



WESTERN AUSTRALIA

Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
SECOND SESSION
1999

LEGISLATIVE ASSEMBLY

Tuesday, 22 June 1999

Legislative Assembly

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

HIGH LEVEL NUCLEAR WASTE DUMP

Petition

Ms McHale presented the following petition bearing the signatures of 37 persons -

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

We, the undersigned residents of Western Australia are totally opposed to the Pangea proposal to locate a high level nuclear waste dump in Western Australia.

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

[See petition No 240.]

HIGH CONSERVATION VALUE FOREST PROTECTION BILL 1999

Personal Explanation by Member for Vasse

MR MASTERS (Vasse) [2.04 pm]: On Thursday of last week, I made comments in this House on the High Conservation Value Forest Protection Bill 1999. I said that 87 per cent of Western Australians are opposed to logging on the basis of the following question that was asked of them: Are you opposed to the clear-felling of old-growth forest for woodchipping? I have since received a copy of a letter from the Conservation Council of Western Australia. Firstly, I wish to express my regret that I accused the Wilderness Society of asking that question, when in fact it was the Conservation Council of Western Australia. Secondly, two questions asked of people through AMR: Quantum Harris were -

Do you approve or disapprove of old growth forests being used for woodchipping? Is that a lot or a little?

Do you approve or disapprove of clearfelling old growth forests, which is when all the trees and other plants are cut down when an area of forest is logged? Is that a lot or a little?

I regret the inaccuracy of my earlier statement. However, I still believe that the questions asked were deliberately designed to mislead.

MULTICULTURAL COMMUNITIES ONLINE NETWORK AND CITIZENSHIP AND MULTICULTURAL ADVISORY COUNCIL

Statement by Minister for Citizenship and Multicultural Interests

MR BOARD (Murdoch - Minister for Citizenship and Multicultural Interests) [2.08 pm]: I inform the House of two new initiatives in the Citizenship and Multicultural Interests portfolio. Multicultural Communities Online Network and the Western Australian Citizenship and Multicultural Advisory Council are both projects which I believe will enhance the understanding and continuation of Western Australia's cultural diversity. Multicultural Communities Online Network was developed in partnership with the Ethnic Communities Council. It is an initiative which will set up a communications network for ethnic communities in Western Australia. The Office of Information and Communications is coordinating the project.

We are facilitating the statewide involvement of ethnic, aboriginal and community groups in an extensive Internet-based network which will provide a range of exciting new communications facilities and information services. These will consist of email, bulletin board, chat and conference facilities, a community calendar and information pages. This project will provide a web-based online environment, which will be used to promote issues for Western Australian communities. It will be able to be utilised as a mechanism to exchange experiences with others and will provide information to people on a seven-day-a-week, 24 hour a day basis. Ethnic and community groups will be able to access the services at little or no cost. The project is an example of how the Government is encouraging the importance of maintaining cultural ties.

Multicultural Communities Online Network is an important program aimed at developing and rationalising the State's communications infrastructure. It provides many benefits and services including a "single window" access for information on state government services and information. The initiative will enable extensive community involvement in information sharing, particularly for regional Western Australia.

The second initiative is the Western Australian Citizenship and Multicultural Advisory Council. The citizenship council is a significant component of the community relations strategy for Western Australia, Living in Harmony, which I launched on 5 October 1997. The council will comprise government, non-government and community representatives. The members of the council will provide advice to me on a range of issues including promoting the economic and social benefits of our culturally diverse community.

The Citizenship Council will play a major role in forming strategies which will encourage participation by the wider community in initiatives which will strengthen community relations. By enhancing pride in our culturally diverse community

we are developing ways of giving meaning to the concept of citizenship. Dr Eric Tan, who has extensive experience with the Chinese Chamber of Commerce, will chair the citizenship council. Other members include Paul Afkos from the Greek community, Ricky Burges from the Ministry of Culture and the Arts; Mike Daube, Executive Director of the Office of Youth Affairs; Bob Kucera, Assistant Commissioner of Police; Ramdas Sankaran from the Ethnic Communities Council; Maureen McDaniel from Rotary; Brenda Robbins, Acting Executive Director of the Office of Citizenship and Multicultural Interests; Enzo Sirna from the Italian community and Professor Lance Twomey, Vice Chancellor of Curtin University. The first meeting of the Citizenship Council will be held shortly. Both the Council and the "Online WA" Communities' initiatives will work towards providing a community that is not only multicultural, but also actively aware of the benefits that that diversity creates.

