 1993. In part, the authority's productivity levels are associated with factors about which we need not necessarily feel pleased. On occasions they could be attributed to reductions in the work force and work being put out to contract. To work out the amount of productivity by dividing the quantum services - however they are measured - by the number of employees, is not necessarily an accurate measure of productivity because in some areas work is contracted out. However, the blue-collar and utility workers in Western Australia generally, particularly in the Water Authority, have markedly improved productivity in recent years.

When I was shadow Minister for Water Resources I visited most depots and places under the Water Authority, at least from Carnarvon south where blue-collar Water Authority workers were employed. I found, universally, a group of workers who were very proud of their organisation and the contribution they made to Western Australia and who wanted to continue to make that contribution. Some credit should be given to the former Labor Government, particularly Hon Arthur Tonkin, who was responsible for introducing the legislation. Under the old metropolitan water authority and the country water supply section of the public works department a fairly moribund set of organisations existed. Credit should be given to that Government, particularly that Minister, for bringing together the two utilities, and the resource management responsibilities which were undertaken by other departments.

The Opposition has other reasons for its severe reservations about breaking up the Western Australian Water Authority. It is functioning well and profitably, and its services are being delivered to the public in an appropriate manner given their importance to the community as a whole. When proposing major changes to an organisation the question should be asked: Why change it? There should be a number of reasons for change. Some sort of presumption should be put against that if we are to split an organisation which is working well. It is self-evident that some diseconomies will be inherent in splitting an organisation. For example, depending on the number of bodies created, two or three chief executive officers will be appointed who will receive about the same level of remuneration as the CEO in the existing organisation. Presumably two or three head offices will be established. Significant advantages must be seen in the dismembering of an existing organisation to outweigh that. I fail to see the reasons for change.

I am fearful that the splitting of this organisation will perpetuate within the new organisations in aggregate the trends we have seen in recent years enumerated in the Water Authority annual report. I refer particularly to page 41 of the Water Authority annual report for 1995. The chief executive officer reports under the heading "People Business" that the Water Authority decreased the number of FTEs by 5 per cent, down to 3 757. It is still a large organisation, but it lost almost 190 people. The number of classifications and the way in which they have been reduced is indicated by salary range. For example, the number of people in the salary range zero to \$25 000 a year has decreased from 2 327 to 1 833. Five hundred people have been lost in that bottom salary range. In the salary range \$65 000 to \$73 000 the number of people employed has increased from 13 to 39, a threefold increase. Twenty-six new people were employed at the Water Authority in the financial year covered by that report who earn between \$65 000 and \$73 000 a year. That is an example of a phenomenon alluded to by my colleague, the member for Nollamara, when he spoke in this debate earlier. Managerial changes are taking place resulting in an increase in the number of people receiving very high salaries. He spoke about remarkably high salaries amounting to hundreds of thousands of dollars but the same argument applies - they are employed at the expense of the battlers in the Water Authority, the people on the end of the shovels, operating backhoes or bobcats. This is a matter on which you, Mr Deputy Speaker, have spoken concerning this organisation. We are concerned that this type of restructuring may occur among the new organisations. In aggregate, an increase will occur in the glitterati, the management consultants and such people who earn high and very high salaries. At the same time a reduction will occur in the number of people who are proud to operate backhoes and work as watermen - a classification almost redundant - operating irrigation schemes in the south west, which are very important to the agricultural industry in this State.

Why does the Government want to bring about this change? When organisations conduct diverse functions as does the Water Authority through its three or four discrete businesses - that is, water, waste water drainage and irrigation - one of the reasons for splitting that organisation would be to provide transparency and expose cross-subsidies which might occur between those operations. It is self-evident that that is not the reason this legislation has been introduced. Those four major functions will be undertaken

within the one organisation anyway. As I indicated before the lunch suspension, we already have a perfectly adequate set of accounts in the Water Authority. If we want to ascertain the extent to which metropolitan water consumers are subsidising irrigation farmers in the south west in the electorates of the member for Wellington and so on, it is easy to find that out and make a judgment about whether that is a good or bad thing. We do not need to split the authority into separate organisations in order to do that.

Another reason for this type of division is to introduce accountability reforms. Last year the State Energy Commission of Western Australia was split into the Gas Corporation and the Electricity Corporation as they were created by legislation, AlintaGas and Western Power as they are known by their trading terms. One of the purposes of that split was to provide greater accountability. A raft of measures of accountability were introduced, such as annual statements of corporate intent, quarterly reports, annual reports and corporate strategies, some of which will be tabled in the Parliament as a result of amendments to the legislation moved by the Opposition. It would be the easiest thing in the world to amend the existing legislation to require the Water Authority to be similarly accountable. I am quite sure the Water Authority would have no problem with that. If it did, it would be too bad and we would be happy to support any amendment and commend the Government were it of a mind to implement that sort of provision. It is not necessary to dismember the Water Authority to do that. It has always been a problem in the administration of water provision that we have had scattered legislation. When I was the shadow Minister for Water Resources I asked the Minister whether he intended to continue the process begun under the Labor Government, and perhaps even before that, to have a consolidated piece of legislation covering water. He indicated that it was still only being considered - it probably will not happen until we are in government in two years' time when we will be able to do something about the consolidated legislation. We have no objection to the Government concentrating on a consolidated water Act which would include measures similar to those contained in the Gas Corporation and the Electricity Corporation Acts.

I am very glad the Leader of the House has returned to the Chamber because I just referred to the similarities between this legislation and that which created the Electricity Corporation and the Gas Corporation which contained various accountability measures. Why does the Government want to dismember the Water Authority when it can introduce accountability without doing so? I wondered whether this was based on the same motivation that encouraged the Government to split the State Energy Commission. However, that explanation cannot be the case here. The State Energy Commission had two energy providing functions which had the capacity to compete with each other. By providing two separate corporations, there would be competition. They compete with each other on the one hand to market electricity and on the other to market gas. That is not the case with this legislation. Water cannot compete with drainage and waste water cannot compete with irrigation. They are discrete functions; therefore, the analogy with the former energy utility does not apply.

Mr C.J. Barnett: I know you are fully aware of it. The other need in energy was to take out the policy regulatory role, as is happening here. On the economic competition point, I accept what the member is saying.

Mr THOMAS: It is not really a comparable situation. The water industry is not as susceptible to competition as is the energy industry. Although it is conceptually possible, it cannot happen as readily.

As we have considered these Bills and the lot of those who work within the Water Authority who have approached us, we have been unable to find any reasons to support the legislation. We certainly agree there is a need for consolidated water legislation. A select committee of this House during the last Parliament considered aspects such as citizens' rights in water which are contained in diverse pieces of legislation. That job was too big and the committee was not able to complete its task before the last Parliament finished. So far this Government has not been able to tackle the task either.

We are simply playing with this authority. As I have said: If it works, why fix it? I am

suggesting to the Minister that, in terms of its substantive service utility functions, there is no good reason for the Water Authority to be dismantled. The present service functions will still be part of the same organisation in any event.

There is a very good reason for the management of resources to be the responsibility of the utility that has the job of providing services. There is no comparison with any other industry - for example, the energy industry where the provision of energy resources is separate because there is an intervening step involving private enterprise before the product ultimately reaches the customer. We cannot conceive that can be the case in the water industry.

I have an open mind on the regulatory aspect. There is a view that the Water Authority is the proprietor of the services to which the plumbing industry is connected. That industry contains the experience, and has for a long time, and it should continue to oversee the regulatory aspect. The Government has not made out a case for that not to occur.

According to its annual reports, a number of businesses within the Water Authority are profitable and efficient, and deliver services to the people of Western Australia in an accountable manner. The report shows transparently the interaction between the functions. From their representations made to us, the people who are currently employed in the Water Authority are very proud of working there - we feel there should be more of them because we are opposed to the redundancies that have occurred - and wish to continue to be part of the authority. They believe they are productive and efficient. I repeat: If something works, why fix it?

MS WARNOCK (Perth) [4.08 pm]: I support the remarks of my colleague, the member for Cockburn. Like many others on this side I share his puzzlement about why the Government wants to restructure the Water Authority so seriously. I will look at some of the matters concerning overseas and interstate water provision and will reflect on some concerns raised with me by my constituents in recent days. At a time when we are debating these Bills which are aimed at corporatising the Water Authority of Western Australia the telephone calls to the office of this member of Parliament about the rising cost of water are increasing. Some months ago I presented a petition to Parliament on behalf of some pensioners living in a block of flats, who were very worried about the possible moves to privatise water in this State. They were concerned about how it might affect them. Homeswest tenants have begun to call my office about the size of their water bills. They say that this sort of thing would not happen under a Labor Government. The Western Australians who can least afford it, the pensioners and other low income earners, are being hit by large bills, the user pays principle, and the abolition of the 150 kilolitre free water allowance. These people and many others will be concerned about the Government's proposal to restructure the Water Authority. Quite properly they will be asking themselves what this will mean. They will ask whether their bills will increase even more, and why the Government is doing this. They will ask why it is necessary. It will not be surprising if they fear that this plan to restructure or corporatise the Water Authority will eventually lead to a move to privatisation. Similar changes occurred with the restructure of the water authorities in Britain leading to privatisation in 1989. According to a July 1994 consumer magazine survey which I have read, in the United Kingdom the cost of water has more than doubled for some consumers in three years; water company profits have increased by more than 70 per cent, and the standards of customer service are poor. That is exactly what people fear in Western Australia in any plan to restructure a government service. Will it mean bigger bills and reduced quality of service? That is a reasonable question, in view of the many arguments my colleagues have advanced.

I want to give attention to a document from the United Kingdom, a report produced by water unions working within one of the public water authorities in that country. Of course, they are convinced that privatisation is against the interests of both consumers and water authority employees. The report refers to conservationist concerns, and changes to the environment posed by inadequate pollution control mechanisms following privatisation. We have heard people speak about that aspect here. Local authorities in Britain are worried about lack of control. They fear that their assets will be sold to

multinational corporations. Consumer groups are worried about people receiving worse services for higher prices. Those fears are not unreasonable.

A more recent United Kingdom document indicates that some fears have been borne out. It is interesting to note the charter that has been put out by the same UK water unionists. I will relay a few matters from that charter, not necessarily because it applies intimately and exactly to the situation we face, but because they are interesting observations about what water means in the community and how the community views the supply of the commodity. The document refers to the "Charter for Water": First, public interest not private profit; the water industry belongs to us all; and, public ownership is the only way to ensure a responsible approach to supply and disposal. The second point is: Renew the nation's infrastructure; lift government controls on borrowing so that vital investment can go ahead. The third point is: Defend public safety; keep flood protection, sea defence and land drainage in public hands. The fourth point is: Protect the environment; retain public control over water quality, sewage and waste disposal. That is an important point. The fifth point reads -

Public health first - for proper and responsible application of European directives on bathing water and drinking water quality.

That is a reasonable concern, and one that we all have in this State. The sixth point reads -

Clean up water - we need a serious programme to remove toxic substances like lead, pesticides, nitrates and aluminium.

The seventh point talks about secrecy, and the need to admit the public to water authority meetings, and so on. Several points are made by the union organisation which wrote the paper to reflect its concerns about water privatisation in Britain. At the end of the charter the document refers to a national strategy, and calls for no more job cuts. They want to maintain proper staffing levels to do a proper public service. That is at the core of all the concerns we have in this State. We want to maintain proper staffing levels to do a proper public service. If nothing else, the supply of water must be a public service and one which obviously falls under the heading of those organisations which should remain in public hands. I mention the 1986 document not because it applies strictly to the present situation - it does not - but because it lays down some interesting general principles about the provision of water services in a sophisticated western democracy. It lays out what we all expect from a good public service provided by the taxpayers.

I now make some observations about Victoria. I have also been reading documents about the water service and the changes introduced by the present Victorian Government. I refer to a report dated March 1995 entitled "Corporatising Melbourne Water: The Human Cost". It deals with the impact on employees and their families of the corporatisation of Melbourne Water, which is the name of the water authority there. It does not pretend to be an objective analysis of the issues. It concentrates solely on the human side of these kinds of moves. It is worth adding to the debate because of that. The report states that the Kennett Government says that corporatisation does not presuppose privatisation. I understand that this State Government has made that clear here. The report also indicates that unions and conservation groups in Victoria believe that it is likely that one or more of the State's water enterprises may be sold into private ownership in due course. That is a feeling I have been getting from various people here. The document is mostly concerned with the scale of retrenchment, which is very large in Melbourne Water. Staff numbers declined from 9 000 10 years ago to 2 742 in 1994. The work force has declined by two-thirds under the current Government in Victoria. Obviously that will have some effect on the blue collar workers at Melbourne Water. The corporatisation of that organisation has meant the contracting out of non-core activities. That has also meant a large-scale redundancy program. The board of the organisation believes that corporatisation will increase efficiency and improve standards of service. It certainly led to big profits for private owners.

The ACTING SPEAKER (Dr Hames): I assume the member is referring to copious notes.

Ms WARNOCK: I am, and I will continue to do so because I am referring to certain reports.

Mr Lewis: You are reading.

Ms WARNOCK: Not at all. I will continue to refer to copious notes. Many people on the other side do that, and I want to make sure I get it right. It is a reasonable thing to do.

The report makes no pretence of being objective. It talks about the effect on employees of the water authority in Victoria. It refers to fear of job losses and uncertainty about the future. Not surprisingly, morale has been low and some workers have had to seek psychiatric help. Other opposition members have alluded to the fact that similar low morale has begun to take effect in this State. The report states that people were kicked out without dignity; there was no recognition that they had done a good job. The member for Cockburn referred to the pride of blue collar workers who had worked for a long time for the Water Authority in Western Australia. This report from Victoria refers to the same pride in the job and the same sense of shock when a long time job simply disappears from under a person's nose. There was a lot of stress related illness at the time in Victoria. Most of it was from the shock of losing one of these long held positions and the fear about the future. That is not surprising. From what we have been told and from what my colleagues have relayed to the House, the same thing appears to be occurring in Western Australia. Too many government instrumentalities here are going through the same process. This report states that those who are still unemployed are coping badly. Under the rules for taking the voluntary departure package they cannot get work in the water industry. The report states that they do not fight; they just curl up. It is serious for those in their forties because they have no work prospects.

The union report to which I referred is not meant to be objective, but refers to the social concerns of unions, churches and others who are attempting to look after long time workers of public authorities in Victoria who have been cast out of their jobs. People in Western Australia should be deeply concerned about reports like this because with or without full privatisation - I emphasise that the Opposition knows the difference and is aware that what the Government is talking about here is restructuring - the same thing is happening in this State in several government authorities. That is why the Opposition expresses its concern about this. To echo the member for Cockburn: If the Government has on its hands an efficient and excellent authority that works well, why does it feel the need to restructure in the way it has begun to do.

I turn to a further issue of water privatisation or corporatisation that has been alluded to by some of my colleagues on this side; that is, pollution and environmental concerns. A number of consumer organisations' reports I have read leave no doubt that there is some concern about the water quality in Britain and how it has deteriorated since privatisation. In research for this speech I came across an article from May 1994 which was datelined London and quoted a report in the medical journal *Lancet*. It referred to men's low sperm counts in the London area and linked this with the quality of London's water. I mention this not to alarm members of the House unduly. I do not know whether this research is sound. If it is, it should make us pause. We must not let the quality of our water supply deteriorate. That possible consequence alluded to in Britain has caused some concern to those millions of consumers of the Thames Water Authority.

The ACTING SPEAKER (Dr Hames): I ask the member for Perth to table that document so members can read it.

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

Ms WARNOCK: The findings are disputed by some medical authorities; nonetheless, the article is worth mentioning in passing.

Finally and importantly I refer to a matter that came to members' attention through a leaked letter from the member for Scarborough. The member wrote in February to the Minister for Water Resources expressing serious concern about the quality of work and work practices involved in the infill sewerage program in Innaloo. I quote from this letter because it goes to the Opposition's concerns about what might happen when a

series of contractors takes over the work that was formerly done by the skilled workers who have been long time workers at the Water Authority. This letter, dated 17 February 1995, states that the situation "is quite alarming and demands your urgent attention." The letter continues: "It has been brought to my attention that unskilled people have been employed to reinstate fences with the following deficiencies . . ." It lists a series of deficiencies in work practices on this job. It refers to fences being left open allowing pets to escape and manholes being left uncovered in a dangerous situation for days. It does not sound like the kind of work practice one would like to see on any job around the house, and not the kind of thing one would want from a job done by the Water Authority. The letter from the member for Scarborough states further -

I have had it on good authority that documentation has been rushed to get the programs up and running and that basically there is a fall away in standard across the range of ways that work is being done.

The letter continues very much along these lines about poor workmanship and states that at some time in the near future subsidence will occur, pipes will be cracked and the Water Authority will have a heavy burden because the contractor will have long since gone. Further in the letter the member for Scarborough alludes to the good quality of the work done by the Water Authority in Scarborough, and the work being done by private contractors causing much disquiet. He says that responsible government requires that action is taken to ensure there is not an undue maintenance problem in the future, along with ensuring that work is carried out safely.

This is an important issue. It has been alluded to by my colleague the member for Glendalough on another occasion. It is proper that we should register our concern about it because if there is to be a different system of providing sewerage and water works in Western Australia as a result of the changes the Government is introducing, we should be properly concerned about the quality of the work and the quality of the supervision of that work. One of the fears about work falling into private hands is that supervision and control will be lessened, and that that will be a risk to the community. It is important to mention these matters. Those are my concerns. I share the concerns discussed earlier by my colleagues on this side of the House about what corporatisation or restructuring may mean. I ask again the question: Why does the Government feel the need to do this at this stage of the game? More particularly, it is the concerns about safety, water quality, the loss of jobs and the cost of the water service in Western Australia that I want to put on record today.

Mr C.J. Barnett: You are conscious of the Hilmer recommendations and your federal Labor Government's insistence that these sorts of changes be made?

Ms WARNOCK: Yes, I am aware of things the federal Labor Government has done. Nonetheless, in view of everything I have read about water services in the Eastern States and overseas I feel it important that I should echo these concerns and ensure that the Government hears about them before it takes drastic measures.

Mr C.J. Barnett: You should tell Paul Keating that you disagree with his policies.

Ms WARNOCK: The Minister should give him a call himself.

