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LEGISLATIVE ASSEMBLY

Tuesday, 4 April 2000

THE SPEAKER (Mr Strickland) took the Chair at 2.00 pm, and read prayers.

ELLIOTT, MR ROSS MEWBURN - CONDOLENCE MOTION

MR COURT (Nedlands - Premier) [2.02 pm]: I move -

> That this House records its sincere regret at the death of Ross Mewburn Elliott and tenders its deep sympathy to his family.

Ross Elliott was born in Perth on 12 February 1929, the son of Colin Geoffrey Elliott, accountant and hotel keeper, and Veronica Mewburn. He was educated at various primary schools and at Hale School, Perth before being employed with Elder Smith and Co in 1945. From 1946 to 1948, Ross worked in a family business and stock agency in Waroona; from 1949 to 1950 with Hardy Trading Ltd in Perth; in 1951 as a proof reader for *The Sydney Morning Herald;*and from 1952 to 1956, as a proprietor of a sports goods store in Bunbury. He then joined the *South Western Times* in Bunbury in 1956, and from 1959 to 1965, he was on the editorial department of the daily news and TVW7.

Ross Elliott joined the Liberal Party in 1948 and was a member of various branches for over 30 years. He contested the seat of Canning for the Liberal Party at the 1965 election when it was a sprawling, fast-growing district stretching from Brentwood to the eastern side of the City of Gosnells. Ross Elliott won the seat of Canning from Mr Don May by 146 votes. Three years later, after an unfavourable redistribution for him, he was defeated by Mr Tom Bateman by a similar narrow margin of 119 votes. It can be said that Ross Elliott was an energetic and popular representative whose hard work could not prevail against the political tide in the 1968 election, but who nevertheless put up a strong fight in a tough seat.

Following his term in Parliament Ross Elliott successfully ran his own public relations company, managed the Golden West Network for a time, was Managing Director of Provincial Publications WA, and edited the *Mandurah Telegraph*. As a journalist Ross Elliott covered many major news and sporting events including the Dwellingup fires, the Meckering earthquake and the 1962 Commonwealth Games.

One of Ross Elliott's major interests in life was football and this saw him at one time being the chief football writer for the *Daily News* and hosting Channel 7's *Sport on Sunday*. He was involved with the Sandover Medal in the early days when the votes were counted by hand. In addition, Ross also founded *The Football Register*, which I understand has been published virtually continuously since 1964.

On behalf of all members of this House, I extend our deepest sympathy to Ross Elliott's family and friends.

DR GALLOP (Victoria Park - Leader of the Opposition) [2.05 pm]: On behalf of the State Opposition, I join in recording this Parliament's sincere regret on the death of Ross Mewburn Elliott, who passed away on 29 March.

He was, as the Premier said, the member for Canning from February 1965 to March 1968. During his time in Parliament Ross Elliott represented the Western Australian branch of the Commonwealth Parliamentary Association at its ninth Australian conference in Darwin. It is interesting to note that on his return from Darwin he spoke enthusiastically in Parliament on the importance of developing trade and tourism ties specifically with Timor and more generally with Indonesia.

Prior to becoming a member of Parliament, Ross Elliott was a well-known and well- respected journalist, having worked with the Bunbury *South Western Times*, the *Daily News*, and with TVW7 from 1959 to 1965. After the 1968 State election, Ross Elliott continued working in regional journalism and public relations. We all remember *The Football Register*, which came out every year. Throughout his whole career he made a special contribution to sports journalism, as a football writer and as host of Channel 7's *Sport on Sunday* program, and he remained particularly supportive of country football.

Our deepest sympathy is extended to Ross Elliott's family.

MR COWAN (Merredin - Deputy Premier) [2.07 pm]: On behalf of the National Party I join in this condolence motion to the Elliott family. Ross Elliott won a seat that in the 1960s was the litmus test for elections. It was perhaps one of the most hotly contested seats in the Parliament at the time. I recall a number of people who had represented the seat of Canning saying that it was a seat that had been represented by more members than any other because the person elected invariably managed to serve only one term. Unfortunately for this Parliament Ross Elliott was one of those persons who served only one term. He was well known to every member of the Parliament through his contribution to sport and sports journalism. I can only endorse the comments that have been made by the Premier and the Leader of the Opposition with respect to his contribution to sport, particularly football in Western Australia, and to sports journalism. Although his parliamentary career may not be all that well remembered, his career in and contribution to sport and sports journalism in the State will be remembered for a long time.

MR NICHOLLS (Mandurah) [2.08 pm]: I offer my condolences to Ross Elliott's family. Ross Elliott was a person whom I came to know once I was elected to Parliament; I did not have the opportunity to know him in his profession as a commentator of football, or as a journalist with the *Daily News* or in the other activities that he undertook. I did have the opportunity with him to play a role in something that I believe will become a very productive and a positive attribute of the Peel region, and that is the creation of the Peel football league. Members may not know, and in fact most people in

Mandurah do not know, that Ross Elliott contacted me and arranged to have a drink to discuss what was needed for football in the Mandurah area. At that stage the Murray football league was falling apart and, unfortunately, the opportunity for young people in Mandurah to play community football seemed to be fast disappearing. As a result of our discussion, Ross Elliott put forward the notion that a Peel football league be created to encompass the towns surrounding the Mandurah area, in what he described as good country football tradition. I agreed to help with his proposal and, after soliciting the support of the then president of the Murray league, Peter Lamb, we decided to put that concept to the local Mandurah football club. That concept was rejected the first time it was put forward because, among other things, it was seen as a backward step for the Mandurah football club and some of the other clubs. However, like all good ideas, it stood the test of time, and when it was again floated 18 months later, we saw the birth of the Peel football league. Peel Thunder is now established, and the Peel league provides what I consider to be a very positive football competition.

It is worth placing on the public record that a man who I consider to be totally possessed by football, whose love of football went well beyond that of others, through his own experience and endeavours was able to put together the concept and encourage people to support him to the point where it has now become a reality. I would like to think that the Peel football league in the future will find a fitting way to recognise the person who effectively was the father of the Peel football league. I hope that for many years to come he will be remembered for his positive contribution to the local community.

Ross Elliott leaves two sons and two daughters. He led a robust life, took on many challenges and was involved in many activities. However, I will remember Ross Elliott simply as a person who always had a smile, no matter how bad things were and no matter what the situation. He always had the capacity to smile and always had a humorous word. If people can follow his example, life will be better for them. I offer my condolences to his family on behalf of the members of this House.

MR MARSHALL (Dawesville - Parliamentary Secretary) [2.13 pm]: I have known Ross Elliott for many years. We played football together in the mid 1950s, and when he became a football journalist - he excelled at football - I was writing for the *Daily News* as a tennis columnist. We had many outings together discussing sport. Following that, when TVW7 began its sports panel program, he was allocated the job of chairman of what we thought at the time was a highly professional group of television entertainers. Looking back, I think he was the only professional among us. Because of the highjacking and backchat that went on, a very strong person who knew his sport was needed to keep control of that group. That was the part played by Ross Elliott in the creation of televised football programs. Of course, televised football is now the highest rated program in Western Australia.

Ross Elliott wrote with great accuracy as a sports journalist, and many times I have been with him in the company of Geoff Christian. They both seemed to have photographic memories about the history of sport, and it was always a challenge to see who remembered events most accurately. In later years as a newspaper columnist for the community newspapers in the Mandurah area, he was an exciting writer who had the ability to twist a story and to invite discussion. I have never known him to lose a debate at the bar.

He moved to Mandurah 10 years ago and certainly made an impression on that community. He has been generous with his time. As the member for Mandurah said, he was highly interested in football and he worked on the steering committee that established Peel Thunder. When we consider again the history-making area in which he was involved, Peel Thunder was the first country side to join what was then the Western Australian Football League and is now Westar Rules. His knowledge of football on that occasion helped Peel Thunder to get the licence. We had a panel of eight people, of whom Haydn Bunton, Harold Harper, Ross Elliott and I as chairman knew football and could go to WAFL and present the case that got Peel Thunder the licence, and Ross Elliott was the person who had the professionalism on our committee.

Ross was highly respected in our area. He was one of the major journalists to cover the Dwellingup fire. He gave that footage to the Dwellingup museum, and it has been seen by many people. Ross will be sadly missed not only for his wry smile and general wit but also for his annual gathering of all the league footballers in the Peel area, who get together once a year at Dickie Walker's Boathouse Tavern, where we all have a good laugh.

Question passed, members standing.

SELECT COMMITTEE ON CRIME PREVENTION, GOVERNMENT RESPONSE

Statement by Premier

MR COURT (Nedlands - Premier) [2.16 pm]: I present the Government's response to the Select Committee on Crime Prevention. The work of the select committee is a significant contribution to the continued development of crime prevention policies in this State. The committee recommends a balanced approach to crime prevention including preventive interventions to head off criminal behaviour, as well as punitive measures to punish those who offend against society. This Government has been strongly committed to such a balanced approach to crime prevention since it came to office in 1993. We continue to demonstrate a strong commitment to early intervention and prevention initiatives aimed at helping those who, without guidance and support, might otherwise turn to crime. These efforts continue to be balanced with the Government's tough approach to people who break the law.

The Government's commitment to Safer WA further demonstrates this balanced approach. Safer WA is, at one level, about getting tough on offenders. However, on a broader scale, Safer WA is about everyone, in government and in the community, working together towards a safer WA. Instead of a bureaucratic approach to crime prevention, we have developed a community-driven approach. The committee focused particular attention on the coordination of crime

prevention activities through a recommended office of crime prevention. The Government has long been committed to the importance of high quality coordination of all actions aimed at preventing and reducing crime. Following the 1996 release of the state crime prevention strategy, the Government's commitment to better coordination has been demonstrated through the establishment in 1998 of Safer WA. Safer WA has increased and strengthened coordination and cooperation at all levels of crime prevention, with a strong emphasis on the important partnership between government and the community. The Safer WA structure includes -

> The high level cabinet standing committee on law and order, which provides for the coordination of law and order initiatives at ministerial level, jointly chaired by the Premier and Deputy Premier;
>
> The Safer WA Council, with representation from Safer WA committees, the Western Australian Municipal Association and all key government agencies; and
>
> Safer WA committees right across the state, responsible for the coordination of crime prevention activities at a local level - finding local solutions to local problems.

The coordination of the Government's Safer WA crime prevention activities is supported through a dedicated unit within the Ministry of the Premier and Cabinet. Many other government bodies are acting together to focus the activities of government and the community on preventing crime. At the local level, community members and government interagency committees have also created useful partnerships. With Safer WA the Government did not want to create a new bureaucratic structure. Rather, we have set up an effective mechanism to develop and implement local crime prevention solutions for local crime problems.

The latest crime statistics for Western Australia indicate this local approach is indeed encouraging. In 1999 overall reported offences fell by 5.5 per cent in our most concerning areas of crime, armed robbery fell by almost 34 per cent, car theft by almost 20 per cent and home burglary by 9 per cent. These figures indicate that government and the community are finding the right balance between prevention and punishment. We still have a long way to go in some areas and with some crimes, but Safer WA has given Western Australia the direction and leadership it needs for crime prevention in the twenty-first century.

The Government acknowledges the valuable work of the select committee and its contribution to this debate. The Government also acknowledges the important contribution of the community and local government in partnership with the police and government agencies in the fight against crime.

I table the Government's response.

[See paper No 807.]

NATIONAL YOUTH WEEK

Statement by Minister for Youth

MR BOARD (Murdoch - Minister for Youth) [2.20 pm]: This is the inaugural National Youth Week. I am pleased to see that the leading role Western Australia has taken on youth events has resulted in a national program of which we are once again an integral part.

One of the major events for young people in Western Australia is the Statewide Youth Survey, which appeared in the weekend editions of *The West Australian* and the *Sunday Times.* It has also been distributed to schools and is available on the Internet. This survey will assist with the development of the State's first comprehensive youth strategy.

The second annual Youth Awards Showcase will take place on Thursday when the WA Young Person of the Year will be chosen from 36 finalists in seven categories. These young people are exemplary role models for all Western Australians and they represent a large proportion of this State's youth population which takes its role in the community seriously. This morning the Premier opened the second annual Youth Jobs Day run by Morgan and Banks. More than 1 000 young people assembled to hear advice on interview techniques, career options and training opportunities. Tomorrow Leadership WA will conduct a forum on the importance of leadership to young people called "Leadership and Investing in You". The program is designed to provide participants with skills which will assist in the development of their potential.

All Western Australian secondary schools have been asked to participate in National Youth Week. Some of the activities include Fitzroy Crossing District High School's art exhibition and Boyup Brook District High School's library display.

Youth Advisory Councils across the State are hosting a variety of events to celebrate. The Gosnells YAC is holding an open day at Kenwick Youth Resources Centre, the Wanneroo YAC is having an awards night to recognise young people who have excelled in the community, the Waroona YAC is hosting a family quiz night, the Donnybrook YAC is holding a fun run and the Augusta Margaret River YAC is having a skateboarding competition. Thirty-two Youth Advisory Councils have each received youth grants of up to $1 500 to host events for their local communities during National Youth Week. These events are run by young people and designed for young people. They range from dance parties, to concerts, to festivals to the production of a magazine insert for local papers. YACs embody the spirit of National Youth Week in that they promote and encourage young people to play a prominent role in their community.

It is fantastic to see the enthusiasm with which young Western Australians have responded to the first National Youth Week. This is a chance for the entire State to focus on the contribution young people make to the well-being of our community.

[Questions without notice taken.]

BANKS, CLOSURE

Petition

Mr Kobelke presented the following petition bearing the signatures of 165 persons -

> To the Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.
>
> We, the undersigned believe that it is unacceptable for our banks to desert their responsibilities to provide basic across the counter services through an easily accessible network of suburban branches.
>
> Banks in neglecting their social obligation are making it much more difficult for elderly members of our community to remain independent and they are left more vulnerable to being the victims of attack when they must use automatic teller machines.
>
> We call on Governments at both State and Federal level to require our banks to provide secure and easily accessible banking facilities for all members of the community, particularly the elderly and those who have to rely on public transport.
>
> Now we ask that the Legislative Assembly urgently consider this matter and help the community get back their banks.

[See petition No 105.]

ZOOLOGICAL PARKS AUTHORITY BILL 2000

Appropriations

Message from the Governor received and read recommending appropriations for the purposes of the Bill.

MINISTER FOR FAIR TRADING, DEFENCE OF FINANCE BROKERS

Matter of Public Interest

THE SPEAKER (Mr Strickland): Today I received a letter from the Leader of the Opposition seeking to debate as a matter of public interest the following motion -

> That this House condemns the Minister for Fair Trading for defending the actions of finance brokers rather than causing his department to properly investigate complaints against them and -
>
> (a) calls for the Gunning Inquiry to fully investigate the role played by the Minister for Fair Trading; and
>
> (b) calls upon the Government to establish a comprehensive judicial inquiry into all the issues arising out of the finance brokers scandal.

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

[At least five members rose in their places.]

The SPEAKER: The matter shall proceed on the usual basis, now detailed in the trial standing orders.

DR GALLOP (Victoria Park - Leader of the Opposition) [3.04 pm]: I move the motion.

In doing that, I must report to the Parliament what is a tragedy for the people of Western Australia; that is, as we sit here in the Parliament today, what we call the finance brokers scandal in Western Australia is still working its way through the system and affecting the lives of many Western Australians, particularly the elderly and vulnerable citizens in our State. It is a tragedy to have to report that, because the Labor Opposition has been coming into this Parliament for two years and raising the failure of the Ministry for Fair Trading and the Finance Brokers Supervisory Board to deal with that crisis. The Opposition has been calling on the Government and the Minister for Fair Trading to take action to stop these scandalous developments from occurring. Let us make no mistake about it: Responsibility for this problem rests with the Government and the Minister for Fair Trading. Let me be absolutely clear about what the Opposition is saying about the failures of the Minister for Fair Trading in this issue: The Minister for Fair Trading let matters drift for nearly two years, at a time when the Labor Opposition and other lobby groups and individuals outside the Parliament were raising real concerns about the finance broking industry and the ability of the agencies under the minister's direction to deal with the problem. The results of the minister's inaction are there for everyone to see; the problems continued, they were not tackled and much grief and suffering has occurred within our community. The bottom line is that time was available for action to be taken two years ago; however, that action was not taken because of the complacency of the Minister for Fair Trading.

The judgement made by the minister at the time in this Parliament was that the issue was being adequately dealt with. I refer to the debates that occurred in this Parliament over a two-year period, initiated by the member for Armadale and in later times by the member for Fremantle. In debate after debate, question after question, concerns about the finance broking industry were being raised in this Parliament two years ago. On 12 November 1998, the minister - who is now trying to avoid responsibility in relation to this matter - said in relation to the Finance Brokers Supervisory Board, as reported on page 3402 of *Hansard* -

It is appropriate that I leave those people to do their job.

The minister also said, on the same page -

I do not concede that they are not doing their job . . .

That was the judgment of this minister when the member for Armadale was coming into this Parliament and pointing out how the Finance Brokers Supervisory Board was not doing its job. Why do we have a crisis today? Because the minister did not take action then. What about the Ministry of Fair Trading? In Parliament on 10 March 1999, the minister said that only 0.5 per cent of the complaints going to the ministry related to finance brokers. The minister also stated in his speech -

The advice from the ministry is that the one investigator was fully able to handle the complaints made.

That is the response of the Minister for Fair Trading to this Parliament in early 1999 on this major issue. He then went on to say, in the same speech, that he totally supported the behaviour and actions of his department. That is our first substantial criticism of the performance of this minister.

The second criticism is that when the pressure continued to mount as a result of the activities of individuals outside the Parliament and of the Labor Opposition inside this Parliament, the minister was finally forced to set up an inquiry under the Public Sector Management Act. He did that rather than set up a wide-ranging judicial inquiry with wide terms of reference. Two results followed from that action by the minister. First, it has now become clear that there are limits on the inquiry. We can see the people involved in the Gunning inquiry trying to expand artificially the terms of reference so that they can deal with some of the issues. I stress the word "artificially" because the whole point of the minister's setting up a public sector management inquiry was to restrict the terms of reference and to make sure that it did not inquire into the wide-ranging causes of this major crisis in our society.

The second result from his decision to set up this limited inquiry is very important; that is, there is no public confidence in the Gunning inquiry. For these sorts of inquiries to work, all of the people affected by this sort of crisis have to believe that they can go to the inquiry with confidence to make their points, and have them fully considered. That confidence does not exist, and it does not exist because of the minister's failure to set up a proper, wide-ranging judicial inquiry. I say to Mr Gunning in this Parliament today that he should demand that the Government widen the inquiry's terms of reference to include a thorough examination of the role and performance of the Minister for Fair Trading in this matter. If the Gunning inquiry cannot or will not investigate the role of the minister in this scandal, it should wind itself up. I would be very interested to hear the response of Mr Gunning to this request that I am making in the Parliament this afternoon. If he does not get a positive response from the Government of Western Australia to that request, he has no alternative but to wind up his inquiry because if the role played by the minister in this matter is not part of the terms of reference, the inquiry cannot fully investigate the problems that exist in the finance brokers industry, and why this crisis not only festered, but also intensified in its consequences for the elderly citizens of Western Australia.

Our third criticism of the minister is that the minister believes that his responsibility - as limited as his interpretation always was of this matter - has come to an end because he has set up the Gunning inquiry. He believes that all matters now dealing with the finance brokers crisis will go to the Gunning inquiry. The result is that this minister is once again asleep at the wheel, just as he was asleep at the wheel in 1998 and 1999 when this issue started to fester, and is not responding to problems that he should be addressing rather than handballing to the Gunning inquiry. The member for Fremantle will outline to this Parliament today how the finance brokers crisis is not something that happened in the past; it continues today. The malpractices continue today and the Minister for Fair Trading does nothing about them. The minister has failed in his responsibilities to make sure that the departments under his jurisdiction are doing their job. The minister has failed to make sure that when a problem emerges, it is properly investigated by a wide-ranging judicial inquiry. This minister is asleep at the wheel while elderly Western Australian citizens have been robbed and are continuing to be robbed daily. I urge all members to support this motion and send a clear message to Mr Gunning that he should demand the Government to make the performance of this minister one of his inquiry's terms of reference, and if that demand is not met, he should wind up the inquiry immediately and we can then get on with the job of establishing a wide-ranging judicial inquiry.

The SPEAKER: Before I give the member for Fremantle the call, I indicate to people in the gallery that we like people to come to the Parliament to watch and listen to the debates. However, our rules allow only for the members to make comments and there should not be interruptions from the gallery.

MR McGINTY (Fremantle) [3.14 pm]: Last week I raised in this place an example from last year of a written complaint by Mr Christopher Nicolaides to the Ministry for Fair Trading about the finance broker, Clifton Partners Finance Pty Ltd. That letter of complaint was passed on to Clifton Partners Finance and resulted in Mr Nicolaides, the complainant, receiving a threatening letter from Clifton Partners' lawyers. The lawyers threatened to sue Mr Nicolaides for defamation because he had the temerity to lodge a complaint. The complaint about the way he was treated was justified. The Minister for Fair Trading defended the actions of his department, the Ministry of Fair Trading, by saying the letter was passed on only after the Ministry of Fair Trading gained Mr Nicolaides' agreement. The minister, the Ministry of Fair Trading and the Finance Brokers Supervisory Board did not properly inquire into the matter or deal with it in a satisfactory way. It is a condemnation of the minister that he did not inquire into or condemn the actions of the Finance Brokers Supervisory Board, which breached its own legislation. The provisions of section 88 of the Finance Brokers Control Act are very clear; they do not allow a Ministry of Fair Trading officer to pass on confidential information or a letter of complaint, even if they have the consent of the complainant. Therefore, it is an offence under that Act for any officer in the Ministry of Fair Trading associated with the Finance Brokers Supervisory Board to pass on such information. The minister came into this place and

defended Clifton Partners, a practice of his own department which had no foundation in law and a breach of the Finance Brokers Control Act. Such actions amply sum up what this minister is about. If Mr Gunning is serious about his inquiry, he should immediately investigate that serious breach of the Finance Brokers Control Act, which the minister sought to gloss over and dismiss and which he did not investigate or deal with. A minister who does not enforce his own legislation is a bad minister indeed and as such, the Minister for Fair Trading is a bad minister.

Two issues arise out of the failure of the Ministry of Fair Trading - with the full backing of this minister - to properly investigate the complaint against Clifton Partners: The first is, obviously, that passing on the letter breached the Act and should attract appropriate sanctions. The second is that the failure to investigate this deal and properly resolve the issue has long-term repercussions. If the Finance Brokers Supervisory Board had dealt properly with the complaint made last year by Mr Nicolaides against Clifton Partners, the company most probably would not still be registered with the Australian Securities and Investments Commission and able to continue business under the federal legislation. Clifton Partners was able to get federal registration because the Finance Brokers Supervisory Board gave it a clean bill of health, which is a result of the negligence of this minister and the board to properly deal with a complaint that was justifiably and properly made against the company last year. The complaint was that Clifton Partners guaranteed to its investors that they would be given the security of a registered first mortgage. Mr Nicolaides was not given that security. That complaint was passed on to Clifton Partners, resulting in the letter threatening defamation action against Mr Nicolaides. It was negligence of the highest order. If the Finance Brokers Supervisory Board had done its job properly, it would have made an adverse finding against Clifton Partners, the company would not have been registered with the Australian Securities and Investments Commission and would have been unable to put out a prospectus seeking $6m for a Mandurah property. That prospectus is a disaster waiting to happen. It breaches numerous provisions of the Corporations Law and may well leave investors in the same position as the hundreds of the Global Finance investors. They were left with little or no security when the company collapsed, leaving a string of half-completed buildings around the metropolitan area.

I shall raise one other matter before dealing with the Meadow Springs prospectus. Some members may have had the impression that the South Perth property at 17 Hardy Street, about which I spoke in this place last week, was an isolated occurrence of a default involving loans organised by Clifton Partners. I assure members that that is not the case. Clifton Partners arranged a loan of $3.9m for the construction of commercial units in Goddard Street, Rockingham. The borrower for that loan organised through Clifton Partners is Rylestone Pty Ltd. This loan went into default last September, and it has all the characteristics of the loan on the Hardy Street, South Perth property which I detailed in this place last week. It is the same finance broker; the loan has been in default for the past six months; the units are empty; and there was a significant over valuation of the property at $5.62m when it is not worth anything like that amount. Numerous investors stand to lose money, and there was also misuse of trust fund moneys by the finance brokers. Investors were not registered on the title as first mortgagees until after the loan went into default, notwithstanding the fact that the finance broker had promised that their security would be first mortgage over the property. All the characteristics of the loan on the Rockingham property are the same as those on the South Perth property. The same issues of illegality and improper behaviour need to be investigated. These are the same sorts of issues that Mr Chris Nicolaides raised in the complaint he lodged with the Finance Brokers Supervisory Board last year, only to have it effectively dismissed and a copy of his letter of complaint forwarded to Clifton Partners so that it could sue him for defamation. It is an absolute disgrace, but it is not an isolated case. I referred to the Goddard Street, Rockingham property to illustrate to the House that Clifton Partners has not had just one loan default with consequential losses; this is another with the same features attached to it.

I now refer to the Meadow Springs fairway resort development at Mandurah. During 1999 the developers of this proposal to build 54 accommodation units adjacent to the tenth fairway at the Meadow Springs golf course, to the north of Mandurah, sought to raise $4.85m in equity capital. The finished product, the 54 units on the land at Meadow Springs, has been valued at $14.9m. The project is under way, and this year Clifton Partners, through its 200-odd page prospectus, has sought to raise debt financing of $6.35m to continue this project. In addition to the $6.35m that Clifton Partners is seeking to raise, the developers also need $5.85m of full equity and second mortgage capital for this scheme. Again, second mortgages are creeping in, and everybody in this place is painfully aware of what happened to the second mortgagees when the loan on the Wattle Grove motel went into default and the property was auctioned earlier this year. The attempt by Clifton Partners to raise $6.35m is under way and it is about one-third subscribed.

The issue I raise is not the usual mortgage broker issue, which, as the Leader of the Opposition said, has been raised on many occasions over the past two years, of illegality, improper behaviour, misrepresentation, fraud and those sorts of issues, resulting in a significant number of mainly self-funded retirees losing their life savings. This is at the beginning of the process and it is happening in Perth today. I am not speaking after the event and telling members that things have gone badly wrong. This is a warning shot about the prospectus from Clifton Partners. That company is currently in charge of loans it brokered in South Perth, Rockingham and perhaps other places which are significantly in default. It is happening today, and it is the beginning of a process which could have disastrous consequences for the investors. I will explain to the House why that is the case, and why people had hoped that when the Australian Securities and Investment Commission became involved in registering finance brokers to operate in this State, we would have an effective regulatory authority, knowing full well that the Minister for Fair Trading, the Finance Brokers Supervisory Board and the Ministry of Fair Trading have been an unmitigated disaster in protecting investors. However, the bad news that I report to the House today is that ASIC is seemingly no better at controlling the untoward activities of finance brokers in this State than has been this minister.