[Questions without notice taken.]

COMMONWEALTH PLACES (MIRROR TAXES ADMINISTRATION) BILL

Returned

Bill returned from the Council without amendment.

SUPERANNUATION AND FAMILY BENEFITS AMENDMENT BILL 1999

Introduction and First Reading

Bill introduced, on motion by Mr Pendal, and read a first time.

RAIL FREIGHT SYSTEM BILL 1999

Second Reading

Resumed from 3 June.

MS MacTIERNAN (Armadale) [2.49 pm]: I hoped that members would have an opportunity to address the minister handling the Bill, the Deputy Premier. This is a disgraceful commencement to debate on the sale of \$1b-worth of the State's assets. This involves the sale of an important piece of rail infrastructure. We are about to commence the debate and the minister handling it has now vacated the Chamber and is not in a position to listen to our arguments.

Several members interjected.

Ms MacTIERNAN: I am pleased to see that the Deputy Premier has returned to the Chamber.

Mr Ainsworth: I am glad you missed him so much!

Mr Cowan: I could not stay away.

Ms MacTIERNAN: The Opposition has serious issues to raise. Members on this side are not simply going through the motions. Surely members of the National Party are interested in hearing these issues. It is proper that I take the opportunity to ensure that -

Several members interjected.

Ms MacTIERNAN: The vegie patch is restless today!

The Opposition has stated publicly in many forums that it is opposed to this legislation, which would see the Government hand over the State's rail infrastructure to a private monopoly. This proposal will undermine the future of the rail network, particularly smaller regional rail lines, and will destroy the prospect of competition on larger lines.

Members on this side agree with the Government on two points: Firstly, as it is currently structured, Westrail has gone as far as it can go. It has squeezed the last ounce it can squeeze out of its staff. The blue-collar work force has been slashed and trimmed and required to engage in enterprise bargaining that has seen shifts push out to the maximum consistent with the safe operation of rail networks. Given the freight task it has abandoned, there is very little opportunity for Westrail to move forward as it is currently structured.

Secondly, members on this side also agree with the Government that Westrail must change to meet the demands of the new environment of open access that has been determined by national competition principles. Those principles mandate that Westrail can no longer operate as a monopoly and that it must open its lines to third parties, as it has already been forced to do on the Kalgoorlie-Kwinana line. Competition along those lines is a good thing. Indeed, it is this competitive environment that will see rail develop into a dynamic transport sector better able to compete with road transport. It will bring freight off roads onto rail, which will have important benefits environmentally, and, of course, it will enhance the amenity and safety of regional communities.

However, the model that has been chosen by the Government is the worst possible method for effecting the necessary changes. This is a Treasury-driven plan. It will maximise the return to the Government in the short term, but in the longer term it will see quality and competition on the rail infrastructure decline. It will also result in a loss of opportunity for the reduction of freight costs, particularly on standard-gauge lines.

I will go into some detail for those members who have not read the Bill. The deal we are being asked to authorise through this legislation will see the Westrail freight business - the above-line operation - and the control and management of the rail freight network handed over to a single operator, most likely one of the American rail companies. This system is known

as vertical integration. In the original model the Government was flogging, the proposal was to sell the tracks as well as the rolling stock and the freight business. In light of the very strong resistance to that plan, the Government has scaled it back and is now proposing to hand over the tracks and associated infrastructure for 49 years. That addresses some of the gross excesses experienced in New Zealand, where the rail company has attempted to pull up rail lines to stop any future competition. However, for all practical purposes, this plan is exactly the same as a sale. Without question - the Government acknowledges this - fundamentally it is the sale of a vertically-integrated system. We will have a system with the track manager - the person who runs, operates and maintains the line - competing on the above-line system.

The Government is aware of the criticism, not the least from the Opposition, about the proposal to flog this off as a vertically-integrated operation. The Deputy Premier attempted to justify vertical integration rather than vertical separation in his second reading speech as follows -

... the clear advice to the Government is that this would lead to a loss of efficiency, to the detriment of users, the economy and ultimately the State as a whole. As the Productivity Commission concluded in its draft report entitled "Inquiry into Progress of Rail Reform", "vertical separation is unlikely to deliver any significant competitive gains for low volume regional railways" and, "far from improving the performance of low volume regional railways, vertical separation may actually impair it." By any objective measure, most of Westrail's freight network is a low volume regional railway.