MR D.L. SMITH (Mitchell) [4.28 pm]: As a number of speakers have already said, this group of Bills sets out to split up the Water Authority of Western Australia and create the new organisations called the Water Resources Commission, the Water Corporation and the Water Services Coordinator. If the intention is not privatisation, at first sight it seems an unwieldy exercise for any Government to embark upon. Effectively it will create at least three new quangos and a rather complex interaction between them, which can only add to cost and delay. Unless there is real and proper coordination, there will be plenty of opportunity for expensive mistakes to be made.

I do not intend to focus today on those aspects which relate to the creation of new quangos and efficiency, effectiveness and cost saving in Government. I want to approach the legislation from the perspective of a country person. It is important to remember that the new Water Corporation will be responsible for water supply, drainage, irrigation and

sewerage. It is also important to appreciate that there is currently a very large cross-subsidy within the Water Authority from its metropolitan water supply operations to country irrigation, water supply, drainage and sewerage. In a corporatised situation, there is always a danger that managers will begin to impose on the level of subsidy and, as a result of that, the cost of country services may increase. It is interesting that the Minister attempted to say that nothing in the legislation involved privatisation. As the member for Wellington is well aware, a degree of privatisation is already occurring under this Government in relation to the four areas to which I have referred.

With regard to irrigation, a committee of farmers has been set up with some executive research support from the Water Authority. Those farmers will manage their own irrigation supply. No-one is clear about how that will work. However, a group of accountants is currently conducting research into the value and condition of the infrastructure which is used to provide irrigation to farms in the south west. No doubt that will form the basis of an agreement, by way of a service charge for the provision of that infrastructure or through transfer of infrastructure from what will be the Water Corporation to that group of farmers running their own irrigation scheme.

At the moment, such proposals seem to be limited to areas which are supplied from the Harvey and Wellington Dams. However, discussions are apparently taking place in relation to the other irrigation districts in the south west. Clearly, the irrigation proposal can only be described as privatisation.

I believe the group of farmers who are assuming that responsibility have been overawed by their own philosophical beliefs. They believed the Water Authority was operating those irrigation schemes inefficiently. They honestly believed that, by doing some of the work themselves and by subcontracting and privatising the delivery of some services involved in providing the irrigation water to the farms, they could do that at far less cost than is currently the case.

However, there is a huge difference between doing something at less cost and doing something profitably. I have no doubt that that group of farmers will not be able to supply water to farmers at the same cost as it is currently provided and still remain financially viable. Unfortunately, unless there are arrangements of which we are unaware, and substantial subsidies have been guaranteed to that group of farmers, the cost of supplying that water will inevitably become grossly excessive. That may be part of the Government's strategy. The water which is currently used for those irrigation schemes may be considered part of the future metropolitan water supply.

This issue gives the lie to the notion that a degree of privatisation does not lie behind the general thrust of this legislation. Clearly, it appears that one unprofitable operation of the Water Authority is, in a sense, being privatised. When we examine the overall structure of what is being presented to Parliament, we can see that although there may be rhetoric about it not necessarily being a precursor to privatisation, all the indications are that that is what it will be.

After the passage of these Bills, one of the tasks of the new Water Resources Commission, will be to safeguard and allocate the water that is available for various purposes in Western Australia. It is clearly the intention that a licence fee will be payable by those allocated licences by the Water Resources Commission in relation to the water that they take.

Although the legislation states that the Water Corporation will not be in a privileged position, the various organisations in Western Australia to which water is allocated by the Water Resources Commission will, through the licence fees which they will be expected to pay, effectively pay some of the cost of the Water Resources Commission.

That would be a new feature. As there was one organisation in the past, and because of the way in which services were provided by the Water Authority, for example to the Bunbury and Busselton Water Boards, no direct licence fees were charged for the water which those boards are authorised to take. Those water boards have been left to do their own thing. They simply have to meet the standards imposed by the Water Authority and,

from time to time, various services are provided to them by the Water Authority, some for which they are charged on a fee for service basis, and some for which they are not charged.

I suspect that in due course the licence system will be used to try to recover some of the costs involving the water boards and irrigation schemes and the overall services provided by the Water Resources Commission. That is not likely to involve any cross-subsidy. The cost of the Water Resources Commission will be borne by the users of the various schemes on the basis of the licence fees. It will be up to the commission to set the level for those charges. I also suspect that once the system is up and running, the current ad hoc method of providing services from the Western Australian Water Authority, which is effectively its own commission, to those boards will change. We will suddenly find that, because the Water Corporation will see itself as a water provider and not a water regulator, it will seek to recover the full cost of all services that it renders to the boards and not just to some of them, as is currently the case. Inevitably, that will lead to increased costs for Bunbury and Busselton Water Boards and for the new privatised irrigation schemes which are being developed around the south west. They will be charged a fee that will have nothing to do with their administration or operation, as was previously the case, and that can only add to the costs of those organisations.

In addition, I suspect that the Bill exists so that organisations such as the Bunbury and Busselton Water Boards will be able to operate in other areas of the State. My greatest fear is that the Bill is a precursor to various water boards being set up in the metropolitan area to supply water in the metropolitan area and that they will be truly privatised in the same way as boards have been privatised in South Australia, on the Victorian or United Kingdom models.

Mr Lewis: Members of the Government are not the only people who can supply water efficiently.

Mr D.L. SMITH: The Minister was not present when I said that I address the legislation from the perspective of country people. The great fear is that when privatised corporations start to supply water in the metropolitan area, the cross-subsidy that occurs within the current Western Australian Water Authority will not exist. It is feared that the Government will seek to replace that with a sense of community service obligation and that each year country water, drainage, irrigation and sewerage providers, in effect, as part of the annual budget process, will have to bid for an appropriate amount of money from the Government for the provision of what will be seen as a community service in the sense that those operations will not be able to be profitable.

It is likely also that we will see around country Western Australia the break-up of water supply into various zones. One has only to look at the way in which rates have been structured for water supply in country Western Australia this year. Each country water supplier has been treated separately and been pacified according to a new schedule that becomes part of the rating system. Each of those new zones is being rated at different levels for its water supply.

As I have said, I have no doubt that the Bill is a precursor to setting up individual zonal supply schemes so that, in terms of its community service obligations as a centralised State Government, the Government will look at country water supplies not just as a single entity but in relation to each individual area.

Mr Lewis: Does the member regard the provision of water and sewerage as the same?

Mr D.L. SMITH: The provision of water, sewerage and drainage are essential community services which require, especially in country Western Australia, a substantial State Government subsidy, which presently operates not from consolidated revenue but from the higher rating of a metropolitan area which subsidises those services.

As a result of what I perceive to be a break-up of the Water Corporation into various zones around country Western Australia, the degree of subsidy will start to disappear. For instance, Bunbury Water Board might argue that it does not require any subsidy at all for its operation and that it can run its own scheme. Some will then argue, "If that is the

case, why should any subsidy apply to Eaton and Australind, which are parts of the greater Bunbury area?" It will be argued that the water suppliers in Australind and in Eaton should be able to balance their own books in the same way as Bunbury does, even though, for instance, they do not have the inter-mix with Bunbury City Council that the Bunbury Water Board has in its administrative and other costs.

I honestly believe the result of that approach, which simply says that if Bunbury and Busselton can handle their own affairs profitably, so should Eaton and Australind, will result in water charges in those areas going up to full cost recovery plus. That will mean substantially higher water supply rates for those areas. I am not at all confident, especially in view of what is happening in respect of irrigation, that the new structure is not a prelude to the privatisation of water supplies that are likely to be profitable.

The other interesting aspect is that the Government abolished drainage rates across the south west - I supported that - which was possible because it was then able to pick up the cost of that loss of revenue by increasing metropolitan water rates by about 0.2 per cent of one per cent on a once-only basis. That has enabled the Water Authority to continue to provide drainage services. Part of the quid pro quo of that was to have been the delegation of much of the responsibility for drainage in country areas, whether urban or rural, to local authorities.

The situation was to be examined to identify major drains and rivers that needed to be maintained by the Water Authority, but minor drains were to be delegated to local government or to self-management groups in rural areas. Although the Government abolished the rate and said that it would work towards that form of delegation, absolutely nothing has been achieved since the decision to abolish the drainage rate. Local authorities and farmers who had been expecting to make proposals about taking over part of the drainage system have not done so.

Nothing in the legislation gives the impression that the Government is about to make progress on that issue. That raises the question of where the money will come from for country drainage if the Water Corporation is to continue providing full services. Certainly, if the Water Corporation is to be broken up by privatising services in the metropolitan area or elsewhere, when that can be done profitably, what will happen to drainage rates? If there is no effective cross-subsidy, will there be a direct allocation from the consolidated fund as a community obligation, or will local drainage boards, districts and rates be reintroduced? I am not confident, because of the way in which this has been put together, that the local drainage schemes will not be reintroduced and run as private organisations, expected to bear their own costs.

Beyond that, of course, the major effect of this legislation is on the employment of people in country areas. The Water Authority regionalisation program resulted in the transfer of workers from smaller towns to larger regional centres, but there has been a real degree of regionalisation of the Water Authority. Effectively, if one wanted a decision made or wanted to obtain information about the issues raised, that could be done promptly and effectively through the regional manager of the Water Authority at Bunbury. Chris Elliott has done a fantastic job in that position. I am not at all confident that that degree of regionalisation will continue under the proposed Water Corporation. Certainly, I do not think true regionalisation will be possible under the management structure provided for in this Bill. It seems that the Government and the Water Authority have been working very hard reassessing those regional operations and we, as country residents, have yet to be informed about the full thrust of those decisions. I expect they will mean much greater concentration of professional staff of the new corporation in metropolitan Perth, less decision making in the regional centres and certainly far fewer people in the work force.

I picked up the evidence for that from discussions I recently had with a Water Authority worker, who has been seconded to work on the Harvey and Dardanup irrigation schemes over the past couple of years. He was proceeding this year on the assumption that he would again work on the Harvey irrigation scheme when the season commenced, as he has for some time. He had no indication of any change but, lo and behold, a few days

before the beginning of the season he was told his services would not be required and he must return to the Bunbury office as an unattached worker. When I asked why this had happened, I was told that the newly established irrigation committee had made a decision that he would no longer be employed as one of its workers. Because it was a committee set up under section 17 of the existing legislation, the regional officer supervising the irrigation scheme felt obliged to abide by the committee's decision and not employ that person. It was decided instead, that a person with no irrigation experience and none of the wall building and cement work skills of this worker, would be transferred from Bridgetown. I was told by Water Authority staff that they did not know what I was worrying about, because on 1 January this new scheme will be privatised and there will be no security of employment for Water Authority workers within the privatised irrigation scheme. The private operators will decide whether to employ people on contract rather than on wages to do the work carried out by these watermen in the past. More than that, the clear implication was that the future employment of any workers in the day labour work force in Bunbury - whether watermen or those who attend to the mains and distribution system - was very much in question beyond July next year. The Water Authority is awaiting final decisions from the Government, but the situation does not look good beyond that time. It is criminal that this should happen, and people be placed in the position of not knowing what their future is while these matters are being worked out. People in that position, whose jobs are jeopardised, should be given clear messages. Plans should be set before the work force and members of Parliament, so that we are all aware of the future for water supply workers and the like.

The other area I shall briefly cover is the sewerage system. It is noteworthy in the infill sewerage program being undertaken at present that, although the suburbs of Eaton and Australind effectively abut the Collie and Brunswick Rivers and the Leschenault Estuary, no parts of those townsites are included in the current infill sewerage program. It is fairly clear that one of the reasons is that the sewerage scheme at Eaton in particular is not big enough to take very much infill sewerage, as well as the new sewerage connections required because of the explosion of residential development in the Eaton area. Clearly, the long term objective should be to link the Eaton and Australind sewerage supplies to the South Bunbury sewerage works. I know that, for instance, the redirection of the North Bunbury sewerage to South Bunbury required expenditure of \$6m, about one-third of which was supplied by the commonwealth Better Cities funding. It is likely that similar, if not higher, expenditure will be required for both the Australind and Eaton supplies to be directed to the southern area. It will involve substantial capital costs. I am concerned that with the break up of the Water Authority, there will be individual sewerage schemes in those areas which must bear a substantial part of the capital costs, and no funding will be received from the Commonwealth for that purpose.

Overall, the result of these Bills to country areas will be loss of jobs as a result of privatised contracts with a metropolitan basis and the loss of local work forces; less cross-subsidisation from the current situation; and, therefore, much higher charges for water supply, sewerage, drainage and irrigation.

[The member's time expired.]

MR LEAHY (Northern Rivers) [4.59 pm]: I oppose this Bill for a number of reasons but principally because the Opposition sees no reason for these changes, unless they are a preliminary to privatisation. The restructuring of the Water Authority is a backward step. The Water Authority has been operating well over the past few years as a single entity, and has served country people well during that period. Everyone is aware that in Western Australia there is certain cross-subsidisation for people living in remote areas, whereby the charges imposed by the State Government on people living in country Western Australia are the same as those on people living in the city. The principle is that the Government has an obligation to provide its citizens with the necessities of life, including water. If that supply of water were dependent on the whims and fancies of private operators whose first requirement was profit, the same community obligation would not apply to those companies as would apply to the State Government, and charges would increase - especially to those Western Australians living in regional and

remote areas of this State. Of necessity the cost of supplying water to those areas is greater. Water is harder to find in arid areas and, on nearly all occasions, it is more difficult to access and to bring that water supply to population centres.

Sandstone is one of the areas within my electorate where the State Government has upgraded the water supply over the past few years; it has a population of about 50. It cost approximately \$400 000 to upgrade that scheme. Prior to that the water supply to the town of Sandstone was accessed from a disused mine. It had the consistency of pea soup. Until that upgrade was carried out a thick, cloudy liquid was presented to the men, women and children of that town as the town water supply, and they had no choice but to put up with that. A private company would not have upgraded that water supply unless the local community could come up with the cost which was about \$8 000 for each man, woman and child or \$25 000 for each family in Sandstone. That would be an impossible burden on anyone trying to raise a family, and the provision of potable water, a necessity of life, would have fallen by the wayside in Sandstone.

The principal reason for our opposition to this Bill is that we see it as a precursor to privatisation of the Water Authority. One of the downsides within the Water Authority at the moment is the uncertainty among staff about their future. Many of the employees at the authority are on tenterhooks about their futures. The authority's staff in Carnarvon is a dedicated crew, many of whom have been employed by the authority for in excess of 20 years. They are loyal and highly skilled employees who provide a good service to the community. Whenever I see them, they tell me that they are concerned because they do not know whether they will be there in six, nine or 12 months, whether their jobs will still exist and whether they have a future with the authority. That is a crying shame. In country areas, government authorities such as Western Power, the Water Authority and Main Roads have provided the backbone of employment in the community - especially for Aboriginal people who do not always have the opportunities for employment that other people have. The authority has provided stable employment for them. Many would otherwise be unemployed, and are finding now that no other form of employment exists outside of those authorities. Restructuring, rationalising and cutting back on staff is a false economy by the State Government; it will cause other problems which must be fixed. Those problems will flow into areas like law and order, social and family, and health. The costs that will be imposed on the State Government in other areas will far outweigh the cost of providing employment in those authorities in country Western Australia. I hope that the impact of privatisation of this authority on country Western Australia will not lead to further cutbacks and disharmony in Western Australia.

I touched on the community obligations of the Water Authority and the cross-subsidisation policy. Unfortunately, in the past six months WAWA has adopted a user-pays principle. I am not totally opposed to that; however, I am concerned when it impacts badly on many people. Until a few years ago Graham Hibben operated a water carting business to Dampier Salt and outlying areas, including road houses which did not have their own water supplies. At that stage Graham was accessing his water from a standpipe at the local water authority depot. The Water Authority did not want to continue with that arrangement because of the prohibitive cost of staffing that downpipe out of normal working hours. At the urging of the authority Mr Hibbin put in a standpipe in his own yards in town.

Mr Bloffwitch: I asked this question during a briefing. The Bill will enable the Water Authority to sell Mr Hibbin water, and he will be able to on-sell it.

Mr LEAHY: He cannot do that at the moment, and I am pointing to the costs which can be imposed by this user pays principle, although I do not think this is in that category because it is not economically sound. Mr Hibbin needed to fill a 15 kilolitre truck quickly, and on the advice of the authority he put in an 80 mm standpipe, which is large when compared with the domestic supply pipe of 20 mm. Last year Mr Hibbin spent \$1 600 on upgrading that standpipe to prevent back flow of contaminated water into the town water supply. Initially, Mr Hibbin was rated at \$330 per annum and he purchased his water at a high cost; that is, the commercial cost for operators of \$1.08 a kL, whereas the domestic consumer pays considerably less. Unfortunately, as the legislation stands he

could not on-sell that water, so he could charge customers only what it cost him. The charge for that standpipe is now \$900, which is already three times the original charge of \$330. The charge will rise to \$5 700. Mr Hibbin must try to pass on a cost that was previously \$2 for access to the water and will be something like \$20 or more because of a 15-fold increase. Mr Hibbin will need to increase his charge to \$30 or \$35 before he can recoup his costs. The only suggestion from the Water Authority is to reduce the standpipe size from its suggested size of 80 mm to 40 mm. A truck trying to fill up with water for an outlying area would take about one and a half hours to two hours, instead of the present 20 minutes. That would create a line of trucks waiting to fill up with water. I cannot see any commercial sense in that. I contrast that with my experience of a roadhouse. I would not charge an additional cost for a fast flow pump for trucks because they are accessing their fuel at a faster rate than anybody else. I cannot understand the rationale of the Water Authority. It is an inane situation commercially. It is selling water at the best price it can get, and Mr Hibbin is providing a service the authority refuses to provide, and his reward is an increase in his rates from \$330 to \$5 700. That decision was made by the Water Authority, and it will be carried on when the authority is privatised. The impact will be far greater on country Western Australians than on city Western Australians. That is unacceptable to me and other country members in this State.

I want to carry that argument on standpipes further. At the moment Carnarvon has two categories of water users. One category is "growers". They access a lot of water, and that is supplied from an irrigation scheme. Irrigated water is priced at a different rate from fully potable water. In fact, irrigated water is supplied at different rates statewide. It is much cheaper in Harvey than in Carnarvon; and the Ord River scheme provides water at a much cheaper rate than in both those towns.