I do not want to tell the House a story about default and investor losses. While the Gunning inquiry is inquiring into the Finance Brokers Supervisory Board and the Ministry of Fair Trading, and while it appears, as the Leader of the Opposition

said, that the Minister for Fair Trading is asleep at the wheel, the band is still playing and finance brokers are still up to their old tricks, albeit under a new guise. I wish to raise two critical objections to the prospectus for the $14.9m development at Meadow Springs, Mandurah. The problem when Global Finance went bust was that it had not provided sufficient capital to enable particular development projects to be completed. Therefore, when it went to the wall, it left behind all of the projects that had been part-funded. As members know, a person whose project collapses on him will lose his security in that project, because half a house is not worth half the total value of the money that has been spent on it.

My first objection is that the prospectus envisages that the loan which will be brokered by Clifton Partners for this project will not be fully funded. Part 1 of the prospectus, which is registered with and must be approved by ASIC, states under the heading "Minimum subscription" -

> The minimum subscription (ie the principal amount required by the particular borrower) which must be raised by an issue will be set out in the second part of this prospectus. The loan will not, and cannot, be made unless the minimum subscription is achieved.

To put it in simple terms, Clifton Partners is trying to raise a loan of $6.35m, and one would think from reading part 1 of the prospectus that if it does not raise that $6.35m, the loan will not proceed. However, it is interesting that part 2 of the prospectus, which does not need to be registered with ASIC and which I presume has been released without ASIC's knowledge and approval, states under the heading "Special Conditions/Notes" -

> It should be noted by all applicants that this is a construction facility and as such principal will be drawn to the facility progressively.

That is fine; I have no argument with that. The crucial part states -

> Clifton Partners Finance will use its best endeavours to draw mortgagee capital to the loan as and when required. However, Clifton Partners cannot warrant or guarantee that the loan will be fully funded.

To put it in layman's terms, Clifton Partners will try to raise $6.35m to complete this project. However, it will not guarantee that it will raise that amount. In other words, it is defying what is stated in part 1 of the prospectus, where it is required to have a minimum subscription. That is a breach of the Corporations Law in this country, because it is not doing what part 1 of the prospectus says it should. More diabolically, a provision which says "Whatever money we raise we will lend to the developer to spend" means that if this project goes belly up, all of these investors will be out of pocket because the developers will not have enough money to complete the project. Had this prospectus prescribed a minimum subscription of $6.35m, I would not be raising this objection. However, it does the opposite and that is a breach of Corporations Law which exposes every investor to very significant losses if this project does not proceed to completion. That is the first objection I wanted to raise to this prospectus. It brings to everyone's mind the imagery of Global Finance which left a string of half-completed projects and massive losses in its wake. This prospectus, which has only been issued in Western Australia in the past month or so, is a continuation of the Global Finance scandal. That is why I say the old tricks are still being perpetrated by finance brokers in this State albeit under a new guise. It is a breach of Corporations Law to not include the minimum subscription as required by part 1 of the prospectus. It is also misleading conduct by omission because the company failed to inform investors that the money would be advanced progressively without a full subscription to the loan. That is a serious breach which could have catastrophic consequences for the investors. I thought it was important to draw that point to the attention of the House.

I want to deal now with another provision in this prospectus; that is, the terms of a disclaimer which appears in part 2 of the prospectus. First, it there were to be a disclaimer - there should not be - it should be in part 1 of the prospectus. It is a breach of Corporations Law to include a generic provision such as this disclaimer in part 2 of the prospectus as that part is not registered with the Australian Securities and Investments Commission. Under the heading of "Information Disclosure", the prospectus states -

> Clifton Partners does not guarantee or warrant the accuracy of any information relating to the financial position of the Borrower/Mortgagor provided in addition to the Prospectus Part 1 & 2.

The prospectus contains many hundreds of pages and parts 1 and 2 are about one-third of the document. The rest of the document is a range of financial considerations which Clifton Partners is not prepared to warrant is accurate. We have a disclaimer which says that Clifton Partners does not guarantee or warrant the accuracy of information attached to the prospectus. What sort of a sham is that? However, it gets worse. Under the heading of "Disclaimer", the prospectus states -

> Neither Australian Managed Funds Ltd, Clifton Partners Finance Pty Ltd, their Directors and Officers, will be liable for any loss incurred by you arising from your participation in this mortgage loan.

That is a direct response to the matters we raised in this Parliament last year when we drew attention to the misleading and deceptive nature of many of the finance brokered loans in this State in which investors were not told what property was purchased for or its true value. All of those misrepresentations were involved. Here is an attempt - I think it would be successful - to oust any claim in contract or tort for losses suffered by investors. However, this disclaimer cannot oust the breaches of the Corporations Law and this is a further breach of that law. It is misleading because it purports to oust any claim whatsoever against Clifton Partners Finance but it does not do so as there would still be a claim based on the breach of Corporations Law. It is an abomination of a disclaimer. It is factually incorrect and therefore misleading and constitutes a breach of the Corporations Law.

I have raised these matters today because they cannot be considered by Mr Gunning and his inquiry as they do not relate to any board in the Ministry of Fair Trading. They are a continuation of the shonky practices which we have become used to in this industry. ASIC has failed to provide the level of security and protection which we had hoped for because of prospectuses of this nature. There are other breaches of Corporations Law in this document. I call on ASIC to immediately deregister Clifton Partners Finance because of the track record I have relayed to the House today and the contents of this prospectus. ASIC should also look closely at the licence Phillips Fox holds to operate in the finance broking industry in this State. For $15 000 a year, Phillips Fox is selling its licence to Clifton Partners. It is a disgrace and I urge members of the House to support the motion.

MR SHAVE (Alfred Cove - Minister for Fair Trading) [3.35 pm]: In his emotive address, the Leader of the Opposition referred to members of the Labor Party coming into this Parliament for two years and talking about problems occurring in the finance broking industry. That is not the truth and the Leader of the Opposition knows it. The member for Armadale initially raised these concerns in a speech on either 12 October or 12 November 1998.

Ms MacTiernan interjected.

Mr SHAVE: Let me finish; I sat quietly while members of the Opposition had their say and I will now have my say.

Ms MacTiernan: I'm just trying to help you.

Mr SHAVE: I do not want the help of the member for Armadale.

What actually happened was the member for Armadale responded to a number of complaints made to her and me about Global Finance. At that time the Ministry of Fair Trading was looking into the affairs of Global Finance and subsequently a voluntary administrator was put in place prior to a liquidator being appointed. Nobody should be misled that we have a rocket scientist in the member for Armadale who knew all of these things were happening. The Government was doing something and the Ministry of Fair Trading was doing something. It is a very serious issue. Many people are experiencing much financial hardship and the Government is concerned about that. That is why the Government has spent more than $1.5m to date trying to untangle the trust accounts in Grubb Finance and Global Finance and is looking at spending another $1m to further untangle these trust accounts. There is a real concern for those elderly people. Not only Labor members know people who have been affected by this matter; all members on this side of the House also know people who have been affected.

The Leader of the Opposition said that I totally support my department. I do support my department and on every occasion that issues have been raised, I have sought explanations from the department. In all circumstances, the advice which I have received is that the department has tried to resolve the issues involved. When people such as mortgage brokers, auditors, valuers and borrowers defraud people - with some of them acting in collusion with the others - it is very easy for members opposite to say that because a departmental officer gave someone a licence, the department is responsible for the activities of those people.

This motion is no different from the matter of public interest which the Opposition raised last week. The issues raised by the Opposition last week were repetitive and are exactly the same as the issues it has raised today. The Leader of the Opposition said that I have said that things will come to an end because the Gunning inquiry has been appointed! That is not true. Fraud is a very complex issue. In many of these cases, litigation will follow. The Labor Party would have the people in the gallery think that it is doing them a favour in asking for a judicial inquiry. Members opposite would have these people believe that if a judicial inquiry or royal commission were established, they would get all their money back.

Ms MacTiernan: No, these people want justice.

Mr SHAVE: There are two issues here: First, to get the maximum amount of money back for those people; and, second, to bring the perpetrators to justice. It would have been very easy for me four months ago to say that we will have a royal commission. All the people in the gallery and the others we are supposed to represent would have said that when they rang Herbert or Conlan and told them they had a problem and needed to discharge a mortgage or something along those lines, Conlan threw his hands in the air and said that he had just been subpoenaed to provide all the documents to a royal commission.

Several members interjected.

Mr SHAVE: Members opposite should feel ashamed that they purport to represent these people when they do not. I am not protecting myself; I have nothing to hide. I said during the matter of public interest debate last week Judge Gunning wanted to call me before his inquiry, put me under oath and require me to give evidence, I would do so.

Ms MacTiernan: He cannot make any finding against you.

Mr SHAVE: Yes, he can. Judge Gunning can refer to any issue that is relevant before the board. The Queen's Counsel assisting Judge Gunning made that very clear yesterday when he addressed the people. The Press is just starting to get a feel for the fact that Judge Gunning and his committee will have extensive powers and will be able to act. However, members opposite want to sacrifice the people in the gallery for political reasons. That is exactly what is going on here. I will give the House -

Ms MacTiernan: If you had your way there would be thousands more.

Mr SHAVE: I will quote some comments on royal commissions made by an eminent lawyer in this town.

Dr Gallop: All of sudden they are against them.

Mr SHAVE: The eminent lawyer is John Quigley. I have two papers entitled "Royal commission in retrospect - a different perspective" and "Quigley questions the process", published by the Law Society, in which Mr Quigley was asked a number of questions -

> Brief then spoke to John Quigley, perhaps the most experienced Counsel in this State in terms of appearances before Royal Commissions. In a typically forthright interview with Fiona Crago, John Quigley speaks of the strengths and weaknesses of the system of inquiry by Royal Commission and comments on some of the shortcomings of the system which he perceives were exposed by the W.A. Inc Royal Commission:-
>
> Brief: What is your view of Royal Commissions in terms of their value?

Mr Quigley answered -

> Having been involved in a number of them, if I was in Government I would be loath to call a Royal Commission. I think that Royal Commissions are political beasts. They are called for political purposes, to solve political problems and the way they conduct themselves is dictated by the political climate.

Ms MacTiernan: Do you agree with that?

Mr SHAVE: The member for Armadale has a right to a view, as do I.

Dr Gallop: What is your view?

Mr SHAVE: I am expressing the view of someone far more qualified in these matters than I.

Dr Gallop: You would do anything to save your own backside.

Mr SHAVE: Mr Quigley was then asked -

> Do you think the WA Inc. Royal Commission was a waste of money?

He replied -

> All Royal Commissions are inevitably.

Dr Gallop: What about the Easton royal commission? Was that a waste of money?

Mr SHAVE: It gets better.

Several members interjected.

Mr SHAVE: The member for Armadale is trying to shout me down as she always does because she cannot sit there and listen to the truth. The next question was -

Several members interjected.

Mr SHAVE: Here she goes! Yap, yap, yap! I will continue. The next question asked of Mr Quigley was -

> Is it better to go through the normal process of laying charges and prosecuting people, rather than the enormously expensive Royal Commission exercise?

Dr Gallop: This is a bit rich!

Mr SHAVE: I am only quoting their man.

Dr Gallop: This is unbelievable.

Mr SHAVE: Mr Quigley's answer was -

> Not only is it better, it is fairer.

Another question directed to this eminent solicitor was -

> Do you think there are going to be more prosecutions, because we have had this Royal Commission?

That is the question the people in the gallery have been asking. Mr Quigley answered -

> I am not convinced that any prosecutions will come out of the Royal Commission which could be solely attributable to the Royal Commission. In other words, there is nothing there, I don't believe, that regular law enforcement officers could not have investigated themselves and instituted prosecutions.

Dr Gallop: Who will investigate you?

Mr SHAVE: I am very pleased to table these documents.

[See papers Nos 809 and 810.]

Dr Gallop: What is the date on it?

Mr SHAVE: The Labor Party has suggested that I have been intent on protecting finance brokers. That is a lie. The history -

Mr McGinty: You were quick to defend MFA Finance Pty Ltd and Clifton Partners Finance Pty Ltd.

Mr SHAVE: I hope some investors in MFA and Clifton Partners are in the gallery. What the member for Fremantle said is yet another untruth. On 16 November last year, the member for Fremantle raised the issue -

Dr Gallop: And you brought the letter into Parliament. You are the defence counsel.

Mr SHAVE: I did not come into this Parliament and defend MFA Finance.

Dr Gallop: Yes, you did.

Mr McGinty: You were the mouthpiece.

Mr SHAVE: No. Because of the serious nature of the allegations, I wrote to the Police Commissioner on 18 November last year enclosing all the details raised by the member for Fremantle. I said it was a very serious issue, and I asked him to fully investigate the matter. That is a total denial of the allegation made by the member for Fremantle. In that speech I also spoke about the responsibility of the member for Fremantle to advise the police. On 23 November, I received a letter from Mr Barry Matthews dated 22 November stating that he had that day received a letter from the shadow Attorney General, Mr Jim McGinty, together with the relevant portions of *Hansard* relating to the matter. He noted that I was seeking a full investigation based on the comments made in the lower House.

Mr McGinty: Are you claiming that your initiative brought about this massive fraud squad investigation? You challenged me to do it, I did it, and that is why there is now a fraud squad inquiry. There are 37 police officers investigating your corrupt mates.

Mr SHAVE: The member for Fremantle can talk about people being my corrupt mates, and I note with some interest that he talks about Clifton Partners Finance Pty Ltd. I have met Clifton probably once or twice. I do not have a clear understanding of all of his activities, but if Clifton Partners has done anything illegal, I am more than happy to refer those issues to the relevant authorities.

Ms MacTiernan: What about your department? What is it doing?

Mr SHAVE: The member for Fremantle says that I am trying to cover up for these people and that all the people involved in these finance broking rows are my mates. I have written to the Minister for Police. I can provide documents -

Ms MacTiernan: What is the board doing?

Mr McGinty: The member for Mandurah has beaten you to it today. He has just taken my information and given it to the Australian Securities and Investments Commission.

Mr SHAVE: It is fine for the member for Mandurah to do that, because I would have done it, just as I have every time an issue has been raised or an incident has occurred, and it is brought to my attention. That is why I do not have a problem talking to Judge Gunning.

Dr Gallop: You have a flick-pass approach.

Mr SHAVE: The member for Fremantle talks about my mates and those of the Liberal Party. Has the member for Fremantle ever done any investigation into the Countrywide Private Mortgage Trust?

Mr McGinty: A complaint has never been raised with me about that trust. It contacted me when this issue was hot last year. It wanted to give me a briefing about its operations. I went to its office in St Georges Terrace and its officers explained to me what had happened. No investor has ever come to me with a complaint about Countrywide. Maybe there are issues out there, and if there are, I will fearlessly raise them in this place as I have done with every other issue which has been brought to my attention.

Mr SHAVE: When the member went to Countrywide for his briefing, did he speak to a Mr Peter Dowding about that company?

Mr McGinty: No.

Mr SHAVE: Mr Peter Dowding is a current -

Mr McGinty: You can do better than that.

Mr SHAVE: I think I am doing pretty well. Mr Peter Dowding is a current compliance committee member of the Countrywide Private Mortgage Trust. As the member for Fremantle is taking such an active interest in these matters, I suggest that he ask Mr Peter Dowding whether any Countrywide Private Mortgage Trust loans have been in default at any time. Having said that, is the member for Fremantle aware that Peter Dowding has associations with that company?

Mr McGinty: Yes.

Mr SHAVE: The member is aware of that?

Mr McGinty: He will get no favours from me. He will cop the same as Clifton Partners if that trust steps out of line. Don't you worry about that.

Mr SHAVE: Is he a gangster?

Mr McGinty: I have not heard any complaints about him yet, so I do not think so, but others are.

Mr SHAVE: As diligent as the member for Fremantle is, perhaps he should ask Mr Dowding - he is the current compliance committee member - whether any Countrywide loans are in default and whether there are problems with any of those loans.

Mr McGinty: Are there?

Mr SHAVE: I do not know. The member should tell me.

Mr McGinty: What a joke! Is this the best defence you can put up?

Mr SHAVE: The member for Fremantle will get the opportunity to ask him, I am sure. As diligent as the member is, I am sure he will give Mr Dowding a ring.

Ms MacTiernan: Can you tell us who they are investigating?

Mr SHAVE: The allegation I have made is that a lot of the people who are now turning to mortgage brokers for finance are the same people who cheated Teachers Credit Society and Rothwells by virtue of the fact that they are lining up these mortgage brokers.

Mr McGinty: You are the minister. What are you doing about it?

Mr SHAVE: I will tell the member in a moment. While the member for Fremantle is talking to Mr Dowding, he should ask him whether some or any of the borrowers who have been soliciting money from Countrywide got into difficulty with Rothwells.

Dr Gallop: The deputy Liberal leader wants a royal commission, and we now know why he does: Because one of his colleagues should be put under the pump, and that is you.

Mr SHAVE: The Leader of the Opposition is making that allegation against the deputy Liberal leader.

Dr Gallop: Is it true?

Mr SHAVE: He has never come to me and indicated in any way that he thinks there should be a royal commission.

Dr Gallop: He does think there should be a royal commission.

Mr SHAVE: The Leader of the Opposition is saying that the deputy leader of the Liberal Party said that. If the Leader of the Opposition believes that the deputy leader said that, he should ask him that in question time. The Leader of the Opposition is taking the coward's way out and directing the questions to the Premier. He should direct his questions to the minister concerned, and that minister will give the Leader of the Opposition the appropriate answer. In answer to the outspoken comments made by the Leader of the Opposition, the deputy leader has never raised the issue with me. He has never suggested or implied that there should be a royal commission. As far as I know, he does not share that view.

Dr Gallop: Perhaps he regards you as a lost cause.

Mr SHAVE: The Leader of the Opposition can make those comments, but -

Ms MacTiernan: Which finance brokers are being investigated by the Finance Brokers Supervisory Board? Can you tell us that?

Mr McGinty: He wouldn't know.

The DEPUTY SPEAKER: Order!

Mr SHAVE: In answer to the question by the member for Armadale - she has tried very hard to get me to give her an answer - I expect that the Finance Brokers Supervisory Board is investigating all or any of those companies against whom allegations have been made.

Ms MacTiernan: Don't you know that?

Mr McGinty: He does not know.

Mr SHAVE: The member for Fremantle is quite right, and does he know why I do not know? Because the operations of that board are done under a certain Act. The member has quoted section 88, which means that I do not tell the members of the board how to do their job.

Ms MacTiernan: You should ask them whether they are doing their job and if they are not, you should sack them!

Mr SHAVE: The member for Fremantle wants it both ways. On the one hand, he criticises me for naming borrowers who have a track record of wreckage when it comes to loans and who have left some people in very unfortunate circumstances.

He accuses me of criminal acts when I name one of those people publicly and goes to the police and wants to have me prosecuted. However, on the other hand, he sits here in his hypocrisy and asks me to name this person and that person. The Opposition cannot have it both ways.

The reality of the matter is that this Government is committed to doing two things. There is no halfway house; it would have been easier for me to call a royal commission four months ago. The Government will take whatever action it can to lock up people who have been dishonest, to recover money wherever possible, and to assist the affected people. I will not be goaded by pressure from the Labor Party, or anyone else, to turn this into a political circus at the expense of these people. I know that what I am doing is right, and I will continue to do what is right.

Question put and a division taken with the following result -

Ayes (19)

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

Noes (27)

Mr Ainsworth			
Mr Barnett	Mr Day	Mr Marshall	Mrs Parker
Mr Barron-Sullivan	Mrs Edwardes	Mr McNee	Mr Shave
Mr Bloffwitch	Mrs Hodson-Thomas	Mr Minson	Dr Turnbull
Mr Board	Mrs Holmes	Mr Nicholls	Mrs van de Klashorst
Mr Bradshaw	Mr House	Mr Omodei	Mr Wiese
Mr Court	Mr Johnson	Mr Osborne	Mr Tubby *(Teller)*
Mr Cowan	Mr Kierath		

Pair

Mr Thomas	Dr Hames

Question thus negatived.

STAMP AMENDMENT BILL 1999

Second Reading

MR KIERATH (Riverton - Minister assisting the Treasurer) [4.04 pm]: I move -

That the Bill be now read a second time.

This Bill has two purposes. Firstly, it seeks to amend the Stamp Act to ensure duty is paid on chattels that are transferred in conjunction with the grant of a long term lease. Secondly, it seeks to provide an exemption from stamp duty in circumstances where property that is vested in a bankruptcy trustee on the bankruptcy of a person is conveyed from the bankruptcy trustee back to that person.

In respect of the chattels amendments, members may recall that as part of the 1998-99 budget, the Government removed the stamp duty exemption in respect of most chattels that are transferred in conjunction with land. Land was defined to include leases which had an assigned or determined value, to ensure that no disparity existed between chattels transferred with land in fee simple and where pseudo ownership was obtained by acquiring the lease.

However, it has recently come to light that an anomaly in the legislation prevents duty from being charged on chattels that are transferred in conjunction with the grant of a long-term lease. Such grants usually occur where the property cannot be transferred in fee simple, such as when the Commonwealth effectively sold Perth Airport to commercial interests by granting a long-term lease over the land in return for the payment of a substantial premium. This creates an inequitable situation in which duty is not charged on chattels that are transferred with the grant of a long-term lease, whereas duty is charged on chattels that are transferred in conjunction with the transfer or assignment of a long-term lease. Furthermore, it also provides an opportunity for persons to structure their affairs so as to minimise their stamp duty exposure when they transfer chattels in conjunction with an interest in land. The proposed amendment should alleviate these concerns. It should be noted that the proposed amendment relates only to the grant of long-term leases which include a premium component.

Chattels that are transferred in conjunction with any other lease, including the majority of commercial leases, will not generally be charged with duty. There are currently no identified transactions where the inability to charge duty on chattels sold in conjunction with the granting of a long-term lease would impact on the revenue. However, failure to redress the deficiency in the Act could result in the loss of future revenue through tax minimisation arrangements.

I will now deal with the bankruptcy measure. Upon bankruptcy, the property of the bankrupt vests in the bankruptcy trustee in accordance with the provisions of the Bankruptcy Act 1966. Generally, no stamp duty liability arises upon the vesting of the property as there is no "instrument" constituting a "conveyance", nor is there a "transaction" which may be subject to duty. However, once property vests in the trustee it does not revest in the bankrupt following the bankrupt's discharge

from bankruptcy. The trustee is still bound to collect and realise the property in those circumstances and to distribute the proceeds among the creditors, notwithstanding the discharge. In many cases the equity in the property is established and offered back to the bankrupt in order to deal with the asset in the most cost-effective way. However, a conveyance of the trustee's interest back to the bankrupt is a conveyance on sale and is subject to ad valorem stamp duty on the unencumbered value of the property. In the circumstances of a bankruptcy in which a person has minimal funds, the imposition of stamp duty may prevent the person from re-acquiring the equity held by the trustee, particularly as the duty is calculated on the unencumbered value of the property. It should be noted that the exemption will apply only where the property is conveyed back to the bankrupt person, and a conveyance to any other person, such as the person's spouse, will continue to attract full ad valorem stamp duty. As the circumstances in which the exemption will apply are highly specific, the cost of providing the exemption is expected to be minimal. I commend the Bill to the House.

Debate adjourned, on motion by Mr Cunningham.

CONSERVATION AND LAND MANAGEMENT AMENDMENT BILL 1999

Reconsideration in Detail

On motion by Mrs Edwardes (Minister for the Environment), resolved -

That clause 10, as amended, be reconsidered.

Clause 10: Part III Divisions 1, 2 and 3 replaced by Division 1 -

Mrs EDWARDES: This follows on from debate in the House last week on this Bill in which the member for Maylands proposed two amendments that the Government indicated it would accept. The amendments concerned the principles of ecologically sustainable forest management, and were linked to another section of the Bill whereby when advising the minister on sustainable forest management, the Conservation Commission needed to do so on ecologically sustainable management principles. I indicated that we would agree to the amendments. However, parliamentary counsel advises that the amendments should be made only to clause 10 rather than clauses 4 and 10. I move -

Page 9, lines 20 and 21 - To delete "ecologically sustainable" and substitute "principles of ecologically sustainable forest management to be applied in the".

Page 10, after line 5 - To insert the following -

(2) In subsection (1)(h)

"**principles of ecologically sustainable forest management**"

means the principles that -

(a) the decision-making process should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations;

(b) if there are threats of serious or irreversible environmental damage, the lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation;

(c) the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations;

(d) the conservation of biological diversity and ecological integrity should be a fundamental consideration in decision-making; and

(e) improved valuation, pricing and incentive mechanisms should be promoted.

We support the amendments which were first moved by the member for Maylands, but with one alteration: In proposed subsection (2)(c) the words that previously referred to the principle of intergenerational equity have been removed for the purposes of the better drafting of the principles. It does not derogate from the intent of the amendment of the member for Maylands. I indicated that we would not accept the amendment to remove the reference to "sustained yield basis" from proposed section 19(1)(h)(i). However, I said last week that I would look at that in the light of the insertion of the principles of ESFM. The reason for that is that we need now to put into practice the definition of sustained yield, which is contained in the Regional Forest Agreement. Sustained yield means the yield that a forest can produce continuously at a given intensity of management. Sustained yield management implies continuous production planned so as to achieve, at the earliest practical time, a balance between increment and cutting with a suite of sustainable use objectives. It is important that proposed new section 19(1)(h)(i) remain as it is because the public, which includes the conservation movement and industry, is most interested to know that ESFM principles have been applied and we have incorporated into the Bill how much forest can be harvested to provide a sustained yield of forest products. It is not appropriate therefore to change that definition, but more appropriate to use the term sustained yield, which would apply the definition of sustained yield contained in the Regional Forest Agreement.

I again thank members opposite for their participation in the debate. I acknowledge again that these amendments were put forward by the member for Maylands, and I thank her for that contribution.

Dr EDWARDS: We are pleased to support these amendments because we introduced what were effectively the same amendments last week. We are also quite happy with the changes that the minister has made to proposed subsection (2)(c). As she said, the intent is still there and the wording is improved, given the change to the heading.

The principles of ecologically sustainable forest management are extremely important in this Bill. The Bill sets out the role of the Conservation Commission and it heralds a change in the future management of both the conservation estate and the forest estate. It is very important that this principle of ESFM be incorporated in the Bill. The principle is talked about a lot but to have it formally in the Bill as a definition is an advance. We thank the minister for considering the matter, redrafting the Bill and incorporating the principle into the body of the Bill.

Amendments put and passed.

Clause, as further amended, put and passed.

FOREST PRODUCTS BILL 1999

Consideration in Detail

Resumed from 30 March.