Nevertheless, the Government is strongly in favour of on-rail competition where this will benefit the public and consumer. That is why the new railway operator will be required to allow other rail service providers to have access to the railway within the framework of the State's rail access regime.

The Government is going down this path because the Productivity Commission has told it that vertical integration is the most efficient system on low-volume regional railways. By any measure, most of the rail system is a low-volume regional railway, but that does not matter because it still favours competition.

That section of the Deputy Premier's second reading speech contains the three errors of logic in the proposal. I find it extraordinary that the Leader of the House, who the Opposition believes has some capacities in this regard, could have signed off on this arrangement, because the errors in logic are so obvious.

It is important that members read the Productivity Commission draft report to understand at which point that statement fits in. I am prepared to accept the proposition that has been put forward by the Productivity Commission; it may well be that vertical integration on low-volume regional railways is the most efficient system. However, let us consider the logic of the Government's argument; that is, that the competition for those low-volume regional railways is with road transport. It would be inefficient to expect those low volumes to be further shared between one or more competitors. In fact, it was senseless to have competition on those lines. Therefore, because competition on those lines was not realistic, under those circumstances, vertical integration offered the best possible arrangement. We accept that. That is perfectly reasonable. However, what the Government clearly does not understand is that vertical integration and competition are polar opposites. The Productivity Commission is not arguing that it is possible to have both vertical integration and intra-modal competition. It is arguing that where it is not possible to have competition, it is okay to have vertical integration; but where it is possible to have competition, there must be vertical separation.

I will raise those parts of the Productivity Commission's report that were not referred to in the Deputy Premier's speech. The report states that high volume regional railways should be horizontally separated from other regional railways, and that vertical separation or integration of high volume regional railways may be appropriate in different circumstances. It states also that in the case of the interstate network, vertical separation of train operations from track infrastructure, and horizontal integration of the management of the network, are appropriate. It states, in other words, that there are three different scenarios. In the case of a low volume regional railway, vertical integration is okay, because competition is not possible intra-modally. Competition will take place on the road, but it will not take place on the rail. It states also - this is all disregarded in the Deputy Premier's speech - that in the case of high volume regional railways, such as the Perth-Bunbury line or the Leonora-Esperance line, in some circumstances, vertical separation will be the go, and in other circumstances, vertical integration will be the go. It argues for vertical integration on those sorts of rail in the situation in which we have a single user, not in the situation that we have on the lines in and out of Perth, and not in the situation that we should have on the Leonora-Esperance line.

Mr Cowan: What volume is carried on the Leonora-Esperance line?

Ms MacTIERNAN: If the Deputy Premier wants to know, I will take a question on notice.

Mr Cowan: You had better take it on notice, because I do not think you will be able to provide the answer here.

Ms MacTIERNAN: I have the answer here. The volume on the Kalgoorlie-Esperance line is 3.5 million tonnes per year.

Mr Cowan: That is not high volume.

Ms MacTIERNAN: It is certainly high volume compared with the volume on the vast majority of the grain freight lines. One may argue that that is moving towards the point at which it can be called a high volume regional rail line.

Mr Cowan: On my understanding, that is not high volume.

Ms MacTIERNAN: We can argue about what will happen to that line, but that is -

Mr Cowan: Do not base your argument on a false premise.

Ms MacTIERNAN: Not at all. I have the figures here.

Mr Cowan: Do not base your argument on the false premise that the Esperance-Kalgoorlie line is high volume. It is not.

Ms MacTIERNAN: It is certainly a higher volume than -

Mr Cowan: It may be higher than on the narrow-gauge line, but it is not high volume.

Mr Grill: What do you classify as high volume?

Mr Cowan: Certainly much more than that.

Mr Grill: More than 3 million tonnes?

Mr Cowan: You cannot even say that the east-west line is high volume.

Ms MacTIERNAN: That is interesting.

Mr Grill: What is high volume? It is clear that you are working on a different definition of "high volume".

Ms MacTIERNAN: That is right.

Mr Cowan: You may argue that the east-west line is high volume because it is getting pretty close to full utilisation.