Mr Bloffwitch: Geraldton water is the most expensive.

Mr LEAHY: In fact, people in Geraldton regard the Carnarvon water with envy because of the cost of about 16¢ or 17¢ per kilolitre, but it is the most expensive irrigation water in Australia by a factor 2:1. One of my colleagues in the upper House, Hon Kim Chance, who was previously a member of the water board, tells me that the irrigation water that is supplied to the growers in the Towns of Carnarvon and Geraldton is like chalk and cheese. The irrigation water in Carnarvon is not treated and is in a far different state, whereas the irrigation water at Geraldton is fully potable, which explains its high cost. In fact, the Water Authority advises the growers in Carnarvon that if they do not have an alternative way of treating the water, they should not drink it or use it for cooking. Therefore, we are talking about two different types of water.

Mr Bloffwitch: True, but unfortunately the Water Authority does not make the other stuff available.

Mr LEAHY: That is right. Geraldton does not have an irrigation scheme as such. What concerns me about this scenario is that because they purchase a lot of water, they have access to that water by way of an 80 millimetre to 100 mm pipe, and the charge at the moment is \$100 to \$150 per annum, and if we applied the same rationale to them, their rates would also go up to \$5 700 or \$7 000 because of the size of the pipe. The Water Authority not only condoned but recommended a larger diameter pipe to those plantations so that it could supply them with their water within a quicker time frame, otherwise everyone would have a trickle of water all day every day and the problems associated with that. The Water Authority encouraged those people to access a pipe of that size, so to now penalise them is highly questionable.

Mr Bloffwitch: Have you spoken to the Water Authority about it?

Mr LEAHY: I have spoken to officers in Geraldton, but their hands are tied. I could understand it if a large factory or mining operation were accessing great quantities of water, but in the circumstances which I am talking about, the Water Authority does not have the flexibility. I am told that it has a simple policy of charging according to the size of the pipe regardless of what it is used for. The only exemption at the moment - this is what concerns me - is for horticultural and rural properties. I can see the Water

Authority doing away with that at some stage in the future and saying that people who have the same size pipe will pay the same amount. That will obviously impact badly on growers.

Mr Bloffwitch: I hope that will not happen.

Mr LEAHY: No, but I alert members to that possibility because we did not think it could happen to a standpipe either.

Mr Bloffwitch: I do not think it should happen, and you should take it up with the Minister; you would have my support.

Mr LEAHY: I certainly will.

I take the problems I have outlined with privatisation a step further because of the outsourcing that is presently being done in the Water Authority. There is a lot of uncertainty among the work force in Carnarvon, and I am sure that is shared by workers in the metropolitan area and other country towns. Workers from the Water Authority have been to see me on a few occasions, and I have sat down with them over a few beers and talked to them about it. They have said that they do not know what will happen, and it has not been hidden just from them, because the engineers are just as unsure of their jobs as are the labourers at the other end of the line. They have said that because they have the skills, they have been urged to form a company to take on the work that will be outsourced. I have some concerns about that because I know all of those chaps fairly well; I have known most of them for 12 or 14 years. They are great workers and they know their job back to front, but they do not know business, and they are being urged to go into small business, which we all know is one of the most precarious pastimes that one could find. Nine out of 10 small businesses fail within seven to 10 years, mainly because people do not know what they are getting into. Many people think that small business is easy, but it is not easy, and the member for Geraldton would back that up.

Mr Bloffwitch: It is not easy, but you have to admit that they now get a lot more help than they did five or six years ago.

Mr LEAHY: There is still the same failure rate. These men are skilled workers and know what they are doing, but they do not know about small business, so I urged them to look at this closely because it might be better for them to take on employment with the new operator than to take on the problems that are associated with running a business. Also, it would be difficult for people who had worked together for a number of years to find someone who would be the notional head of such a firm.

We believe that the restructure is for sinister reasons; that is, it is preparation for privatisation in the future, a privatisation that we oppose wholeheartedly and will fight against to the end.

MRS HALLAHAN (Armadale) [5.16 pm]: I join my colleagues in opposing this legislation. It is extraordinary that the Government has brought in four Bills of a package of five Bills but has not made available anything about the fifth Bill. That signifies either that there are real problems with the fifth Bill or that the Government is grossly inept. However, we will deal with each Bill as thoroughly as we are able in opposition and will make it clear that, as the member for Northern Rivers just said, we do not believe this is in the interests of efficiency.

Mr Bloffwitch: Why not tell Hilmer that?

Mr C.J. Barnett: Tell the Prime Minister.

Mrs HALLAHAN: The interjections are not at all helpful or relevant. If the Government has a problem, I suggest it hold the Bills until it has the whole package together.

This Government is treating people very badly. I was interested to read on page 2 of today's *The West Australian*, under the heading "'Bully boys' taken to task", an article which referred to the launch at Parliament House in Sydney last night of Professor Stuart Rees and co-author Gordon Rodley's book *The Human Costs of Managerialism: Advocating the Recovery of Humanity*. The article states -

They say that 1980s economic rationalism has simply been dressed up in new clothes for the 1990s and rechristened managerialism.

"What this has produced is an insecure workforce with low morale, being told by organisations no longer loyal to their workers that they are dispensable and should live in constant fear of losing their jobs," Professor Rees said.

"This is leading to an increasing incidence of illness caused by stress, which is costing Australia between \$42,000 and \$140,000 per sufferer, according to a Swedish study just released, and in some cases, premature death."

Professor Rees also debunked the trend towards periodic performance evaluation - also called performance enhancement - as the means to producing a more productive workforce.

He singled out WA's controversial industrial relations reform as "the ultimate abuse of power by a system intent on bullying its workers into submission".

Just moments before I made this speech, I spoke on the telephone to a person who has experienced what it is like to be on the end of the bully boy tactics of the Court Government. He was a Court Government supporter, and he and his wife were associated closely with the Liberal Party in the south east corridor, but it is clear to me that they will never again vote Liberal at a state level. That is because of the way they have been treated in the Water Authority. This gentleman was made redundant earlier this year, and he still feels very embittered about the process. He feels that all the productive work that was done under the Water Authority of Western Australia by him and his colleagues was totally disregarded and ejected. He feels he was rejected personally by the Court Government.

Mr Omodei: Who is this?

Mrs HALLAHAN: This person in the south east metropolitan corridor has been an active supporter of the member's party and says now that he has sadly maintained this embittered state of mind over the past few months. I say "sadly" because it reflects his feeling of absolute dissatisfaction at the way his redundancy was treated and indeed his belief that redundancy was not necessary at all. I refer members to *The Canberra Times*, which has a relevant article about this question and the way people are being treated. It does not refer to the Court Government specifically but it refers to the ethos the Court Government has taken to in very great measure. It states -

The mood of insecurity and anxiety is not unique to Australia. It provides the connecting thread of English writer Anthony Sampson's latest book, *Company Man: The Rise and Fall of Corporate Life*. Sampson argues that the central problem of our times is the unprecedented personal economic insecurity of working people, which afflicts everyone from industrial workers to high-level managers.

It states further -

The corporate response to international competition has gone far beyond whittling down bureaucracies overblown by ambitious empire builders in more expansive times, to a massive shrinkage that has seen hundreds of thousands of once life-time-secure workers out of work.

It later states -

Sampson writes, "The company men who had been clambering up the corporate ladders were back on the pavement, with the doors shut against them."

The most devastated class in the West, the unskilled workers, competing with both further automation and cheaper Asian labor, faced the insecurities once faced by their 19th-century forebears, but with less prospect of protection by unions.

There are many relevant quotes in that article but, as other colleagues have indicated, we do not have time because of the guillotine imposed by the Court Government to do this matter justice. I will point to one example produced in Armadale by this so-called

managerialism. A section of deep sewerage has been installed along Albany Highway from Brian Street to approximately the next section from Caroline Street. That was carried out over a long weekend by the Water Authority. It diverted traffic and had the whole area reinstated with footpaths back in place, efficiently, quickly and profitably. In comparison we have had an example of the private sector under the Court Government doing another section from Caroline Street towards Pioneer Village. This has been left in a state of disarray. It was to be done in a matter of weeks. Main Roads staff had to go along and put down those little red hats to indicate the hazard. They were complaining about the quality of the work that is being done by private contractors for the Water Authority. It is a most unsatisfactory situation.

This Government has brought into the Parliament Bills to disaggregate what was once a most coordinated and efficient department. There is no pretence that there will be more services, better levels of service or greater efficiencies. We will have duplication at many levels of the bureaucracy. If we take England as an example - I hope England will not be the way we go - we know that costs will rise. As has been the case at Armadale, we will have a lesser quality job, greater inconvenience, both to motorists and pedestrians, a greater incidence of hazard on our roads in the associated areas where work is installed, and it will continue over an extended period without anybody seeming to take any responsibility whatever for it. Nevertheless, members of the Court Government profess to believe in efficiency and that the private sector will do the job cheaper and better. There is no evidence for that whatever. It would be very enlightening to me if the Minister handling the Bills gave examples of where there has been greater efficiency and profitability than was provided previously and, indeed, an assurance that in the future the work carried out by the private sector under contract to the Water Authority will be completed in the designated time and that there will be no hazard or indeed untidiness for the community. Certainly that has been the case for a long time in the work carried out by the Water Authority and its employees.

I want to generalise the question of anxiety to include the experience of bus drivers with MetroBus. Their position is clearly and accurately outlined in the article to which I referred earlier in my speech. They are experiencing huge anxiety and uncertainty, again in a government agency which by any measure was doing an excellent job. It is not too bold to boast that it was the best coordinated passenger transport system in Australia. However, that is being disaggregated in the interests of putting more jobs out to the Court Government's supporters in the private sector. Although I accept that the Court Government not only wants to give work out to its supporters but also has a general ideology that the private sector is where work is best done, and not necessarily on the basis of return to those backing the party, nevertheless, we find the drivers' hours will be extended. It is not too great a claim that safety and standards of service may to some extent be compromised. We have no reassurance or commitment from this Government that says, "Although we want to pursue this, we will give assurances that no services will be diminished." We certainly do not have examples to back up any assurance or to give a sense of confidence, or to lead us to think that such utterances would have any meaning at all.

The member for Glendalough outlined good reasons in her speech for the Opposition's decision to oppose all these Bills. We are very concerned that, as has been the case in England, once these legislative moves are made the provision of water could be given over to the private sector. In England that was a very bitter experience for the whole community, because out of the price increases that resulted from the corporations running the provision of water resources has come a very great cynicism and disbelief that the private sector can do the job at all efficiently or at a lower cost. It may be said of course that the private sector takes a lot of money unto itself and its investors, to its board members and to its officers at higher levels, but it certainly does not result in any benefit to the consumers or to the workers.

I will close my comments on this point, but I do so with a great deal of apprehension. The person I referred to and did not identify lives in the Armadale area, is very prominent in civic affairs, and has been a contributor, as has his wife, to the local community. As I

said, they were dedicated and active supporters of the Liberal Party. They have been treated so badly by the Court Government's process that they certainly will not be supporting the Government with their vote at state level and they certainly will not be active supporters of state campaigns. That speaks volumes for numbers of people who are professional and conservative in their approach, who thought they could follow this Government's ideological line, but who are finding it absolutely inhumane. He described his experience to me in the moments before I came into the Chamber, which crystalised my very strong opposition to these four pieces of legislation.

MR BROWN (Morley) [5.30 pm]: Like my colleagues on this side of the House, I wish to make some observations about the number of Bills before us today. These Bills are the precursor to the privatisation of the water industry in this State. One can only examine what is intended here by the Government and compare it with what has happened overseas and interstate to see that these Bills lay the foundation for the decision to privatise the Water Authority.

It is important to look at the essential elements of these Bills and the actions of the Government, and to compare them with what has happened elsewhere to determine the real aims and intentions of the Government. One does not need to be too intelligent or to do too much research to reach the appropriate conclusion, because the procedures and processes used here have been used repeatedly - sometimes by Governments that have used almost exactly the same words as those used by the Leader of the House in his second reading speech; that is, that these Bills are not to be seen as a precursor to privatisation.

Let us look at some of the salient features that tend to be the precursor of the privatisation of very large, important government corporations like the Water Authority. For the purposes of my speech, I will address four issues. First, there is the restructuring of the management of the organisation. Whenever there is a proposal to privatise it is important that those putting forward the proposal move to restructure the organisation and try to put it in commercial terms. Trying to take a body that is administered in a traditional departmental sense from government responsibility one day and putting it in the hands of private operators the next day is too difficult. Therefore, Governments must set up an organisation with a commercial board so that when the organisation is sold it can be offered with a commercial board or partially commercial board and operate along normal commercial lines. That is one of the hallmarks that we have seen in this mid stage of privatisation. In moving down that track, it has also been suggested that as a precursor one should remove or very severely limit government or ministerial involvement in the running of the enterprise. Essentially, it is important for those who wish to privatise to ensure the organisation is run by a commercial board before it is sold off.

The second feature observed when organisations like this are about to be privatised is the removal of them from the regulatory function. One cannot have such a government function carried out by private entrepreneurs or employers. It therefore is important to remove the regulatory function and to put it in some other area.

The third feature is the downsizing of the direct employees of the organisation - contracting out the work so that the organisation's direct employees are few in number. That is done for a number of reasons. First, it ensures that there is minimal resistance from employees when the organisation eventually is sold. Secondly, it ensures that the private companies taking over some or the bulk of the work performed by the organisation have an opportunity to build up expertise in that area. The last thing that Governments want to happen when an organisation is sold is for it to run into immediate trouble, as that causes political problems for the Government. Therefore, Governments contract out as much work as possible and sack as many employees as possible so that internal resistance does not occur when the organisation is sold.

The other hallmark is the need to remove cross subsidies within the organisation. If it is to be sold off to the private sector, once an organisation is run for private profit motives, the operators are not interested in cross subsidisation. Therefore, it is important to remove the community service obligations from the direct requirements of the

organisation and to give them to government so that government directly funds those obligations from consolidated revenue.

They are some of the features that one sees in the process of an organisation's moving from government management and control to private operation. The corporatisation, contracting out, restructuring and removal of regulatory control are the midpoint of the privatisation process. This is a "beautification" point. One has something very large and difficult for the private sector to manage. One beautifies it and tizzies it up in this way and makes it very attractive as an asset ready to sell and once it is set up one flogs it off. There are myriad examples of this. One does not have to look very closely throughout the world to see that this is the process. There are different formats, but these are the essential principles involved. Anyone who studied this area for more than 10 minutes would understand that.

We are told that this is not a step towards privatisation, and that is what the Leader of the House and the Government would have the gullible believe. First, we see corporatisation, the establishment of a board and the running of the organisation according to pure commercial principles and, in every sense of the word, as a private company. Alongside that, these Bills limit ministerial involvement simply because the Government, which is intent on privatisation, does not want the Minister interfering with the running of the organisation. When the Water Authority is eventually sold, the Government wants the Minister to be able to say to the public of Western Australia that it was run by a private board for two or three years and he had not intervened in any way; therefore, the board can run the authority. That is the reason intervention by the Minister is limited and, basically, it is a hands off approach.

Mr Omodei: You said it was being run by the Government.

Mr BROWN: If I said that, I was not speaking accurately. Under these Bills there will be a transitional period and then the Government will sell to the public the line that the authority must be sold to the private sector. It will say that nothing will change because the authority has been run on commercial principles by a private board and there has been little Government involvement; therefore, there will be little effect on the community. It is quite obvious that that is what the Bills are about.

The second point is that these Bills will remove the existing regulatory powers. The reason for doing that is to ensure that these powers are not vested with the private board. It is appropriate for the regulatory powers to remain with the Government, and under this legislation they will remain so.

The third point is the contracting out of work. In recent time there has been a huge move towards contracting out works normally done by the employees of the Water Authority. The glossy brochures which have been published provide some details of the various contracts that have been let to different companies. I will not go through them now, but the Minister knows what I am talking about.

Mr Omodei: Isn't it fair to say that the infill sewerage program had to go out to contract because the Water Authority did not have the capacity to do that work?

Mr BROWN: It did not have to go out to private contractors.

Mr Omodei: Where was it going to go?

Mr BROWN: The Government made the decision to contract out that work and I will refer to this issue shortly.

I am talking about the core functions of the Water Authority and the decision which was made by the Government to contract them out. It made that decision for a number of reasons.

Mr Omodei: Which core functions are you talking about?

Mr BROWN: The various management functions are outlined in the Minister's brochure, which I could read to the House.

Mr C.J. Barnett: Send us a copy.

Mr BROWN: I will do that. I am referring to the Government getting rid of the core functions that were carried out by 1 500 workers who are on the way either to the private sector or redeployment. They have been told that they will be leaving the Water Authority. The Government is taking this action for a couple of reasons. First, it wants to transfer expertise to the private sector and, secondly, from the Government's political perspective, it wants to get rid of as many direct employees as possible because ultimately when it sells the Water Authority it does not want those employees to make too much noise and make life difficult for it. If the work can be contracted out well beforehand, it certainly makes that step easier for the Government.

Of course, we have already seen the proposals concerning the removal of cross-subsidies in the Water Authority. On the one hand, the Minister said in his second reading speech that this legislation is not a step towards privatisation, but on the other hand members can see embodied in this legislation the hallmarks which have already applied to other government bodies. Several organisations have already gone from the Government's control into the control of the private sector. On many occasions the Government has said that its philosophy is to privatise government agencies. It has been quite unequivocal in its statements about that. It wishes to push as much work as possible from the Government to the private sector and it even boasts very loud and strong about it.

The Government should be honest about its intentions for the Water Authority, but I can understand why it is not. The Government's proposal to sell off an asset that is of importance to Western Australia certainly will not be palatable to the community. I can also understand why the illusion is being created that the proposed structure will be established ostensibly for efficiency reasons and why the Government will deny until after the next election, if it is returned to office, that it intends to sell off the new corporation. It is questionable whether the Government will be returned to office, but I forecast that if it is, an announcement will be made one month after its election that it will get rid of the new corporation. I would not be at all surprised about that.