Debate was adjourned after clause 8 had been agreed to.

Clause 9 put and passed.

Clause 10: Functions of Commission -

Dr EDWARDS: The functions of the Forest Products Commission are very wide. If I may clarify this because we dealt with the previous clauses last week: Have we made any alteration to who are the commissioners?

Mr Omodei: Clause 6 refers to seven commissioners who must have expertise in such commercial activities as are relevant to the function of the commission. They were not to be sectorial, which would give us flexibility when appointing commissioners.

Dr EDWARDS: When debating the Conservation and Land Management Amendment Bill we were reassured that anyone who had a contract with the Forest Products Commission would not be considered for appointment to it. However, we have not had the same sort of formal assurance with this Bill. Our ongoing concern is with the functions of the commission.

Mr Omodei: Clause 6(3) states -

> A person is ineligible to be appointed or hold office as a commissioner if the person is -
>
> (a) the General Manager or a staff member;
>
> (b) a member of the Conservation Commission or a member of its staff;
>
> (c) the Executive Director or an employee of the Department.

The clause was amended to add paragraph (d) which also excludes current contract holders and anybody with a material connection to the contractor.

Dr EDWARDS: I knew that had been amended for the other Bill, but I could not remember whether the same had been done for this Bill. That removes some of the Opposition's concern about a potential conflict of interest, which it is pleased about. However, can the minister assure the Opposition that the commissioners will have enough expertise to carry out the activities? The commission's role will be to advise the minister on matters relating to the production and yield of forest products. Presumably, that will involve not only the native timber industry but also plantation forests. The commission will also advise the minister on the commercial value and prices of forest products. That is a huge brief for a State like Western Australia. The commission will need to consider factors for timber such as blue gum, jarrah and karri, through to sandalwood. Many factors will need to be taken into account. Over time, there will hopefully be other species with commercial value on which the commission will need to advise the minister. The commission's other function will be to sell forest products through contracts. Will the current contracts with the executive director of the Department of Conservation and Land Management be automatically transferred to the Forest Products Commission? I will say more about that later.

Mr OMODEI: I understand that the sale of forest products through contracts is dealt with under the transitional provisions of the Conservation and Land Management Amendment Bill. What were the member's other questions?

Dr Edwards: What will be the expertise of people appointed to the Forest Products Commission? The range of things the commissioners will be required to advise the minister on extends from strategic thinking for the future to day-to-day forest management.

Mr OMODEI: The commission has the ability to appoint committees and employ consultants to provide advice. The Minister for Forest Products has the ability to set up an advisory committee with expertise in a certain area. I think the legislation contains the flexibility needed to draw on other advice. The commissioners themselves must be people who have commercial expertise and acumen and knowledge about the areas in which the commission functions. I do not think that will be a major issue. Most people with any commercial knowledge will pick up those activities fairly quickly. Within a

short period we will find those people who have some knowledge of the industry but are not directly connected to it. We are considering some of those people now.

Mr RIEBELING: The minister may be able to convince me how members with expertise will be found. The minister said he would be able to go beyond the commission to get expertise in certain fields. However, what is the scope to which the exclusions restrict people from the commercial area? I appreciate that it is difficult to find people with qualifications who do not have a vested interest. The minister is committed to recruiting people without current contracts and who are not actively involved in the industry. However, does that mean that people on the fringes of the industry or who are retired from the industry will be the ones appointed to the commission?

Will a union representative be on the commission? That could go a long way towards assisting and getting input from the grassroots part of the industry. It could be a way of broadening the depth of knowledge the commission has and of making sure the functions of the commission are above reproach. The minister may have noticed that contracts and items affecting the taking of trees in Western Australia are closely scrutinised. When things are not done openly, people become suspicious very quickly. Will the minister consider tabling contracts to extract timber from our forests to make sure they are transparent in their scope, and that they are easier to read so that it is not only the person involved, conservationists and scientists who can understand them? One of the problems with conservation issues in years gone by is that one can talk to two experts in the forest debate, both with the same qualifications, and they will tell two different stories about the same plot of trees. It gets to the point at which it is difficult for the experts in the field to know where the truth lies, let alone the amateurs or the mums and dads who want to take their kids to look at the trees in the south west. Yet, it is those people who drive public opinion on these matters. If the Government is setting up a new process which is designed to function so that the people of Western Australia have confidence in it, the transparency and accountability of the contracts the minister is administering must have that integrity. I urge the minister to explain how that will be achieved through the commission's functions.

Mr OMODEI: I was originally concerned that the legislation constrained the guidelines for the eligibility of commissioners. However, I had another look at the Bill. We have since amended it so that it will also exclude people with direct contracts or who have material connections with the contractor. People in the plantation processing, value-adding sectors have the expertise required. There are no contracts in those sectors, so there is scope to find people with accountancy or business expertise. I think we will be able to find seven commissioners who are competent to look after the functions. The commission has the ability to set up its own committees to draw on expertise its members do not have and can also co-opt commissioners. The minister has the ability to set up a ministerial advisory committee, which we are in the process of doing. That committee will involve people with a range of expertise in the production and sale of timber. I am confident that we can cover the areas of expertise required.

I do not see a need for a union member on the commission; however, I will consider it. I think I said this during debate on clause 6. The Forest Products Commission will have little to do with the wages and conditions of workers. It will have more to do with the contracting, promotion, sale and export of timber products. The AWU has had a close affinity with the timber industry, and I will support giving the commission the ability to co-opt or appoint a representative of the Australian Workers Union to that committee. As a matter of fact, a member of the AWU is on the local consultative committee on the RFA that I chair - which is not related to this legislation - to give a perspective on the effect of the RFA on workers and on things like redundancies. There are hundreds of contracts with regard to the forest products industry, and all of those contracts are available for scrutiny. I intend to make this legislation as transparent as possible. That is the only way to achieve the full accountability for the forest industry that the community is demanding and that we will certainly deliver.

Mr RIEBELING: It would be sad if the minister thought that unions are interested only in working conditions and wages. Representatives of unions on such committees provide an avenue to feed information to management about how the industry is structured, they assist in restructuring, and they often assist in developing innovative ideas to improve areas that are not working particularly well. The minister may be surprised at what a representative from the union movement would add to the commission. I urge the minister to re-think the value of that suggestion. It is important to ensure that the commission is run in a professional manner and comprises people who do not have a vested interest. I had hoped the minister would advise us about the level of expertise of the commissioners. It is all very well to say that one of the commissioners will be an accountant, but some people may think that to provide for a bean counter or a person of that nature will not be in the best interests of the industry. The commission may have on it a person who believes that the regulations inhibit the industry and who may try to remove them. I am not one of those people who supports that way of thinking.

The minister did not respond to my suggestion that contracts be tabled. The minister did mention that there will be hundreds of contracts -

Mr Omodei: That is covered in a later amendment to be moved by the member for Maylands.

Mr RIEBELING: Will the minister agree to that?

Mr Omodei: I will discuss that when we get to it. I do not want to confuse the debate now by going over it again.

Mr RIEBELING: The accountability of the commission is of vital interest, and if the minister can indicate now that he will support that amendment, I will not ask any more questions about the issue of accountability.

Mr OMODEI: With regard to the proposed representation of the AWU on the Forest Products Commission, no-one has supported the AWU more than I have in its quest to get a sensible debate on the forest industry. Tim Daly and Nick Oaks

have been eminently sensible in the way they have approached the debate on this industry. However, I find it passing strange that the Opposition, which rejected their every move with regard to a sensible outcome on the RFA, now has a new-found interest in and respect for the union movement. I do not want to turn this into a political debate, but as I said both last week and this week, the commission will be non-sectorial. If we were to appoint a person who represented the AWU, at least a dozen other organisations would be seeking to have the same representation on the commission. It was the considered view that that would not be the best way to appoint the commissioners. We have amended the guidelines under clause 6 of this Bill to constrain people who have a financial interest in a contract. I have sought advice from Treasury and elsewhere with regard to contracts. I believe there will be difficulties with the tabling of contracts, but they will be covered in the annual report, and there may be a capacity to identify parties in the contracts. However, rather than embark upon tedious repetition, I prefer to deal with the issue of contracts when it comes up later in the legislation.

Dr EDWARDS: It appears that the functions of the commission will be quite broad. For example, subclause (1)(a) and (b) states that it is a function of the commission to advise the minister on matters relating to the production and yield of forest products, and on the commercial value and prices of forest products. Will carbon credits come within the ambit of the Forest Products Commission in the future, because on the surface it appears to fit into that domain?

Mr OMODEI: I am advised that in the first instance it will be in the domain of the Department of Conservation. There are ongoing meetings between the State and Federal Governments, and the Minister for the Environment has attended international conferences on carbon credits. We have played an active role in the discussions on that matter.

Dr EDWARDS: Subclause (1)(s) states that another function of the commission is -

> to carry out or cause to be carried out such study or research of or into a matter relating to a function of the Commission as the Minister may approve.

Will most of the scientists in CALM move across now that these amendments have been made? Will the research division be split up, and how will it be funded within the Forest Products Commission?

Mr OMODEI: The scientists will stay with the Conservation Commission, and the people who deal with the technology of forest products will move to the Forest Products Commission. There will be some scientists and researchers on both sides. For example, the plantation scientists will move to the Forest Products Commission.

Dr EDWARDS: Subclause (2) on page 11 states that, "It is not a function of the Commission to be vested under any Act with land", yet subclause (3) states -

> Nothing in subsection (2) prevents the Commission from - . . .
>
> (f) having land vested in it, or the care, control and management of land placed with it, for the purposes of subsection (1)(g); or
>
> (g) leasing land for a purpose consistent with the Commission's functions.

I gather from the briefings I have had that the Forest Products Commission will now be able to have land vested in it as a result of the more recent amendments. However, on the surface, there appears to be a contradiction between subclauses (2) and (3). Under subclause (3), the commission's functions are so wide that it would almost appear that one could open the window and have a lot of land vested in this body, when the claim has been that all timber and forest lands will now be vested in the Conservation Commission.

Mr OMODEI: I am advised that under subclause (2), that would be the general rule. It is not a function of the commission to be vested under any Act with land or to have placed with it under the Land Administration Act the care, control and management of land. Subclause (3) deals with exceptions to the rule, and paragraph (f) states -

> having land vested in it, or the care, control and management of land placed with it, for the purposes of subsection (1)(g); or

That, of course, is the leasing of land. Clause 10(1)(g), on page 8, states -

> to maintain, or establish and maintain -
>
> (i) plantations of forest products;
>
> (ii) plant nurseries for the production of forest products; or
>
> (iii) seed or propagation orchards of forest products;

That is not native forest.

Mr RIEBELING: Clause 10(1)(h) states that the commission is to enter into contracts with any person for the management of forest products. I thought the commission's role was to manage forest products. Does this mean that the function of the commission, which is the management of forest products, will be contracted to a party who is not described in this document? Paragraph (h) seems to defy the reason for setting up this Forest Products Bill. Paragraph (j) states -

> to promote, and to advise the Minister in relation to, employment in, and development of, the forest products industry;

What input will the minister have in employment in the forest products industry? Is the overall strategy to have an industry which has a long life, or will the commission be actively involved in matters as basic as whether people enter into individual contracts? Will people be pushed out of enterprise bargaining? What will be the involvement of the minister, because paragraph (j) refers to the minister and not the department or the commission? Paragraph (k) states that the purpose is to ensure that any stockpile of forest products is kept to a minimum. Therefore, clearly, there will be a minimal amount of stockpiling. However, subparagraphs (i) and (ii) refer to the amount of forest products that can be stockpiled and the circumstances in which forest products can be stockpiled. Like every other member in this place, I have been to the south west and witnessed huge stockpiles of cut timber, woodchips and the like. One would expect that there is currently a minimal amount of stockpiling. However, if what I saw was a minimal amount, a fair amount of stockpiling of forest products is allowed. At this stage, what does the minister think would be a reasonable amount of stockpiling to be permitted under the executive director's powers? I presume - the minister will correct me if I am wrong - that the people who are currently involved in the cutting would say that the minimum amount required is what they are now chopping and stockpiling and that any reduction would weaken their ability to operate effectively; therefore, they would want the same amount of stockpiling as they have currently. This clause indicates that the role of the commission will be to minimise that. I hope that the minister will be able to indicate where, when and by how much the stockpiles will be reduced.

As members know, in the salt industry, which is similar to many industries, it became commercially viable to reduce dramatically the stockpiles of salt at Dampier, and the industry was able to operate much more effectively on smaller stockpiles. Paragraph (m) refers to monitoring the cost of production of forest products. Once the cost of production is monitored, what role will the commission have if, say, the cost of production of forest products escalates? Presumably, the commission will not be a party to the obligation side of the contracts, which is the cost aspect, to the contractor. What role does the minister see in that area?

Mr OMODEI: The member has raised a number of issues, the first of which deals with clause 10(1)(h), which states -

> to enter into contracts with any person for the management of forest products;

He referred particularly to the management of forest products. The definition of "manage", on page 3, states -

> **"manage"**, in relation to forest products, includes establish, regenerate, grow, tend and protect;

I expect that road contracts will be involved in that. As is the case currently with the Department of Conservation and Land Management, the Forest Products Commission will outsource those works relating to harvesting and construction of roads, etc.

Mr Riebeling: Is that the management of it or the actual work? Will the management of it not be retained by the commission?

Mr OMODEI: The contract management will, but under the management plan and the provisions under regulations, the contract will empower the contractor to go into the forest to extract the resource. That would mean, for a start, surveying the lines, scrub bashing, road clearing, gravel extraction, road construction, logging, cartage and so on.

The member also raised a question about clause 10(1)(j), which states -

> to promote, and to advise the Minister in relation to, employment in, and development of, the forest products industry;

In that paragraph, we are talking more about the strategic approach in the whole forest products industry and the way it is managed from an employment point of view. Clause 10(1)(k) deals with the amount of forest products that can be stockpiled. We are talking there about the stockpile of product in the forest rather than on landings or at ports, and that would relate to the grades of logs that are cut. Logs are graded in the coupe into grades 1, 2 and 3, and salvaged timber. There will always be stockpiles in the forest, and the idea is to minimise them. Simcoa's agreement Act - I think the contract under that Act was signed by Brian Burke - says that the State will supply so many thousand cubic metres of timber - I think it is about 120 000 cubic metres - and the majority is to be dry logs. They can be dried in two ways: They can be dried in stockpiles and landings in the forest coupes, or alternatively, dried at Simcoa's log stockpile. Some green logs are supplied to Simcoa as well.

Also, environmental considerations are involved. We want to minimise the amount of timber stockpiled in the forest, particularly in log landings where soil is disturbed to a great extent; therefore, soil compaction is a consideration as are dieback and hygiene. It is important that the stockpile be kept to a minimum and be managed appropriately. This has been a bone of contention. The member would know if he has been in the state forest the amount of timber stockpiled for which a good explanation has not been provided to the public by the Government or the Department of Conservation and Land Management. Some logs have been in stockpiles for too long. Questions relate to the economic extraction of that timber. The timber is graded once it is cut. The sooner one gets sawlogs out of the bush and into the log landing in the mills, which keeps them damp and such things to minimise cracking and loss from splitting, the better. The requirement to clear the landings is not such an imperative for firewood, post timber and char logs. Nevertheless, an imperative is that the landings be cleared up to keep the stockpiles to a minimum.

MR RIEBELING: I thought I would not need to ask any more questions, but I became more concerned as the minister's explanation progressed. Proper management of stockpiles in the forests - I realise it is not possible to do this exactly - would be to chop only timber that is to be used; that is, timber needed elsewhere to be worked by the industry. Therefore,

one would harvest only timber to be used. The proper management of forest product would be not to chop a coupe which is then stored for a year in the hope that it will be used at some future stage. I thought this provision related to the management of stockpiles at timber and woodchipping yards which belong to the company which purchased the timber. However, the minister states that it relates to the maintenance of stockpiles of unsold logs or those chopped prior to their effective usage. I understand that Simcoa's operation needs drier woods than does other operations. Why does the State bear the cost of drying out that timber? Why does the company not store the wet timber in its stockpile so the State does not bear the cost of managing the wet timber? Maybe good reason exists for the State incurring that expense, but it escapes me. Why are we so generous? If trees are stored in the forest for woodchipping above the massive woodpile people see when visiting the woodchipping industry, the Government must provide an explanation. Enough timber is stockpiled in the timber storage space to keep the operation going for a year. The stockpiles are massive. It reminds me of driving around the iron ore stockpiles. I understand that the stockpiles the minister is talking about are within the forest. The clear desire of all is that the stockpile be kept to minimum. Could the minister explain to a layperson such as I why we store forest products on behalf of someone else?

MR OMODEI: After I visit the member's electorate, maybe he can visit mine and I will give him a tour -

Mr Riebeling: I could stay at your chalets!

Mr OMODEI: These chalets are remarkable; I wish they did exist! So many Labor Party members want to stay in my chalets, I would be wealthy if they existed.

The cutting of coupes depends upon the species of trees in the forest being cut. The gap creation method is used to cut a jarrah forest. The timber is harvested in small coupes, albeit with select cutting in some cases. The main method used to cut karri and jarrah forest is clear felling, and the areas cut vary in size. The average cut in karri is 13 to 15 hectares. The largest coupes in the past have been up to 100 hectares, but that was reduced to 40 hectares maximum under the Regional Forest Agreement with an average cut size of 12 to 14 hectares. Jarrah cuts are on average much smaller areas.

The objective of the exercise is to regenerate forests. We are considering production forests, not national parks. We regenerate forests to ensure that we achieve the best production for the next cycle of harvesting of that forest. To leave the defective trees would result in a lesser production return in the coupe. Once the logs are harvested, people who haul the logs into the landings separate the logs. The main contracts relate to grade 1 and 2 logs, with grade 3 logs and salvage logs down the line. The alternative is to leave the logs in the forest and not bring them into the coupe and stockpile them, but that would mean, as happened for many decades, that the resource would be burnt. When regenerating the forest, a burning regime is undertaken to allow the forest to regenerate by seed. Seeds are planted by hand if seed regeneration is not appropriate according to the prescription set.

A condition of the Simcoa agreement Act is that dry sawlogs are provided, and these can be dried only over time. Therefore, they must be stockpiled. The stockpiles seen and referred to by the member are probably stockpiles of marri logs. One may find a karri-marri coupe, a karri-marri-jarrah coupe or a straight jarrah-marri coupe as very few stands of forest are pure, apart from the sensitive old-growth blocks of pure karri set aside. Therefore, the supply to the woodchip operation is fully committed. A stockpile can be left until the logging contractor picks up the logs. A downside is the effect on the aesthetics of the forests as a clear-felled area before it is burnt does not look very good: A lot of trash is on the ground as trees are hauled along haulage routes in winter.

Large stockpiles are made in timber and chip mills at this time of the year to maximise the harvest in summer and autumn. Logs are stockpiled in landings in the mill in the winter, particularly in jarrah country which becomes very wet and machines cannot operate, to maximise the harvest during summer and autumn. This minimises the winter harvest. Autumn is the more important harvest period. In the jarrah forest some logs are left on landings for more than a year - in some cases two to three years - until they are picked up and taken to Simcoa under the conditions of the agreement Act which, as I recall, amount to a maximum of 150 000 cubic metres a year. If those logs are not put into char blocks in the mills or transferred as straight logs to Simcoa, it is likely they would be burnt in the regeneration process.

Mr RIEBELING: I want to clarify the requirement to leave logs in the clear-felled areas for, as the minister said, up to three years.

Mr Omodei: Which is not desirable.

Mr RIEBELING: I am saying it is not desirable.

Dr Edwards: What is the extent of the problem? Obviously, as the minister will be aware, opposition members are often taken into those areas.

Mr Omodei: Since I became the minister it has improved! It varies, depending on the locality and whether there were harvesting problems. There may have been a late harvest and the winter caught the harvesting. Sometimes harvesting is abandoned if it is too wet, particularly in jarrah country where there is yellow, bottomless deep soil.

Mr RIEBELING: Some people in the charcoal industry say that trees are left for up to three years. I understand the minister said that is not desirable and the Government will try to stamp it out; however, are we not over-exploiting that part of the industry if trees can be left there for that length of time?

Mr Omodei: It depends on where the harvest is taking place. If it is jarrah country, for example, in Busselton, sometimes many third grade and salvaged logs are rotten. In the Dwellingup area of prime jarrah there are fewer third grade and

salvaged logs. The karri-marri-jarrah country, again, has a better type of timber. It varies, depending on whether it is the southern forest region, the central forest region or the northern forest region.

Mr RIEBELING: People in the industry say that the reductions in take will have a dramatic impact on their capacity to maintain their contracts and on whether their contracts are viable, and the like. Yet the minister is saying that we must provide a massive 150 000 tonnes to the charcoal industry.

Mr Omodei: I believe it is 150 000.

Mr RIEBELING: In the next breath the minister says that in some cases we have a surplus of those logs which are no doubt the hardest to sell and the easiest to burn.

Mr Omodei: That is right.

Mr RIEBELING: Presumably that surplus occurs because they are left in the forest for up to three years, which does not make sense if there is an under-supply problem. I understand that some logs in parts of the forest are more suitable than others for burning. However, if we are cutting down less of the forest, presumably, on a per capita basis we should have fewer trees too. If the minister is saying that logs in karri 1 and 2 should be on the forest floor for six months only as a product, that will answer my question. If the minister is trying to say that he wants to reduce the three year wait to six months or 12 months for the logs to be picked up, could he please put that on the record?

Mr OMODEI: It is the intention to have logs in stockpiles for a minimum time. I suggest that in trying to recover something out of timber, one cannot make a silk purse out of a sow's ear. We are moving as quickly as we possibly can, getting excellent cooperation from the furniture industry to turn shorter lengths of timber into value added materials, whether that be laminated floor or parquet tiles which use very small pieces of wood. In the past that material has come out of select grade timber while processing the timber; in other words, drying it, cutting out the faults and so on. We are therefore moving as quickly as we can. The great challenge is to ensure that any sawn timber is taken out of the forest as quickly as possible to maintain as high a recovery rate as possible. We want to minimise the time that dried timber suitable for firewood and charcoal blocks stays on public land and, where possible, stockpile it at its destination. That is my aim and the direction in which we are heading.

Mr Riebeling: Is that possible?

Mr OMODEI: It is. We consolidated some of our stockpiles from Christmas to February by shifting about 30 000 cubic metres of timber. That cleaned up many of the landings where there were one, two and half a dozen logs here and there and consolidated them in one place. The transit to Simcoa is a long haul which takes time.

Mr Riebeling: Do we deliver them to the gate or does Simcoa pick them up under the contract?

Mr OMODEI: No, Simcoa will be charged a royalty; then road, logging and haulage charges will be added to that figure. The overall cost of Simcoa's raw resource is about the average cost of raw resources compared with other silicon plants around the world.

Dr Edwards: Does the cost of transport limit the distance it can travel?

Mr OMODEI: Yes, I suppose so. The further it must be hauled, the more it will cost.

Dr EDWARDS: Clause 10(5) states that the Forest Products Act does not limit or otherwise affect the operation of the Wildlife Conservation Act. Then subclause (6) counters subclause (5) in that anything done in accordance with the relevant management plan does not have to be taken into account. I assume the Crown is not bound by the Wildlife Conservation Act and therefore the Forest Products Commission will not be bound either. Although I understand what was said in the explanatory notes about flora, what will happen with fauna? Subclause (6) refers to the relevant management plan; however, many areas in the current Department of Conservation and Land Management estate do not have management plans. How will they be affected? This Bill will apply to some of the areas not covered by forest management plans. What will happen with the formulation of a forest management plan with respect to the Wildlife Conservation Act? Will that be taken into account during the forest management plan deliberations?

Mr OMODEI: All areas of forest that are harvested are covered by the forest management plan, which will be considered in the plan's renewal in a couple of years.

Dr Edwards: Does sandalwood come under this new provision?

Mr OMODEI: The forest management plan does not cover sandalwood. However, the sandalwood industry will have to comply with the Wildlife Conservation Act, therefore, flora and fauna will be protected. There will be an assessment process before harvest to identify any rare flora or fauna.

Mr RIEBELING: I wonder whether the National Party has written this subclause which provides that the commissioner will have the power to do all things necessary or convenient! What would happen if it were not inconvenient? Is this a bushie's way of saying that near enough is good enough; if it is inconvenient it will not be done? I have never seen the word "convenient" in an Act before. I wonder why a word is included that does not reflect the discipline of language in legislation.

Mr OMODEI: Subclause (4) allows the commission a general power to perform its functions and it is described in that way. Some things may not be specific within the Act and the commission must have that general power to carry out its functions.

Clause put and passed.

Clause 11 put and passed.

Clause 12: Principles on which Commission is to act -

Mr OMODEI: I know that the member for Maylands has proposed an amendment to this clause. To resolve the issue raised during debate on the Conservation and Land Management Amendment Bill, I move -

> Page 12, line 20 - To delete "ecologically sustainable" and substitute "principles of ecologically sustainable forest management to be applied in the".
>
> Page 12, after line 21 - To insert the following -
>
> (2) In subsection (1)(b) -
>
> **"Principles of ecologically sustainable forest management"** means the principles that -
>
> (a) the decision-making process should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations;
>
> (b) if there are threats of serious or irreversible environmental damage, the lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation;
>
> (c) the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations;
>
> (d) the conservation of biological diversity and ecological integrity should be a fundamental consideration in decision-making; and
>
> (e) improved valuation, pricing and incentive mechanisms should be promoted.

These amendments will bring the clause into line with the amendments the member for Maylands had on the Notice Paper, albeit with a slight change, and will make this Bill consistent with the amended Conservation and Land Management Amendment Bill.

Dr EDWARDS: The Opposition is delighted the minister has moved both these amendments. They cover our concerns about the principles on which the commission is to act. Clause 12 defines the principles and includes some definitions. The Opposition was concerned that the clause contained the profit principle on the one hand and ecological sustainability on the other hand. By altering the words and inserting "the principles of ecologically sustainable forest management" that issue is addressed.

I am also pleased a typographical error was made, because I was worried that one Bill would have one definition of the principles of ecologically sustainable forest management, and the other Bill would have abbreviated principles. That is a big advance in this Bill because it means that the commission must consider all its decisions in the light of the principle of ecologically sustainable forest management, despite its having to make a profit.

The other reason for the Opposition's amendments to clause 12, which I will not now move because the minister's amendments have overtaken them, was that the commission is to apply these principles to public land only. Obviously, given the commission's involvement in the timber share farming arrangements, it will deal with some private land. The Opposition hopes the principles of ecologically sustainable forest management will be applied to private land that will fall under its duties, as well as to public land.