Ms MacTIERNAN: We also have lines such as the line out of Bunbury, which is carrying in the order of 10 million gross tonnes per annum. That is getting to the stage at which we can call it high volume.

Mr Cowan: It is getting higher.

Ms MacTIERNAN: It is certainly getting higher. The Productivity Commission is saying that in a situation of low volume regional rail, it is appropriate to have vertical integration because we cannot have competition. However, in a situation of high volume regional lines, whether we have vertical integration or separation will depend on the nature of the users. If there is effectively a single user, vertical integration may be okay, but if there is a multiplicity of users, it is not okay. The Productivity Commission states that in the case of the interstate rail network, of which this is a part, vertical separation of train operations from track infrastructure, and horizontal integration of the management of the network, are appropriate. The Productivity Commission report, which the Government has used to justify its support of vertical integration, is really arguing very much against what the Government is proposing to do. The Government has failed to do two things. It has failed to recognise that there must be a horizontal separation between low volume regional lines, which will not attract competition, and the jewel in the crown, which is the east-west line and some of the other lines, such as the lines in and out of Bunbury, and perhaps also the Koolyanobbing-Esperance line. Part of the Government's argument is that because Western Australia fundamentally has a system of low volume regional rail, it will treat the entire network, including a vital part of the interstate line, as if it were all low volume regional rail, because it is proposing to put in place a structure that will be appropriate for low volume regional rail but is not appropriate for high volume rail. That is a bit like saying, to use a mining analogy, that although we are getting both gold and copper out of the ground, because the vast bulk of what we are getting out is copper, we will treat the whole lot as though it were copper. It may well be that the vast bulk of the rail track is low volume regional rail. However, there are key lines in that network, including part of the interstate network, which are quite separate and should not be treated in the way advocated only for low volume regional railways. The Government fails to recognise that we cannot have both competition and vertical integration. Vertical integration is an alternative to competition. They do not sit side by side.

The third error made by the Government is its argument that vertical integration will provide cost savings. The Deputy Premier states in the second reading speech -

The Government's decision to lease the track and corridor to the purchaser of the freight business to permit a vertically integrated operation will allow for -

- maximum economies of scope and scale;
- maximum responsiveness to customers' need and new opportunities;
- integrated above and below rail investment;

The Government is saying that the business will be much more efficient because it will be able to do all these things together. I agree that those are the advantages of vertical integration but they do not sit with the whole notion of competition and the Government's access regime. The Government is saying that nevertheless competition can be introduced by way of the rail access code. Let us look at the crucial plank of the rail access code. The rail access Bill states that the number one obligation of an operator is to segregate access functions from its other functions. If a company is to be a track manager and a rail operator, to use the terminology of the task force and the Government in discussions with users, it will have to ring fence its operations and put up Chinese walls. It will have to completely separate out the costing and the accounting and every aspect of the business relating to rail management from that which relates to the operation as an above-line rail provider. If the company that is to buy the package is required to do that, we will lose all the very advantages that the Government said would be delivered by a vertically integrated operation. The Government cannot have both. It cannot have the benefits of vertical integration and have an access regime that will give competition; they are mutually exclusive concepts. The Government has not come to terms with the fact that it cannot deliver on both. I urge the Deputy Premier, every member of the National Party, and maybe the Deputy Speaker, who I know has a very great interest in this, to read the Productivity Commission report to get some sort of understanding of what the Productivity Commission is arguing.

I want to go into these rail access schemes in some detail because the Government is racing around telling people that our rail access regime will be our salvation and will stop the rail network being handed over to virtually a private monopoly. I do not think that a single person out there really believes that it will work - certainly not the Productivity Commission. Indeed, we know for a start that the Farmers Federation has been very opposed to the proposal and has expressed its concerns. Its concern is perhaps more on the impact that this will have on regional lines, which is a separate issue that I will take up later. Some of the most interesting opposition comes from a group of some of the major users of Westrail. It is called the Integrated Supply Chain and comprises a range of private companies, including Koolyanobbing Iron Pty Ltd, Anaconda Nickel Ltd, Shell Australia Ltd, WMC Resources Ltd, and Outokumpu, which is a Finnish nickel concern based in the goldfields region. Some notes that have been prepared by the ISC group read -

ISC participants are apprehensive that the standard gauge railway track system will be sold to private interests as a component of sale of the integrated Westrail railway. These concerns relate both to ISC business interests and national and regional potential: viz:

- . The rationale for sale of Westrail as a vertically integrated railway is maximisation of the sales price. Buyers will offer a premium to get monopoly control over track needed by its railway competitors. The ISC will then, as a customer, face freight rates which include a component to amortise the monopoly premium.
- . As railway track users, the ISC, either directly or through contract railway operators, will have to negotiate track access rates. The negotiation will be with a track owner which might also, in its capacity as an "above rail" operator, be itself competing for ISC business.