If the Government goes down this track and implements these proposals, one must ask how it has treated its employees and how successful have the contract arrangements been so far. The Minister said earlier that I should refer to the new sewerage program that has been very successful. I agree that many people in the community are pleased about the sewerage program. However, there are equally as many people who are not pleased with it. They are not opposed to being able to connect their properties to the sewerage system, but they do not like the front of their homes and their fences being smashed and contractors refusing to accept liability for any damage they have caused. These are not the complaints of just a few people. A number of my constituents have contacted me about this issue. They have told me that it is difficult when dealing with a private contractor to have their complaints heard. I am aware of a number of cases where my constituents have had their property and fences damaged and their complaints have simply been dismissed by the private contractors.

Mr Omodei: I can remember you writing to me when I was the Minister for Water Resources seeking to bring on infill sewerage.

Mr BROWN: Absolutely, and I make no bones about it. However, the Government decided to do it in a particular way.

Mr Omodei: You would not have done it that way?

Mr BROWN: I might have had part of it done by the private sector and another part done by the government work force. I really do not know exactly what I would have done because I do not have all the information at my fingertips like the Minister. The one thing I would have made sure of is quality control. The contractors are now being honest about it and are seeking expert advice. Some of them are saying they did not have a clue about what they were doing and that was evident from the way they used to dig out the trenches. Some of the contractors now have a device that forms a tunnel which is held up by retaining walls. Some of them dug trenches without using any reinforcements and whole walls and driveways collapsed and garage floors split.

It happened in my electorate and I can show the Minister what occurred. The contractors had no expertise in the field. At least they are now saying they did not have the necessary expertise. That was why the quotes were low. It is easy to get people who do not know what they are doing to dig holes. They offered cheap and nasty work because they did not understand the issues. As a result people were disadvantaged. I have had a very difficult time ensuring that some of my constituents were properly compensated for some of the damage. I am still writing away for people. Each time I get one problem fixed another one arises.

Mr Omodei: The member for Kenwick used to write to me about Water Authority problems.

Mr BROWN: I did not have problems in that regard. In addition Water Authority employees who live in my electorate were absolutely disgusted at the way they were treated in this process. People who gave 10 or 15 years' service were booted out. They were told they must work with a contractor, and if they did not like it they would be redeployed in a job for which they may not be qualified. I refer members to the provisions proposed for government employees' superannuation. Those long serving employees, and the reasonably paid people in the Water Authority, some of whom have commendations on their record, who may lose thousands of dollars in superannuation, were treated like rubbish. The member for Armadale referred earlier to one person who felt like that. I know of plenty of people, some of whom were in middle management, who have not had a sick day from one year to the next and who are angry. They do not know whether they were pushed out because they were inefficient, ineffective or cost too much. They were pushed out for one reason - the ideology of the Government. Those people, some of whom were government supporters, will visit the Government on election day and let it know how angry they feel. They feel very angry, let down and disappointed. I hope to debate more detail of the Bills in Committee. I do not see any merit in the Bills and I join with my colleagues in opposing them.

MR BLAIKIE (Vasse) [5.53 pm]: I support the general principle of the Bills. It is interesting that in the approximately 24 years during which I have been a member, successive Governments have endeavoured to either abolish or amalgamate country water boards with the state water authority. This legislation will ensure that country water boards have a significant future, provided they perform. It also signifies that big is not necessarily the best way to go and that efficiencies are necessary. It recognises that Western Australia is probably the most arid part of the Australian continent and the world. Water is fundamental and very precious to the State. The management of water must be a state priority. The Water Resources Commission Bill will provide a better focus on water resources management and protection and better use of planning for water for sustainable developments. That also is an important principle.

In his second reading speech on the Water Services Coordination Bill the Minister said -

... this Bill breaks new ground in that it not only sets the groundwork for competition in the provision of water services within the State with the aim of bringing about downward pressure on the charges consumers will pay for these services, but also opens a new era for consumers in that customers' needs will become of paramount importance to providers of water services and the failure by those providers to meet those needs will be backed by appropriate legislation sanctions.

I could not agree more. I have seen a local water board and the Water Authority of Western Australia in operation. The efficiency of that local water board should be heralded. A further example of what has recently happened - this is part of my expectations as a member of Parliament, for performance of the water authorities in this State - was restructuring of the State Energy Commission of Western Australia to create two streams, the electricity and the gas grids. It is of great credit that, as a result of this new structuring, by the end of 1996 nine new private power stations will be built in Western Australia providing 590 megawatts of power, all privately funded from the private sector, which will have the capacity to feed into the state grid. That will provide

a significant and beneficial impact to the people of Western Australia. That was brought about by restructuring which will allow the private sector to be involved in a beneficial way. I hope that as a result of this restructuring the provision of water services will be improved.

Mr Thomas: That is an inappropriate analysis.

Mr BLAIKIE: It is my analysis. The member for Cockburn has not dealt with the water board and I have. I see the opportunity for more organisations to provide delivery of services. One matter is referred to in the legislation which I am astonished no member of the Opposition raised. I raise it now and ask that the Minister pay special attention. As far as water agencies are concerned the Government has indicated it will seek the potential to levy charges on licences under part 3 of the Rights in Water and Irrigation Act. It also proposes an amendment to section 27 which will allow by-laws to be made which will enable the commission to charge a royalty on water used or taken under licence. I strongly question that principle because it proposes to break new ground. I want the Minister to carefully explain whether that will relate to only the corporate sector or whether the State proposes to charge a royalty on water across the board. Political parties from time to time postulate on the reasons for charging royalties on gold. However, a Government must have a far greater reason for charging royalties on water. I support the general principles of the legislation and endorse what the Government proposes.

MR C.J. BARNETT (Cottesloe - Leader of the House) [5.58 pm]: I seek leave to continue my remarks.

Leave granted.

Debate thus adjourned.

House adjourned at 5.59 pm

QUESTIONS ON NOTICE

FAMILY AND CHILDREN'S SERVICES, DEPARTMENT FOR - FOSTER CARE
No Placements; Additional Foster Parents Needed

687. Mr BROWN to the Minister for Family and Children's Services:

- (1) As at 28 February 1995, how many children in the care of the Department for Community Development were unable to be placed with foster parents?
- (2) How many additional foster parents are needed to ensure all children capable of being placed with a foster parent are able to be so placed?

Mr NICHOLLS replied:

Answer provided by the Minister for Family and Children's Services -

- (1) The decision on whether to place a child in foster care is based on a number of factors including the needs of the child and the size of the sibling group. It is unusual to find foster parents who can accept more than one or two children and hence the residential child care agencies provide accommodation for larger groups. Also, some children are unsuited to foster placement and their developmental and other needs are best met by residential care. The decision is based on what is best for the child, not upon the availability of foster carers.
- (2) The department is constantly seeking new foster carers to provide a larger pool to facilitate better matching of foster carer and child; this includes ethnic, social and economic background as well as geographic location. Also, as foster care is a demanding task, there is consequently a turnover of foster carers.

JUSTICE, MINISTRY OF - CAMP KURLI MURRI, LAVERTON

2480. Mr BROWN to the Attorney General:

- (1) How many detainees have been held at the work camp near Laverton since 13 April 1995?
- (2) How many prisoners have been held at the work camp since 13 April 1995?
- (3) Were any of the prisoners or detainees held at the work camp since 13 April 1995-
 - (a) convicted of offences involving an act of violence;
 - (b) convicted of offences prior to the conviction which caused their incarceration;
 - (c) imprisoned or detained prior to being held at the work camp?
- (4) What length of sentence was each prisoner or detainee sentenced to by the court?
- (5) What was the minimum period of time each prisoner or detainee would have had to serve before being eligible to be released if they had not elected to serve their sentence at the work camp?
- (6) Did each detainee or prisoner elect to serve their time at the work camp?

Mrs EDWARDES replied:

- (1)-(2) As at 15 September 1995, up to 13 young adult detainees have been held at Camp Kurli Murri since 13 April 1995.
- (3) (a) Yes. The court sentenced one detainee to the work camp having convictions for assaults. The ministry brought this matter back before the court and the offender was resented to an adult

prison where he completed his sentence in a satisfactory manner on 30 September 1995.

- (b) Yes.
- (c) No.
- (4)
 - (i)-(iii) 18 months' imprisonment with parole
 - (iv) 12 months' imprisonment without parole
 - (v) 18 months' imprisonment with parole
 - (vi) 2 years' imprisonment with parole
 - (vii) 12 months' imprisonment with parole
 - (viii) 15 months' imprisonment with parole.
 - (ix) 24 months' imprisonment with parole.
 - (x) 16 months' imprisonment without parole.
 - (xi) 12 months' imprisonment with parole
 - (xi) 18 months' imprisonment with parole
 - (xiii) 12 months' imprisonment with parole.
- (5)
 - (i)-(iii) 6 months
 - (iv) 8 months
 - (v) 6 months
 - (vi) 8 months
 - (vii) 4 months
 - (viii) 6 months
 - (ix) 8 months
 - (x) 10 months and 20 days
 - (xi) 4 months
 - (xii) 6 months
 - (xiii) 4 months.
- (6) Yes.

"WA ONE" - GOVERNMENT DEPARTMENTS' STRATEGIC PLANS AND BUDGET ALLOCATIONS

2945. Mrs ROBERTS to the Minister for Local Government; Multicultural and Ethnic Affairs:

Will the Minister table for each department under the Minister's portfolios the department's strategic plan and budget allocation for the implementation of the Government's WA One policy?

Mr OMODEI replied:

The Mission of the Office of Multicultural Interests is to promote a harmonious community where Western Australians of diverse cultural, linguistic and religious backgrounds have equality of opportunity. This means, in effect, that the office is responsible for the implementation of the Government's multicultural policy, now formalised in "WA One: A multicultural policy" and its entire budget is involved in achieving this. OMI's report each year states the office's major achievements for that year and the major planned achievements for the year ahead. OMI's planned achievements for 1995-96 include the development of the guidelines to government agencies and a coordinated state community relations strategy.

GOVERNMENT DEPARTMENTS - TRANSLATING AND INTERPRETING SERVICES

3001. Mrs ROBERTS to the Minister for Local Government; Multicultural and Ethnic Affairs:

- (1) What steps have been taken by departments within the Minister's portfolios to ensure that only qualified interpreters and translators are used on all occasions when dealing with clients who need these services?

- (2) Will steps be taken to train bilingual staff to meet the language services needed?

Mr OMODEI replied:

- (1)-(2) The Western Australian Government's language services policy, which was implemented into the state public sector in July 1992, requires that all public sector agencies develop and implement a language services strategy which is appropriate to their needs and those of their clients. The language services policy comprises 12 principles which include the use of accredited interpreters and translators and the maximisation of accredited bilingual staff. Under this policy, it is the responsibility of each agency to develop and implement practices and structures, appropriate to their own administrative circumstances, to ensure that people from a non-English speaking background or with a hearing impairment are able to access their services and programs.

JUSTICE, MINISTRY OF - CONVICTIONS, NUMBERS, RECORDING FORMAT
Child Sex Offenders

3101. Dr CONSTABLE to the Attorney General:

With reference to question on notice 2255 of 1995 -

- (a) what format does the Ministry of Justice use to record number of convictions in particular categories;
- (b) how many child sex offenders have been convicted since 1992?

Mrs EDWARDES replied:

In further attempting to answer the questions as originally raised in question 2255 and in this subsequent question - 3101 - extensive research by the ministry has resulted in being able to provide information based on the use of an alternative information source. The previous attempt to answer question 2255 was based on using the prison computer database records. Although this database has complete records for the full three years, it does not contain all the data necessary to fully answer the questions. After considerable work it has been possible to better answer the essence of the questions through the use of the Supreme and District Courts' computer database records. The Supreme and District Courts' computer systems were commissioned during the 1992-93 financial year and therefore do not have all the necessary detailed records for the full three financial years that have been requested. However, this information source does enable the specific child sex offenders information to be provided as requested, and shows two full years' figures from 1993 to 1995. The following figures do not include sex offences committed against a child by another child.

- (a) Convicted individuals -

1992-93	15	(partial year records)
1993-94	145	
1994-95	199	

Indictable matters -

1992-93	16	(partial year records)
1993-94	148	
1994-95	210	

Indictable matters are those situations where a convicted individual has been before the courts on more than one matter relating to child sex offences and those matters resulted in a conviction for each of the matters. The difference between the number of convicted individuals and the number of indictable matters shows the number of repeat offenders for child sex offenders for each of these periods.

(b) Convictions resulting in imprisonment -

1992-93	7
1993-94	48
1994-95	41

(c) As previously answered, the sex offender treatment programs, provided by the ministry, do not differentiate between adult and child sex offenders. Therefore, the following figures are for the total amount of moneys spent directly on sex offender programs during each budget year. The sex offender treatment unit estimates that 60 per cent of its budget is spent directly on treatment programs. The figures below represent the 60 per cent component.

Total expenditure of all sex offender treatment programs -

1992-93	\$227 709
1993-94	\$239 760
1994-95	\$379 538

**HEALTH SERVICES - CONTRACTING OUT OF NON-CORE BUSINESS
FUNCTIONS, GUIDELINES ISSUED BY PUBLIC SECTOR MANAGEMENT
OFFICE**

3205. Mrs HENDERSON to the Minister for Public Sector Management:

With reference to the guidelines issued by the Public Sector Management Office for contracting out of non-core business functions in health -

- (a) is the Minister aware that the guidelines provide that "if the price bid by a potential private sector supplier is above the cost of current provision . . . the matter should be referred to the Minister for Health for further consideration. After consultation with your Minister, you may still elect to proceed to contract a private sector provider . . .";
- (b) does the Minister agree that it is appropriate to contract health services to the private sector even if the cost to taxpayers is more than the current cost of providing the service;
- (c) if no to (b), will the Minister immediately issue new guidelines for contracting out through the Public Sector Management Office?

Mr COURT replied:

- (a) Yes.
- (b) Contracting out for services may still be appropriate notwithstanding increased direct cost to an agency, if any of the following factors apply: The private sector provider is judged to offer better value for money when issues of quality and risk are considered; or the contract would provide other benefits to the public sector as a whole or to the State, for example, through economic or social development; or contracting out would allow the agency to focus more sharply on its core business.
- (c) Not applicable.

**HEALTH SERVICES - CONTRACTING OUT OF NON-CORE BUSINESS
FUNCTIONS, CENTRAL GREAT SOUTHERN HEALTH SERVICE REVIEW**

3206. Mrs HENDERSON to the Minister for Public Sector Management:

With reference to correspondence from the general manager, Central Great Southern Health Service to Ms Dymond, Public Sector Management Office, concerning the review of non-core business functions in the Central Great Southern Health Service -

- (a) is the Minister aware that the manager of the Great Southern Health Service points out in her letter that in contracting out non-core business

activities at acute care facilities at Katanning, Gnowangerup and Kojonup "the ability to attract sufficient interest from the private sector to achieve any long terms gains is questionable";

- (b) is it appropriate to continue to seek to contract out non-core activities in the light of such advice;
- (c) is the Minister aware that the manager also points out that "lack of multiple private contractors in the area may result in problems with only one contractor having the monopoly on supply";
- (d) is this undesirable and a valid reason not to contract out such services;
- (e) is the Minister aware that the manager goes on to explain that "this has the potential to compromise long term quality standards and the ability to keep prices down";
- (f) what will the Minister do to respond to these problems detailed by the manager?

Mr COURT replied:

- (a) Yes.
- (b) It was indicated by the Public Sector Management Office in its response to the general manager that expressions of interest should be called to test the market, prior to reaching a decision on whether to contract out non-core activities.
- (c) Yes.
- (d) This is one of the factors to be taken into account when determining the risks and 'value for money' benefits of contracting out.
- (e) Yes.
- (d) I refer the member to paragraph (b) above. The general manager was also advised that should the outcome of the expressions of interest indicate the private sector market is not sufficiently well developed or indeed has no interest or capacity, then it would be appropriate to consider the option of utilising "benchmarked" in-house service providers.

**PORTMAN MINING LTD - KOOLYANOBING MINE, ROYALTY
REDUCTION**

Portman Management Pty Ltd, Donation to Liberal Party

3246. Mr RIPPER to the Minister representing the Minister for Racing and Gaming:

- (1) With reference the Minister's answer to question on notice 968 of 1995, why has the Minister not stated whether or not he knew at the time Cabinet made its decision to reduce royalty rates for Portman Mining that Portman Management Pty Ltd, a wholly owned subsidiary of Portman Mining, had made a donation to the Liberal Party shortly before the 1993 state election?
- (2) Is it state government policy or the Minister's policy not to disclose to the Parliament knowledge that the Minister might have had of campaign donations made by companies the subject of ministerial decisions?
- (3) If not, are there particular circumstances that prevent the Minister from disclosing any knowledge he might have had of a Portman donation to the Liberal Party?

Mr COWAN replied:

The Minister for Racing and Gaming has provided the following reply -

- (1) At the time when Cabinet made its decision to reduce royalty rates for Portman Mining, I was not aware of any donation made to the Liberal Party.

(2)-(3) Campaign donations are the responsibility of the Liberal Party organisation.

COMMISSION ON GOVERNMENT - REPORT, LOOKED AT BY
PARLIAMENTARY SECRETARY

3285. Mr GRAHAM to the Parliamentary Secretary to the Minister for Parliamentary and Electoral Affairs:

- (1) Further to question without notice 336 of 1995, when did the parliamentary secretary look at the report on the Commission on Government?
- (2) Did the parliamentary secretary look at the report before or after the report was tabled in the House?

Mr SHAVE replied:

- (1) When it was tabled.
- (2) After it was tabled.

JUSTICE, MINISTRY OF - CRIMINAL INJURIES COMPENSATION
ASSESSOR, APPOINTMENT

3369. Mr BROWN to the Attorney General:

- (1) Is the Minister aware of an article that appeared in a recent edition of the *Sunday Times* concerning criminal injuries compensation assessor, Philippa Thomson?
- (2) Is the article correct where it claims the Minister has agreed to make relevant changes to enable an additional compensation assessor to be appointed?
- (3) If so, does the Government plan to appoint a second assessor in the next twelve months?
- (4) If not, why not?

Mrs EDWARDES replied:

- (1)-(2) Yes.
- (3) A decision to appoint a second assessor will be made after further analysis of the workload experienced by the Office of the Assessor of Criminal Injuries Compensation.
- (4) Not applicable.