The Opposition is delighted that the precautionary principle is picked up in the definition of ecologically sustainable forest management, that intergenerational equity is picked up and that improved valuation, pricing and incentive mechanisms are to be promoted. When considering the profit the Forest Products Commission will make from the timber contracts, it will be important for it to keep an eye on the other value that the community places on our timber resources. The inclusion of paragraph (e) is a good signal to indicate that the commission will be taking a broader view than has been taken in the past. The Opposition thanks the minister for these amendments and will support them.

Amendments put and passed.

Clause, as amended, put and passed.

Clause 13: Delegation -

Mr RIEBELING: This clause relates to the delegation of powers. Under subclause (1) the commission may, by instrument, delegate the performance of any of its functions, except this power of delegation. This is probably a standard definition. The part that worries me is subclause (3), which states -

> A delegate cannot subdelegate the performance of any function unless the delegate is expressly authorized by the instrument of delegation to do so.

That definition seems to be contrary to the first definition which says that the power to delegate cannot be re-delegated, as it were. Broadly speaking, the powers of delegation in this clause are sweeping. The power to delegate all functions is covered by this clause. There may be a reason for that. If there is, I would appreciate the minister telling us why there is a need to delegate basically all the functions. Apparently there is also the ability to delegate the delegation to a third party. I wonder how efficient it is to have a party three times removed from the decision maker performing the functions which the delegator has been authorised by the commission to perform. If I am misreading that, perhaps the minister can tell me where I am misreading it. Referring to accountability and the powers to delegate to a third party once removed from the original delegation, the lines for the responsibility for that action become very unclear. I understand that the delegator always retains that responsibility, but in essence the clarity of that delegation is my concern.

Mr OMODEI: The clarity of the delegation would be in the instrument. Clause 13(1) states, "The Commission may, by instrument"; in other words the document instructs that person as far as the delegation of power is concerned. The instrument would make very clear what the staff member or lower level manager is able to do. It would be a normal type of delegation. The member's concerns about clarity are well and truly covered. There needs to be an original document that gives that person power, which may be to deal with small contracts or something of like nature. There are virtually hundreds of contracts in the Forest Products Commission relating to fire, wood, roads and a host of things. Some issues will be partly shared responsibilities of the Conservation Commission and the Forest Products Commission. The Forest Products Commission will undertake some matters on behalf of the Conservation Commission, and vice versa.

Mr RIEBELING: Perhaps I am misreading subclause (2). My reading of it is that it lists the type of people to whom the delegation can go. From my reading of it there is a clue; that is, the delegation will go to no person who is not directly employed by the commission.

Mr Omodei: Paragraph (d) relates to a committee established under schedule 1, clause 16.

Mr RIEBELING: That could be an outside body. My understanding of what the minister said earlier relating to committees and the like was that they would be advising the commission. From the minister's first reply to my questions on this clause, it seems that it might involve a person driving a truck or someone in the forest.

Mr Omodei: No. I am talking about paragraphs (a), (b), (c) and (d), which involve lower level managers or staff members.

Mr RIEBELING: So the re-delegation after the original delegation, which is described in subclause (3), refers to committees?

Mr Omodei: A committee established under schedule 1.

Mr RIEBELING: Is the minister's understanding that subclause (3) relates to subclause (2)(d), relating to that re-delegation of the authority? Presumably the minister's answer would be that the original delegation would nominate any one of the staff members who is required to do it. I cannot work out why that is a requirement. I am concerned that the delegation relates to the performance of functions that the commission is capable of carrying out under this legislation. I understand the hands-on work can be contracted to a third party. I do not know necessarily whether this legislation requires a delegation to employ a third party to perform work. If it does, I can understand the minister's last answer.

Mr Omodei: There must be an instrument of delegation for anybody other than the manager; in other words, the manager can delegate work to any of those people under paragraphs (a), (b), (c) and (d), providing there is an instrument; that is, a written document that indicates expressly what those people are to do. Under clause 13(2)(d), even a committee established under the schedule would have to have an instrument. I am advised that if the general manager is to delegate his powers, he must within the commission's instrument indicate what powers those people have.

Mr RIEBELING: The short answer is that the committee is the main benefactor of subclause (3).

Mr Omodei: Not necessarily, no. It applies equally to all of them.

Clause put and passed.

Clause 14: Minister may give directions -

Dr EDWARDS: This clause is the start of a whole section on accountability, which is very important in this Bill. The clause deals with the fact that the minister may give directions. Directions are something which ministers probably want the power to be able to give and something of which Oppositions are always a bit suspicious. Does the minister have an idea in the back of his mind of the types of areas over which the minister may feel that he needs to give the commission a written direction? If the minister could explain that, maybe the rest of it could fall in place. It is important that if such a direction is given, it is laid before the Houses of Parliament, so that it is transparent. Will the minister also explain what is it in section 17 of the Statutory Corporations (Liabilities of Directors) Act 1996 that might mean that the minister's direction was in conflict with what the commissioners perceive as their tasks as directors? Can the minister explain what is the procedure? It appears from the Bill that if the commissioners thought that they were being directed to do something they should not be directed to do, after a period of time of communication this Bill effectively overcomes that, and the direction remains. Can the minister give us some idea of why that is in the Bill and what it might be used for, and the type of circumstances where the commissioners may say that have some difficulty with getting this direction from a minister?

Mr OMODEI: The minister giving directions is consistent with many other statutory organisations and government utilities and I think the accountability measure and transparency provision is that the directions have to be tabled in each House of

the Parliament. An example of directions could be step-down targets for contracts in the restructuring of the timber industry, which is what we are doing now. The commission may come up with a recommendation which the minister does not agree with, and that has proven to be a difficult situation. For example, under the previous management plans, at about this time the Government of the day would have been sitting down talking about the downsizing of the jarrah industry, because the previous management plans talked about going down to 300 000 cubic metres. The allowable cut under the current management plan is 490 000-odd cubic metres. The industry is not cutting that, it is cutting about 350 000 cubic metres. It may well be that the minister, on advice from his department, may choose to downsize the industry to a certain level. The commission might say that it does not think that it should be downsized that far. That is one area where the minister must have direction. In the end, if the minister does not have the power of direction, then why have a minister? One would just give the department statutory power.

Dr Edwards: Does it happen very often?

Mr OMODEI: I do not think it would happen very often. When I was the Minister for Water Resources there was the same sort of accountability measure: I had to table it in the House within the audited statements so that it was available for all to see. There will be occasions once the Forest Products Commission is up and running and it is fully conversant with the direction that the minister and the Government are heading. After 2003 the cut will go down to 286 000 cubic metres and how that is achieved, how we downsize, and which companies exist the industry, will not be an easy process, no matter who is in Government. I am finding it quite a challenge at the moment. There will be occasions when the minister will have to direct the commission.

Dr Edwards: What about section 17 of the Statutory Corporations (Liability of Directors) Act 1996?

Mr OMODEI: That enables the commission to question the minister's direction. If it considers the minister's direction unlawful -

> the governing body is to notify the responsible Minister in writing within 7 days of the receipt of the direction of its determination and the reasons for it.
>
> (2) Where the governing body gives such a notice to the responsible Minister, that Minister is to either -
>
> (a) cancel the direction; or
>
> (b) confirm it and state his or her reasons for doing so.
>
> (3) The confirmation of the direction has no effect if the direction is unlawful.
>
> (4) If the direction is confirmed the corporation is required, subject to subsection (3), to give effect to it.

There are some good accountability measures that allow the commission to question the minister's direction.

Dr EDWARDS: Where it refers to the direction being unlawful, does it mean dreadfully unlawful or does it refer more to the fact that the commissioners, as directors, feel that the direction - for example, if the industry is being stepped-down - interferes with their ability to make a profit or interferes with the ecologically sustainable forest management? Is that the case or does it refer more to something so over the top that it would be unlawful for them to do, such as if the minister directed them to grow marijuana to make lots of profit for the Government?

Mr OMODEI: I had never thought of that - now I know how we are going to find the money!

It could be, for example, if a series of companies had contracts and the minister directed the commission to say that the companies were going to be downsized; that is, they were not going to get the same level of intake timber, and that caused a breach of contract.

Dr Edwards: If the commission had the contract?

Mr OMODEI: Yes, if the commission had the contract. They may give a response in writing to the minister stating that such an action was unlawful and that it may expose the Government or the minister to legal action by those companies. If we downsize the industry to the levels that we need, the best way to do it is through a voluntary step-down by the industry by agreement. If parts of the industry do not agree to that, then they may choose to take action against the Government for breach of contract. That is not the best way to do business - my preference would be to do it on a voluntary basis. That may be one case that could occur.

Mr BROWN: Clause 14(1) provides that -

> The Minister may give written directions to the Commission with respect to the performance of its functions under this Act either generally or in relation to a particular matter but any such direction must not be inconsistent with the provisions of a relevant management plan.

I noticed that in clause 10(1)(n) that the commission is -

> to participate in the preparation of any management plan under Part V of the CALM Act in relation to land that is State forest or a timber reserve;

My question is twofold. What is the purpose of that constraint on the discretion that the minister may exercise in issuing

a direction? To what extent, in any event, is the management plan inflexible? Is the minister caught with an inflexible management plan that then constrains any direction that the minister may give, or is the management plan so flexible that if the minister wished to give a direction, the minister could then try to ensure that the management plan was changed in order that the direction could be given?

Mr OMODEI: I understand that the reason for the proposed subsection is that the Minister for the Environment finally approves the plan, but it can be revised and there is a mechanism to arrive at such a revision. The Minister for the Environment explained that in a previous Bill in relation to the involvement of the Environmental Protection Authority and matters being referred to the EPA in relation to management plans.

Mr BROWN: Is it the intention that the minister for the purposes of this Act will be so constrained, and unless the Minister for the Environment, if that is a separate minister, agrees to change the management plan, the minister responsible for this Act could then not so direct if the direction is beyond the management plan? Has that been drafted deliberately to constrain the minister who will be responsible for this Act from exercising a discretion to issue a direction beyond what the Minister for the Environment may determine is appropriate for the management plan?

Mr OMODEI: It would be unusual if the Minister for Forest Products were the same minister as the Minister for the Environment. One of the reasons for this legislation is to try to avoid a gamekeeper/poacher arrangement.

Mr Brown: A lot of things have happened over the years, and personalities may change.

Mr OMODEI: Is that a signal from the Labor Party?

Dr Edwards: You would be a very good Minister for the Environment.

Mr OMODEI: I think I would too, and I actually have the track record to prove it. The member for Maylands has had this discussion with the Minister for the Environment. The two ministers would agree on the management plan, and if there was any stepping back from that, there would be a reference to the EPA. If the plan were to be changed substantially, it would need to be re-assessed, and when the two ministers agreed, it would need to be ticked off by the EPA.

Mr BROWN: Clause 10(1)(p) states that it is a function of the commission to advise the minister as to the performance of the minister's functions -

(i) under subsection (6a) of section 17 of the CALM Act in relation to a proposal . . .

(ii) under section 62(1aa) of the CALM Act . . .

Under clause 14(1), the minister may give directions to the commission. However, I assume it is not the intention to give the minister the power to direct the commission with regard to the advice it can provide to the minister under clause 10(1)(p), because there may be a temptation to use that clause to constrain the minister if the advice that will be received from the commission will be different from the advice that the minister had hoped to receive.

Mr Omodei: In theory that power will be there, but it is not intended to be used.

Mr BROWN: That is a bit of a problem. This Bill and the Conservation and Land Management Amendment Bill set up some tensions between different forces that are concerned about forest management and the environment to ensure that those forces can operate and focus on their areas of responsibility; and, at the end of the day, the Bills try to bring about a confluence of those forces and interest groups to ensure that a result can be achieved. However, we also have a minister who can issue directions, and a commission that can provide advice to the minister. Those two things may be different. We do not want a situation where the minister can constrain the commission by directing it not to provide advice to the minister.

While I appreciate the minister's comment that that is not the intention, I have seen, and no doubt the minister has seen, situations where members have drawn to the attention of the minister the implications of a certain piece of legislation, and the minister has said that is not the intention of that legislation and it is unlikely to occur; yet unfortunately three, five, 10 or 15 years down the track that has occurred. In 1981, advice was provided to the minister that he had left open a certain possibility, and the minister said he was confident that the legislation was not designed to operate in that way, yet in 1994-95 the legislation was used in that way and it cost the taxpayers of this State about $3m. If it is the intention that the minister cannot direct the commission in that way, that should be written into the Bill.

Mr OMODEI: The member for Bassendean is a conspiracy theorist. Yes, from time to time ministers disagree, but if there was a deliberate attempt by the minister to direct and it was against the law, it would be covered by clause 14(3), which states -

> The Minister must cause the text of any direction under subsection (1) to be laid before each House of Parliament or dealt with under section 69 -
>
> (a) within 14 days after the direction is given; or
>
> (b) if the direction is the subject of a notice under section 17 of the *Statutory Corporations (Liability of Directors) Act 1996*, within 14 days after it is confirmed under that section.

The member may not have been present when we discussed clause 14(7), which states -

> If a direction is the subject of a notice under section 17 of the *Statutory Corporations (Liability of Directors) Act 1966*, it does not become effective before it is confirmed under that section or the expiry of any extension of time notified under subsection (8).

Subclause (8) refers to an extension of time. The Statutory Corporations (Liability of Directors) Act sets out the checks and balances with regard to an unlawful direction.

Mr BROWN: I thank the minister for that explanation, but the point I am making is that the circumstance I am describing is not against the law.

Mr Omodei: It must still be tabled in the Parliament, so it will be open for all to see.

Mr BROWN: I agree that it will be tabled and will be open for all to see, so if the minister were to constrain the commission not to provide advice, members of the Parliament and members of the public would see that the minister had so constrained the commission, for whatever reason. However, as I read the Bill, it would not be against the law to constrain the commission in that way, and although it must be tabled in the Parliament, who knows the circumstances in which this might arise. For example, it could arise when the Parliament is in recess or at a time that is politically difficult for the Government of the day; therefore, the minister decides to exercise that discretion. It seems that if it is the intention that the minister should not issue an instruction which constrains the commission from providing advice to him on the performance of his functions, that should be made clear in the Bill. It would not take much to make that clear. It is simply a matter of writing into clause 14 a provision which says that the minister shall not give any direction in relation to the exercise of the commission's functions, as set out in clause 10(1)(p). I do not profess to be parliamentary counsel or to be able to come up with some eloquent words, but if that were the intention, it should not take parliamentary counsel very long to craft some words to make it absolutely clear. I do not understand the hesitancy to do that. After all, now is the time to do it. As the minister knows, after this Bill goes through the Parliament, everyone will be able to see it, and all the vested interest groups, as well as Government, will look to see how it survived, what it contains and what the obligations and powers are. If the intention is that the minister should not constrain the commission in this regard, rather than have it recorded and buried in *Hansard* somewhere, the obligation is on the Parliament to ensure that it is in the Bill for everybody to see. I do not see anything wrong with that. Legislation before the Parliament should be as clear and precise as possible. The insertion of such a provision in the Bill would make it clear that the minister shall not constrain the commission in that regard. I guess we raise these matters because some ministers have done things which are questionable. Not every minister of the Crown has a halo above him; they do not all operate in a non-political way or in a way in which they apply the law with the scrupulousness that they should. If the intention is that the minister should not constrain the commission from giving advice, why not move an amendment? It can be a government amendment - I do not have the words before me - which is very short and which achieves that objective.

Mr OMODEI: It is not intended that the minister should be constrained from giving directions. Why would we have a minister if he cannot direct the commission in its functions? Having given a direction, the minister must table it in the Parliament within 14 days, and when the Parliament is not sitting, clause 69(2) states that -

> A copy of a document transmitted to the Clerk of a House is to be -
>
> (a) taken to have been laid before that House; and
>
> (b) taken to be a document published by order or under the authority of that House.

Clause 69(3) states -

> The laying of a copy of a document that is taken to have occurred under subsection (2)(a) is to be recorded in the Minutes, or Votes and Proceedings, of the House on the first sitting day of the House after the Clerk received the copy.

If the minister does give a direction about the functions of the commission, all and sundry will know that the minister has given that direction. I cannot think of any direction that the minister would give that is not illegal and that would be unnecessary. The member is saying that this is a direction that is not unlawful, because if it is unlawful, the commissioners can use the relevant section of the Statutory Corporations (Liability of Directors) Act to write to the minister and to inform him. The Government believes the clause should stand. Could the member give me an example?

Mr BROWN: Yes. I will go through this for the benefit of the minister. I do not have a problem with the minister being able to issue directions, in a general sense. However, the minister may issue directions with respect to the functions of the commission. That seems fine, except that it is a clear function under clause 10(1)(p) that the commission is to advise the minister as to the performance of the minister's functions. Therefore, those who have crafted the Bill have set it up, not so that the minister does this by himself or herself, but so that the minister gets advice - it is only advice - from the commission on the performance of his functions, as set out in clause 10(1)(p). It is a matter for the minister what he does about that advice, but the minister receives the advice from the commission on the way he or she will exercise his or her discretion.

Another clause enables the minister to give the commission directions. If the minister is concerned about the advice the commission might provide - that is, it is unwelcome advice and he does not want the advice because it may cause him problems, even though he can disregard it - the minister can seek to circumvent that advice by issuing a direction to the commission that it is not to issue that advice. Therefore, this is a way of stifling it. A commission is set up to give advice to the minister. That is another check and balance in the system, and that is fine - not a problem. However, the minister

then says, "No, this is a bit risky. It is a bit worrying. I might get the wrong advice. I know what I will do. I will circumvent it. I will fix it up. I will issue a direction saying that the commission should not provide me with advice on this matter. I know it all. I have the answers. Thanks for coming. You do a really good job. It is beaut that you are here, but please don't give me any advice. I don't want it."

Mr Omodei: I think I was right. The member is a conspiracy theorist. Who would want the publicity surrounding a bun fight with the commission over an amendment of a timber boundary? It would be dynamite.

Mr BROWN: I reckon there would be a fair bit of controversy about timber boundaries, and there might be a minister or two who would not want the advice about timber boundaries. A minister might say, "Please don't give me advice on this matter. I don't want it. It might be difficult for me to reject it. How will I get away with doing something that is contrary to what has been recommended? I know: The easiest way is not to have a recommendation. That is the way to overcome it. I will give the commission an instruction to not give me a recommendation on this because it will be too difficult to handle. I don't want it." If the intention is, as the Bill provides, that the commission should stand alone in giving advice to the minister, unfortunately the minister must deal with that advice, and he cannot escape that by giving the commission a direction saying, "Thou shalt not give me any advice on these matters," for whatever reason or because of whatever political odium might attach to them.

Sitting suspended from 6.00 to 7.00 pm

Mr BROWN: I raised some matters before the suspension. I thought, towards the end of the rather persuasive argument that I put, that I might have convinced the minister, and so I am keen to hear his response, given the force of my argument, to see whether I had convinced him.

Mr Cowan: Naturally, you are disappointed.

Mr BROWN: I may not be; I live in hope. I still buy lotto tickets as well. I wonder whether the minister has considered that matter during the suspension and whether he is more inclined to support the amendment.

Mr OMODEI: I have considered in depth the member for Bassendean's comments. I believe the clause should stay as written. The clause enables the minister to give written directions. It is not unlike the ability for other ministers to give directions under other Acts of Parliament. They are important to the running of the commission and the ability of the minister to give direction. There are enough checks and balances in the clause and in the legislation to ensure that the minister only gives directions to the commission which are not outlandish or which will attract public attention.

Mr BROWN: It is not my intention to pursue this matter other than to say that I am disappointed, obviously, because this is a weakness in the Bill. If this weakness is exploited in the future by a minister, I will take pleasure in drawing it to that minister's attention. If the clause is not to be amended, I am disappointed but I will not continue to speak on it.

Clause put and passed.

Clause 15 put and passed.

Clause 16: Consultation -

Dr EDWARDS: Clause 16 deals with consultation. Before I make my comments, I acknowledge that clause 17 is about the minister being kept informed. My comment on consultation is that it is good that the commissioners and the minister will consult each other. Clause 16(2) states -

> The commissioners must consult with the Minister before the Commission enters upon a course of action that in the opinion of the Commission -
>
> (a) amounts to a major initiative; or
>
> (b) is likely to be of significant public interest.

My concern is that what the commission thinks is either a major initiative or is of significant public interest might be different from what the minister thinks and may well be different from what the community thinks. Recently we had an example of the Water Corporation embarking on a course and it is unclear whether it consulted the minister. I know the minister must be kept informed, but the reasons the minister must be kept informed appear to be somewhat different from the circumstances under which the commission might consult the minister. Will the minister ask the commission to inform him whether an event was likely to be a major rather than a minor initiative or some other type of initiative? Will the commission have the same type of savvy to be aware that something is likely to be of significant public interest? It gets down to how the commission, or a commission at a certain point in time, defines these terms. It depends whether they think an event is likely to be a major initiative and whether it thinks that a course of action it is about to embark on is likely to be of significant public interest. Can the minister reassure me that he is satisfied that the commission and the commissioners will consult him appropriately, given this clause?

Mr OMODEI: I am confident that the commissioners will be aware of what is a major initiative. I am thinking about my other responsibilities under the Disability Service Act. As the minister responsible, the board from time to time embarks on certain courses of action. In the four or five years I have been minister, I have had no problems. When they undertake a significant course of action, they advise the minister as is required under the amended legislation that we passed last year. To give the member an example: Were the Forest Products Commission to embark on a major plantation initiative, or a

major study into value adding or something like that that would involve an amount of several thousand dollars, I am sure it would automatically understand that that is a major initiative and would be of significant public interest. I would expect it to consult with the minister and the legislation rightly requires that.

Mr RIEBELING: Clause 16(1) requires the commissioners and the minister to consult each other on a major event. I wonder why there is a provision for a third party or an appropriate representative. These major events do not occur every day of the week. I understand minor events do not necessarily require a minister to consult commissioners. However, for consultation on major events or occurrences, there would be no reason that the minister and the commissioners should not sit down and speak to each other. Will the minister advise us in what circumstances he envisages a representative will be needed to consult. Clause 16(2), as the member for Maylands has indicated, has certain requirements for an event or change that is of significant public interest. The main concern to me is that a minister and the commission may, for reasons known only to themselves, not want the public to know about various actions of the commission. Does this Bill elsewhere refer to the public becoming aware of that significant public interest, as referred to in clause 16(2)(b)?

Mr OMODEI: The member opposite suggests that the commissioners and the minister should consult. Is that correct?

Mr Riebeling: Yes. Why is it appropriate for a representative to represent either party?

Mr OMODEI: In my other portfolios, I have regular meetings with the disability sector, the chairman of the board and the Chief Executive Officer of the Disability Services Commission, and I have regular meetings with the Executive Director of the Department of Local Government. Likewise, I expect to meet with the manager and the Chairperson of the Forest Products Commission Board in relation to the commission. It is sensible. The minister would meet the entire board three or four times a year on a needs basis. That occurs across other ministerial responsibilities. I meet with representatives of disability organisations, the council of funded agencies and a range of organisations.

Mr Riebeling: I agree, but this provision does not refer to such meetings.

Mr OMODEI: Meetings between the minister and the commission will occur from time to time, and regular meetings will occur with the manager and the chairperson. Many of the situations involving matters of significant public interest would be covered under the statement of corporate intent and a range of other areas.

Mr Riebeling: Is that in the Bill?

Mr OMODEI: It is in clause 20.

Clause put and passed.

Clause 17 put and passed.

Clause 18: Notice of financial difficulty -

Dr EDWARDS: The commissioners under this clause must notify the minister if they believe they are likely to run into financial difficulty. My question relates to history. On the face of it, this provision refers to the commission's financial difficulty. Does this provision give the commission the capacity, as is written into some current contracts, for people to have royalty payments deferred? I understand that there will not be royalty payments, but that other payments will be involved.

Mr Omodei: Log prices.

Dr EDWARDS: Will the commission still have the flexibility to defer some payments in the current manner? Governments of all persuasions, until a year ago, gave flexibility to Whittakers Limited. Can the Minister comment? I am not sure whether that is a good or bad thing, although it is a good thing in the short or medium term. If the commissioners can give that flexibility, are they obliged to notify the minister? I know that they will never give flexibility to the extent that would place the commission in difficulty, as that would go against their function. Can the minister comment on the historical aspects of the Whittakers situation, and on the flexibility with current contracts? How will this clause apply beyond the commission?

Mr OMODEI: Giving flexibility to payments of royalties is not covered by this clause. I am not aware of any situation in the past in which a company placed the Department of Conservation and Land Management under financial difficulty. Undoubtedly, logging is a seasonal activity. Greater activity occurs in the forests at this time of the year with a greater number of logs delivered to the stockpile, which needs to be at its peak by May-June of each year. Certainly a liability from contractors to the commission will apply. Whether that places the commission in financial difficulty is a moot point. Clause 17(a) reads -

> Without limiting section 15, the commissioners must -
>
> (a) keep the Minister reasonably informed of the operations, financial performance and financial position of the Commission, including the assets and liabilities, surpluses and deficits and the prospects of the Commission.

I cannot foresee a situation in which the commission will be in financial difficulty. It should not allow that situation to reach the stage of the commission being in difficulty as a result of any flexibility or arrangements made with a contractor. Successive Governments gave Whittakers as much time as possible to meet commitments. New owners came in and restructured the operation and, unfortunately, it did not turn out as should have been the case.

Mr RIEBELING: I need an explanation regarding how the commission will charge.

Mr Omodei: They were royalties in the past, and they will be log or product prices in the future.

Mr RIEBELING: Do they reflect the cost of extraction, the maintenance of the department and the whole shooting match?

Mr Omodei: It is covered under clause 54 - "components of contract price".

Mr RIEBELING: If my understanding is correct, each year the commission will expect to receive at least as much as it is spending. Presumably traders will pay for log A when it arrives, or shortly thereafter: "How much has that cost? There is your bill." If we do not operate in that manner, we will be asking for strife. How will the commissioners advise the minister in this regard at any stage? It is a money making business, is it not?

Mr Omodei: Indeed. The commission is in the business of selling, value-adding and making money. The terms of trade are 30 days, and securities are in place in relation to the payment for the product.

Mr RIEBELING: Four or five of the Government's contracts would need to collapse to threaten the viability of the commission.

Mr Omodei: It would depend on the time of the year. We would not allow that to happen - not under a good minister.

Dr Edwards: You would have security anyway.

Mr OMODEI: The member for Maylands gave the example of Whittakers, for which the first secured creditor was the State Government. When the company defaulted on the royalty payments, the Government finally foreclosed on the company.

Mr RIEBELING: In relation to Whittakers - one would presume that that will not happen - will this notification for financial difficulty ensure that that sort of ever-increasing debt will be stopped much earlier under this system than it was under the previous system?

Mr OMODEI: I expect that the commission will keep a tight rein on contracts. Another part of the criteria which we are applying is the conditions on value adding of the resource. As an example, the new prescriptions are 100 per cent for premium grade jarrah, 70 per cent for first-grade jarrah and 50 per cent for second-grade jarrah. If the person who owns the contract and buys the timber does not meet that criteria, his contract will be terminated. That has been made very clear. There are two aspects of keeping control over the milling industry: One is the pricing mechanism and the other is the value-adding mechanism.