It goes on -

- . Changed ownership of the Westrail monopoly will not, per se, improve service or prices to the ISC. A new owner will have the same operational and engineering incentives to maximise the profitability of its central mainline system and equipment in preference to the inherently marginal KER.
- . It is not clear that a monopoly sales premium would give the best return to Western Australia (WA). Competition is a basic component of the national strategy to increase production efficiency and, thereby, increase aggregate state income. The vertically integrated sale proposal runs counter to these objectives.
- . Separation of track and "above rail" operation by the non-integrated sale of Australian National has produced new participants and significant freight rate reduction. ISC expects the same if the AN model was adopted.

That model of course is one of vertical separation in which the track infrastructure is separated from the above-rail operator. Five of the major users of Westrail are arguing very strongly that a vertically integrated system will not deliver competition or better prices. It is not only the Opposition but also Koolyanobbing Iron, Anaconda, Shell, WMC and Outokumpu. They are all supporting the position that the Labor Party has been putting for some months. Of course it is not only those companies. Private rail providers are likewise concerned about this proposal. They simply do not believe that the rail access regime will pass muster and will do anything to address the inherent problem of having a rail track operator who is a manager. Even to start the ball rolling, a private operator would have to go to its competitor, which will be the large American rail company, and tell it what it wanted to do. The private operator would have to disclose commercially confidential information and say that it is thinking of transporting sulphur from Esperance to Leonora. Someone would not have to be a rocket scientist for the large rail company to work out with whom the private operator was dealing. It could simply undercut the private operator. As a matter of necessity, a private operator would have to reveal to the large rail company, which is also its competitor, commercially sensitive information. Anyone who has been involved in rail systems will say that even if the private operator managed to get access and obtain a contract, there are a thousand and one ways in which a large rail company could screw the competition. That has been set out in a whole variety of documents that I could quote. These are submissions that have been made to the National Competition Council, and it is important to understand that this rail access regime that will be the white knight that will stop this anticompetitive behaviour has not been approved by the National Competition Council. Indeed, the Australian Competition Council has been flooded with submissions from operators not to approve the scheme because of the many problems that will arise. I have a submission of approximately 25 pages from The Toll Group which is one of the innovative new private companies operating in Western Australia moving freight around the country. It sets out its concerns in its submission. It is particularly concerned that it is purported that this access regime will apply equally, irrespective of whether it is government owned or privately owned. It urges the National Competition Council that if it is of a mind to approve this, it be approved only as long as Westrail is the operator and that the issue be revisited if it is to be sold. The Toll Group says that there are many issues throughout the regime which will be impacted on by the sale of Westrail freight business and the lease of the track to the private sector operator, which will be vertically operated, and which will be a competitor to other rail operators who seek access; examples include ring-fencing provisions, separate accounting requirements and exchange provision of information between track operator and access seekers.

The Australian Rail Track Authority indicates that a private integrated track-owner-user will have a commercial imperative to use its market power to the maximum extent possible under regulation of contracts. It expresses its concern about this regime and about the capacity of an access regime to put in play a system that will be able to outwit a company. It says -

There are a multitude of ways in which a track owner, particularly one who has a vested interest as an operator, can inconspicuously behave in this manner (eg pricing, network control).

The advice from the industry is that it simply cannot be done. An access regime that can be effectively monitored cannot

be established because there are so many ways in which a track manager can sabotage an operation; for example, by transfer pricing as suggested by the Australian Rail Track Corporation, timetable changes and subtle shifts and movements, or by imposing speed restrictions at crucial times that will see a competitor unable to turn around its trains in sufficient time.

We received documents from the Association of American Railways which condemned the notion of rail track, rail access legislation. The association indicated that the notion of private property rights was anathema to it. It called these regimes "forced access" and urged all of their members to unite to defeat this virtual socialist menace that was being forced on them in the United States. The companies that are likely to buy our rail system have an ideological objection to the notion of third-party access and have vowed that they will fight it at every turn; yet they are the very companies that we are being told will implement the spirit of the law.