FIRE BRIGADES - RESPONSE TIME TO INCIDENTS

3499. Mr CATANIA to the Minister for Emergency Services:

- (1) With reference to comments made following the temporary decommissioning of a fire appliance at Fremantle and Welshpool in April of this year to facilitate a Western Australian Fire Brigades Board's training program in which the Minister and senior brigade officers gave assurances that response times to incidents would not be adversely affected, can the Minister provide details of response times to all incidents since 1 April 1995?
- (2) On how many occasions has the response time to an incident been in excess of the recognised standard response of 6 months?
- (3) How does this compare to the corresponding period for the preceding year?

Mr WIESE replied:

I can only presume that the member intended to refer to a standard response time of six minutes, not six months as his question actually asks in section (2).

- (1)-(3) The temporary withdrawal of two secondary fire appliances did not adversely affect response times of the WAFBB. The figures below provided as at 26 September 1995 -

	1.4.94-30.9.94	1.4.95-26.9.95
Number of occasions, response times greater than six minutes:	2 548	2 361
Response time less than six minutes:	2 274	2 224

JOHN TONKIN WATER CENTRE - OFFICE SPACE

3514. Mrs ROBERTS to the Parliamentary Secretary representing the Minister for Water Resources:

- (1) How much office space exists at the John Tonkin Water Centre?
- (2) How many square metres does Water Authority of Western Australia occupy currently?
- (3) How many square metres did WAWA occupy in each of the following years -
 - (a) 1992;
 - (b) 1993;
 - (c) 1994;
 - (d) 1995?
- (4) What other tenants are at the JTWC and how many square metres do each of those tenants occupy?
- (5) What is the rental cost to WAWA at the JTWC?
- (6) What is the rental cost to each of the other tenants at the JTWC?
- (7) How many square metres of office space are vacant at the JTWC?
- (8) When does WAWA's lease expire?
- (9) Has WAWA given any indication that it will be vacating any of its space at the JTWC?
- (10) If so, what is the nature of that indication and when is it anticipated that WAWA will be vacating any of its space at the JTWC?

Mr McNEE replied:

The Minister for Water Resources has provided the following reply -

- (1) 17 620 square metres.
- (2) 17 466 sq m.
- (3)
 - (a) 17 190 sq m
 - (b) 17 190 sq m
 - (c) 17 610 sq m
 - (d) 17 466 sq m.
- (4)

Civil Service Association	14 sq m
Inside Information Consulting	140 sq m
- (5) Nil.
- (6) \$70 per sq m, plus outgoings.
- (7) 500 sq m.
- (8) No lease to expire.
- (9) Yes.
- (10) 3 000 to 5 000 sq m, progressive until July 1996.

HUMAN RIGHTS (SEXUAL CONDUCT) ACT (FEDERAL) - HIGH COURT CHALLENGE

3572. Ms WARNOCK to the Attorney General:

- (1) Is the Attorney General going to challenge the Federal Human Rights (Sexual Conduct) Act 1994 in the High Court as she indicated she would do in November 1994?
- (2) If not, why not?

Mrs EDWARDES replied:

- (1)-(2) Yes - when the constitutional validity of that commonwealth Act is an issue in litigation or proceedings involving or affecting Western Australian laws.

JUSTICE, MINISTRY OF - TASK FORCE ON SERVICES TO ADULT WOMEN OFFENDERS REPORT

3575. Dr WATSON to the Minister assisting the Minister for Justice:

- (1) When will the report of the Task Force on Services to Adult Women Offenders be completed?
- (2) Will the report be made available to the public?
- (3) Will the report be made available to the House?

Mr MINSON replied:

- (1) The Ministry of Justice expects the report of the Review of Services to Adult Women Offenders to be completed by the end of February 1996.
- (2)-(3) Yes.

GENDER BIAS - REPORT BY CHIEF JUSTICE

3577. Dr WATSON to the Attorney General:

- (1) Can the Attorney General report on the implementation of the recommendations of the Chief Justice's report on gender bias?
- (2) If not, when does she expect to do so?

Mrs EDWARDES replied:

- (1)-(2) A report outlining progress towards implementation of those recommendations supported by government is currently being compiled. I anticipate its public release in the near future.

ROCK LOBSTER FISHERIES - COURT HEARINGS

3590. Mr KOBELKE to the Attorney General:

- (1) Starting in December 1992, how many court hearings were held due to the application by the Western Australian Director of Fisheries over the matter of issuing of search warrants relating to the providing of entry and seizure of documents in relation to the rock lobster fishing industry?
- (2) What were the full costs of presenting the State's case in each of these actions?
- (3) In which cases were costs awarded and what was the total cost of both of the State of Western Australia's actions either plus or less of costs to other parties?
- (4) Were these costs met by the Department of Fisheries, the Attorney General's budget or some other source, and if the cost was apportioned between different agencies, what was the amount met from each agency?

Mrs EDWARDES replied:

- (1) Proceedings initiated by the Director of Fisheries in the Federal Court have been the subject of three substantive court hearings since December 1992. There was also a substantive hearing in August 1992. In addition, a number of brief interlocutory attendances at court on procedural matters have occurred.
- (2) The full costs of presenting the State's case in those proceedings depend upon the outcome of bills of costs presently with the court for taxation. The overall costs situation depends also on the result of an appeal by the Director of Fisheries which is pending before the Federal Court and which may redetermine the allocation of previous costs. Until those matters are resolved it is not possible to assess the total costs to the State.
- (3) Cost orders were made as part of the judgment in each of the four substantive hearings referred to in answer to (1). As to the total costs to the State, see answer to (2).
- (4) See answer to (2).

WESTERN AUSTRALIAN ASIA BUSINESS COUNCIL - OPERATIONS

3592. Mr KOBELKE to the Minister for Commerce and Trade:

- (1) What is the role played by the Western Australian Asia Business Council?
- (2) Who are the members of the Western Australian Asia Business Council?
- (3) From which date did each of these people become a member of the Western Australian Asia Business Council?
- (4) What support either financial or administrative is provided by the Government to the Western Australian Asia Business Council?
- (5) What is the estimate of expenditure for the Western Australian Asia Business Council in the financial year 1995-96 and from which department or agency is this funding sourced?

Mr COWAN replied:

- (1) The role of the Western Australian Trade Advisory Council, formerly the Asia Business Council, is to provide advice to me as the Minister for Commerce and Trade including: Identify impediments to trade and investment for Western Australian companies; suggest to government what type of assistance/other activities to promote trade and investment for the State would be most likely to be fully utilised by the business community; comment on the Government's trade and investment program and initiatives; advise government on the future of the State's overseas offices; and comment on the Government's plans to establish sister state relationships and other formal government-to-government relationships.
- (2) Current membership is as follows -
 Mr Harold Clough, Chairman, Clough Engineering
 Mr Bruce Sutherland, Chief Executive Officer, Department of Commerce and Trade
 Mr Ross McLean, Deputy Chief Executive Officer, Chamber of Commerce and Industry of WA
 Mr Wilson Wu, General Manager, Citibank Ltd
 Professor Peter Boyce, Vice Chancellor, Murdoch University
 Mr Graham Laitt, Managing Director, Peters (WA) Ltd
 Mr David Crawford, Corporate Affairs Director, Wesfarmers Limited
 Mr Ken Court, Chairman, Resource and Industry Limited.

- (3) Commencement of membership is as follows -
- | | |
|------------------|-------------|
| Harold Clough | July 1993 |
| Bruce Sutherland | July 1993 |
| Ross McLean | July 1993 |
| Wilson Wu | August 1995 |
| Peter Boyce | July 1993 |
| Graham Laitt | July 1993 |
| David Crawford | May 1994 |
| Ken Court | July 1993 |
- (4) The Department of Commerce and Trade provides secretariat services to the council.
- (5) A budget allocation of \$10 000 was made to council operations in the financial year 1995-96. Funding is sourced from the Department of Commerce and Trade.

CORPORAL PUNISHMENT - INTRODUCTION CONSIDERATION

3606. Mr BROWN to the Attorney General:

- (1) Did the Minister understand (2) of question on notice 4 of 1995?
- (2) Did (2) of question on notice 4 of 1995 ask the Minister if the Government was considering introducing corporal punishment as advocated by Mr Peter Blurton of the Margaret & Shane Foundation in *The West Australian* newspaper on Friday 3 March 1995?
- (3) Why did the Minister refuse to answer that question?
- (4) Is the Minister now prepared to answer that question?
- (5) If so, does the Government intend to introduce this form of punishment?

Mrs EDWARDES replied:

- (1)-(2) Yes.
- (3) The response was intended to indicate that no variation to the current legislation was contemplated.
- (4) Yes.
- (5) The Premier has recently indicated that if there is strong public support, the Government will consider holding a referendum on this issue. To contribute to an informed public debate, the Ministry of Justice is continuing to monitor international developments.

JUSTICE, MINISTRY OF - BUILDING SERVICES, WORK CONTRACTED OUT

3648. Mr BROWN to the Attorney General:

- (1) Has some of the work being carried out by building services in the Ministry of Justice been contracted out in the last 18 months?
- (2) If so, what contracts have been let?
- (3) What has been the value of each contract?
- (4) What was the nature of each contract let?
- (5) Who was the successful contractor?

Mrs EDWARDES replied:

- (1) Yes. Work in building services is contracted to the private sector through the Western Australian Building Management Authority.
- (2)-(5) This question would best be answered by the Western Australian Building Management Authority.

JUSTICE, MINISTRY OF - NON-GOVERNMENT ORGANISATIONS
Competitive Tendering Policy

3649. Mr BROWN to the Attorney General

- (1) Has the Ministry of Justice developed a competitive tendering policy for non-government agencies?
- (2) If so, is that policy publicly available?
- (3) If not, why not?

Mrs EDWARDES replied:

- (1)-(2) Yes.
- (3) Not applicable.

JUSTICE, MINISTRY OF - COMMUNITY JUSTICE CENTRES, BUDGET

3650. Mr BROWN to the Attorney General

- (1) How much has been allocated in the 1995-96 budget for the establishment of community justice centres?
- (2) Does the Government intend to establish one or more community justice centres in the 1995-96 financial year?
- (3) Where will such centres be located?
- (4) What budget will be provided for such centres?
- (5) What will be the staffing arrangements for the centres?

Mrs EDWARDES replied:

- (1) An amount of \$100 000 has been set aside in the 1995-96 budget for the piloting of the community justice centres concept and for interim funding to the Gosnells District Information Centre, the Bunbury Community Legal Centre and the Citizens Advice Bureau to support their mediation services.
- (2) The Government intends to pilot the community justice centres concept at one site.
- (3) Not yet determined.
- (4) See (1). The amount of subsequent funding allocated will be resolved after the outcome of the pilot.
- (5) Not yet determined.

FAMILY AND CHILDREN'S SERVICES, DEPARTMENT FOR - WANNEROO CITY COUNCIL, FUNDING REDUCTION

3654. Mr BROWN to the Minister for Family and Children's Services:

- (1) Why was the decision made to reduce the funding made available to the City of Wanneroo?
- (2) Will the Minister provide further details in regard to the City of Wanneroo as set out in subparagraphs (2) to (7) of question on notice 3652 of 1995?

Mr NICHOLLS replied:

- (1) Funding was reduced to ensure equity in the level of funding for all financial counselling services.
- (2) Yes. Further details in regard to the City of Wanneroo as set out in subparagraphs (2) to (7) of question on notice 3652 of 1995 are as follows -
 - (2) The level of services will not be adversely affected since a new financial counselling service will be established at Merriwa.

- (3) The City of Wanneroo will continue to provide a financial counselling service.
- (4) Family and Children's Services will continue to fund the City of Wanneroo at the level of \$39 941.
- (5)-(6) No.
- (7) Minister for Family and Children's Services.

SEX DISCRIMINATION - HUMAN RIGHTS AND EQUAL OPPORTUNITY COMMISSION ACT

3691. Ms WARNOCK to the Attorney General:

- (1) Is the Attorney General aware that the Human Rights and Equal Opportunity Commission Act 1986 (Clth), only deals with discrimination on the basis of sexual preference in employment and not accommodation and the provision of goods and services?
- (2) Is the Attorney General also aware that while the Human Rights and Equal Opportunity Commission Act 1986 (Clth) does provide redress for unfair dismissal on the basis of sexual preference, it does not in other areas of employment such as refusal to hire, refusal of promotion, and reduced responsibilities in the workplace?
- (3) Does the Human Rights and Equal Opportunity Commission Act 1986 (Clth) not protect citizens on the basis of sexual preference in the areas of accommodation, provision of goods and services, and many areas of employment?
- (4) If not, will the Attorney General introduce legislation to allow WA victims of this discrimination to have legal redress?
- (5) Has the Western Australian Equal Opportunity Commission recommended that sexuality discrimination should be appended to the State Equal Opportunity Act 1984?
- (6) If so, will the Attorney General implement this human rights reform in 1995, the International Year of Tolerance?

Mrs EDWARDES replied:

- (1) Yes.
- (2) The Human Rights and Equal Opportunity Commission Act (Commonwealth) refers to discrimination in employment in terms of "nullifying or impairing equality of opportunity or treatment in employment or occupation". This Act draws on the International Labour Organisation Convention concerning Discrimination in respect of Employment and Occupation which in part says "'employment' and 'occupation' include access to vocational training, access to employment and to particular occupation, and terms and conditions of employment".
- (3) The Human Rights and Equal Opportunity Commission Act 1986 (Commonwealth) covers the issue of sexual preference in a number of areas related to employment, but not in areas of accommodation and provision of goods and services.
- (4) The matter of discrimination on the basis of sexuality is under consideration.
- (5) No.
- (6) Not applicable.

**DISCRIMINATION - SEX AND RACE, IN EMPLOYMENT, HOUSING, AND
PROVISION OF GOODS AND SERVICES; LEGISLATION**

3692. Ms WARNOCK to the Attorney General:

- (1) Why is it unacceptable that people are discriminated against on the basis of sexuality in the areas of employment, housing, and the provision of goods and services?
- (2) Why is it unacceptable that people are discriminated against on the basis of race in the areas of employment, housing and the provision of goods and services?
- (3) What reasons does the Attorney General advance to support that ending discrimination would lower criteria and standards in state legislation?

Mrs EDWARDES replied:

- (1) Issues surrounding discrimination on the basis of sexuality including whether or not such discrimination should be unlawful are being considered.
- (2) Reasons are provided in, for example, parliamentary debates and reports.
- (3) One example might be commonwealth legislation which imposed or resulted in lower criteria or standards than those in or which might be placed in state legislation.

**SEX DISCRIMINATION - ENQUIRIES RECEIVED BY EQUAL OPPORTUNITY
COMMISSION**

3693. Ms WARNOCK to the Attorney General:

- (1) Were 63 inquiries related to sexuality received during 1993-94 by the WA Equal Opportunity Commission?
- (2) Does state legislation allow for these enquiries to progress as complaints?
- (3) If not, why not?
- (4) In what ways can the WA Equal Opportunity Commission assist people who experience sexuality discrimination?
- (5) Does the Attorney General intend to introduce measures to allow the WA Equal Opportunity Commission to assist people who make enquiries to the commission about discrimination on the basis of sexuality to progress those enquiries as complaints?
- (6) If so, what will those measures be?

Mrs EDWARDES replied:

- (1) Yes.
- (2) No.
- (3) Sexuality is not an unlawful ground of discrimination under the Equal Opportunity Act 1984 (WA).
- (4) Employment related matters are referred to the commonwealth Human Rights and Equal Opportunity Commission. People may also be advised of other agencies that may be able to assist them.
- (5) Issues concerning discrimination on the basis of sexuality are under consideration.
- (6) Not applicable.

**SEX DISCRIMINATION - HUMAN RIGHTS AND EQUAL OPPORTUNITY
COMMISSION ACT**

3695. Ms WARNOCK to the Attorney General:

With reference to the answer to question on notice 3293 of 1995 -

- (a) does the Government believe that human rights and equal opportunity laws are best dealt with by the Federal Government such that they encompass all States;
- (b) if so, will the Government abolish all state equal opportunity laws which deal with sex, race, and disability because these are covered by the Commonwealth;
- (c) if not, why not;
- (d) why are victims of sexuality discrimination forced to appeal under commonwealth legislation, when all other forms of discrimination can be addressed by the State?

Mrs EDWARDES replied:

- (a) No.
- (b)-(c) Not applicable.
- (d) Sexuality is not a ground for unlawful discrimination under state legislation.

**SEX DISCRIMINATION - HUMAN RIGHTS AND EQUAL OPPORTUNITY
COMMISSION ACT**

3696. Ms WARNOCK to the Attorney General:

I refer to the answer to question on notice 3293 of 1995 and ask -

- (a) what sections of the Human Rights and Equal Opportunity Commission Act 1986 (Clth) which allow redress for victims of sexuality discrimination, are based on international treaties and have jurisdiction within Western Australia;
- (b) does the Government acknowledge the Human Rights and Equal Opportunity Commission Act 1986 (Clth) as legitimate human rights legislation;
- (c) if so, why did the Attorney General oppose the Federal Human Rights (Sexual Conduct) Act 1994, arguing that the Bill was based on international treaties and would have not jurisdiction within Western Australia?

Mrs EDWARDES replied:

The way in which this question is framed would require an interpretation of the law or a legal opinion which under the orders of the House is not permitted.

**SCHOOLS - EAST MAYLANDS PRIMARY
*Asbestos Roof***

3697. Dr EDWARDS to the Parliamentary Secretary to the Minister for Education:

- (1) What type of asbestos is found in the roof at the East Maylands Primary School?
- (2) When is it planned to replace this roof?
- (3) How does the presence of asbestos affect any plans for air-conditioning class rooms?

Mr TUBBY replied:

The Minister for Education has provided the following reply -

- (1) Chrysolite and amosite.
- (2) There are no immediate plans for replacement as the roof is in good condition. This roof has also recently been encapsulated.
- (3) The method of installation, including the precautions taken when handling asbestos-cement products, must be approved by the BMA..

BLACK SWANS - SWAN RIVER

3699. Dr EDWARDS to the Minister representing the Minister for the Environment:
What work has been undertaken to bring back black swans to the Swan River?