Mr RIEBELING: I may have misheard the minister slightly. Is it his hope that 100 per cent of high-grade timber is used or paid for straightaway?

Mr Omodei: One hundred per cent of premium-grade timber is value added.

Mr RIEBELING: Hypothetically, if a log has a value put on it, that price must be doubled. Is that what the minister is saying?

Mr OMODEI: No. Obviously the member does not understand it. The log pricing under this legislation, which replaces the royalty, will be the cost of managing the forest and delivering the timber to the mill. The methodology in that is quite complex. Once the log price has been arrived at, that is the price which is paid for the log. The new criteria for value adding is that 100 per cent of the sawn timber from a premium log and 70 per cent of the sawn timber from a first-grade log needs to be value added. For example, the recovery rate of a jarrah tree is usually between 30 and 35 per cent of the whole log. Part of the whole log will be sawdust, part will be bark, part will be rot and heart and so on. Out of the total log, value adding for sawn timber must be 100 per cent for a premium log, 70 per cent for a first-grade log and 50 per cent for a second-grade log. That has been increased from 70 per cent and 50 per cent previously.

Mr RIEBELING: When the minister said that the charges were determined by the cost of forest management and the delivery charges, my understanding was that, under the old system in which royalties were paid, the State received a substantial royalty return in excess of what it cost to run the department and to deliver the service. Are we now aiming purely at the recovery of costs and the maintenance of all forests in some way? If that is the case, how much of the old profits are we forgoing to sustain the industry?

Mr OMODEI: Clause 59 of the Bill refers to the components of the contract price. Clause 59(1)(g) refers to a component representing a profit from the exploitation of forest products. It is similar to what occurred before. Within that component will be tax equivalents which are paid as well.

Mr BROWN: I query why this provision has been included at all. I take it that the commissioners who are appointed under this Bill are not bound by the general corporations requirements that bind directors of companies. The Bill refers to the Statutory Corporations (Liability of Directors) Act 1996, which I understand to be the general Act which relates to directors of companies and which binds directors to act prudently and those sorts of things. I take it that the commissioners are not bound in a legal sense by the same obligations that apply to directors of companies through the federal Corporations Law.

Mr Omodei: I understand that the federal Corporations Law does not apply. However, the Statutory Corporations (Liability of Directors) Act, as amended, includes the commissioners of the Forest Products Commission in schedule 1. The commissioners will be directors for the purposes of that Act; for example, directors must act honestly, exercise reasonable care and diligence, not make improper use of information and not make improper use of their position.

Mr BROWN: I understand that that would be the case. If the commissioners are not bound by the general corporations powers in the context of company directors, why is it necessary to include this type of provision in the Bill? Governments establish many commissions which are not statutory authorities and which operate separate businesses, such as the Water Corporation or Western Power. Those commissions are in charge of government finances in the same way as chief executive officers of departments are required to operate within budgets. There seems to be some necessity to include in this Bill an obligation for this type of reporting when it does not appear in other Bills or Acts. Is this part of a new accountability measure, cross checking or standard clause which the Government intends to introduce in all future Bills for commissions of this nature?

Mr OMODEI: The member is correct. It is an extra accountability measure. I do not need to tell the member how prominent the forest issues are in the community today. It is an extra protection for not only the community but also the Parliament. The object of the exercise is to ensure that the whole accountability of forests and forest management is transparent and that the community is fully protected.

Mr BROWN: In relation to how it might operate, subclause (1) states -

> The commissioners must notify the Minister if the commissioners form the opinion that the Commission is unable to, or will be unlikely to be able to, satisfy any financial obligation . . .

Subclause (2) provides -

> Within 7 days of receipt of the notice, the Minister must -
>
> (c) initiate such action as is required to ensure that the Commission is able to satisfy the relevant financial obligation when it is due.

Is it envisaged that the minister will issue directions? How is it envisaged that the minister will initiate such action on that advice? Will there be discussions? Does the minister hope the commissioners will do certain things and reach agreement or will the minister issue directions under the directions powers that the minister has about what the commission will do?

Mr OMODEI: There would be consultation between the commission, the minister and Treasury. I am trying to think of a situation where the commission could get into that position. The only situation I could think of, off the top of my head, would be in the case of a force majeure where a major fire or storm might damage plantations to an extreme.

Dr Edwards: Or an epidemic in the trees?

Mr OMODEI: Yes, an insect or something like that, which would require the commission to embark on activity extraordinary to its responsibilities, whether it be in a native forest or in a plantation.

Mr BROWN: Finally, I note the minister said that this clause is an additional accountability measure designed to provide better placed information and better degrees of scrutiny. However, there is no obligation in the clause to publish the advice given or any actions taken by the minister on it. Although there may be discussion between the minister and the commission and agreement as to what will occur, there is no other obligation to draw the attention of the Parliament to that matter.

Mr OMODEI: The previous clauses we have already discussed would apply if a direction were involved. Can the member for Bassendean think of any other examples?

Mr Brown: Those clauses may apply if it involves a direction. However, if it is not a direction no-one would know that something had occurred.

Mr OMODEI: Annual and half-yearly reports would be another mechanism, which is referred to later in the legislation.

Mr RIEBELING: The minister said this clause would increase accountability. We are talking about the commission not being able to function so we are referring to a major catastrophe.

Mr Omodei: That is right and everybody would probably know about it.

Mr RIEBELING: The extra accountability which the public wants is where a small operator is going down the gurgler and a large amount of wood is not fully utilised or is wasted. The public wants the forest to be properly managed so that wood products are not wasted. This accountability applies only if the commission collapses; and that is not likely to occur, given even major problems. If a large section of the forest were no longer harvestable or significant parts of the forest were to become diseased, no doubt the department's resources would be wound back to reflect that. I cannot see where the extra accountability rests in this clause.

Mr OMODEI: In the case of a small contractor going broke or into receivership, the commission, as a first-secured creditor, would have first call on security.

Mr Riebeling: This clause would not affect those situations?

Mr OMODEI: I do not believe so. The timber would not go to waste as it would be secured by the commission, as happened with Whittakers Ltd where all the timber was secured and distributed to other mills. The rest of the timber in the drying kilns was realised by the receiver-manager, first, on behalf of the State and then by the other secured creditors. Obviously, someone somewhere along the line missed out. However, this clause is an extra accountability measure. I

expect if there was a major catastrophe it would become well known. It does not take much, by the way, to have a major disaster in the forest. Only two to three years ago a fire started at Quininup that burnt for about 60 or 70 kilometres all the way to Lake Muir. It did not take out a significant section of productive forest; however, we lost about 3 000 acres of regenerated forest that had been planted back in 1978. However, if there was a major catastrophe in mature forest there would be a significant loss. The problems associated with something like that would mean the commission would have to go into the forest and harvest the material to realise its value. One has only a certain amount of time to realise a pine plantation, otherwise it deteriorates. That is just one example. I do not believe we will get to a situation like that; however, this is an extra accountability clause.

Dr EDWARDS: This is a good clause to have in the Bill and a good accountability measure, as the minister said. I hope that we never see it in use because I know the commissioners will be very competent. The minister would be aware that in the past couple of years I have asked many questions about Whittakers' debt and I have always been reassured of the extent to which the Department of Conservation and Land Management had it secured; CALM had it very well secured. Where did this clause come from? Is it a standard clause in other Bills which deal with the Forest Products Commission? What was its genesis? Are there commissions in this State on whose financial affairs the government needs to have a better handle?

Mr Omodei: I believe it was a suggestion of Treasury but I cannot confirm that.

Clause put and passed.

Clause 19: Half-yearly reports -

Dr EDWARDS: Given that the Government will shortly move an amendment that picks up the first part of my proposed amendment, I will not delay the House by moving my amendment. However, I want to make a couple of comments about where our amendment came from.

This clause, from memory, dealing with half-yearly reports is new and the Opposition welcomes the amendment. We further welcome the amendment which the Minister for Forest Products will shortly move to have the half-yearly report tabled before both Houses of Parliament. The Opposition became aware, when looking at other Bills and other commissions that, for example, the Government Railways Act 1904 requires Westrail to submit quarterly railways working accounts. That seemed to be a pretty good measure of accountability as under that Act a quarterly account must be provided with detailed information about the rolling stock, incidental expenditure and other expenditure. In this clause, the half-yearly report will not only be tabled in Parliament, but also it will be published in the *Government Gazette*. However, I believe that the amendment about to be moved by the Minister for Forest Products is virtually the same as the amendment we were about to move, therefore, I will not proceed with our amendment. Obviously, a half-yearly report will give both Parliament and the community much greater insight into what the commission is doing, and that is a good thing. The minister said that the Government has taken a number of measures to increase accountability; we welcome those measures. However, there is still a great deal of community interest about exactly what is happening in the forests and I do not believe that interest will go away. Therefore, there will be much greater accountability by having a half-yearly report tabled in the Parliament.

Mr OMODEI: I move -

Page 18, after line 5 - To insert the following -

(5) A half-yearly report shall be laid before each House of Parliament.

Subclause (2)(a) refers to a half-yearly report within two months after the end of the reporting period and paragraph (b) provides that another period can be agreed to between the minister and the commissioners within the agreed period.

Some Acts of Parliament require quarterly reporting. The commissioners in the City of Wanneroo reported quarterly, but by the time the reports were prepared it was almost into the next quarter. It makes sense to have half-yearly reports. Each report will be laid before each House of Parliament even when Parliament is not sitting. That is a good reporting mechanism that should satisfy the general public.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 20: Draft strategic development plan to be submitted to Minister -

Mr RIEBELING: A few minutes ago the minister indicated that the publishing of matters of significant public interest covered under clause 16(2)(b) will appear in the draft strategic development plan under clause 20. I cannot see how his answer bears any resemblance to putting matters of public interest into the draft strategic development plan to be submitted to the minister.

Mr Omodei: I think I referred to the statement of corporate intent.

Mr RIEBELING: The minister referred to clause 20.

Mr Omodei: I was referring to the statement of corporate intent under clause 31.

Mr RIEBELING: Both the minister and the commissioner will know what is the matter of public interest. However, the public may never find out what it is. I am trying to find out where the mechanism is by which matters of interest to the

public will be made public, given that it may be in the interest of the minister for such matters not to appear in the draft strategic development plan, which appears to be totally inappropriate. I am desperate to find out where matters of public interest will appear in the publications that the minister says will give extra accountability and transparency.

Mr OMODEI: If a major item of public interest arose, the statement of corporate intent would be amended. The half-yearly reporting provision is a mechanism for that to be made public. I expect also that the commissioners will report under clause 31(2)(m) which provides for such other matters as may be agreed by the minister and the commissioners to be included in the statement of corporate intent.

Mr RIEBELING: I refer to clause 16(2)(b) concerning a matter of significant public interest. What mechanism will be used to advise the public of that matter of concern? Must all matters of concern appear in the half-yearly report?

Mr Omodei: If it is a matter of major importance, we expect the statement of corporate intent will be amended and it should be reported in the half-yearly report.

Mr RIEBELING: Will matters of significant public interest be reported in the half-yearly report?

Mr Omodei: Yes.

Clause put and passed.

Clause 21 put and passed.

Clause 22: Matters to be included in strategic development plan -

Mr BROWN: I assume the term "profit" under section 12(1) referred to in subclause (2)(a) refers to profit of companies operating in forest products.

Mr Omodei: It is covered under definitions at page 4, and reads -

> **"profit"**, in relation to the exploitation of forest products produced on public land, means an appropriate return to the State for that exploitation;

It is profit for the commission; the commission must make a profit.

Mr BROWN: Does the profit relate to profit to government from the exploitation of forest products rather than to any commercial operator that is involved in the forest industry?

Mr Omodei: It is the commission's profit on behalf of the State. Profit will probably go back into the other side of forest business.

Mr BROWN: Do the matters under subclause (2)(c) such as competitive strategies, sales and revenue projections, infrastructure maintenance, financial requirements and capital expenditure, relate to the government operation or to private sector companies that operate in the industry?

Mr OMODEI: Strictly for the Forest Products Commission.

Mr BROWN: The matters in this clause relate strictly to the commission, and in setting the strategic development plan, which would include the prices, the commission will look at all those matters as they apply to the commission in its operation, rather as they might apply to the private sector or commercial forest products industry.

Mr Omodei: We are really talking about the Forest Products Commission but, obviously, there will be a timber strategy for the whole of the industry, which is not covered in this legislation. That is a government policy matter.

Mr BROWN: Prices for commodities - timber is a commodity - rise and fall depending on supply and demand and so on. In recent days, for example, iron ore producers have achieved a 5 per cent increase in prices, and last year there was an 11 per cent reduction in prices. I am not sure what will happen with forest products as prices fluctuate. Presumably markets change as supply and demand change, and prices fluctuate. I am trying to ascertain the degree to which the price set by the commission - the Government - will reflect the price in the marketplace. To what extent will the commission take market operations into account, as opposed to its own operational considerations? If the words in the clause are intended to mean that the commission is required to look at its own operations in all these matters, to deliver a profit and to set a price accordingly, that would be one way of setting the price. Another way would be for the commission to look at all those matters, then look at industry viability, in terms of the prices available on the world market or domestic market, and then perhaps determine that prices could be lower or higher depending on the projected market price over the next 12 months, two years or whatever the patterns are in that market. I am trying to clarify the point. First, it seemed as though it would be more of a market price than a price set on the basis of an operating budget plus a profit. If it is to be a price set on the operating budget plus a profit for the Government, will the issue of market price in any way influence the commission's consideration in setting prices in the strategic development plan?

Mr OMODEI: Clause 22(1) states that the strategic development plan must set out the commission's medium to long-term objectives, including economic and financial objectives and objectives relating to the non-commercial functions of the commission, and operational targets and how those objectives and targets will be achieved. At the same time, clause 12(1) sets out the principles on which the commission is to act, and states that the commission in performing its functions must try to ensure that a profit that is consistent with the planned targets is made from the exploitation of forest products while

ensuring the long-term viability of the forest products industry. Reference is then made to ecologically sustainable management.

I anticipate that at times the industry will make higher profits. Under the current situation of a housing boom, the demand for timber is high and prices will be lucrative. As the member is aware, there are peaks and troughs in supply and demand, particularly in demand, and the private sector would receive smaller profits in times of low demand. However, under this legislation, the commission is obliged to cover its costs and to make a profit; that is the pricing policy that will be set. We cannot expect the Government to subsidise industry by taking a low price at times of low demand. Alternatively, if that were the case, they are not the principles by which this Government would run a business because it would then demand that it set a higher pricing policy in times of good prices and strong demand. The commission must make a profit, and it must comply with ecologically sustainable management and ensure the long-term viability of the forest products industry. That is what the Government is doing in downsizing the industry to ensure it is a sustainable industry long term that tailors its supply to the availability of the resource. Obviously, the pricing to the private sector would depend on supply and demand.

Mr BROWN: I take it that the pricing model will be based on operational costs of the commission, which include such things as revenue projections and infrastructure, which the commission must consider for itself, plus a profit. That is primarily the focus. However, I wonder what is the situation with regard to clause 12(1)(a) which refers to the long-term viability of the forest products industry. In the event that timber prices fell on the domestic and world markets to a point at which if the commission maintained its operational costs plus a profit, the margin would be so thin as to threaten the viability of the forest products industry, would the commission then reduce its price so that its profit was smaller?

Mr OMODEI: I refer the member to clause 59 relating to components of contract price. Clause 59(2) states that if the commission and the executive director cannot agree on the amount that is necessary to enable full recovery of costs, the Treasurer is to determine the amount. I dare say that in times of low demand and high production costs, there would be a rationalisation of the industry. Across Australia major American companies are taking over most of the pine resources. There could be a situation in which competitive forces cause a rationalisation of industry as well. Certainly there are some mechanisms by which we can address those issues.

Mr Brown: In those circumstances, would the commission lower its profit margins in order to try to meet the other objective of maintaining a viable industry?

Mr OMODEI: It is a difficult question to answer. I hope we are never in that situation. There probably would be a shake-out in the industry before that happened, and when there is a shake-out the smaller, less viable or the less equipped producers would lower production and tailor it to the demand. I do not think the Government would want to run its commercial forest operations at a loss; I hope it does not happen. We must find out if it does happen.

Mr Brown: The legislation permits it to happen.

Mr OMODEI: Under clause 59 reference is made to the commission setting the price for the sale of forest products under a production contract and what that contract must include. In subclause (1) reference is made to the case of a contract relating to forest products on land the subject of a commission sharefarming, the commission's operating costs in relation to the forest products and a component representing a profit from the exploitation of the forest products. Then again, under subclause (2) -

> If the Commission and the Executive Director cannot agree on the amount that is necessary to enable full recovery of costs as referred to in subsection (1)(c) or (d), the Treasurer is to determine the amount.

That may mean some flexibility in the pricing during a critical situation.

Clause put and passed.

Clause 23 put and passed.

Clause 24: Minister's powers in relation to draft strategic development plan -

Mr RIEBELING: It appears that the minister has the power of veto in the case of a dispute with the commissioners over what should be put into the draft strategic development plan. Under subclause (3), the minister may direct that the draft plan be modified in whatever way he thinks fit. Why is it necessary for the minister to have that overriding power of veto? I cannot see why it would occur, but if a dispute between the minister and the commissioners reached this point, is there any capacity for Parliament to be notified of the range of dispute? I understand the minister must table the amended copy of the plan in the House 14 days after the direction is given. Will the reasons for the dispute and the other side of the argument be divulged to the House when the amended plan is tabled?

Mr OMODEI: As an example, as the minister, I could direct the commission to manage current blue gum stocks in preparation for sawlogs to augment supply to the Pemberton mill after 2003. That suggestion might not be raised in the draft strategic plan but could be government policy. The accountability measures are quite clear -

> (3) If the commissioners and the Minister have not reached an agreement on the draft strategic development plan by one month before the start of the next financial year, the Minister may, by written notice, direct the commissioners -

(a) to take specified steps in relation to the draft plan; or

(b) to make specified modifications to the draft plan.

(4) The commissioners must comply with a direction under subsection (3) as soon as is practicable.

(5) The Minister must within 14 days after a direction is given cause a copy of it to be laid before each House of Parliament or dealt with in accordance with section 69.

The accountability measures are specified in the Bill.

Mr RIEBELING: The legislation does not provide that the minister must say what the dispute is.

Mr OMODEI: The method by which the reasons for the dispute become known are contained in clause 14(3). The commissioners may object to the minister's objections and give the reasons for that. It is contained in clause 14, which the House has already debated. The commissioners may object under the Statutory Corporations (Liability of Directors) Act.

Mr RIEBELING: Is the minister saying that clause 14 of the Forest Products Bill compels the minister to also publish the reasons for the dispute when the ministerial direction is tabled?

Mr Omodei: The commission is subject to half-yearly reporting.

Mr RIEBELING: The minister keeps mentioning the half-yearly reporting, but we are talking about the strategic development plan. The commissioners will not necessarily have a problem with including a ministerial direction in the agreement. Clause 14 would come into play if there were a direction with which the commissioners disagreed. However, under clause 24, we are talking about the power of veto by the minister to change a draft strategic development plan. I am trying to understand how the public will be involved. Will the public know the reasoning behind the minister's decision to veto the commission's objection to including his direction in the statement?

Mr OMODEI: Clause 14(3)(b) refers to the Statutory Corporations (Liability of Directors) Act and section 17 of that Act states -

(1) Where a direction is given under a written law to a corporation by a Minister and the governing body determines that . . .

(b) the direction is unlawful . . .

(2) Where a governing body gives such a notice to the responsible Minister, that Minister is to either -

(a) cancel the direction; or

(b) or confirm it and state his or her reasons for doing so.

The reporting mechanism is contained under clause 69 of this Bill. Clause 14(3) states -

The Minister must cause the text of any direction under subsection (1) be laid before each House of Parliament or dealt with under section 69.

Clause 69 refers to the tabling of the document when Parliament is not sitting.

Mr RIEBELING: I understand that the provisions state that the minister's direction must be published and his strategic development plan must be tabled. I understand that all the things the minister does must be tabled. However, it does not contain the alternative argument. What if the minister is in dispute with the commissioners over the strategic development plan for the industry and we get one side of the argument from the minister but the commissioners have a different argument? We are talking about accountability and, presumably, as the minister has stated, the commissioners will be eminent people who will have a knowledge of the industry and access to independent review teams and proper management plans. If there is a dispute of that magnitude between the minister and the commissioners, then as a measure of accountability surely both sides of that dispute should be published, but in the provisions indicated by the minister I cannot find where that would happen.

Mr OMODEI: I am advised that the commissioners may table any concerns they have about those directions in the annual report.

Clause put and passed.

Clauses 25 to 27 put and passed.

Clause 28: Concurrence of Treasurer -

Mr BROWN: Clause 28 provides that the minister shall not agree to a draft strategic development plan or any modifications to that plan except with the concurrence of the Treasurer. I take it that this provision is being included because presumably the budget for the year is intended to include expected revenues from this area. Is that the purpose of its inclusion? Therefore, if there are to be modifications to the strategic plan which may result in a different income to that expected, those modifications will require the Treasurer's approval.

Mr Omodei: The Treasurer's approval will be required not only for modifications but also for borrowings. The budget and the borrowings will need to be approved by the Treasurer.

Mr BROWN: Okay. I guess that is an another checking mechanism; there seems to be a number of them in the Bill. I hope that afterwards -

Mr Omodei: That it works?

Mr BROWN: I hope someone does a diagram of the process because it will be fascinating to see how this will all work schematically.

Mr Omodei: It is a bit of a problem when you have to draw pictures for the minister.

Mr BROWN: I have received the clarification I sought.

Clause put and passed.

Clauses 29 and 30 put and paused.

Clause 31: Matters to be included in statement of corporate intent -

Mr OMODEI: I move -

> Page 22, line 15 - To delete "ecologically sustainable management of" and substitute "principles of ecologically sustainable forest management to be applied in the management of indigenous"

This amendment also relates to ensuring continuity between this clause and the clauses amended previously to gain the agreement of the Opposition about ecologically sustainable forest management. This amendment will be moved wherever required in relation to the terms set out in clause 31(2)(a)(ii) to ensure continuity not only in the clauses which have been inserted into the Bill but also in the amendments to the Conservation and Land Management Amendment Bill 1999.

Dr EDWARDS: I inform the House that I will not be moving the amendment standing in my name. The minister's amendment picks up the intent of the Labor Party's amendment and we thank him for moving it. We will be debating the amended clause in a minute but I take this opportunity to ask the minister a question about the clause. Clause 31(4) says a community service obligation is "a reference to a community service obligation that may affect the capacity of the Commission to comply with section 12 in respect of its functions" under various sections. Can the minister give the House an example of what a community service obligation is likely to be, what impact it will have on the commission, and the estimated compensation the commission will be seeking for the performance of this community service-type obligation? We remain unclear about what sort of community service obligation a Forest Products Commission would have, given its functions and the principles it will be abiding by. With the amendment the minister has just moved and the amendments we have moved today, the commission will now be taking ecologically sustainable forest management into account. We are relieved that its motive will not be solely profit but CSOs might arise from that. We are interested in some clarification from the minister as to exactly what he believes the community service obligations will entail.

Mr OMODEI: Examples of community service obligations include the maritime pine project. It is a long-term project over 25 to 30 years involving the propagation of seedlings and the planting out of 15 000 hectares of maritime pine a year to combat salinity - it is 150 000 hectares in total - in areas like Moora, Katanning and Esperance. Another example is the Oil Mallee Association project. From an environmental point of view we are looking at conserving land and combatting salinity while at the same time providing a resource at the other end of the project. In the initial stages I doubt whether either of those projects will be commercially viable and we may need a community service obligation from Government and that would probably come out of the profit made from the Forest Products Commission's commercial activities. These are two examples and there are probably others. Notification would be needed within the statement of corporate intent that the community service obligation applied. I think that will probably be the only way that we can embark on major projects like the maritime pine project and the Oil Mallee Association project.

Mr BROWN: Subclause (4) provides -

> A reference in subsection (2) to a community service obligation is a reference to a community service obligation that may affect the capacity of the Commission to comply with section 12 in respect of its functions under section 10(1)(c), (e) and (i).

Section 12 places an onus on the commission in the performance of its functions to try to ensure that a profit consistent with planned targets is made from the exploitation of forest products while ensuring the long-term viability of the forest products industry and the ecologically sustainable management of indigenous forest products. Clause 31(4) accepts that the commission may not be able to comply with section 12 in respect of its functions under section 10(1)(c), (e) and (i). Paragraph (c) relates to the selling of forest products by way of a contract. In what respect would that mean the commission is then complying with its community service obligations in that those obligations will allow the commission to sell forest products other than by way of a contract?

Mr OMODEI: Section 12 relates to selling things for a profit, the long-term viability of the forest products industry and ecologically sustainable management. Section 10(1) refers to selling products by way of contract, requiring rights and powers and accepting obligations under sharefarming agreements or through the agency of the executive director under sharefarming agreements, and entering into contracts with any person for the harvesting of products. The commission may enter into contracts or sharefarming arrangements which do not return a profit. For example, salt amelioration does not return a profit, but that is a call on the commission or the Government to honour a community service obligation under clause 31(4).

Mr BROWN: How would that apply when the commission is selling forest products by way of contract? Clause 31(4) provides an exemption from that. How does that sit in relation to clause 31(4)?

Mr Omodei: There is no exemption.

Mr BROWN: In the selling of forest products, presumably one does not have to comply with section 12 in the making of a profit.

Mr Omodei: That is what is intended. In that situation we would call on the community service obligation at least to make that pay.

Mr BROWN: The intention is that one might sell timber to cover costs but not to make a profit if a CSO is involved.

Mr Omodei: That is correct.

Mr BROWN: Subclause (3) provides what is to be included in the statement of corporate intent. Subclause (3) provides that the minister may exempt the commission from including any of the matters mentioned in subclause (2) in the statement of corporate intent. If it is appropriate to have a statement of corporate intent as proposed, and if it is apposite to have the matters referred to in subclause (2) dealt with in the statement of corporate intent, what circumstances would give rise to exempting the commission from including any of those matters in the statement?

Mr OMODEI: I cannot think of any. If we embark on a plantation in an area remote from facilities and the harvesting and freighting of the product renders the project not necessarily viable, the CSO will then be applied. The question is whether the minister would choose to exempt the commission from including any of those matters. I will check that. It is a question of how much detail we would require the commission to provide. This gives the minister the ability to exempt the commission in a case in which it was not deemed necessary to include a matter in the statement of corporate intent.

Amendment put and passed.

Clause, as amended, put and passed.