At the same time experienced rail operators are telling us that this is a nonsense, that we can put in regulators and bureaucratic processes, but at the end of the day there are a thousand and one ways of sharp practice that can undermine the existence of competition. The minister may not be impressed with the fact that we have named five of the major resource developers in the goldfields region.

Mr Grill: Is WMC one of them?

Ms MacTIERNAN: Yes. We have set out the submissions of The Toll Group, one of the major rail operators; National Rail and perhaps one final one. I remind the member for Dawesville, who is distracting the Minister, that this is a serious piece of legislation and the Opposition is keen to put these arguments.

One final outfit to which I refer is the Chamber of Minerals and Energy of Western Australia, again not an inconsiderable outfit. In a letter it has submitted to the National Competition Council it writes -

The Chamber's view of rail transport is consistent with that in most sectors of the economy: the best way to ensure that a service is both delivered as efficiently as possible and that these efficiency savings are passed on to customers by effective competition. Where a service is provided by a natural monopoly, such as rail track, then alternative mechanisms such as structural separation and third party access must be used instead.

That is comprehensive evidence that these rail access regimes are unlikely to work. I would like the minister to address this point seriously. The Government has been unable to show us one jurisdiction in which a rail access regime involving a private company operating as an above-line competitor has been successful. The Opposition would like the Government to address these issues and tell us how this rail access regime will work. In the light of comments made by all the rail operators to which I referred and other people who have run rail systems, and despite regulatory systems and the best endeavours in the world, how can we provide a proper access regime? It is simply not possible where there is a vertically integrated system.

We also want the Government to tell us how vertical integration is compatible with the notion of competition. We go back to the very notion of what makes a vertically integrated operation more efficient. Only one company will be vertically integrated in the rail network, in which case if the other competing companies are not vertically integrated, how is there a level playing field? By the Government's own arguments, it is creating an inherently uncompetitive, uneven playing field because it is giving to only one company the benefits of vertical integration and saying to the others that they cannot be vertically integrated, but they must compete with that outfit. It is acknowledged in the minister's second reading speech that the system will give that one operator an inherent cost advantage.

Mr Deputy Speaker, you are a reasonable man; you could see that that is just a complete nonsense. The thing contains so many errors. This is not a concept to which many members of the Government have clearly put their minds. They are listening to advice, presumably, from the Westrail rail task force and the American companies. For the past year, they have been here in force pressing their case, but they are clearly not listening to the Chamber of Minerals and Energy or Australian National Rail or The Toll Group. It is most unfortunate that we are getting ourselves into a situation that is completely incomprehensible. Similar statements have been made about the successes in the other jurisdictions. The minister quoted Tasmania and New Zealand, South Australia and the United Kingdom in his speech. They differ substantially from the situation we are facing in Western Australia. For example, in Tasmania and New Zealand, the rail company has a monopoly up-front. No suggestion has been made that it will be anything other than a monopoly. It is understood that the company, Wisconsin Central, has a monopoly in both of those operations. It is not pussy-footing around or pretending that it has a model in which there will be competition. Both of those rail lines would fall within the definition of rail systems with comparatively low volume regional rail. The tonnages in New Zealand are approximately half of those in Western Australia. It is happy to say that it will put this system in place, and that whatever competition exists on the rail will be road-rail competition. We cannot draw comfort from New Zealand and Tasmania because they are fundamentally different. Interestingly, in South Australia, the interstate component of the rail has been separated out, and its privatisation did not involve the interstate rail network.

Mr Cowan: For very good reason.

Ms MacTIERNAN: That is right, but it means that it had very different imperatives; it did not have rail lines that were of fundamentally different qualities that required different responses because its high volume interstate line had already been taken out because of prior arrangements that it had with the Commonwealth. The fourth jurisdiction cited in this paper is the United Kingdom situation. The United Kingdom operation is not a vertically integrated operation. It is privatised, but it separated out the rail management. The situation in the United Kingdom has not been an entirely happy experience. The track manager seemed to have spent the vast bulk of its efforts on developing real estate over railway stations rather than on investing in rail infrastructure. Now that a Labor Party is in government, it is more likely that we will see some attempts

to enforce the provisions of the contract to get rail investment under way. However, none of these systems that have been quoted by the Government as its precedents can be used as precedents because they are fundamentally different systems. None of these systems deals with this nonsense, whereby we are claiming that we will have a vertically integrated system that will allow competition.