Mr MINSON replied:

The Minister for the Environment has provided the following reply -

Staff of the Swan River Trust have investigated possible sites for the establishment of a black swan colony on the Swan River and the costs involved for such a project. Further progress on this initiative is dependent on the availability of additional funding in the 1996-97 Budget.

FAIR TRADING, MINISTRY OF - SETTLEMENT AGENTS AND REAL ESTATE COMPANIES, CONFLICT OF INTEREST COMPLAINTS

3726. Mr PENDAL to the Minister representing the Minister for Fair Trading:

With reference to the answer to question on notice 3243 of 1995 -

- (a) why is information of the kind sought - that is, alleged conflicts of interest - not available further back than the past two years;
- (b) if no such information is available, does not strength of the department's pressure for a change in the law diminish;
- (c) of the 475 complaints in 1993-94 and the 427 in 1994-95, what number in each case were actually established or proven as breaches in the law?

Mrs EDWARDES replied:

The Minister for Fair Trading has provided the following reply -

- (a) The information provided to answer question on notice 3243 of 1995 relates to general complaints against real estate agents and settlement agents. The information for the other years requested is not available in the same form. However, for those years data on settlement and real estate complaints were combined with information on tenancy and strata title matters. These statistics are as follows -

Real estate and accommodation	1990-91 992	1991-92 688	1992-93 884
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Therefore, a specific breakdown of complaints regarding conflicts of interest and settlement agents is not available. I point out that complaints are not an accurate measure of the problems. Clients generally do not understand the issues involved and certainly do not realise that a conflict of interest could have been the reason for any problems they have encountered.

- (b) Not applicable. Refer to (a) above.
- (c) Proven breaches of law are those matters that are taken before a board or court for determination. Detailed below are the statistics regarding all real estate and settlement prosecution matters.

	90-91	91-92	92-93	93-94	94-95	95-96
Real Estate Agents	12	12	25	6	34	30
Settlement Agents	3	3	2	1	3	0

The above figures include complaints identified during routine audits of agents. Furthermore, matters investigated during 1994-95 may not proceed to prosecution until 1995-96. Currently there are 12 real estate and two settlement agent prosecution matters awaiting completion. Again it is not appropriate to use complaint or prosecution data in isolation to determine if there are areas of concern within an industry. It is necessary to consider issues raised by industry associations, complainants either on the phone or in writing, and industry participants generally.

WATER AUTHORITY - COMMUNITY SERVICE OBLIGATIONS (CSOs)

3729. Mr TAYLOR to the Parliamentary Secretary representing the Minister for Water Resources:

- (1) What are the utility community service obligations that have been identified to date by the Treasury, Office of Water Services, Water Resources Commission or the utility?
- (2) Have any costs been identified for these CSOs, and if so, what are they?

Mr McNEE replied:

The Minister for Water Resources has provided the following reply -

- (1) The major CSOs identified for the water utility are -
the provision of country water service;
the infill sewerage program; and
concession to pensioners, seniors and owners of non-rateable bodies.
- (2) A version of the following table will appear in the Water Authority 1994-95 annual report. Similar information has been included in earlier annual reports. The numbers are indicative only as the costing methodology is currently under review and has yet to be agreed.

Community Service Obligations (CSOs) and Other Contributions to Government	1994-95 \$m rounded		
	Metro	Country	Total
Welfare			
Pensioner and senior card concessions and rebates	16	*3.9	16
Loss of revenue and administration costs			
Concession to non-rated property owners	3.9	N/A	3.9
Estimate of revenue forgone on non-rated property: ie government, charities, religious and sporting bodies, and homes for the aged. Estimate based on average revenue from rateable properties.			
Common Good			
Water Resources Management	N/A	N/A	17.7
Total cost of Water Resources Management activities in both metropolitan and country regions including both utility planning and general community benefits not covered by revenue.			
Infill sewerage	49.9	10.8	60.7
Charged to capital expenditure (all other expenditure items are charged to Operating Expenses.)			
Cross-Subsidy to County Operations			
The financial deficit of the country utilities		76.1	76.1

The financial shortfall on water, wastewater, drainage and irrigation services provided outside the metropolitan area.

Statutory Contribution

A levy of 5 per cent of the revenue from the previous year

19.8 *5.9 19.8

Paid as a cash amount to State Treasury.

Note: *Denotes included in the deficit on country operations.

WESTERN POWER - FORECASTS ON ENERGY DEMANDS

3730. Mr THOMAS to the Minister for Energy:

- (1) Has Western Power prepared forecasts on future energy demands as envisaged by clause 2 of schedule 7 of the Electricity Corporation Act 1994?
- (2) Do these forecasts include all the matters enumerated in subclauses 2(2), relating to "forecasts", and 2(3) relating to "reports" of schedule 7 of the Electricity Corporation Act 1994?
- (3) Has a fee been prescribed to obtain these documents as envisaged by subclause 2(4) of schedule 7 of the Electricity Corporation Act 1994?
- (4) If so, what is the fee?
- (5) Notwithstanding the answer to (4) above, will the Minister table these documents in the House?

Mr C.J. BARNETT replied:

- (1) Western Power is in the process of preparing forecasts of future energy demand as required pursuant to clause 2 of schedule 7 of the Electricity Corporation Act 1994.
- (2) "Forecasts" and "reports" issued pursuant to clause 2 of schedule 7 of the Electricity Corporation Act 1994 will deal with all matters described in clause 2(2) and 2(3) of schedule 7 respectively.
- (3) A fee will be prescribed for copies of the forecasts and reports.
- (4) The fee is still to be established.
- (5) Yes.

FAMILY AND CHILDREN'S SERVICES, DEPARTMENT FOR - FINANCIAL COUNSELLING SERVICES

3737. Mr BROWN to the Minister for Family and Children's Services:

- (1) Has the Minister been made aware that staff members employed by some financial counselling agencies will not express an opinion on the manner in which the Government intends to fund financial counselling services as they fear any comments they make could result in the agencies losing funding or being defunded altogether?
- (2) Was it the Minister's intention to strike this fear into the staff of such agencies?
- (3) If not, what steps does the Minister intend to take to allay such fears?

Mr NICHOLLS replied:

- (1) No. The only people who seem to make such statements are members of the Opposition in any attempt to generate a negative public perception, which I feel is extremely disappointing and unnecessary.
- (2) No.

- (3) Information on funding of services is readily available through the new Infoline and through local Family and Children's Services district offices.

FAMILY AND CHILDREN'S SERVICES, DEPARTMENT FOR - FAMILY CRISIS PROGRAM

3740. Mr BROWN to the Minister for Family and Children's Services:

- (1) Have the criteria under which people may be assisted under the family crisis program changed since 1 May 1995?
- (2) If so, what is the precise nature of the changes that have been implemented?
- (3) Do the changes mean the eligibility criteria for assistance have been narrowed?
- (4) What amount was allocated to the family crisis program in each of the areas where the eligibility has been narrowed?
- (5) To what extent is the change to eligibility criteria expected to reduce the amount paid out to people requiring such assistance?

Mr NICHOLLS replied:

- (1)-(5) Please refer to the answer to question on notice 3391 of 1995.

GALLAGHER, PAUL - GOVERNMENT EMPLOYMENT

3745. Mrs ROBERTS to the Parliamentary Secretary to the Minister for Water Resources:

- (1) During what period was Mr Paul Gallagher employed or associated with the Minister's office?
- (2) What was his role in that office and what were the terms and conditions of any employment?
- (3) Did Mr Gallagher have access to documents of the previous Labor Premier, and if so, why?
- (4) Did these documents go missing during Mr Gallagher's association with the Minister's office?
- (5) If so, was this reported to the police or other authorities?
- (6) Which documents went missing?
- (7) When did Mr Gallagher discontinue his association with the Minister's office?
- (8) Was this related in any way to documents going missing?

Mr McNEE replied:

The Minister for Water Resources has provided the following reply -

- (1) Never.
- (2) Not applicable.
- (3) The member will need to direct this question to him.
- (4)-(8) Not applicable.

KINGS PARK BOARD - ROSES ON KINGS PARK ROAD, CITY OF PERTH BID TO REMOVE

3749. Dr EDWARDS to the Minister representing the Minister for the Environment:

- (1) Does the Kings Park Board support the City of Perth bid to remove the roses from the island on Kings Park Road?
- (2) Have it relayed its views in writing?

(3) If yes, will the Minister table its response?

Mr MINSON replied:

The Minister for the Environment has provided the following reply -

- (1) Kings Park Board has not deliberated on this issue.
- (2) No.
- (3) Not applicable.

**ASCOT WATER DEVELOPMENT - STAGE 1, NO FORMAL
ENVIRONMENTAL IMPACT STUDY**

3750. Dr EDWARDS to the Minister representing the Minister for the Environment:

- (1) What information was gathered in order to make the decision to not formally assess stage 1 of the Ascot Water development?
- (2) What correspondence is there between the Department of Environmental Protection and the Environmental Protection Authority on this issue?
- (3) Is there any correspondence between the Minister and either of these two agencies on this issue?
- (4) Does the Minister have copies of the correspondence between the DEP and the EPA on this issue?
- (5) If yes, will the Minister provide me with a copy of all correspondence relating to the decision of not performing a formal environmental impact study on the tip, and if not, why not?

Mr MINSON replied:

The Minister for the Environment has provided the following reply -

- (1) The proponent provided a number of environmental consultants' reports which were used by the Environmental Protection Authority to determine the level of assessment. The Health Department and City of Belmont also provided oral advice.
- (2) All of the above information was provided by the Department of Environmental Protection to the Environmental Protection Authority when the department's recommended level of assessment was considered.
- (3) Yes. The department provided advice to the Minister in relation to an appeal against the level of assessment.
- (4) No.
- (5) A copy of the appeal decision summary is available on the public record at the Department of Environmental Protection. The member is advised that the proposal to dredge two channels (including one through a portion of the tip) to connect an existing artificial wetland to the Swan River is the subject of a public environmental review. The public submission period for the PER closed on 4 September 1995 and the Environmental Protection Authority's assessment will be released in a number of weeks.

ASCOT WATER DEVELOPMENT - BELMONT TIP, LEACHING TESTS

3751. Dr EDWARDS to the Minister representing the Minister for the Environment:

- (1) What tests were performed on the water around the Belmont tip to support the claim that there has not been any significant leaching from the tip into the water?
- (2) Who performed these tests and when were they performed?
- (3) Will the Minister provide an absolute guarantee that there will be no environmental problems of any magnitude with the disturbance of the old tip site during earthworks?

Mr MINSON replied:

The Minister for the Environment has provided the following reply -

- (1) The tip was closed in the early 1980s. In 1981, 11 cored boreholes were constructed around the tip to determine whether nutrient leaching to the river was evident. Extensive surface and ground water sampling was conducted in June 1981 and a report prepared by the then Swan River Management Authority concluded that phosphorus leaching from the tip into the river was not significant. The ground water was further monitored by the Swan River Trust in 1993 and 1995 and it was concluded that leachate levels within the tip are low.
- (2) Ground water tests were conducted around the tip by the Swan River Management Authority and Swan River Trust in 1981, 1982, 1993 and 1995. Surface water was monitored by the Swan River Trust in 1982.
- (3) It is premature for me to comment on this matter until I have received the Environmental Protection Authority's assessment report, considered any appeals which may be received against the report recommendations and set the environmental conditions.

WATER QUALITY - AUSTRALIAN NATIONAL STANDARDS

3752. Dr EDWARDS to the Parliamentary Secretary to the Minister for Water Resources:

- (1) Are there Australian national standards for water quality?
- (2) What are the major areas of these standards?
- (3) Does Western Australia adhere to all of these standards?
- (4) If no, why not?
- (5) Do the World Health Organisation standards deviate at all from the Australian national standards, and if so, how?
- (6) Will Western Australia be moving towards adhering to the national standard, and if so, when?

Mr McNEE replied:

The Minister for Water Resources has provided the following reply -

- (1) No, but there are Australian national guidelines.
- (2) Health related and not directly health related (aesthetic) criteria.
- (3) No.
- (4) In 1988, the Ministers for Health and Water Resources jointly required suppliers of drinking water to the public within Western Australia to -
 - (a) Adopt the 1987 Australian guidelines for drinking water quality in Western Australia.
 - (b) Comply with health related criteria as soon as possible with the proviso that the Health Department could grant exemptions from compliance.
 - (c) Aim to comply with aesthetic requirements as far as practicable, bearing in mind that high levels of expenditure would be required to achieve full compliance and that this could take many years.

The Water Authority and other suppliers are focusing their efforts on compliance with the health related criteria.

- (5) The documents generally agree, but there are some detailed differences. The reasons for the differences is that the National Health and Medical

Research Council, which set the health related criteria, has made its recommendations based on Australian facts, data and conditions.

- (6) Western Australia is moving towards adhering to the national guidelines.

JANDAKOT MOUND - GROUND WATER, ENVIRONMENTAL PROTECTION POLICY

3753. Dr EDWARDS to the Parliamentary Secretary to the Minister for Water Resources:

- (1) When did the Minister receive a copy of the environmental protection policy to protect the ground water of the Jandakot mound?
- (2) Has this EPP gone out for public comment?
- (3) Has the EPP been further refined, and if so, how?
- (4) When will it be tabled in Parliament?

Mr McNEE replied:

The Minister for Water Resources has provided the following reply -

- (1)-(2) The question should have been addressed to the Minister for the Environment who is responsible for approving environmental protection policies under the Environmental Protection Act 1986-1993. The Environmental Protection Authority referred the revised draft Environmental Protection Policy for Jandakot mound ground water, after an extensive public consultation process, to the Minister for the Environment in August 1993. Upon referral of the revised draft EPP the Minister completed a process of further consultation with landowners and authorities likely to be affected.
- (3) The revised draft was then remitted to the Environmental Protection Authority for additional information. It is anticipated that following recent advice from the EPA the Minister for the Environment will make a number of minor amendments to the draft policy having regard for the recommendations of the parliamentary Select Committee on Metropolitan Development and Groundwater Supplies.
- (4) If the Minister is then satisfied the policy could be approved shortly. The EPP will then be subject to disallowance in either House of Parliament.

WATER AUTHORITY - GROUND WATER PROTECTION LEGISLATION, CHANGES

3754. Dr EDWARDS to the Parliamentary Secretary to the Minister for Water Resources:

- (1) Has the Government strengthened the legislative mechanisms which control the protection of ground water, and if so, when was this done?
- (2) Specifically -
 - (a) does the Water Authority have a greater role in land planning and development where the main supply of drinking water is ground water;
 - (b) has the Gngangara mound environmental protection policy been amended;
 - (c) has the land tenure of the Crown land in the Gngangara water reserve been amended;
 - (d) have the boundaries of the priority zones been fixed;
 - (e) have the amendments of the Water Authority's by-laws been passed?

- (3) When were these changes made, and if they have not been passed, when does the Minister expect to pass them?

Mr McNEE replied:

The Minister for Water Resources has provided the following reply -

- (1) The Government is addressing the strengthening of legislative mechanisms for the protection of ground water as part of its program of implementing the recommendations of the Select Committee on Metropolitan Development and Groundwater Supplies. This work is being coordinated by a senior officers' group including representatives from the Ministry for Planning, Water Authority, Department of Environmental Protection and Health Department.
- (2) These actions are being addressed as part of the program of implementation of the select committee's recommendations.
- (3) Implementation of these actions requires a number of studies and the development of strategies, which involved both considerable technical assessment and interaction with the community and potentially affected landowners. Completion of this work is scheduled for the middle of 1996.

SELECT COMMITTEE ON METROPOLITAN DEVELOPMENT AND GROUND WATER SUPPLIES - RECOMMENDATIONS IMPLEMENTATION

3756. Dr EDWARDS to the Parliamentary Secretary to the Minister for Water Resources:

- (1) How many of the 28 recommendations of the Select Committee on Metropolitan Development and Groundwater Supplies have been implemented?
- (2) Will the Minister please provide a table of the recommendations and the stage of development of each recommendation, specifying when the recommendation is expected to be implemented?

Mr McNEE replied:

The Minister for Water Resources has provided the following reply -

- (1) The Government has established a senior officers' group including officers from the Ministry for Planning, Water Authority, Department of Environmental Protection and Health Department to coordinate implementation of the select committee's recommendations. Substantial progress has been made on most recommendations. The significant achievements to date include -

A planning control area has been established over private land in the highest priority protection area of the Gngara Mound, and land acquisitions are occurring by the WAPC and WAWA;

a strategic centre for ground water studies has been set up in Perth in a joint venture between the CSIRO and government agencies; and

a major contract has been let to ground water consultants with international expertise to review priority protection boundaries based on a scientific assessment using computer modelling and capture zone analysis.

- (2) See below for a summary of the progress on other recommendations. A more detailed table indicating expected completion dates is to be prepared by the senior officers' group and will be available shortly.

Select Committee on Groundwater - Progress Report on Undertakings September 1995

Background

The Select Committee on Metropolitan Development and Groundwater Supplies handed its report to the Legislative Assembly on 1 December 1994. The Minister for Planning responded on behalf of government on 10 May 1995. A standing working group of senior officers led by the Director, Strategic Planning, Ministry for Planning is now meeting on a regular basis. Other members are from the Water Authority of Western Australia, the Department of Environmental Protection and the Health Department of Western Australia. The purpose of the senior officers' groups is to coordinate government's response to the recommendations of the select committee. There were 28 recommendations from the committee, some of these recommendations were multifaceted, others dealt with the same underlying issue from a different perspective.

Progress to Date

Develop a land acquisition strategy for the core of the Gngangara Mound (recommendations 3, 26, 28)

Land within planning control area 29, which is the core of the Gngangara Mound as presently defined, is being acquired jointly by the WAPC and Water Authority. To avoid both the WAPC and the Water Authority actively negotiating land acquisitions an arrangement was put in place whereby the WAPC would act for both arms of government. This arrangement will need to be reviewed when the Water Authority is split into the Water Resources Commission and the Water Utility. The broader strategy and funding for diverting non-conforming land uses needs to be developed but would best be undertaken when it is known what and where these non-conforming land users are; that is, after completion of the Gngangara land use and water management study.

Establish priority area boundaries based on scientific evidence (recommendation 4)

On 1 September the Water Authority let a 20 week contract to review the priority areas based on a scientific assessment using ground water modelling and capture zone analysis.