Clause 32: Statement of corporate intent to be agreed if possible -

Dr EDWARDS: This clause provides that the commission and the minister must try to reach agreement on the statement of corporate intent as soon as possible and in any event not later than the start of the next financial year. Obviously statements of corporate intent are provided to allow both Parliament and the public to know exactly what the commission will be doing and, in particular, what will be happening in the relevant financial year. A key issue is that the statement should be made available before or, at the very worst, at the beginning of the relevant financial year so we all know what is going on. This legislation and other legislation dealing with corporatised entities requires the statement to be made available before the start of the financial year. Unfortunately, the Government has not had a good record in this regard. For example, the Water Corporation's 1997-98 statement of corporate intent was agreed to by the minister on 31 March 1997; that is, before the start of that financial year. It then took nine months for it to reach Parliament. A document that was meant to be made available for the awareness of the community and the public did not come into that domain until nearly seven months into the financial year. What mechanisms will the minister have to ensure that both the statement of corporate intent and the strategic development plan are made available to the Parliament before the beginning of the financial year?

Mr OMODEI: The statement of corporate intent must be agreed to if possible. The clause states that the commissioners and the minister must try to reach agreement, as the member has said, no later than the start of the financial year. The member does not need to make comparisons between the Water Corporation and this body, which has an unblemished record so far. The commissioners must comply with a request under subclause (1) as soon as is practicable. Clause 33(3) states -

> If the commissioners and the Minister have not reached agreement on a draft statement of corporate intent by one month before the start of the financial year, the Minister may, by written notice, direct the commissioners -
>
> (a) to take specified steps in relation to the draft statement;
>
> or
>
> (b) to make specified modifications to the draft statement.

It is referred to in clause 35(2), which states -

> The Minister must within 14 days after agreeing to a draft statement of corporate intent under subsection (1) cause a copy of it to be laid before each House of Parliament or dealt with in accordance with section 69.

That relates to the tabling when Parliament is not sitting. Clause 32 says that the statement of corporate intent must be agreed to if possible. The only time that would be delayed would be when the minister sends it back and does not agree with the commissioners. However, there are requirements under the legislation to take specified steps in relation to the draft statement, and the minister must table it within a certain period.

Clause put and passed.

Clauses 33 and 34 put and passed.

Clause 35: Minster's agreement to draft statement of corporate intent -

Dr EDWARDS: Clause 35 deals with the minister's agreement to the draft statement of corporate intent. Subclauses (3) and (4) deal with the fact that deletions can be made from the statement of corporate intent if it contains information which is commercially sensitive. Subclause (4) is a check on that sort of balance in that the Auditor General then makes a comment about whether the information deleted is commercially sensitive. In the general scheme of things, what sort of issue might be deemed to be commercially sensitive? This is a particularly pertinent question given that the minister has put a lot into this Bill which increases accountability. I am interested in what he has in mind with these two subclauses.

Mr OMODEI: One example would be a situation in which the commission competes with the private sector in plantations, whether they be pine or blue gum plantations or any other timber species. For example, it may include the inputs into the management of plantations when it must compete with the private sector. There may be situations in which the commissioners request the minister to delete that from the copy of the statement of corporate intent. That is one example, and I am sure there would be many others in which there is competition. As the member would be aware, with all of these prospectus-driven plantations, the management of those plantations, the management of some of the great southern plantations of the overseas companies, or if there are to be investors under carbon credits-type plantations, there will be competition between the Government and the private sector. Those companies may want to keep commercially confidential some of the inputs in those contracts, whether it be management, growing, harvesting or whatever.

Clause put and passed.

Clauses 36 to 38 put and passed.

Clause 39: Other staff -

Dr EDWARDS: I understand that all of the clauses about the remuneration and other terms and conditions of employment are no less favourable than those provided for in a number of other Acts and awards. Will the staff from the Department of Conservation and Land Management who transfer across be able to retain all their conditions and entitlements in a seamless way, and will they be able to stay there for the term of their natural working life, so to speak?

Mr OMODEI: The transfer of positions is covered under clause 6 of schedule 1 of the Conservation and Land Management Amendment Bill, which we have just debated. For example, clause 6(3) states -

> A person holding a position when it is transferred to the Forest Products Commission is to be regarded as having been engaged under section 39 of the Forest Products Act.

Clause 6(4) states -

> Except as otherwise agreed by a person referred to in subclause (3), the remuneration, existing or accrued rights (including the right to be employed for an indefinite period in the Public Service), rights under a superannuation scheme or terms, conditions or continuity of service of the person are not affected, prejudiced or interrupted by the operation of subclauses (2) and (3).

Mr BROWN: In relation to subclause (3), is it intended for the staff who are transferred that the positions with the commission will be advertised and that staff will have the opportunity to apply for those positions, or is it intended that people will be "asked" to transfer? What is the intention in that regard?

Mr OMODEI: The two top levels of management will be advertised and the rest will be covered under the transfer of positions under clause 6(1) of schedule 1 of the Conservation and Land Management Amendment Bill. We are splitting the roles and responsibilities for the new Department of Conservation and the Forest Products Commission. There will be a split of positions and a new structure with all of the various responsibilities outlined in a schematic way so that people apply for positions. All of the current officers are guaranteed to retain positions.

Mr Brown: Is the intent then to advertise all of the positions but limit it to the existing staff?

Mr OMODEI: The top two layers will be advertised, and the rest will be covered under clause 6(1)(a) of the Conservation and Land Management Amendment Bill, which states -

> the negotiation, preparation, administration and enforcement of contracts for the sale of things that are forest products;

These are the performing duties. Subclause (1)(b) states -

> the negotiation, preparation, administration and enforcement of contracts under section 88(1a) of the CALM Act in relation to things that are forest products;

Clause 6(1)(c) refers to arrangements in relation to timber sharefarming agreements referred to in section 34B of the Department of Conservation and Land Management Act. Paragraph (d) refers to the establishment or maintenance of plantations of forest products and plant nurseries for the production of forest products. Paragraph (e) refers to research into the management and production of forest products and plantations. Paragraph (f) refers to research into the use of forest products, and paragraph (g) refers to the provision of corporate services to the department including personnel, financial management, computing, legal, marketing etc. They are the responsibilities that will be retained without advertising.

Mr Brown: Could the minister clarify the physical location of the commission?

Mr OMODEI: The head office of the Forest Products Commission will be in Perth.

Mr Brown: On which site?

Mr OMODEI: That has not been finalised yet. It is the Government's intention to ensure a physical division between the office of the Forest Products Commission and the Department of Conservation. That will also be the case in non-metropolitan regions and in country towns. In some cases the Department of Conversation may be located in one town and the Forest Products Commission in another town. For example, in Manjimup, where there are multiple buildings, the Forest Products Commission will possibly be located in the current district office of CALM, and the Department of Conservation in the regional office. They are the sorts of activities we are going through now.

Mr Brown: Obviously some regional staff will come over to the commission. Will staff - not the senior positions - be asked not only to come over to the commission but also to shift house?

Mr OMODEI: There may be some cases in which that will occur. The same sort of logistical action took place in 1985 with the amalgamation of the organisations which dealt with fisheries, national parks and forests. We have had a number of strategic planning sessions. I have spoken at a number of those meetings in the metropolitan area and elsewhere and have addressed employees as I move around the State. The officers have shown great willingness to find solutions to any difficulties that arise. Some people may have to travel, but many of them travel anyway. For example, people in Walpole and Pemberton might work in Manjimup; and Manjimup residents might work in Pemberton. I do not think that is a major issue. We will resolve those issues with some goodwill.

Mr Brown: What will occur in the event that someone who is already travelling now will have to travel a lot further and that makes the job unviable?

Mr OMODEI: I am not aware of those concerns being expressed. However, a person who works for CALM in the plantation division and makes part of his income in fire control in the burning season was concerned he would lose $5 000 to $8 000 of his income. It was made clear that the services provided by the Department of Conservation in relation to fire control will continue as though nothing has changed. The Department of Conservation will draw on personnel from the Forest Products Commission and vice versa and there will be charges. In other words, the Department of Conservation will charge the Forest Products Commission for fire control and so on.

Mr Brown: What will be the size of the commission staff?

Mr OMODEI: The Forest Products Commission will have 235 staff and there will be 1 000 in the Department of Conservation, which has responsibility for land management in the whole of the State.

Clause put and passed.

Clause 40 put and passed.

Clause 41: Funds of Commission -

Dr EDWARDS: This clause spells out the various ways in which the commission may get its funds, and paragraph (a) refers to "moneys from time to time appropriated by Parliament". If the commission has money appropriated by Parliament will it be appearing in Estimates Committee hearings?

Mr OMODEI: Normally if funds are appropriated by Parliament they would be subject to discussions in the Estimates Committee hearings. I will check on that between now and the third reading and advise the member.

Clause put and passed.

Clause 42: Forest Products Account -

Dr EDWARDS: Subclause (2)(c) refers to interest on repayment of moneys borrowed by the commission. What proportion of CALM's debt will be transferred to the commission and is this the appropriate place to ask about it?

Mr OMODEI: We do not have the detail on that at the moment. However, the debt associated with production in native forests and plantations would go across to the Forest Products Commission. Any debt to do with the commercial arm of production would be allocated to the Forest Products Commission, and the rest would remain in the Department of Conservation.

Clause put and passed.

Clause 43: Liability of Commission for duties, taxes, rates etc. -

Dr EDWARDS: Subclause (4) states that the commission will pay to Treasury an equivalent amount of local government rates. Where does that money end up? Does local government ever see any of that money. It is quite an issue.

Mr OMODEI: It goes into the pot, as it does with all other government trading enterprises. Local government does not see any of it directly.

Dr Edwards: Which hat is the minister wearing?

Mr OMODEI: At the moment I am wearing the hat of the forest products minister. The well-worn argument that rating equivalent should be paid by government trading enterprises has been around for many decades. The Government would argue that local government gets a return of some of their rates in some programs that the State Government funds. However, it is intended that the rate equivalent payments will stay with Treasury.

Clause put and passed.

Clause 44: Dividends -

Dr EDWARDS: Under subclause (1) the commission has the option of paying any surplus either wholly or partly as a final dividend to the consolidated fund or applying it to its own purposes. Under the Water Corporation Act and the Gas Corporation Act, both those entities must pay a final dividend. They do not have the option of applying the profit to their own purposes. I am foreshadowing moving an amendment based on those Acts to tighten up this clause and to empower the minister, with the Treasurer's concurrence, to direct that a final dividend is to be paid and how much is to be paid. Therefore, we will oppose this clause with a view to substituting our proposed new clause.

Mr OMODEI: The Government intends to oppose the amendment should it be moved. I see no necessity for the amendment to be moved. Under clause 17 the minister is to be kept informed. Under 17(a) the minister must be kept reasonably informed of the operations, financial performance and financial position of the commission, including the assets and liabilities, surpluses and deficits and prospects of the commission. Clause 44 reads -

(2) The commissioners, as soon as is practicable after the end of each financial year, are to make a recommendation to the Minister as to -

(a) whether a final dividend is to be paid; and

(b) if so, the amount to be paid.

(3) The Minister, with the Treasurer's concurrence -

(a) may accept a recommendation under subsection (2); or

(b) after consultation with the commissioners, is to direct that the amount of the final dividend is to be some other amount.

(4) The Commission is to pay the dividend -

(a) as soon as practicable after the amount is fixed under subsection (3); and

(b) in any case not later than -

(i) 6 months after the end of the financial year to which the final dividend relates; or

(ii) such other time as may be agreed between the Treasurer and the commissioners.

(5) If the commissioners consider that payment of an interim dividend to the Consolidated Fund is justified during part of a financial year the commissioners may make a recommendation to the Minister as to the amount of the interim dividend that the commissioners recommend should be paid.

(6) The Minister, with the Treasurer's concurrence -

(a) may accept a recommendation under subsection (5); or

(b) after consultation with the commissioners, is to direct that the amount of the interim dividend is to be some other amount.

(7) The Commission is to pay the dividend -

(a) as soon as practicable after the amount is fixed under subsection (6); and

(b) in any case not later than the end of the financial year to which the interim dividend relates.

I sought advice from Treasury. Its officials saw no necessity for the amendment, so the Government will oppose the amendment.

Mr BROWN: What are the projected dividends for the next few years?

Mr OMODEI: I am advised it will be up to the commissioners on their recommendation to the minister. However, to give an example, if it were to be 50 per cent of the profit, it would be in the vicinity of $3m to $3.5m. We will be conducting a pricing review in the near future. It depends on what will be the pricing, the production of timber, the community service obligations and so on. It is hard to say definitively at this point what would be the dividend. We will be in a better position at the end of the next financial year to give an indication. It depends too on what happens with forest management, the management plan and the volumes of timber that come through as a result of the next forest management plan.

Mr BROWN: I take it that currently the arrangement is that this money is paid in and used by the existing Department of Conservation and Land Management because CALM draws from the consolidated revenue fund anyway. I assume with

the breaking up of the department into two departments, the Government will, on the one hand, be increasing the allocation of the consolidated revenue fund to the Department of Conservation while, on the other hand, be expecting that some or all of the shortfall will be made up by the dividend that will be paid through the commission. Is that analysis correct?

Mr OMODEI: Obviously we would expect the Forest Products Commission to pay for itself and provide a dividend to government. On the other hand, with the Department of Conservation, if one looks at the changes in relation to woodchipping and royalties availability and the Regional Forest Agreement, if there is a reduction in timber output, obviously that will affect income. One would therefore expect that the allocation from the consolidated fund to the Department of Conservation would increase significantly.

Mr BROWN: Will it be more than the $3.5m?

Mr Omodei: I am sure it would be a lot more than that.

Clause put and passed.

Clauses 45 to 49 put and passed.

Clause 50: Application of *Financial Administration and Audit Act 1985* -

Dr EDWARDS: I move -

Page 34, after line 18 - To insert the following -

(2) The Commission's annual report must include a comparison of the performance of the Commission with any relevant statement of corporate intent.

I have modelled this amendment on the Gas Corporation Act of 1994 which requires AlintaGas, which is not subject to this provision of the Financial Administration and Audit Act, in its annual reports to make a comparison of its performance with its statement of corporate intent. There is no similar requirement for the Forest Products Commission, and the Opposition believes its annual report should show how it has performed against the targets, planned achievements, pricing, revenue and expenditure and all the other matters outlined in the statement of corporate intent.

Mr OMODEI: The Government has sought advice on this amendment proposed by the member for Maylands, and I am advised that the proposed amendment would significantly increase the scope of the commission's annual report. The advice suggests that the clause not be amended, and notes that both the statement of corporate intent and the annual report are public documents which facilitate a comparison between the two documents. In addition, section 40 of the Financial Administration and Audit Act requires a comparison of performance against estimates contained in the previous year's annual report. On that basis, the Government does not intend to support the amendment.

Amendment put and negatived.

Clause put and passed.

Clauses 51 to 55 put and passed.

Clause 56: Contracts generally -

Mr BROWN: This clauses provides that without limiting clause 10(4), the commission may make any appropriate commercial arrangements or do anything else that it considers appropriate, for the purposes of entering into production contracts and road contracts, including conducting negotiations by private treaty and so on. What circumstances might give rise to a contract being entered into by private treaty? It seems to me that these days there is an expectation that contracting arrangements will be open and there will be competition for contracts that become available. Entering into contracts by way of private treaty suggests there might be some other process for entering into contractual arrangements. Exactly what is envisaged in the arrangements described in the Bill as "conducting negotiations by private treaty"? Is it envisaged, for example, that there will be one, two or three preferred contractors and negotiations will go on with those contractors, following which a decision will be made by the commission, or commission staff, and the contracts will not generally be advertised? Will the minister indicate what is intended by this clause?

Mr OMODEI: In most cases major timber contracts will be renewed by private treaty; in other words, by negotiation. In the main, most road contracts will be let by tender, but flexibility is needed in the legislation to allow the Forest Products Commission to enter into an agreement by private treaty. If there is an emergency or if extra roads need to be built very quickly because of heavy rainfall and so on, the commission may need to engage people by private treaty. The member is correct in saying that usually a number of contractors are available for that sort of work. For example, the Department of Conservation and Land Management has its own machinery, but it also has an inventory of private contractors on call in the case of a wildfire. In that situation, tenders would not be let. Fire control will be under the auspices of CALM. However, it may burn forest that is within the responsibility of the Forest Products Commission. If a fire jumps over roads or burning buffers, it may be necessary to engage people to build not only roads but also firebreaks.

Mr BROWN: I concur with the minister that in the event of an emergency, the situation must be dealt with. However, prior to that situation arising, the commission must have all sorts of contingency plans. Presumably it does not work in a vacuum and expect there to be no fires so that when one occurs, it then inquires if equipment is available in Narrogin, for example.

Mr Omodei: They have an inventory and they have people on call.

Mr BROWN: I would have thought that it would also have arrangements that might be updated annually or every couple of years indicating the rates agreed for certain contractors and their equipment. Otherwise, the commission might get some very steep bills after the event if it had not arranged the deal before the work was done. I understand the need to act quickly when an emergency arises, and these days people are more aware that emergencies tend to arise more often than not and they must pre-plan for that eventuality.

Mr Omodei: They do to the extent of having people on call, on flat rates, and on 24 hour call in the case of an emergency. Emergencies do arise during normal logging activities and from time to time there may be a section of road that is not provided for under the contract that could be negotiated by private treaty.

Mr BROWN: I certainly would not want to speak against the agency being able to deal with an emergency situation. It must have the flexibility to deal with that. However, given some of the things I have seen with government contracting arrangements, I have a major reservation about this provision being so broad. This power should be more constrained in terms of emergencies or smaller contracts, or even regarding an existing plant. The power appears too wide, and Parliament's acceptance of that power will enable the commission or the general manager, when asked why certain contracts have been let, or why other contracts have been let by private treaty and why they were not opened up to others so they could compete for a contract, to respond, "The power is in the Act to which the Parliament has agreed and that is what has been done." That could be somewhat of a problem. It would have been better to state the circumstances under which the power might be used - whether it be for an emergency or for minor contracts of, say, $500, where more would be spent on administration than the actual value of the contract, or for those contracts where there is an existing timber company.

The other issue is that with the reduction over time of the availability of timber, presumably competition for the timber will occur between different mills. In the event of timber prices being higher due to a reduction in supply, there may well be a contest as to who is to get the allocation. The State may not receive the best price if the price is negotiated by private treaty because considerations other than the best return to the taxpayer may come into play.

Mr OMODEI: The conduct of production contract negotiations by private treaty would be more in relation to volume than price. The price would be set under the pricing mechanism. I assure the member that it is my intention that the majority of contracts will continue to be dealt with by public tender. Competition will occur between logging contractors as the timber resource diminishes. A huge reduction - of the order of about 300 000 or 400 000 cubic metres - in the amount of chip log will go to the Diamond chip mill. Obviously some logging contractors will drop out of the system, but I hope they will pick up a lot more work in the plantation area, particularly with blue gums, thinnings and the freighting of the product. Members can be assured that it is my intention that the vast majority of contracts will be let by public tender, as I understand is currently the case. We just need some flexibility in relation to negotiation by private treaty - volumes need to be handled by private treaty - and with the other issues where contracts can be let, it will be only a minimal arrangement to ensure that flexibility exists to provide that infrastructure.

Mr BROWN: I wonder if the minister is willing to reflect on that matter before the Bill goes to the other place. I see it as wide open and while I have no reason to doubt the minister's bona fides, he may not always be the relevant minister and other people may have a different philosophy and that different philosophy may be implemented.

Mr Omodei: I will obtain more specific examples of where that will be applied.

Mr BROWN: Will the minister consider whether there is a need to constrain that power?

Mr Omodei: I will do that.

Clause put and passed.

Clauses 57 to 61 put and passed.

New clause 62 -

Dr EDWARDS: I move -

Page 42, after line 11 - To insert the following -

62. Tabling of contracts

(1) The Minister must cause any production contracts or road contracts to be laid before each House of Parliament, or dealt with under subsection (2), within 14 days after the contract is signed.

(2) If -

(a) at the commencement of the period referred to in subsection (1) a House of Parliament is not sitting; and

(b) the Minister is of the opinion that the House will not sit during the period,

the Minister is to transmit a copy of the contract to the Clerk of that House.

(3) A copy of a contract transmitted to the Clerk of the House is to be regarded -

(a) as having been laid before that House; and

(b) as being a document published by order or under the authority of the House.

(4) The laying of a copy of the contract that is regarded as having occurred under subsection (3)(a) is to be recorded in the Minutes, or Votes and Proceedings, of the House on the first sitting day of the House after the Clerk received the copy.

We move this amendment because we believe there needs to be good accountability with respect to the contracts. The Bill contains a lot of measures that improve accountability, but if the contracts were to be tabled in the Houses we would have true accountability - the type of accountability that I believe the public is demanding. I urge the House to support this amendment.

Mr OMODEI: My advice is that the amendment may make it difficult for the commission to negotiate contracts, particularly as the commercial confidentiality of private sector proponents will be lost; therefore, the Government does not support the amendment. It may be that there is an alternative, and that is that I require the commission to include in its annual reports some of the information about the contracts, such as the identity of the parties, the term of the contract, the amount of any fee and any other information that the minister responsible for the commission considers relevant. The existing regulation is section 148 of the Forest Management Regulations 1993. It is headed "Information to be provided relating to specific permits, licences and contracts" and states -

Upon application and payment of the fee, if any, specified in item 4 of Schedule 5 the Executive Director shall provide any person with -

(a) details of persons who hold permits, forest produce licences, contracts to harvest and deliver or contracts of sale;

(b) in respect of any permit, forest produce licence or contract referred to in paragraph (a), details of any fees, charges and royalties payable, log allocation, location of coupes and any conditions and limitations to which the contract, forest produce licence or permit is subject; and

(c) a copy of any permit, forest produce licence or contract referred to in paragraph (a).

There is also a regulation head of power in the current Bill. Clause 70(2)(k) gives a regulation head of power applicable to making contracts publicly available as provided under section 148 of the existing Forest Management Regulations. We will be able to amend section 148 of the Forest Management Regulations based on the advice given to us by Treasury. I think all of the member for Maylands' concerns are covered under the regulations and the regulations can be changed to cover what is not presently included to ensure that the whole issue is transparent.

Mr Brown: Are you saying that this contract will be tabled under the regulations?

Mr OMODEI: Certain aspects of it can be, under the current regulations. The current regulation indicates that the executive director shall provide any person with -

(a) details of persons who hold permits, forest produce licences, contracts to harvest and deliver or contracts of sale;

(b) in respect of any permit, forest produce licence or contract referred to in paragraph (a), details of any fees, charges and royalties payable, log allocation, location of coupes and any conditions and limitations to which the contract, forest produce licence or permit is subject; and

(c) a copy of any permit, forest produce licence or contract referred to in paragraph (a).

Based on the advice from Treasury, if we replace any regulation, we must bear in mind that that may make it difficult for the commission to negotiate contracts particularly as the commercial confidentiality of a private sector proponent will be lost. We need some commercial confidentiality or everybody else will know what a proponent has tendered.

Mr BROWN: I am interested to hear from the minister what he considers is commercially confidential in these contracts. I have been encouraged by some of the minister's colleagues to look at the Department of Contract and Management Services' web site to see all of the things on it. It is very nice -

Mr Omodei: And you have seen the light.

Mr BROWN: Yes. It sets out the conditions and after the contracts are allocated, it shows information about the price, who won and so on.

Mr Board interjected.

Mr BROWN: That is good but I have not yet heard whether the Minister for Employment and Training's colleagues use it. I am still waiting for that answer. If I get a clear and unequivocal guarantee from everybody that they use it and publish all the information, I will not need to continue to ask the questions I ask every month, but I have not received that assurance. However, my concern is that there seems to be a reluctance to make contracts available on the grounds of commercial confidentiality when I do not know what it is within the contracts that is commercially confidential. The contracts I have been privy to - I do not say there have been many - have been contracts which government requires the tenderer to enter

into, and government does not set out within the contract the way the tenderer may go about the work, such as the intellectual property the tenderer may bring to carry out the contract, which might be commercially confidential. The contract does not always set out the type of machinery, techniques or management style the tenderer might use. Obviously when we are differentiating between companies there are a few things to differentiate them. Companies might be differentiated by the different equipment they use and they may not want to have that information in the contract - they may not want to tell their competitors the type of equipment they use. That is a bit hard to avoid at times. If one is in the trucking industry and has a truck on the road, it is a bit hard to put a big shroud around it and keep it secret. However, in a closed environment companies may not want their competitors to know what sort of equipment they are using. They may not want their competitors to know what management style or practices they are using, whether their employees are engaged on awards or enterprise agreements or are award free or whatever. Companies may not want their competitors to know who their suppliers are, about their supply chains or a range of other things. I understand that tenderers do not want their competitors to know about those things because it could give the competitors some advantage. The competitors may make a native title claim over some areas to stop a company developing. Who knows? However, those sorts of things are not included in the contracts. One does not set out in the contracts that one will have 10 employees engaged under workplace agreements working from 9.00 am to 5.00 pm doing something. One does not set out in a contract that one will have certain pieces of equipment or use certain intellectual property to do these things. What is in these contracts which is of a commercially confidential nature, other than the price which should be generally known? The price is advertised and is generally available.

I read recently, I think in a review of the State Supply Commission, about people referring to using standard contracts. I understood from the report that there was a degree of support for the use of standard contracts. People like the idea because they would have one contract and that would be all they would need to know. They would sign on the bottom line that they would provide this road with these dimensions, these width and depth requirements and able to withstand these loads and the rest of it is a standard contract. I do not know what is in these contracts which is commercially confidential. Perhaps the minister can explain what it is which is commercially confidential, why the contracts cannot be tabled and how that would be damaging to the entities which win the contracts.

Mr OMODEI: I agree with most of what the member for Bassendean said. My main aim would be to see commonsense prevail. There is no doubt that the current regulations allow for the provision of most of the information the member requires. I do not think very much would be withheld at all. The member might well argue that government should not be in the business of planting trees any more because the private sector and its prospectus-driven plantation effort, particularly with blue gums, means there will be an abundance of resource out there. If government is competing with the private sector in the maritime pine, pinus radiata or blue gum markets - in the future it could even be competing in the hardwood market - the level playing field must be maintained. If it is not, the commission would be at a disadvantage compared with its private sector competitors. One might argue whether government should be in the tree plantation business. It certainly must be in the business of managing state and native forests, but that may change in the future. However, I am very much in agreement with most of what the member says; I do not think very much will be withheld under normal circumstances. Again, it is a commonsense application of the regulations whereby the availability of information provides for as much transparency as possible. That will be my aim while I am the minister responsible.

Mr BROWN: Government is always more transparent than the private sector simply because it is government. If a business is competing with a government agency, questions can be asked in Parliament and the government agency's business is made more transparent than might be the case for the private operator. That is particularly so if the operator is not incorporated. In that case, it is not required to lodge returns other than with the appropriate authorities. It is very difficult to glean any information in those circumstances. Government activities will always be more transparent, both in terms of annual reports and ongoing scrutiny of operations. Indeed, concerns were raised by tourism operators at Margaret River about some Department of Conservation and Land Management accommodation arrangements in that CALM, being a government agency and being able to cross subsidise, was offering accommodation at a lower price than the market rate and was taking business away from the private operators. Those operators spoke to many members of Parliament about that matter and they could seek information from -

Mr Omodei: Particularly their local member.

Mr BROWN: They could seek information from the Government about CALM's operating costs, whether notional rental was charged and so on. I accept that and that when a government agency is in business it will always suffer a degree of scrutiny that is not levelled at the private sector. That is fine and highly appropriate.

That is a matter for debate, not for refusing to release the contractual arrangements. If contracts contained anything of a commercially confidential nature - for the life of me I am yet to see what it might be - perhaps there could be an exemption. If Coles Myer Ltd, with its enormous buying power, entered into an agreement with Coca-Cola to sell 50 million litres of soft drink a year, Coca-Cola would not include its formula in the contract. The contract would state that Coca-Cola would supply so many cans in crates, at a certain time, at a certain quality and so on. However, everyone knows the key to that organisation's success is the drink formula. Likewise, software companies will say what they can do, but they will not divulge the nuts and bolts of their software. Why would they do that and why would government ask them to do that? Government is seeking a service or product of a certain quality to meet its needs. It is not seeking to step behind the product and find out how it works. It will not ask for intellectual property to be included in a contract. Businesses would be placed at risk if they did that. I urge support for the amendment.

New clause put and negatived.

Clauses 62 to 72 put and passed.

Schedule 1 -

Dr EDWARDS: I move -

Page 55, lines 20 to 26 - To delete the lines.

The Opposition believes that clause 19 waters down some of the accountability measures in the Bill. This sends a signal that, even though commissioners have a conflict of interest or an interest, they may still vote. These lines should be deleted so that if a commissioner has an interest, he or she will not be in a position to make decisions relating to that interest.

Mr OMODEI: This clause is similar to a clause in the Local Government Act, which is my other area of responsibility. That legislation refers to a person having a financial interest, but that interest is deemed to be trivial or an interest in common. Under the Local Government Act, on resolution of the meeting, that person is able to stay and take part in the debate but not to vote. I understand that this is similar, and in that case the issue would be a trivial interest or an interest in common. I am ambivalent about this issue. It means that the actions of the commission in properly debating an issue may be inhibited. A situation may arise in which a commissioner may have a trivial interest and may be able to contribute substantially to the debate, yet that person would be excluded from the meeting. This has been a real bone of contention among local government councillors when they believe the legislation inhibits good debate and people with expertise who could be available at a meeting are absented from the meeting for voting purposes.

Dr EDWARDS: I accept that the minister has put forward the notion of local government, and he has spoken about its applying to a trivial matter, but that is not clear from the clauses in the schedule. Clause 18 states that a commissioner who has a material personal interest in a matter, which may not necessarily be trivial, must not vote and must not be present. If we accept clause 19, we are saying that clause 18 may be declared inapplicable. If we proceed with both of these clauses, we are setting ourselves up for a John Howard's brother-type scenario. In that case, the Prime Minister was perceived as having stayed in the room, because all his colleagues said that he should stay in the room when a decision was made about the future of his brother. I acknowledge that that is a matter of perception. I am not saying that the Prime Minister had a conflict. However, there was certainly that perception. This is even worse because in the case of a commissioner who has declared a material interest, or where the other commissioners accept that this person has a material interest, clause 19 then allows them not to apply the procedures that would otherwise occur if the person did have a material interest. The deletion of clause 19 is essential if we are to have a transparent commission which operates in the best and most accountable interests of the State.

Mr OMODEI: I intend to oppose the amendment on the basis that clause 19 states -

Clause 18 does not apply if the commissioners have at any time passed a resolution that -

(a) specifies the commissioner, the interest and the matter; and

(b) states that the commissioners voting for the resolution are satisfied that the interest should not disqualify the commissioner from considering or voting on the matter.

Earlier in the debate we talked about the commissioners being eminent or distinguished people. One would expect that, if the commissioners thought that a person had a material interest, they would not be moving by resolution that that person be allowed to continue to debate the issue. It is a similar issue to the Local Government Act. When a commissioner can make a contribution to a debate without having a significant material interest, the commissioner should have the ability to do so.

Mr BROWN: This is a much lower test than that which applies in the Corporations Law. In the Corporations Law, a director who has a conflict of interest is required to disqualify himself from participating in that process. I am told - I stand to be corrected if my information is not correct - that in some cases dealing with directors of companies it has been held that not only must the director disclose his interest and absent himself from that part of the meeting which deals with the matter, but also he should absent himself from the whole meeting and the venue where the meeting is being held. We are not talking about people who are untrustworthy and who rort the system. We are talking about people who are highly trustworthy and who have a strong sense of probity and of doing the right thing. It places pressure on their co-directors or, in this case, co-commissioners if they are called on to make a decision when one of them may have some interest or another. When a person speaks out on that in some way, it might be deemed by other commissioners or directors attending the meeting, that somehow a slight is being directed at that colleague. In those areas where there must be a high level of respect and trust, the last thing a person wants to do is generate that view. If that view needs to be generated, that is fine. If someone is on the take or is breaching the rules, so be it. However, it is important for the organisation to be acting on a high level of trust. It is difficult when directors and, in this instance, commissioners are put in difficult circumstances, even if a resolution is passed beforehand. For example, Joe Blow, who is a commissioner, declares certain things and says that if a matter is raised, he wants the ability to stay in the meeting and discuss it. How do the other commissioners deal with that at the time? Do they simply accept it or do they not accept it, in which case do they think the commissioner is putting pressure on them to give him an advantage?

This is not a reasonable provision. If a person believes he has a conflict of interest, whether he is a commissioner or a director, he should disclose it as soon as it becomes apparent. If it is a matter that comes up at a meeting or if it is a matter he knows is coming up at a meeting, he should disclose it and ask for the meeting to be held in his absence, or if it comes

up at a meeting, he should disclose it and ask for the matter to be adjourned and to be determined at another time when he is not there. This way of dealing with it is most inappropriate. Indeed, it can reflect adversely on people of good character. This provision should not be in the Bill, because what should be strived for - I expect the minister will strive for this in the appointments that will be made - is that these people be of good character and repute. Therefore, this provision is unnecessary. There is a need for the minister to consider this and for him to remove this clause.

Mr OMODEI: I understand the member for Bassendean's argument clearly. However, my interest is in ensuring that the commission operates effectively. The penalty for failure to declare personal interest in clauses 17 and 18 is $10 000 and a disclosure under subclause (1) is to be recorded in the minutes of the meeting. I am trying to ensure that if a commissioner has an interest, albeit not a substantial interest, the commissioner can provide his or her expertise in debating a matter. Clause 18 states that the person must not be present while the matter or a proposed resolution of the kind referred to in paragraph (a)(ii), which refers to a proposed resolution under clause 19 in respect of the matter, whether relating to the commissioner or a different commissioner, is being considered. In other words, clause 19 of schedule 1 states that clause 18 does not apply if the commissioners have at any time passed a resolution that specifies the commissioner and his or her interest in the matter, and states that the commissioners voting for the resolution are satisfied the commissioner should not be disqualified from voting on the matter. That person cannot be in the room when the effect of clause 19 is being put in place. Of course, members of a board or organisation could intimidate another member. This clause is included in the legislation to ensure that the commissioners are able to give their expertise and valued opinions providing the interest is not a substantial interest. Provisions in other Acts also protect people who have trivial interests. On that basis I am prepared to stand by the clause as it stands. It is not about undermining another person. These people will be chosen for their integrity, and if someone has something to offer why exclude him from the meeting provided he has no significant financial interest. It is the counter argument to the one put by the member for Bassendean, and is defensible under this legislation.

Mr BROWN: I will not continue with the point other than to make this observation: Justice has to be done, and justice has to be seen to be done. If the minister asks people who may be experts on a particular matter to express a view and they have a personal interest in that view - other than an interest in doing the right thing for the commission - albeit a small one, there is always the temptation to argue that the view they have expressed has been coloured by their involvement other than being a commissioner or director. That is why those rules are important. This clause diminishes the stature of those people who will be on the board. I do not raise it any higher than that.

Amendment put and negatived.

Dr EDWARDS: Clause 21 in schedule 1 enables the minister to declare that clause 18, which dealt with the disclosure of the commissioner's interest, and clause 20 do not apply in a specified matter. We could have the same argument that was put in the previous amendment, but we will not. The only saving grace in this clause is that if the minister makes a declaration at least it is tabled in Parliament and we will find out about it. If the commissioners do otherwise, presumably we will only find out about it well after the event.

Mr OMODEI: I presume the minister may declare clauses 18 and 20 inapplicable in the situation in which commissioners have an interest in common. For example, their superannuation company may have a connection to plantation activities in the private sector, which would be declarable as a conflict of interest. In that situation the minister must have the ability to declare that interest in common. That is similar to a provision in the Local Government Act. From time to time a group of councillors apply to the Minister for Local Government for an exemption to discuss an item on the basis they all have an interest in plantations; for example, if they are farmers they could potentially own plantations. In that case the minister invariably gives an exemption and they can discuss the matter at council meetings. Other examples are an interest in common in relation to roads, buildings or whatever, and to some of the activities of the commission or the commission's competitors. In that case the minister would be able to declare clauses 18 and 20 inapplicable.

Schedule put and passed.

Schedules 2 and 3 put and passed.

Title put and passed.

House adjourned at 9.57 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

PLANNING, SUBDIVISION APPLICATIONS

958. Ms MacTIERNAN to the Minister for Planning:

In answer to question on notice No. 2966 of 1999 the Minister states that no administrative changes to procedures and practices of the Ministry of Planning were made as a result of the Ombudsman's recommendation on the Beck complaint -

(a) does this conflict with the advice that the Minister gave to the member for Roleystone, who on 21 September 1998 wrote to the Becks that as a result of those recommendations the Ministry's administrative procedure and practices had been upgraded; and

(b) will the Minister now advise whether the Minister's answer to question on notice No. 2966 of 1999 or the member for Roleystone's letter correctly sets out the position?

Mr KIERATH replied:

(a)-(b) I have discussed the matter with the member for Roleystone who appears to have a different interpretation of a discussion I had with him on this matter last year. However, there remains no proposal to change administrative practices at the Ministry for Planning.

CHILD CARE, ON-SITE FACILITIES

1736. Mr BROWN to the Minister for Family and Children's Services:

(1) Is the Minister aware of a recent report from recruitment firm Morgan and Banks which showed a high percentage of employees (both men and women) said they would prefer on-site child care facilities to be provided?

(2) What action is the Government/Minister/Department of Family and Children's Services taking to promote on-site facilities in-

(a) the State public sector;
(b) Local Government;
(c) in the private sector?

(3) What success has the Government/Minister/Department of Family and Children's Services had in having such on-site child care centres established?

(4) How many such on-site child care centres have been established since 1 July 1998?

(5) What are the-

(a) companies; and
(b) locations,

of such centres?

Mrs van de KLASHORST replied:

(1) Yes.

(2)-(3) The Commonwealth has responsibility for funding of work related child care. 352 long day care centres are approved by the Commonwealth to provide work related child care. The Department of Productivity and Labour Relations has developed information kits for employers to assist them in the development of work and family initiatives including Family Friendly Work Practices, Parental Leave, Establishing a Family Room in the Workplace and Home Based Work

(4) No on site child care centres have been licensed by the department since 1 July 1998.

(5) Not applicable.

YOUTH MORTALITY RATE, DRUGS AND SUICIDE

1765. Dr CONSTABLE to the Minister for Police:

(1) What is the drug and suicide related youth mortality rate in the Scarborough/Doubleview area?

(2) Which suburb or suburbs have the highest drug and suicide related youth mortality rates in the Western Australian metropolitan area?

(3) How does Western Australia's drug and suicide related youth mortality rate compare with the drug and suicide related youth mortality rates of the other States and Territories?

Mr PRINCE replied:

(1) Because of the small number of cases, drug or suicide mortality data is not available for the Scarborough/Doubleview area. A forthcoming study of suicide in Western Australia for the period 1986 to 1997 includes information for individual area health services, which shows that the Lower North Metropolitan Health Service had a total of 77 suicides (all causes) in this period.

(2) Data is not available by suburb.

(3) The most recent Australian cause of death data is for the year 1997. Age specific rates for drug and suicide related causes are not available. There was a total of 1,320 deaths of persons aged 15 to 24 years due to accidents, poisonings and violence (for all causes), of which 400 occurred in NSW, 300 in Victoria, 320 in Queensland, 91 in South Australia, 137 in Western Australia, 26 in Tasmania, 24 in the Northern Territory and 22 in the ACT. There was a total of 143 deaths of persons aged 15 to 24 years due to drug dependence of which 80 occurred in NSW, 30 in Victoria, 5 in Queensland, 4 in South Australia, 22 in Western Australia and 2 in the ACT. Unfortunately, these categories are not reliably coded and comparisons both between years and between States can be misleading. I would note that the WA Drug Abuse Strategy Office has recently commissioned the Institute for Child Health Research to examine the role of cannabis and other drugs in suicide, as anticipated in the WA Strategy Against Drug Abuse action plan for 1999-2001.

SENTENCING LAWS, MANDATORY

1783. Dr CONSTABLE to the Minister representing the Attorney General:

(1) How many people have been incarcerated under the State's mandatory sentencing laws?

(2) What was the nature of the offence for each offender sentenced under the mandatory sentencing laws?

(3) What was the age of each offender who served jail time as part of a mandatory sentence?

(4) In which facility or facilities have offenders sentenced under the mandatory provisions served their time?

Mr PRINCE replied:

The Attorney General has provided the following reply:-

(1) Adults - The number of adult offenders recorded as having been sentenced under the "three strikes" legislation is low, but there is doubt about the reliability of the system used to record this information. A possible reason for the low figure is that adults convicted of home burglary usually receive a sentence of 12 months imprisonment or more irrespective of the "three strikes" provisions. An audit of adult offenders convicted of home burglary is being undertaken by the Ministry of Justice which should provide reliable information on the impact of the legislation.

Juveniles - During the period from the introduction of the legislation on 14 November 1996 to 31 December 1999, there has been a total of 64 individual juveniles sentenced to detention and 5 individuals sentenced to imprisonment.

(2) The offences involve a burglary where the place is used for human habitation. The offence can involve circumstances of aggravation.

(3) The age of the 64 juveniles sentenced to detention in the Children's Court under the "three strikes" legislation up until 31 December 1999 is as follows:

18 years 3
17 years 22
16 years 17
15 years 16
14 years 4
13 years 1
12 years 1
11 years 0
10 years 0

Where a juvenile has been sentenced under this legislation to more than one period of detention, the juvenile's age when first sentenced has been used. Four of the five persons sentenced to imprisonment were aged 18 years, and the fifth was a juvenile aged 17 years and 11 months.

(4) Adults - Prison

Juveniles - Juveniles sentenced under the "three strikes" legislation serve their detention in a Detention Centre. Five persons sentenced by the Children's Court to imprisonment served their sentence in prison.

NO INTEREST LOANS SCHEME

1794. Mr BROWN to the Minister for Family and Children's Services:

(1) Has the Government established the Western Australia No Interest Loans Scheme?

(2) When was the scheme established?

(3) As at 18 February 2000, had the scheme made any loans?

(4) If so, how many?

(5) Once a person makes an application for a loan, what is the period of time they will have to wait until they know the loan is approved?

(6) What has been the average time a person has had to wait for a loan to be approved?

(7) After the loan has been approved, what period of time does it take for the payment to be made?

Mrs van de KLASHORST replied:

(1) Yes.

(2) The scheme commenced in January 2000.

(3) Yes.

(4) The WA NILS Network advises that the scheme has made thirteen loans as at 18 February 2000.

(5) The WA NILS Network advises that once an application for a loan is lodged with the Network the period of time people have to wait until they know the loan is approved is up to fourteen days.

(6) The WA NILS Network advises that the average time a person has to wait for a loan to be approved is approximately eight days once an application has been lodged.

(7) The WA NILS Network advises that after a loan has been approved the period of time for payment to be made is an average of 7 to 8 days.

PREGNANCY DISCRIMINATION

1844. Ms WARNOCK to the Parliamentary Secretary to the Minister for Justice:

(1) Is the Minister aware of a Human Rights and Equal Opportunity Report (commissioned by the Federal Attorney General) on pregnancy discrimination?

(2) If yes, is the Minister aware of any such discrimination in this State?

(3) How common is the problem of employers' discrimination against women on the grounds of their pregnancy?

(4) Will the Minister undertake to address this issue if instances are found of such discrimination?

Mr BARRON-SULLIVAN replied:

(1) Yes. The Commissioner for Equal Opportunity conducted focus groups in Western Australia for the Committee's report as reported on page 16 of the Commissioner's 1998/99 Annual Report.

(2) Yes.

(3) The Commissioner for Equal Opportunity reported that in 1998/99 she received 17 complaints relating to pregnancy. This accounts for less than 5% of all complaints handled by the Commissioner.

(4) Discrimination on the basis of pregnancy in specified areas of public life by the Equal Opportunity Act. The Commissioner addresses this issue through handling enquiries and complaints, producing written material and participating in national reviews.

GOVERNMENT DEPARTMENTS AND AGENCIES, ONSITE CHILD CARE

1857. Mr BROWN to the Minister representing the Attorney General:

(1) What departments and agencies under the Attorney General's control offer or provide on-site childcare facilities for employees?

(2) What is the nature of the facilities offered?

(3) Are any departments or agencies under the Attorney General's control giving consideration to offering such on-site childcare facilities?

(4) If so, what departments and agencies?

(5) Do any departments and agencies under the Attorney General's control have the plans to offer or provide on-site childcare facilities to employees?

(6) If so, when?

(7) What is the nature of the facilities that will be provided?

Mr PRINCE replied:

(1) None.

(2) Not applicable.

(3) No.

(4) Not applicable.

(5) No.

(6)-(7) Not applicable.

GOVERNMENT DEPARTMENTS AND AGENCIES, ONSITE CHILD CARE

1875. Mr BROWN to the Parliamentary Secretary to the Minister for Justice:

(1) What departments and agencies under the Minister's control offer or provide on-site childcare facilities for employees?

(2) What is the nature of the facilities offered?

(3) Are any departments or agencies under the Minister's control giving consideration to offering such on-site childcare facilities?

(4) If so, what departments and agencies?

(5) Do any departments and agencies under the Minister's control have the plans to offer or provide on-site childcare facilities to employees?

(6) If so, when?

(7) What is the nature of the facilities that will be provided?

Mr BARRON-SULLIVAN replied:

(1) None.

(2) Not applicable.

(3) No.

(4) Not applicable.

(5) No.

(6)-(7) Not applicable.

POLICE STATIONS, VEHICLE NUMBERS

1930. Mrs ROBERTS to the Minister for Police:

(1) Did the Bunbury Police Station have their vehicle numbers reduced by one vehicle during 1999?

(2) If so, why?

(3) If not, what is the case?

(4) Did the Kojonup Police Station have their vehicle numbers reduced by one vehicle during 1999?

(5) If so, why?

(6) If not, what is the case?

(7) Which other Police stations had their vehicle numbers reduced during 1999?

(8) Why were these vehicles removed?

Mr PRINCE replied:

(1) No.

(2) Not applicable.

(3) See (7).

(4) No.

(5) Not applicable.

(6) The Ford Falcon security vehicle located at the Kojonup Police Station has been disposed of. A loan vehicle has

been provided to Kojonup Police Station from Albany Police Station. A permanent replacement vehicle will be supplied in the near future.

(7)-(8) Vehicles in some instances are reallocated between Police Stations within Districts based on operational need and District priorities. As a result of an examination of vehicle usage, a number of Police Stations returned vehicles during the 1999 calendar year as they were considered to be under utilised. These vehicles have been disposed of and not replaced from the following stations; Laverton Police Station, Rockingham Police Station, Joondalup Police Station, Central Police Station, Mandurah Police Station, Narambeen Police Station and Corrigin Police Station.

VACATION SWIMMING PROGRAM, ENROLMENTS

1945. Mr CARPENTER to the Minister for Education:

What were the annual enrolment numbers for Vacswim in-

(a) 1989;
(b) 1990;
(c) 1991;
(d) 1992;
(e) 1993;
(f) 1994;
(g) 1995;
(h) 1996;
(i) 1997;
(j) 1998;
(k) 1999; and
(l) 2000?

Mr BARNETT replied:

(a) 80 698
(b) 78 083
(c) 77 170
(d) 76 022
(e) 74 080
(f) 71 912
(g) 70 645
(h) 69 426
(i) 66 626
(j) 62 972
(k) 61 521
(l) 58 000 (estimate)

WATER RESOURCES, KALGOORLIE-BOULDER

1968. Mr BROWN to the Minister for Water Resources:

(1) Has the Government identified reliable water supply options for Kalgoorlie-Boulder?

(2) If so, what are the water supply options?

(3) If not, why not?

Dr HAMES replied:

(1) Yes.

(2) The Water Corporation has a program of works in place to upgrade the existing Goldfields Pipeline to meet the future potable water supply needs of the City of Kalgoorlie-Boulder. Over the next eight years, in excess of $17 million per annum is planned for these upgrades. This calendar year alone, some $15 million will be spent on new pumping facilities and mains upgrading. In addition, augmentation of the existing supply by desalination, from the recently announced UTILILINK project, is being assessed.

(3) Not applicable.

NORTHAM FIRE STATION

1972. Mrs ROBERTS to the Minister for Emergency Services:

(1) Is it correct that the method of service delivery at the Northam Fire Station has recently changed or is about to change?

(2) If so, what are the details?

(3) Will fire services to Northam and surrounding communities be reduced?

(4) Will the Minister advise the justification for these changes?

(5) Is the Minister prepared to review the situation?

(6) Are similar changes proposed for other country or metropolitan towns?

(7) If so, which towns and what are the proposed changes?

Mr PRINCE replied:

(1) Yes.

(2) The Northam Fire Service receives a small number of fire calls each year which are generally attended and suppressed by the excellent service provided by the volunteers on station. It was identified there was a need to promote community fire safety initiatives within the community. Consequently the roles of the four permanent positions "on station" were modified. This will achieve better use of the available career and volunteer personnel and a more comprehensive delivery of service to the community. From March 2000, two dedicated positions will remain with the fire station for fire response and to support the volunteer people on station, whilst the other two positions will be located at the newly commissioned FESA district office in Fitzgerald Street, Northam. These two officers will focus on the promotion and implementation of community fire safety initiatives.

(3) No. The new arrangements are being trialled for three months. The ability of the brigade to respond to incidents will not be adversely affected. In addition, the promotion and management of community safety programs will be enhanced considerably in and around Northam. Normal townsite liaison duties and building inspections will continue and the capacity to implement corporate strategies to mitigate the devastating impact of fire across the broader community will be significantly enhanced with two officers planning and implementing safety initiatives. Of significant benefit to the community will be the capacity for the public to gain access to the district office and seek advice on any emergency management issue or service, as officers representing the State Emergency Service, Bush Fire Service and the Fire and Rescue Service are now centrally located in what can best be described as a "one stop shop" for the community.

(4) The justification for the trial is based on being able to provide a more accessible planned, holistic approach to community safety, and to enhance the Fire and Emergency Service Authority's (FESA) role to the broader community. This direction directly involves harnessing the energies of the three FESA divisions located in the new district office. From a management perspective, the capacity to offer a workplace with a variety of programs, opportunities for staff development and community involvement will allow FESA the opportunity to interact with key stakeholders to combat emergencies and embark on sustainable public education programs.

(5) The objectives of the program and its effectiveness in terms of provision of expertise, support to volunteer brigades, the promotion of community safety education and fire prevention initiatives and response related activities across the broader community, will be reviewed at the end of the trial period.

(6) Not at this point. However, FESA has an obligation to the community of Western Australia to maximise its available resources to provide an effective and efficient service to the broader community and to volunteers.

(7) Not applicable.

LAND CLEARING

1976. Dr EDWARDS to the Minister for Planning:

(1) Given that the draft Perth's Bushplan has recommended that; "there be a general presumption against clearing bushland containing threatened ecological communities or representation of vegetation complexes of which less than 10 percent remains in the Perth metropolitan Swan Coastal Plain", will the Minister be promoting the preservation of those complexes for which less than 10 percent remains as a priority?

(2) If not, why not?

(3) Given that Perth's Bushplan proposes to protect 8 percent of regionally significant Karrakatta Complex; Central and South, why are officers from the Ministry of Planning involved in negotiations with the landowner of the Underwood Avenue Bushplan site to allow some clearing?

(4) How is a general presumption against clearing reconciled with a negotiated solution which seeks to identify areas which can be cleared as a trade off for the preservation of remaining areas of subject land?

(5) Given that the Ministry of Planning is prepared to presume that clearing will take place in regionally significant vegetation complexes for which less than 10 percent remains, will the Ministry also be prepared to presume that clearing will also take place in bushland containing threatened ecological communities?

(6) If not, why not?

(7) At what percentage of remaining regionally significant Karrakatta Complex; Central and South would the Ministry of Planning implement a presumption against further clearing of this vegetation complex?

(8) When will the Minister present the priorities for Perth's Bushplan?

Mr KIERATH replied:

(1)-(2) The position recommended in the draft Perth's Bushplan which the member refers to is made in the context of other

recommendations in the draft plan. High priority for protection is recommended for those areas referred to subject to existing planning and environmental approvals being accounted for. Government is yet to receive a final version of Perth's Bushplan.

(3) The Underwood Avenue Bushplan site has existing zoning for Urban in the Metropolitan Region Scheme and Development in the local Town Planning Scheme. Officers of the Ministry for Planning and other agencies involved with Bushplan have consulted with the landowners to scope an outcome for the bushland on the site consistent with the draft Bushplan and the negotiated planning solution process. This is part of the consultation process.

(4) There is 18% of the Karrakatta Central and South currently remaining in the Perth metropolitan Swan Coastal Plain, not less than 10%, and the Underwood Avenue bushland does not contain threatened communities.

(5) The draft Bushplan proposes areas containing threatened ecological communities be given priority for reservation and acquisition and priority for protection through the negotiated planning solutions process, where appropriate.

(6) See (1) and (2).

(7) There is only "general" draft policy presumption against clearing and this only applies where less than 10% currently remains.

(8) Priorities for reservation will be identified in the final plan due for release later this year.

GOVERNMENT VEHICLES, SAVINGS IN FLEET CONTRACTS

1985. Mr KOBELKE to the Minister for Services:

(1) Is the statement on page 26 of the 1998-99 Annual Report of the Department of Contract and Management Services (CAMS) meant to imply that CAMS in managing the fleet contracts has generated $29.6m in savings to the Government?