Develop a Gngangara land use and water management strategy (GLUWMS) (recommendation 6, 20, 23)

Work has commenced on the Gngangara land use and water management strategy. A draft report for public comment is scheduled for 30 June 1996. As part of the GLUWMS, a ground water catchment provision will be established through a minor amendment to the text of the metropolitan region scheme. This will be similar in form and purpose to the surface water catchment provisions which already exist. GLUWMS will itself give geographical definition to the affected area.

Revise the Gngangara Crown land EPP and SPP (recommendations 1, 7, 8, 12, 24)

This will be conducted towards the end of the GLUWMS study. GLUWMS will establish the land uses permitted in the priority areas, and where current land uses need to change. The EPP and SPP will be redrafted to establish those land uses. The combined EPP/SPP will be initially for the Gngangara Mound area, but will most likely extend to the remainder of the Swan coastal plain.

Review town planning schemes to ensure they conform to state legislation (recommendation 13)

This will be achieved as part of the corporate program of the Ministry for Planning.

WAPC through Metroplan to ensure that incremental decisions do not compromise ground water quality (recommendations 14, 15)

WAPC accepts this in principle. The next step is to define the geographic areas to which this applies. This will be achieved through the WAWA priority area review contract.

Ensure that Perth's water standards be maintained and not reduced (recommendation 18)

The Water Authority has previously undertaken to maintain drinking water standards, and this commitment will need to be revisited when the Water Authority restructures on 1 January 1996.

Government consider a community awareness program (recommendations 16, 21)

This is being addressed through normal WAWA agency programs.

Implement an officer exchange program (recommendation 11)

A senior officer from the Water Authority office has joined the Ministry for Planning for 12 months.

Revise WAWA's by-laws relating to ground water protection (recommendation 1)

A first draft has been prepared and a second was expected early in 1996. This date will need to be kept under review because the legislation enabling the restructuring of the Water Authority is taking priority.

Develop a local centre for ground water studies which will be charged with specific studies (recommendations 9, 22, 25)

The Western Australian node of the centre for ground water studies has been established, with MfP, WAWA, DoME, UWA and the Department of Commerce and Trade having signed, or about to sign, the memorandum of understanding. Members are able to direct research priorities which for MfP will be in the area of interaction between urbanisation and ground water quality.

Convene an international ground water conference (recommendation 17)

An international conference with the provisional title of Groundwater and Metropolitan Land Use Planning has been scheduled for 15, 16 and 17 September 1996.

Government consider the full cost of land development over ground water catchments (recommendation 17)

This is already established practice and the principle is being applied by the Water Authority and MfP at Ellenbrook, among other places. The restructured Water Authority will no doubt give further impetus to full cost accounting.

Resources for ground water surveillance (recommendation 25)

The Water Authority has previously agreed to reorganise its catchment operations to provide additional resources for catchment management. These additional resources have not been identified and this commitment will need to be reviewed after the restructuring of the Water Authority.

LEGAL AID COMMISSION - MIGRANT LEGAL WORK

3758. Mr BROWN to the Attorney General:

- (1) Does the Legal Aid Commission undertake migrant legal work concerning -
 - (a) challenges to deportation decisions;
 - (b) challenges to decisions not to grant permanent residence;
 - (c) challenges to decisions not to grant visas;

- (d) appeals to the Full Court of the Supreme Court or to the Full Federal Court;
- (e) other legal work (please specify)?
- (2) What was the total cost of that work in the 1994-95 financial year?
- (3) Has any assessment been made on the -
 - (a) likely;
 - (b) probable,costs of that type of work in the 1995-96 financial year?
- (4) If so, what is that estimate?

Mrs EDWARDES replied:

- (1) (a)-(d) Yes.
 - (e) Yes, applications for protection visas.
- (2) \$164 110.85
- (3) No.
- (4) Not applicable.

DEAKIN CONSULTING PTY LTD - GOVERNMENT CONTRACTS

3761. Mr BROWN to the Deputy Premier:

How many of the departments or agencies under the ministerial control of the Deputy Premier have awarded contracts to Deakin Consulting since 1 January 1995?

Mr COWAN replied:

The Technology and Industry Advisory Council has awarded one contract to Deakin Consulting Pty Ltd since 1 January 1995, for services relating to the project "Towards an Information Infrastructure Policy for Western Australia - The Business Aspect". The approved fee plus ancillary cost was \$38 000. All other departments and agencies in my portfolio responsibility advise that no contract has been awarded to Deakin Consulting since 1 January 1995.

DEAKIN CONSULTING PTY LTD - GOVERNMENT CONTRACTS

3762. Mr BROWN to the Minister for Energy:

How many of the departments or agencies under the control of the Minister have awarded contracts to Deakin Consulting since 1 January 1995?

Mr C.J. BARNETT replied:

None.

JUSTICE, MINISTRY OF - DIRECTOR GENERAL

Police Recorded Telephone Conversations Involving Colin Edwardes Advice

3763. Mr BROWN to the Attorney General:

- (1) Has the Director General of the Ministry of Justice been advised the police tape recorded telephone conversations involving the husband of the Attorney General?
- (2) If so, what was the nature of the advice provided to the Director General?

Mrs EDWARDES replied:

- (1) No.
- (2) Not applicable.

DAWESVILLE CUT - IMPACT ON STREAMS AND RIVERS CONCERNS

3817. Mr PENDAL to the Minister representing the Minister for the Environment:

I refer to concerns expressed by the then-Opposition prior to the last state election, over the possible adverse effects of the Dawesville Cut on water quality of streams and rivers flowing in to the estuary/inlet system and ask -

- (a) have problems relating to the quality of the Harvey River emerged as a result of salt water inundation;
- (b) have problems emerged from any other streams/rivers in the area because of salt water inundation;
- (c) have reports been received by his departments or agencies that paperbark trees are now dying because of salt water inundation;
- (d) has salt water inundation produced problems of a public health nature, arising from an increase in the mosquito populations on salt water;
- (e) has the Health Department been involved in, or consulted on, concerns about Ross River virus and a form of encephalitis that have arisen from water inundation;
- (f) if so, will he arrange the tabling of any reports of his departments/agencies or the Health Department?

Mr MINSON replied:

The Minister for the Environment has provided the following reply -

- (a) No obvious effects have emerged as a result of salt water inundation in the Harvey River. Some observations have been made which indicate some stress being shown by paperbark trees. It is still too early to determine whether problems are totally due to the Dawesville Channel or to the last three dry winters. After approximately five years a pattern should be clear if there are problems. Some changes in fringing vegetation were predicted following opening of the Dawesville Channel.
- (b) No rivers or drains have shown any detrimental effects because of salt water inundation beyond that which occurred before the Dawesville Channel.
- (c) There are some indications that the paperbark trees in the delta and lower portions of the Harvey River are showing stress. It is believed this may be associated with the greater salt water regime caused by the Dawesville Channel. However, ground water and freshwater runoff has been affected by dry winters and this may be contributing to the stress. No direct complaints have been received but some general concerns have been raised. The Peel Inlet Management Authority is monitoring the situation.
- (d) There was an increase in notified cases of Ross River disease from one during 1993-94 to 33 during 1994-95. However, this contrasts favourably with two previous epidemic years, with 104 cases reported during 1988-89 and 77 during 1991-92, suggesting that the mosquito control and public education programs funded by the Health Department and carried out with local government authorities are effective in reducing any adverse impact of the Dawesville Channel.
- (e) The Health Department funds and coordinates the following programs -
 - (i) monitoring of mosquito and Ross River virus activity;
 - (ii) health driven mosquito control on saltmarsh areas where the increased tidal amplitude resulting from the opening of the Dawesville Channel has exacerbated the breeding of Ross River virus carrier (vector) mosquitoes;

- (iii) Public education initiatives advocating the adoption of personal preventive measures to reduce mosquito bites and their associated health risk due to Ross River virus.

Mosquito borne encephalitis (Australian encephalitis) only occurs in the northern half of Western Australia, not in the Peel region.

- (f) Extensive public information on the impacts of the Dawesville Channel has been published in the form of pamphlets and short reports, and by dissemination through the media. This is available through the Waterways Commission and more detailed information can be made available by the Health Department if required.

WORMS - DIGGING SITES ON SWAN RIVER, EAST PERTH AND MAYLANDS

3838. Dr EDWARDS to the Minister representing the Minister for the Environment:

- (1) At what sites on the Swan River in East Perth and Maylands is digging for worms allowed?
- (2) How is digging at other areas in East Perth and Maylands monitored and policed?
- (3) To what extent is unlawful digging contributing to erosion of the river banks or other problems?

Mr MINSON replied:

The Minister for the Environment has provided the following reply -

- (1) There are six sites approved for worm digging on the Swan and Canning Rivers. There are four areas in or near East Perth and Maylands; namely -
Belmont, upstream of Abernethy Road
Maylands at East Street jetty
East Perth, upstream of Bunbury rail bridge
Between the causeway No 4 car park and Trinity College.
- (2) Worm digging is monitored and policed throughout the Swan-Canning River system by the Swan River Trust inspectors and honorary inspectors.
- (3) Unlawful digging of river banks can cause erosion if it occurs in areas where the bank is steep or unstable. The establishment of the six permitted worm digging areas has greatly reduced the problem. A worm digging brochure, prepared by the Swan River Trust and the Australian Anglers Association, is available to the general public.

PHYSIOTHERAPISTS ACT - AMENDMENTS

3848. Dr GALLOP to the Minister for Health:

- (1) Has the Government finalised its planned amendments to the Physiotherapists Act 1950?
- (2) If yes, when will the amendments be brought to Parliament?
- (3) What amendments are being proposed, if any, in respect of massage?

Mr KIERATH replied:

- (1) Drafting of amendments to the Physiotherapists Act is near completion.
- (2) It is planned to introduce the Physiotherapists Bill and the other seven registration Bills on 30 November 1995, provided the respective professions are able to respond within this time frame on the revised Bills when they are distributed for comment.
- (3) No amendments are being proposed in respect of massage. The position is that the Physiotherapists Bill is to substantially reflect the scope of practice under the current Act. This means that masseurs may practise

massage provided they do not hold themselves out as being able to cure or alleviate an abnormal condition and that they practise within the other legal boundaries of their profession. In other words, if their current activities are lawful this will not change as a result of the 1995 Physiotherapists Bill becoming law.

HOSPITALS - ROYAL PERTH
Drug Audit Report; Overspending

3849. Dr GALLOP to the Minister for Health:

- (1) Has Royal Perth Hospital completed its drug audit report?
- (2) Has \$1m of overspending occurred in the first three months of the year?
- (3) If yes, what explains this overspending?

Mr KIERATH replied:

- (1) Yes.
- (2) No. Drug expenditure for the first quarter is approximately \$300 000 over budget. It should be noted that the hospital's annual budget has not been finalised, as discussions are still taking place between the hospital and the State Health Purchasing Authority, with regard to increasing the funding allocation to the hospital.
- (3) The major factor for the current overexpenditure is that admissions have increased by 4 per cent. Specialties contributing to this increase include renal dialysis, geriatric medicine, cancer and haematology, all of which are significant users of drugs.

QUESTIONS - OUTSTANDING

3868. Mr RIPPER to the Leader of the House:

- (1) Given the Minister has assured the House previously that this Government is not afraid to answer questions, when will the following Ministers answer the following questions which were asked more than five months ago -
 - (a) the Minister for Police, questions on notice 94, 228, 300, 338, 665, 788, 963, 1353;
 - (b) the Premier, questions on notice 130, 258, 323 353, 390, 496, 543, 562, 848, 849, 850, 993, 1187, 1211, 1243, 1371, 1413, 1528, 1639, 1641, 1642, 1643, 1758, 1814, 1820;
 - (c) the Treasurer, questions on notice 265, 292, 655, 741;
 - (d) the Minister for Works; Services, questions on notice 529, 990;
 - (e) the Minister for Family and Children's Services, questions on notice 681, 687, 692, 753, 754, 881, 1242, 1272, 1792;
 - (f) the Parliamentary Secretary to the Minister for Education, question on notice 748;
 - (g) the Minister assisting the Minister for Justice, questions on notice 1035, 1229, 1478;
 - (h) the Minister representing the Minister for Transport, questions on notice 1421, 1810, 1816;
 - (i) the Minister for Resources Development; Energy, question on notice 1784?
- (2) Will the Leader of the House also provide a guarantee that all questions on notice for 1995 will be answered on *Hansard* this year?

Mr C.J. BARNETT replied:

- (1) I can still assure the member that the Government is not afraid to answer parliamentary questions; however, the member would also be aware that some parliamentary questions take considerably longer to respond to than others due to the nature or volume of information requested. Also the number of parliamentary questions directed to the Government has significantly increased over the last few years as outlined in the Ministry of the Premier and Cabinet annual reports for 1992-93 and 1993-94. These reports show that 3 242 and 6 596 parliamentary questions with or without notice were directed to the Government for each of these financial years respectively. I also understand that in excess of 10 000 parliamentary questions with or without notice were directed to the Government last financial year. This increased workload has also contributed somewhat to the longer turnaround period in responding to some parliamentary questions. For the member's information, as at 24 October 1995, 3 919 Assembly questions on notice had been asked of the Government, of which 3 427, or 87 per cent, had been replied to.
- (2) When I gave a commitment in 1993 to respond to all parliamentary questions on notice asked by 1 December that year, the Opposition asked 207 questions on the last day in November. Therefore I cannot guarantee that all questions on notice will be answered in *Hansard* this year as the same situation may occur. However, barring any similar sudden increase in the volume of questions asked, I will endeavour to ensure that all the outstanding Assembly questions on notice are answered before the end of this year.

WESTERN POWER - UNDERGROUND POWER SUPPLY PROGRAM
South Perth City Council

3872. Mr PENDAL to the Minister for Energy:

- (1) In reference to the Minister's announcement of the Government's underground power supply, do the plans envisage any early participation by the South Perth City Council in either a pilot or substantive program?
- (2) Is it envisaged that property owners will be involved in the funding?

Mr C.J. BARNETT replied:

- (1) No. The City of South Perth did not make a submission to participate in the underground power pilot project.
- (2) Not applicable.

KALGOORLIE - AIR QUALITY
Environmental Protection Policy, Extension Request

3883. Dr EDWARDS to the Minister representing the Minister for the Environment:

- (1) Has an extension been sought to the environmental protection policy covering air quality in Kalgoorlie?
- (2) If yes-
 - (a) by whom;
 - (b) on what date;
 - (c) for what reasons;
 - (d) when will the decision be made regarding this request?

Mr MINSON replied:

The Minister for the Environment has provided the following reply -

- (1) No.

- (2) Not applicable.

**PASTORAL INDUSTRY - McNEIL FLATS, CARNARVON, WITHIN
BRICKHOUSE STATION, FENCED OFF FOR GRAZING**

3890. Mr LEAHY to the Minister representing the Minister for Lands:

- (1) Is the Minister aware that the McNeil Flats at Carnarvon have been fenced off by the owners of the adjoining pastoral station (Brickhouse)?
- (2) Is there considerable conservation value of the area as the only significant wetland within 100 kilometres of Carnarvon and home of up to 13 identified rare and endangered species of fauna?
- (3) Was the action referred to in (1) above taken with his approval?
- (4) If so, why?
- (5) If not, what action will he now take to ensure the fence is dismantled and the wetlands not used to graze cattle?

Mr LEWIS replied:

The Minister for Lands has provided the following response -

- (1) I understand that an area known as McNeil Flats or McNeil Claypan is within Brickhouse Station, pastoral lease 3114/593. I further understand that the pastoral lessee has realigned an old fence by reconstruction of a fence on the pastoral lease boundary.
- (2) I am not aware of the conservation value of the area referred to. This aspect should be directed to the Minister for the Environment.
- (3) A pastoral lessee does not need my approval to upgrade fencing or infrastructure on his lease.
- (4) Not applicable.
- (5) No action is to be taken to ensure the fence is dismantled. I understand that there are no stock grazing on the area at present.

PAPAFILIS, TONY - GOVERNMENT EMPLOYMENT

3906. Mr GRAHAM to the Minister for Aboriginal Affairs:

- (1) Is Mr Tony Papafilis still employed by the Minister's office?
- (2) If not, when did he leave and under what circumstances?
- (3) Did Mr Papafilis relocate to another area of the public sector, and if so, where?
- (4) Who has replaced Mr Papafilis in the Minister's office?

Mr PRINCE replied:

- (1) No.
- (2)-(3) 8 April 1994. Mr Papafilis was transferred to the office of the Minister for Finance.
- (4) Mr Papafilis was not replaced.

QUESTIONS WITHOUT NOTICE

ELECTORAL SYSTEM - CHANGES

500. Dr GALLOP to the Premier:

- (1) Does the Government support the Commission on Government's recommendation that -

- (a) the state electoral system be based on the principle of one-vote-one-value;
- (b) a fairness clause not be introduced to the State's electoral system?
- (2) Will the Government bring in any changes to the electoral system before the 1997 election?
- (3) If not, what is the Government's position on these important matters?

Mr COURT replied:

(1)-(3) Our position on the fairness clause is well-known.

Mr Ripper: Is this the Government's position?

Mr COURT: I am talking about the Liberal Party. Its position is well-known. We will debate electoral issues after question time. Discussion is ongoing inside the Liberal Party on the concept of one-vote-one-value with a plus or minus 20 per cent -

Mr Ripper: Plus or minus is not one-vote-one-value.

Mr COURT: Can the member give an example of a system which he could call one-vote-one-value?

Mr Ripper: Systems without a tolerance like 20 per cent. The federal system is good value.

Mr COURT: What about Tasmania?

Dr Gallop: That is proportional representation. It is based on the federal system.

Mrs Hallahan: 10 per cent.

Mr COURT: Okay. We do not support the recommendation regarding the fairness clause. We will discuss the changes during subsequent debate. The coalition partners are negotiating on these matters. We have not reached a resolution.

ELECTORAL SYSTEM - NATIONAL PARTY POLICY

501. Mr McGINTY to the Deputy Premier, and Leader of the National Party:

I refer to National Party policy on electoral form -

- (1) Is there any agreement between the coalition parties which prevents the introduction of one-vote-one-value electoral laws? If so, what are the terms of that agreement?
- (2) Will the National Party vote against -
 - (a) a new electoral distribution before the next state election; and
 - (b) a so-called fairness clause, which was specifically rejected by the Commission on Government?

Mr COWAN replied:

I thank the member for the question.

- (1) The coalition agreement between the National Party and the Liberal Party outlines a process through which the two parties can reach agreement on matters that are of importance to the parties. In this case, it would not be contradictory to any coalition agreement should the parties, as a group, be able to reach an agreed position on electoral changes. The Leader of the Opposition knows, as do most members of the House, that we are having discussions and negotiations with the Liberal Party about changes to the electoral system in Western Australia. Those discussions will continue, and I am sure that when we reach agreement, the coalition Government will announce the decision.

- (2) I do not think it is any secret that the National Party does not support a fairness clause. It certainly does not support the introduction of legislation to change the electoral boundaries in a pre-election climate. They are the critical issues around which the negotiations are taking place. I do have to declare the position of the National Party, but the National Party is part of a coalition and we must talk those things through and reach agreement on them. I have given the position of the National Party. Discussion is taking place between the two coalition parties about those matters.

ELECTORAL SYSTEM - FAIRNESS CLAUSE

502. Mr McGINTY to the Deputy Premier, and Leader of the National Party:

If the National Party is serious in its opposition to the so-called fairness clause, why did the Leader of the National Party's representatives on the Joint Standing Committee on the Commission on Government vote in favour of it?

Mr COWAN replied:

I am not in a position to answer that question because I have not asked them.

HOSPITALS - PRIVATISATION OF SERVICES

Trade Unions Campaign of Non-cooperation

503. Mrs van de KLASHORST to the Minister for Health:

The Australian Nursing Federation and the Australian Liquor, Hospitality and Miscellaneous Workers Union are criticising the Government and refusing to negotiate changes to the hospital system, including privatisation and contracting out. Is this position consistent with that adopted by the unions in regard to the privatisation of other hospitals?

Mr KIERATH replied:

Once again, this Government has been confronted with a few of the union leadership who seem to have double standards. They are saying that when a coalition Government does it, it is not good, but when a Labor Government does it, it is quite okay. They are running a campaign, I think at Sir Charles Gairdner Hospital and others, against the privatisation of some services. I was fascinated to read in the annual report of Ramsay Health Care, the manager of what is now Hollywood Private Hospital, that -

Ramsay Health Care's involvement since acquisition has been with the Australian Nursing Federation, the Health Services Union of Australia, and the Australian Liquor, Hospitality and Miscellaneous Workers Union, and we have found each to be open, reasonable and cooperative.

It continues -

The respective unions should be recognised for their contribution to the successful privatisation of Hollywood.

It is interesting that when the Federal Labor Government sold what was then Hollywood Repatriation General Hospital, the unions were prepared to cooperate. We have not sold any hospitals, but we are privatising some hospital services; however, in our case, the unions are in total opposition. I am more than happy to congratulate both the ANF and the missos for their good work in regard to Hollywood Private Hospital, because all players who have looked at Hollywood have said that is an outstanding example. All I ask is that the same standards be adopted, so that if it is okay for Labor, it is okay for the coalition. It has much more to do with an impending federal election and other matters than it has with the issues themselves, because the unions were prepared to work cooperatively with the Federal Labor Government when it sold a hospital, but with us, when we have not sold a hospital, the unions have run a campaign of non-cooperation and antagonism. If that is not double standards, I do not know what is.

TRANSPORT, DEPARTMENT OF - BUS SERVICES, MIDLAND CONTRACT
Awarded to Swan Transit Pty Ltd; Metrobus Tender

504. Mrs HALLAHAN to the Minister representing the Minister for Transport:

I refer -

Mr Cowan: Good cartoon this morning.

Mrs HALLAHAN: I agree; I liked it.

Mr Cowan: You have a difficulty, because some people will call you mother trucker.

Mrs HALLAHAN: They know what it means. They do not like road trains.

The SPEAKER: Order! I ask the member to ask her question.

Mrs HALLAHAN: I refer the Minister to the Government's strange decision to grant the contract for running a public bus service in the Midland area to a newly constituted company called Swan Transit in the face of competition from a number of other tenderers, including MetroBus. Is it true that MetroBus originally submitted a lower tender for the Midland contract area but the Government's tendering panel adjusted the tender upwards without telling MetroBus and without giving MetroBus the opportunity of responding or submitting a new tender prior to the decision on the tender being made?

Mr LEWIS replied:

I cannot answer whether it is true because the advice given to me by the Minister for Transport has not answered that question. However, MetroBus did tender for the Midland contract area, as is routine, and that tender was examined to see whether it complied with Treasury Department costing guidelines, bearing in mind that Metrobus is an agency of the State. On that basis, the government agency's bid was prepared and obviously it was not successful.

PRISONS - CANNING VALE
Changes Proposal

505. Mr BOARD to the Minister assisting the Minister for Justice:

Last week I presented to the Parliament a petition from 1 000 residents concerning proposed changes at the Canning Vale Prison complex involving, in part, the opening of a minimum security facility and the implementation of a program of work release. Residents are concerned about potential dangers posed by criminals involved in these changes who have been convicted for committing an offence against a person. If this plan proceeds, who is likely to be selected for that program?

Mr MINSON replied:

A number of proposals are being considered for the Canning Vale complex and in particular the special operations building is a part of what is under consideration. The proposal put before me is to convert what is now the special operations unit building to a minimum security prison. Historically, it was built as a day release centre for those on work release permits. However, because there has been a change of attitude and law relating to those people, they now live in the community on parole. Therefore, it was never commissioned as such. However, I can give the member an undertaking that if we construct suitable minimum security fencing around the building in question and commission it, no-one who is a danger to the public and particularly nobody who has a history of committing an offence against a person will be allowed to go there. The people who will be sent there include people who have minimum security classification in the first place, and people guilty of white collar offences, the more serious types of drink driving offences, forgery and that sort of thing. They will be people who should arguably be, and in some countries are, treated in some other way and not put in

prison. If this plan eventuates I assure the member that no-one who is a danger to the public will be put there.

PRISONS - CANNING VALE
Changes Proposal; No Sex Offenders

506. Mr BOARD to the Minister representing the Minister for Justice:

As a supplementary, I appreciate the Minister's answer, but will he put on record that anybody who has committed a sex offence should not be in that program?

Mr MINSON replied:

I give the member a categorical undertaking that that is the case. By definition someone who is guilty of a sex offence is likely to have committed an offence against a person and, therefore, by definition would not be allowed on the program. Therefore, I can give the member that undertaking.

SPEEDING OFFENCES - MINISTER FOR TRANSPORT

507. Mrs HALLAHAN to the Premier:

(1) What action will the Premier take to reprimand his Minister for Transport after his appalling performance on the ABC's "7.30 Report" on Tuesday night? I refer in particular to -

- (a) His disgraceful attempt to shrug off the loss of his driver's licence for speeding by claiming that people who drive under the speed limit are just as much a problem as speeding and drink drivers;
- (b) His unbelievable attempt to justify his recklessness by claiming that "if you're on the road a little less time the less chance you have of having an accident"?

(2) Does the Premier consider that the action and words of his Transport Minister have undermined the Government's road safety campaign, or is it a case of do as I say, not do as I do?

Mr COURT replied:

(1)-(2) Certainly the Government does not condone speeding. The Minister for Transport is repentant.

Mr Brown: He is doing his best to disguise it!

The SPEAKER: Order!

Mr COURT: He is a very down to earth farmer. He has been punished for his wrongdoings. People who live in glass houses should not throw stones. I will not ask for hands up from anybody who has committed a speeding offence.

DRUG ABUSE - ECSTASY

508. Mrs PARKER to the Premier:

In light of the death in Sydney of a 15 year old girl after taking the drug Ecstasy, can the Premier inform the House of any studies into the extent of its use in Western Australia and how the problem is being tackled?

Mr COURT replied:

Recent events that have been publicised have certainly highlighted the problems of drug abuse in our society. I compliment the media, particularly the television stations, for the stories they have run in recent days which have spelled out quite vividly and graphically the problems teenagers face if they are into taking drugs when they have no idea at all what is in the drugs they are being given. I refer to teenagers mainly, young children who experiment with those drugs. An important part of our education process is that people have a good education about the facts. The drug is called Ecstasy, but the description does not fit the dangers that are associated with these illicit drugs. The tragedy in New South

Wales and the six deaths in Britain last year should send a warning to all of us of the problems that can arise. Unfortunately, these drugs and other what are termed psychostimulants have become part of the illicit drug scene in this country and this State. There is no knowledge or guarantee of what goes into designer manufactured drugs. Unlike other drugs, they are imported and can be made by what are referred to as basement chemists. We do not know what goes into them. The recent report we published shows that the first seizures were recorded relatively recently in 1988. Until last year 336 capsules and 3 228 tablets had been seized by the state police. This is considered the tip of the iceberg. The task force on drug abuse came up with a number of recommendations. It recommended specific action on psychostimulant abuse, including a law enforcement focus on manufacturers and dealers and specific new major public education programs. Recent tragic events have highlighted the problem we face. I thank the media for the responsible way they have highlighted the problem.

**WOMEN'S REFUGES - GREAT SOUTHERN SHELTER INC, ALBANY,
CLOSURE**

509. Mr BROWN to the Minister for Family and Children's Services:

I refer to the closure of the Great Southern Shelter Inc in Albany earlier this year and the undertaking given by the Minister in the Estimates Committee that funding for the refuge in Albany was in place and would not be withdrawn.

- (1) Will the Government provide funds for the closed shelter to reopen?
- (2) If not, will the Government provide an alternative women's refuge in or near Albany?
- (3) If it is the Government's intention not to provide a women's refuge in the Albany region, how does the Government justify that decision given the high level of domestic violence?

Mr NICHOLLS replied:

- (1)-(3) The refuge in Albany is an important issue and has been raised with me by the member for Albany. The management committee which was funded to provide the service in Albany made a decision that it could no longer continue to operate and would dissolve.

Dr Watson: You closed it down and changed the locks.

Mr NICHOLLS: The member for Kenwick is becoming renowned for making comments that are not only factually wrong, but ignorant. The only role Family and Children's Services played in this matter was, firstly, to receive the information from the management committee; and, secondly, to take action to ensure alternative accommodation arrangements were available for women and children who needed care.

Mr McGinty interjected.

The SPEAKER: Order! The Leader of the Opposition.

Mr NICHOLLS: It is interesting that the Leader of the Opposition does not want to hear the answer. He does not care about the circumstances or the facts, which is normal for him.

Mr McGinty interjected.

Mr NICHOLLS: If the Leader of the Opposition remained quiet for a little while, he might hear what will happen. The management committee made a decision to have the locks changed so it could not be held responsible for any damage that might occur after the service was closed. An issue is before the Industrial Relations Commission between some of the staff members and the union and the management committee.

Mr Marlborough: You're talking out the back of your neck again.

The SPEAKER: Order! Member for Peel, that is totally out of order.

Mr NICHOLLS: That is the sort of comment I would expect from the member for Peel, who does not give a damn about what happens.

Mr Marlborough: Sit down; you're dumb.

The SPEAKER: Order! I formally call to order the member for Peel.

Mr NICHOLLS: The Family and Children's Services district office is in the process of calling for expressions of interest for another organisation to manage the shelter. I hope that will be advertised in the near future. It is my hope and expectation that an agency will be identified before Christmas. Funding is still available for the service. The funding will be provided to any identified agency.

Mr Marlborough: You are a danger to women in WA.

The SPEAKER: Order! The member for Peel.

Mr NICHOLLS: Not only do I find the member for Peel's comment offensive, but again it represents a total misunderstanding and lack of care about trying to provide the service.

Mr Marlborough: It is spot on.

The SPEAKER: Order! I formally call to order for the second time the member for Peel.

Mr Brown: Will the refuge reopen?

Mr NICHOLLS: As far as I am concerned, the refuge will reopen as soon as we have identified an agency which will take on the management role. I hope and expect that that will happen before Christmas if an agency is willing to take it on.

**FAMILY AND CHILDREN'S SERVICES, DEPARTMENT OF - FINANCIAL
COUNSELLING SERVICES**
Merriwa, Expressions of Interest

510. Mr W. SMITH to the Minister for Family and Children's Services:

Could the Minister give the House an update on the expressions of interest regarding the new financial counselling service which will operate in the suburb of Merriwa in my electorate?

Mr NICHOLLS replied:

I thank the member for some notice of this question. Members may know that, in recent weeks, expressions of interest have been called for nine services throughout the State. With regard to the service which will be provided at Merriwa, I understand that the agencies which have expressed an interest have been interviewed. I would like to think that the recommendation will be made in the very near future.

I draw members' attention to the fact that I recently had sent to all members a brief outline of the facts about financial counselling. I reinforce the fact that, over the past two and a half years, this Government has increased funded financial counselling services in Western Australia from 23 to 52. Comments made by opposition members suggesting that there has been a reduction are false and purposely misleading.

CORONER - GRAHAM, ANDY, DEATH; SAFETY INSPECTORS' EVIDENCE

511. Mrs HENDERSON to the Minister for Labour Relations:

I refer to the coronial inquest into the death of a 48 year old boilermaker, Andy Graham, who was crushed in a mixer at the Atlas brickworks owned by Len Buckeridge and ask -

- (1) Is the Minister aware of the evidence of safety inspector Kenneth Little, who told the coroner's court on Tuesday that he quit Atlas in disgust

because senior management ignored his advice about exposed wires, electrical hazards, poor lighting and no safety guards around machinery?

- (2) Is the Minister aware of the evidence of safety inspector Ronald Meakin who also claimed that he warned the company of horrifying hazards and risks and who was also ignored?
- (3) What action does the Minister intend to take following this evidence, or does he believe that it is okay for a man who boasts of earning obscene amounts of money to treat his workers with such contempt?

Mr KIERATH replied:

- (1)-(3) I am not aware of the evidence that was given by the two people referred to by the member for Thornlie. However, I understand the matter is before the coroner. When the coroner has listened to all the evidence, he will bring down a report and make some recommendations.

Dr Watson interjected.

Mr KIERATH: The member for Kenwick should settle down. When the recommendations have been made and all the evidence has been taken, of course we will consider very carefully any recommendations which are made. In the meantime, I will ask WorkSafe Australia -

Mr Brown: You are going slowly on your mates.

The SPEAKER: Order! The member for Morley.

Mr KIERATH: Absolute rubbish. I will ask WorkSafe Australia to advise me -

Dr Gallop: Why are you not aware of the evidence?

Mr KIERATH: Because I do not go around sitting in coroner's courts like you and other people do.

Dr Gallop: Don't you read the papers?

Mr KIERATH: So far as the two issues go, of course I will act on any recommendations that the coroner makes. I will wait for the coroner's recommendations. In the meantime, I will call on WorkSafe Australia to produce a report on the evidence that was given. I am more than happy to report back to the House.

BHP - DIRECT REDUCED IRON (DRI) PLANT, PORT HEDLAND

512. Mr MARSHALL to the Minister for Resources Development:

Can the Minister assure the House that local companies will benefit from the construction and operation of BHP's Port Hedland HBI plant?

Several members interjected.

Mr C.J. BARNETT replied:

Opposition members have just given the short answer, "Yes". They will recall that, during the last resources development period in this State, there was much frustration about the amount of work being provided locally. There were proposals about very prescriptive requirements on resource projects. That is not the style being adopted by this Government. A lot of effort is being put in, with BHP and other major projects, and with industry through the Chamber of Commerce and Industry of Western Australia and the Industrial Supplies Office, to ensure that local Western Australian firms are fully informed about the contracts which are coming up, that the contracts are in manageable portions, and that the companies involved - in this case, BHP - are very much aware of the competence and ability of local firms to participate. During the construction phase there will be obvious opportunities. For a start, the 1 400 people working on the construction will need to be housed. In fact, the majority will not be housed in a construction camp but will be located within the communities of Port

Hedland and South Hedland. That will give many opportunities to local businesses.

Mr Graham interjected.

Mr C.J. BARNETT: They will have excellent opportunities, particularly in respect of housing and accommodation and goods and services. The scale of the opportunities is immense. On the direct reduced iron project, for example, there will be 40 000 cubic metres of concrete work, more than one million cubic metres of earthworks, 48 000 tonnes of steel fabrication, and more than 1 200 tonnes of electric cable laid and installed.

Mr Graham: How many staff in the hospital?

Mr C.J. BARNETT: One would not think that the greatest and largest project in Australia is in that member's electorate. He knocks and knocks. He should be in his electorate, talking to his constituents about how they can get a share of the project.

Mr Graham interjected.

The SPEAKER: Order!

Mr C.J. BARNETT: The member should be back in his electorate promoting the project and working for benefits.

Mr McGinty: Get your facts right, Minister. That is disgusting.

The SPEAKER: Order! I formally call to order the Leader of the Opposition. It is intolerable to have such interjections.

Mr McGinty: Get it right this time. You are misleading the House.

Mr C.J. BARNETT: I will tell the Leader of the Opposition what is right. There are 225 permanent jobs on that project, which is significant, but the other point is that most of the work for the project - ongoing maintenance and the like - will be contracted out. There will be at least another 200 jobs for local businesses in the electorate of the member for Pilbara, servicing the project on an ongoing basis over the next 20 or 30 years.

Mr Graham interjected.

Mr C.J. BARNETT: The member for Pilbara has been supportive of the project, but why does he sit there and chip away and knock away? He should go back to his electorate and sing its praises. He should talk to some of his friends in South Hedland and remind them of the community improvements that will happen in their backyards because of that project.

Mr Graham interjected.

The SPEAKER: Order! It is unparliamentary for the member for Pilbara to make those comments. I urge him not to do so.

Withdrawal of Remark

Mr COWAN: It is appropriate that points of order are taken at the time of the indiscretion. The member for Pilbara made some unparliamentary remarks in respect of the Leader of the House, and I seek their withdrawal.

Mr RIPPER: My colleague the member for Pilbara was grievously provoked by the Minister, who asserted that the member was not supportive of the project and that he knocked it, whereas we all know that the member is one of the strongest supporters of that project.

The SPEAKER: There is no point of order.

Mr GRAHAM: If I said anything unparliamentary about the Minister, I am happy to withdraw it.