(2) If so, was the $29.6m saving to the Government in the 1998-99 year?

(3) Will the Minister provide detailed substantiation for such claimed cost savings in managing the Government's fleet contracts?

(4) If so, then will the Minister table such justification and if not, will the Minister explain why such a claim was made in the Annual Report of CAMS?

Mr JOHNSON replied:

(1)-(3) Yes.

(4) Yes. A description of the methodology is tabled. [See paper No 805.]

ADOPTION, DRAFT BILL

1996. Ms ANWYL to the Minister for Family and Children's Services:

(1) What research is being carried out by the Minister's office or the Family and Children's Policy Office as to the effects of adoption on the children who are or have been adopted in Western Australia?

(2) When will a further Bill amending the current Adoption Act 1994 be presented to the Parliament?

(3) Has such a bill been drafted?

(4) Has such a bill been considered by Cabinet?

(5) Will the Minister provide a copy of the draft Bill?

Mrs van de KLASHORST replied:

(1) None.

(2)-(3) Drafting instructions for an Adoption Act Amendment Bill have been given to Parliamentary Counsel.

(4) No.

(5) No. The Bill will be available on introduction to the Legislative Assembly.

HOMESWEST, KALGOORLIE-BOULDER

1997. Ms ANWYL to the Minister for Housing:

(1) How many Homeswest properties are there in Kalgoorlie/Boulder?

(2) Will the Minister provide a list of the addresses and number of bedrooms of each property?

Dr HAMES replied:

(1) 737 properties.

(2) In order to protect the identity of Homeswest tenants, I am unable to provide property addresses for the individual properties. I am, however, prepared to provide the breakdown of the number of properties by bedroom size -

One bedroom	149
Two bedroom	144
Three bedroom	375
Four bedroom	67
Five bedroom	1
Six bedroom	1
Total	737

Should the member have any concerns about a specific Homeswest tenancy, the Ministry of Housing's regional manager would be happy to investigate her concerns.

SCHOOLS, THORNLIE ELECTORATE

2000. Ms McHALE to the Minister for Education:

With reference to question on notice No. 1601 of 1999, what will be the effect of the new formula on each of the following schools-

(a) Brookman Primary School;
(b) Kinlock Primary School;
(c) South Thornlie Primary School;
(d) Thornlie Senior High School;
(e) Yale Primary School; and
(f) Forest Crescent Primary School?

Mr BARNETT replied:

	School	Semester 1 1999	Semester 1 2000
(a)	Brookman Primary School	16.93 FTE	16.88 FTE
(b)	Kinlock Primary School	12.11 FTE	12.10 FTE
(c)	South Thornlie Primary School	30.39 FTE	30.23 FTE
(d)	Thornlie Senior High School	85.82 FTE	85.33 FTE
(e)	Yale Primary School	26.22 FTE	26.08 FTE
(f)	Forest Crescent Primary School	37.13 FTE	36.89 FTE

PRIME MINISTER, VISIT TO CHAMBER OF COMMERCE AND INDUSTRY BUILDING

2034. Mrs ROBERTS to the Minister for Police:

(1) With respect to the Prime Minister's visit to the Western Australian Chamber of Commerce and Industry building on 25 February 2000 why did some Police officers over-react and behave in an over-zealous manner?

(2) How many Police officers were deployed in this exercise and what units were they from?

(3) How many of the Police officers that were deployed did not display either their names or numbers?

(4) Why don't all Police officers display either their names or numbers at public rallies or protests?

(5) Who instructed the TRG to move aside all people in the vicinity of the entrance of the building?

(6) Have Standard Operating Procedures (SOPs) in relation to crowd control and civil disorder incidents now been examined and if so what is the result?

(7) Have protocols for planning and command of major incidents now been revisited and if so what is the result?

Mr PRINCE replied:

(1)-(7) The police response to the Prime Minister's visit to the Western Australian Chamber of Commerce and Industry has been reviewed and a report provided to the commissioner. As mentioned in the tabled media release - see paper No 806 - the commissioner did not intend to outline exact details of deployment during the police response for operational reasons. For similar reasons the report will not be made public. However I would be happy to arrange for a confidential briefing to be provided to the member.

HOUSING, IMPACT OF GST ON CHARITABLE HOUSING PROVIDERS

2044. Ms WARNOCK to the Minister for Housing:

(1) How will the Goods and Services Tax affect charitable housing providers in Western Australia?

(2) What is the Government doing to assist this sector in dealing with the GST?

Dr HAMES replied:

(1) Suppliers of accommodation made by charitable housing providers will be GST-free provided they satisfy the following conditions -

(a) The organisation is registered for ABN and GST; and
(b) The organisation is registered as an Income Tax Exempt Charity, and Deductible Gift Recipient; and
(c) It provides accommodation services at less than 75 per cent of market value.

This is a favourable position and is likely to apply to the majority of community housing agencies and Aboriginal communities.

(2) The Ministry of Housing has corresponded with charitable housing providers and Aboriginal communities advising them of the benefits of registering as per (1) above. The ministry has also financially contributed to the provision of training seminars for community housing agencies. In addition, and at a national level -

"Get Ready" GST training for Low Income, Aboriginal and Crisis Accommodation Providers (LIACAP) is being conducted by the Community Housing Coalition of W.A.

ATSIC and other organisations are providing GST information and referrals.

The Australian Taxation Office has sections of its Tax Reform website devoted to Aboriginal and Torres Strait Islanders, and a section for charities and the non-profit sector. The ATO is also conducting training seminars and visits by field officers.

QUESTIONS WITHOUT NOTICE

FINANCE BROKERS, ROYAL COMMISSION

673. Dr GALLOP to the Premier:

I refer to the Premier's denial last week of growing support in government ranks for a judicial inquiry into the finance brokers scandal.

(1) Is the Premier aware that one of his ministers told ABC radio last week that a royal commission into this matter was inevitable?

(2) Has the Premier taken any steps to find out who that minister was?

(3) Was it termite No 1, the Deputy Premier, or termite No 2, the deputy Liberal leader?

Withdrawal of Remark

Mr COWAN: There are rules in this place about offensive language. I demand that that comment be withdrawn.

The SPEAKER: The rules say that we should not impugn people. I believe that when the Leader of the Opposition refers to people as termites, he is starting to cross the line and I ask him to withdraw.

Dr GALLOP: I withdraw.

Questions without Notice Resumed

Dr GALLOP: Was it the Deputy Premier or the deputy Liberal leader who was undermining the Premier's leadership?

Mr COURT replied:

(1)-(3) I am not aware of comments that have been made, and I stick by the answer I gave last week. The concern of this Government is to make sure that not only is there an opportunity for those matters to be fully and properly investigated but also that action is taken, where appropriate, to recover moneys. For the Leader of the Opposition to look over at this side of the House and to say that there is division in the ranks is a pretty bold move. In recent times, two members have left the Labor Party. That is how disgusted they are with it. The member for Kimberley has left the party. In recent times, senior members of the Labor Party, such as Ian Taylor and David Smith, and whole branches in the Pilbara region, have left the Labor Party as a result of what is happening in the party. The Leader of the Opposition has raised the question.

Several members interjected.

The SPEAKER: Order! Once again, I must remind members that I have allowed interjections, and will continue to do so, when they come from the person who asked the question and they have something to do with it. Through their interjections, members are bringing in all sorts of other extraneous matters.

Mr COURT: When long-standing members of the Labor Party leave the party in disgust, that indicates a problem. When the Labor Party puts out policy documents and then puts out Labor parliamentary policy documents, that is when there is

division. If the Leader of the Opposition wants to have a discussion about division in political parties, I am only too willing to debate that matter at any time.

FINANCE BROKERS, ROYAL COMMISSION

674. Dr GALLOP to the Premier:

I have a supplementary question. Will the Premier ask the Deputy Premier, on his right, and the Leader of the House, on his left, which one of them said that a royal commission into the finance brokers scandal is inevitable?

Mr COURT replied:

I have outlined the Government's position. Unlike members opposite, we have a united front.

CENTRAL BUSINESS DISTRICT

675. Mr OSBORNE to the Minister for Planning:

The Leader of the Opposition said recently that all the money goes into the central business district, despite all the previous examples which show how hopelessly wrong and desperate that statement is. Will the minister provide the House with further examples of this Government pouring valuable resources into non-Perth CBD areas?

Mr KIERATH replied:

I thank the member for Bunbury, not only for asking the question, but also for his support of some of the announcements that I will make. This is another example of the Leader of the Opposition being proved wrong. He is trying to play some silly little game to try to draw something from the Victorian election result in an endeavour to create a furphy, if one likes, to try to con the people of this State into believing that his statements are true when in fact they are quite wrong. I guess he is disappointed that, under the coalition Government, the rural areas have fared far better than they ever did under a Labor Government. I do not know how the Labor Party will win over people with that sort of performance.

The State Government has recognised that the population build-up must be tempered with the protection of our natural environment. That is why the Government has taken the unprecedented step of creating not one, but two regional parks to ensure that the area retains not only the city itself but also its coastal and country attractions. The latest in a long line of initiatives to achieve this was launched recently with the launch of the Leschenault-Bunbury regional open space concept plan. We set aside extensive areas along the rivers, the coastline and some inland areas to create two immense regional parks north and south of Bunbury. The one to the north is the Leschenault Regional Park and the one to the south is the Bunbury Tuart Regional Park. This regional open space concept will form part of the greater Bunbury regional scheme, which is due for release in June. The State Government has allocated special funds for the acquisitions, which will occur over a number of years. From Pelican Point to Binningup more land has been conserved than has been earmarked for urban development. That demonstrates not only the Government's environmental credentials but also its regional credentials. Members can see that this area is not within a bull's roar of the CBD. The Leader of the Opposition had better think of another strategy, because his current strategy is sinking fast.

MEMBER FOR GERALDTON, CRIME COMMENTS

676. Mrs ROBERTS to the Premier:

(1) Was the member for Geraldton speaking for the Government when he claimed last week that this Government had not provided enough police to combat crime in the community?

(2) Was he also correct when he said that the Premier does not understand concerns about crime because he lives in Nedlands?

Mr COURT replied:

(1)-(2) I do not agree with those comments. This Government has increased the number of police officers by nearly 20 per cent. We made a commitment that we would provide 800 additional police officers, and we have.

Mr Brown: No, you have not.

Mr COURT: Well, the figure is 760. We have significantly increased funding in this area from the Labor Government's allocation of about $240m to over $400m.

The member for Geraldton has raised concerns with me about the way police are managed in the Geraldton region. We have a large number of officers in the area and we are in the process of completing a magnificent new police station. I agree with the member for Geraldton that more can be done to use effectively the resources available in that region. Members opposite can say that this Government has not done enough in this area, but an increase of 20 per cent in the number of police officers and a huge increase in the budget demonstrate what it is doing.

BLACKBURNE AND DIXON, PROPERTY AUCTION

677. Mr NICHOLLS to the Minister for Fair Trading:

Last week during a grievance debate I raised the issue of Blackburne and Dixon with the minister. It has now come to my

attention that a major borrower who has previously obtained loans through Blackburne and Dixon has a property listed for auction in the near future. What action, if any, has been taken to ensure that the proceeds from the sale of the property remain available to investors should successful action be taken in the future?

Mr SHAVE replied:

I am concerned about the issues the member has raised and about the prospect that some of the company directors or borrowers from these companies may be getting nervous because 30 fraud squad police officers are looking into their activities. It was brought to my attention yesterday that one borrower has a substantial property on the market in South Perth. I was asked whether the police were aware of that and advised that if the person involved were the subject of investigations it would be appropriate to alert the authorities. I have done that. The Government will take whatever action possible to recover money that these people have misappropriated. We do not want such people salting away money, which happened in the 1980s when the Labor Government was in power.

I have written to the Commissioner of Police, and I am more than happy to table a copy of the letter.

[See paper No 808.]

Mr SHAVE: I have also written to the head of the Australian Securities and Investments Commission and to the liquidators and supervisors of Global Finance and Grubb Finance.

Ms MacTiernan: What about some action within your capacity? You're handballing the problem to someone else and not accepting what you can do yourself. Read your finance brokers Act.

Mr SHAVE: Labor members opposite yap a lot, but the correct processes are being followed at the moment. Where people can be prosecuted, that will occur.

SPORTING ORGANISATIONS, BUSINESS NUMBERS

678. Mr McGOWAN to the Parliamentary Secretary to the Minister for Sport and Recreation:

Some notice of this question has been provided. I refer to the recently issued warning from the Ministry of Sport and Recreation that sporting organisations throughout Western Australia without an Australian business number are unlikely to be considered for sporting grants.

(1) Is this not likely to disqualify hundreds, if not thousands, of Western Australian sporting groups from receiving grants as they are under the $100 000 turnover threshold for compulsory GST registration?

(2) Why does the minister intend to handicap these sporting groups which seek to avoid involvement in the complexity of the GST?

(3) Will Healthway and the Lotteries Commission adopt the same approach with their funding?

Mr MARSHALL replied:

I thank the member for some notice of this question, and I remind him that sales tax on sporting goods has been about 22.5 per cent and will drop to 10 per cent, which will benefit millions of sporting participants. The minister has supplied the following answer -

(1)-(2) Any entity providing a taxable supply that does not acquire an Australian business number will be subject to a withholding tax of 48.5 per cent, as required under the provisions of the new pay-as-you-go legislation, of which the goods and services tax is a component. Registration for the GST is a separate process from the acquisition of an Australian business number.

(3) Questions relating to the Lotteries Commission should be directed to the Minister for Racing and Gaming, and questions relating to Healthway should be directed to the Minister for Health.

MENTAL HEALTH SERVICES, LOCATION

679. Mr TUBBY to the Minister for Health:

Mental health patients in my electorate have traditionally received treatment at the Bentley Hospital. As the minister can appreciate, localised services are of enormous benefit to both patients and their families. What is the Government doing to provide mental health services closer to where they are required?

Mr DAY replied:

I thank the member for some notice of this question. The Government has a strong policy of providing health services close to where people live, wherever that may be in Western Australia. Many examples can be found, including those in the mental health area, a number of which come to mind. The new Armadale-Kelmscott Memorial Hospital, which is under construction in the member for Roleystone's general area, will provide for the first time in the area a new 25-bed in-patient facility. This will provide in-patent services close to where people live in the south-eastern corridor, which is in addition to the psychogeriatric beds already provided at the current hospital.

Construction is under way at Swan District Hospital of a similar 25-bed in-patient mental health facility, and similar

facilities have already been established in areas such as Albany, Bunbury and Joondalup. Also, new child and adolescent mental health clinics have been opened in Kelmscott and High Wycombe. I had the pleasure last week of opening the State's newest community accommodation for people with a mental health problem. This is located in Bassendean and provides accommodation for 12 people who require long-term intensive support. Each person is accommodated in a large, single bedroom and has a one-on-one relationship with staff to appropriately manage that person through his or her mental illness.

The new facility in Mann Way, Bassendean has come about as a result of a cooperative effort between the Richmond Fellowship of WA, which is a non-government organisation doing excellent work in the area of mental health, and the Ministry of Housing, with funding being received from both the Federal and State Governments and assistance from the Lotteries Commission. The Health Department, through the mental health division, is contributing funding for the recurrent operations of the new facility. This is another clear example of how the Government has put in place policies to move mental health patients from an institutionalised basis of care to the community in which they are much better treated.

BURSWOOD BRIDGE PROJECT

680. Ms MacTIERNAN to the Minister for Planning:

In December 1995 the House was advised that the value of the land purchased for the northern city bypass - the Burswood bridge project - was $40m in 1993 dollars.

(1) What is the value of that land in current dollars?

(2) What is the cost of land purchased for the project since that date?

(3) What is the area of land purchased for the project?

(4) How much land is it proposed to sell?

(5) What is the projected value of land to be sold and will the minister provide the details of those projections?

Mr KIERATH replied:

I thank the member for some notice of this question. Unfortunately, I was not able to get the information in time for question time today.

Ms MacTiernan: Rubbish!

Mr KIERATH: It requires getting information from the Ministry for Planning and the East Perth Redevelopment Authority and putting it together. If the member cares to put the question on notice, I will be only too delighted to answer it for her.

BURSWOOD BRIDGE PROJECT

681. Ms MacTIERNAN to the Minister for Planning:

As a supplementary question, is the minister prepared to provide the answer to that question before Parliament rises on Thursday?

Mr KIERATH replied:

If it is available, I certainly will.

Ms MacTiernan: It should be available. How can you say the project does not cost $600m?

Mr KIERATH: If the member had listened to the answer I gave to the first question, she would know that it requires getting information from the East Perth Redevelopment Authority and the Ministry for Planning and correlating that information. As soon as that information is available, I will answer the question. The member for Armadale has two options: Either she can wait for me to give her the answer or she can put her question on notice and I will be obliged to give her the answer.

Ms MacTiernan: Rubbish!

The SPEAKER: Order!

Ms MacTiernan: You are a disgrace!

The SPEAKER: Order! I have been tolerant with the member for Armadale today. She has been interjecting all over the place. When I call her to order, she just ignores me. I remind the member for Armadale that if she ignores me, I will start calling her to order formally very quickly.

DAWESVILLE, RECREATIONAL FISHING

682. Mr MARSHALL to the Minister for Fisheries:

Recreational fishing folk with amateur lobster licences along the Dawesville coast have had prolific catches this year. In December, when the whites were running, the catch quota of 16 was common. Now that the lobsters have moved back shorewards, big catches are being experienced again. Can the minister tell the House -

(a) whether the vibrant season which is being experienced was predicted;

(b) what are the predictions for next season; and

(c) whether the professionals experienced similar success?

Mr HOUSE replied:

The catch was predicted. In fact, since the mid 1960s, Fisheries WA has used a method which counts the puerulus settlement and that has accurately predicted the catch. This year's catch is predicted to be about 14 000 tonnes, which is an increase of about 30 per cent on the average seasons of the past 20 or 30 years. We are running at about 30 per cent above average at the moment. That has been a bonus for recreational fisher people. As the member pointed out, many people have caught their recreational bag limit of eight per day and, at the moment, that is under review by the west coast recreational fisheries management plan because we need to look at the number of rock lobsters that are being taken.

Last month the rock lobster industry was the recipient of a Marine Stewardship Council award for its management. The only fishery in the world to receive that award is the Western Australian rock lobster industry. The Duke of Edinburgh, a patron of the Marine Stewardship Council, mentioned the award when he visited Western Australia last week. It is a compliment to the people in Fisheries WA as the recipients of that award.

DAWESVILLE, RECREATIONAL FISHING

683. Mr MARSHALL to the Minister for Fisheries:

My constituents are very keen to know the predictions for next year.

The SPEAKER: I assume that is a question. I hope it does not ask for an opinion.

Mr HOUSE replied:

I do not know but I will ask.

GOODS AND SERVICES TAX, ADDITIONAL FEES AND CHARGES

684. Mr RIPPER to the Minister assisting the Treasurer:

I refer to the minister's self-proclaimed responsibility for goods and services tax implementation in state agencies and his promise a fortnight ago to provide me with information on additional state fees and charges which will be subject to the goods and services tax, and ask -

(1) Why has the minister not provided the information?

(2) When will the public be advised of the other state fees and charges which will be subject to the GST?

Mr KIERATH replied:

(1)-(2) I believe I referred the member to the Treasurer for an answer.

Mr Ripper: No.

GOODS AND SERVICES TAX, ADDITIONAL FEES AND CHARGES

685. Mr RIPPER to the Minister assisting the Treasurer:

Is the minister saying that his promise to me a fortnight ago will not be honoured?

Mr KIERATH replied:

No, the promise will be honoured but by the Treasurer.

SPEED LIMIT, HODGES DRIVE, CONNOLLY

686. Mr BAKER to the minister representing the Minister for Transport:

I refer to a recent decision to reduce the speed limit on Hodges Drive, Connolly from 80 kilometres to 70 kilometres an hour following the opening of the Mitchell Freeway extension. Given that the overwhelming majority of people who reside in the Joondalup region want the speed limit reinstated to 80 kilometres an hour, will the minister confirm that this will occur in the near future?

Mr COWAN replied:

I thank the member for some notice of this question as it allowed the Minister for Transport to provide the following response -

> Main Roads is undertaking a review of speed limits in the Connolly area, and Hodges Drive has been included in the review to ensure that consistency is maintained. The review is currently with the City of Joondalup council for comment and a decision should be made by the end of April. I assure the member that the safety of all road users is paramount when Main Roads sets speed limits.

BUNBURY COASTAL ENHANCEMENT PROJECT

687. Dr GALLOP to the Minister for Regional Development:

In relation to the Bunbury coastal enhancement project announced by the Premier in February this year, I ask -

(1) Is the minister aware that the Bunbury City Council asked the South West Development Commission to suspend work on the planned beach groynes?

(2) Will the minister request the South West Development Commission to carry out an independent analysis of the effect groynes would have on the beach?

(3) If no to (2), why not?

Mr COWAN replied:

I am unaware that the Bunbury City Council made that request. When I receive advice to that effect, I will take the necessary action to ensure that the project proceeds to the satisfaction of all interested parties.

PUBLIC SECTOR CONTRACTS, FUTURE REFINEMENT

688. Mrs HOLMES to the Minister for Works; Services:

In view of the very good performance of the public sector in the area of contracting, as indicated by the small number of complaints, does the minister recognise a need for future refinement of the procurement process?

Dr Gallop: Are you going to contract out your multicultural policy to One Nation?

Mr JOHNSON replied:

The Leader of the Opposition must be desperate over there.

I thank the member for some notice of this question. There is a continuing need for further refinement of the contracting procurement process. The State Supply Commission has initiated an ongoing audit of procurement contracting. The audit will assess the risk management mechanisms within agencies, their procurement and contracting functions and the skill base of relevant officers. The initial pilot group of 10 to 15 agencies will be subject to the health check in the first instance. That audit will provide further information which will be used in refining processes to improve outcomes and to further minimise any possible risks. This is in addition to the initiatives I announced last week, such as establishing a process review panel and expanding the role of the state tenders committee.

ROYAL PERTH HOSPITAL, SHENTON PARK CAMPUS

689. Ms McHALE to the Minister for Health:

I refer to the Government's decision to close and relocate the Royal Perth Hospital, Shenton Park Campus, as stated in "Health 2020: A Discussion Paper", launched in February.

(1) Why did the minister mislead Parliament in his answer to question on notice 1603 when he said -

> The Government has not finalised any decision to close the Shenton Park Rehabilitation Hospital.

(2) Will the minister inform the House when this facility will close?

(3) Why is the minister intent on selling off assets at the expense of services to the chronically ill?

Mr DAY replied:

(1)-(3) As has been explained to the member for Thornlie, the Government's Health 2020 policy establishes a general framework for planning of health services within the metropolitan area over the next 20 years. It is a very good document. It is well thought out and provides a good indication of the general directions which need to be taken, particularly to operate within the Government's aim of providing health services closer to where people live - largely the rapidly growing populations in the northern, eastern and southern suburbs. No decision has been made by the Government to close Royal Perth rehabilitation hospital at Shenton Park. In the medium to long term we need to upgrade the nature of the accommodation there. I have visited there recently and there is no doubt we need to provide better accommodation in the long term. However, no decision has been made by the Government to close Shenton Park rehabilitation hospital on a particular date. It is possible that either the site could be redeveloped or the services provided there could be provided in new facilities elsewhere. However, discussions on those matters are yet to be held in detail.

BEAUMARIS PRIMARY SCHOOL

690. Mr BAKER to the Minister for Education:

I refer to the minister's inspection of the Beaumaris Primary School in December last year. Does he support the plans of the parents and citizens association to improve and upgrade the parking facilities at the school and also the management of traffic in and around the school?

Mr BARNETT replied:

I thank the member for some notice of this question. I did visit the Beaumaris Primary School with the member for Joondalup and parking is an acute problem. Since then the Education Department and the City of Joondalup have been to the site and there is a proposal to expand embayment parking and to provide an additional car park. Hopefully the City of Joondalup will come to the party. The Education Department is prepared to meet 50 per cent of the estimated $80 000 cost, and that will be covered in the budget.

YABURARRA NATIVE TITLE CLAIM

691. Mr RIPPER to the Premier:

I refer to the Premier's dismissal of allegations that Kingstream Steel Ltd had engaged in commercial sabotage by bankrolling the Yaburarra native title claim, and to his claim in the House that the mining and infrastructure leases on the Aus Steel Pty Ltd-Mineralogy Pty Ltd project were all issued prior to the passage of the Native Title Act.

(1) Does the Premier accept the advice of his own Minister for Mines that 29 of Mineralogy's tenement applications are in the Yaburarra claim area and subject to the right to negotiate?

(2) Does the Premier regard as acceptable that the Department of Minerals and Energy - again, according to his minister's own advice - has taken no action at all to progress the required negotiation?

(3) Why did the Premier mislead this House?

Mr COURT replied:

(1)-(3) I did not mislead this House. I said that the areas over which the mine and the infrastructure will be built were predominantly on leases that were in place before those native title provisions came in.

Mr Ripper: They have 29 tenement applications in the right-to-negotiate process. You did not tell us that, did you?

Mr COURT: I would like to know why the Deputy Leader of the Opposition is so critical of something like the Kingstream project.

Mr Ripper: Why is your Government not progressing native title negotiations on the Aus Steel Pty Ltd project? It has had 29 tenement applications for five years and your Government has done nothing about it.

Mr COURT: It does not matter which project is progressing, this Government is providing them all with every support it can. Members opposite seem to be so negative. During the past couple of weeks, they have taken it upon themselves to attack a project and all Kingstream wants to do is become the first steel producer in this State. Is that not something members opposite want to support?

Mr Ripper: Why won't you negotiate their native title issues?

Mrs Roberts: It is about your lack of accountability.

Mr COURT: Can I answer the question? All members opposite can do is knock, knock and whinge, whinge. An Feng Kingstream Resources Ltd want to get the project off the ground.

The Government brings across a prototype hydrogen fuel cell bus and the Opposition says, "That's the future; that's years away and you're wasting time on that sort of thing."

Ms MacTiernan: No, we are not. We are saying that does not excuse your buying diesel buses for 10 years.

Mr COURT: We could have those buses operating on our streets within a few years, not within five years.

It does not matter what the project is, the Opposition is opposed to it whether it be the Northbridge tunnel - the east-west link through the city - the redevelopment of Barrack Square, the new speedway, our salinity strategy, the convention and exhibition centre or the Kingstream project.

Mr Brown: We are opposed to the prison at Pyrton, but you won't talk about that.

Mr COURT: While members opposite are whingeing and whining and knocking all these projects, fortunately they are progressing.

Dr Gallop: Mr Speaker -

Mr Nicholls: Mr Speaker -

The SPEAKER: If members thought question time would continue after that, they can think again. The last question started with a development proposal and went on to buses, tunnels and everything else. It is finished.