They are the key economic issues. We believe that the primary motivation for the Government choosing this bizarre mode for the sell-off of Westrail is that it has been promised by these large United States rail companies a premium payment for a vertically integrated operation, and they will pay that premium because they understand as rail operators that they will have a monopoly effectively and that these mickey mouse rail access regimes will not put a dent in the operation of that monopoly. Again, that is not only the view of the Labor Party; that view is also shared by the major resource users in this State, in that passage that I read out before.

This system will have a most unfortunate consequence on the opportunity for us to develop a national rail system. We are not simply playing around with the Western Australian rail line; we are handing over the interstate part of the interstate network to a private company as part of this deal. The Government must understand that we should be handing over that network to the management of the Australian Rail Track Corporation. We have made some little arrangement with the Australian Rail Track Corporation that will give it some limited rights over that segment of the rail line for a certain period, but that is not required; what is required on any analysis is a proper integrated management of those lines as a fully integrated system. It is revisiting the old standard broad-gauge arrangement. We have one administration up to Kalgoorlie and after that another administration applies. We should be a full participant in the Australian track authority, which we have not been to date unfortunately. Some attempt is now being made to negotiate to give ARTC some operation over that part of the line, but it is not adequate and not the sort of one-stop integrated system that we need. We also know that, if the State Government was prepared to hand over not only that part of the line, but also the Leonora-Esperance line promised by Tim Fischer before the last election, \$35m would be poured into that line to upgrade it. That line presently has 48 speed restrictions. Over 60 per cent of those speed restrictions are for 30 kilometres or less. It is an absolute joke. If that line were handed over as part of the national network, it has been calculated that would require \$35m to upgrade it as promised by the Federal Government. The Government believes that if it hands over these lines to a private operator, the private operator will make these investments. That is highly unlikely. Our scepticism is shared by the Esperance Port Authority, the Kalgoorlie Chamber of Minerals and Energy, the Esperance-Goldfields Development Commission and those five resource users that I mentioned before. It is far more likely that the private operator - who can blame it - would seek to maximise its return by removing the freight from that line and putting it on the Kalgoorlie-Kwinana line. It would save having to invest in the order of \$35m to upgrade the Leonora-Esperance line and would certainly provide a more intensive use of the east-west line.

That would make perfect sense to the private operator; it would not make perfect sense for the region. From the point of view of regional development it would be a complete and utter disaster if track infrastructure were handed over to a private company. We want the rail network to operate in a commercial way. However, we do not want it to operate so that the bottom line is the only consideration. That is why the track infrastructure must remain, at the very least, in the hands of government. It is important to commercialise it. We should not leave Westrail in its current inappropriate bureaucratic structure. We need to transform Westrail by following the port authority model used successfully in this State, or the New South Wales model of forming a rail track authority that has a commercially oriented board, commercial objectives and an overarching responsibility to take into account the greater economic good of the State and certain regions. The goldfields is one region that would be advantaged. Resource users would be advantaged by a proper development of the Kalgoorlie-Esperance line. If needs be they will be forced onto, and could still operate on, the Kalgoorlie-Kwinana line. However, they could not operate as cost-effectively as they could on an upgraded Leonora-Esperance line. The expansion of those resources for more marginal activities will be undermined by the closure of and failure to properly develop that line.

It is widely accepted throughout the wheatbelt areas of Western Australia that the narrow gauge, smaller lines will close down over time. The Government has given a commitment that those lines will remain open until 2005. We accept that, but frankly that is little comfort. Currently the rail network for grain is considered a cost-centre unit by Westrail. Although there is no cross-subsidisation from non-grain users to grain users, there is a degree of cross-subsidisation between grain users, and that is not inappropriate. However, a private operator would have a strong commercial incentive to close down those smaller lines and transfer the freight onto the road network. Interestingly, in New Zealand, the rail operator has also become one of the major road operators and has operated road and rail in tandem on many of those lines. That is not the competitive model that we are seeking. The closure of smaller rail lines will come at great cost to local shires. Local authorities will have to cover the cost of repairing roads, and regional communities will have to put up with road trains threatening the amenity of their towns and undermining the safety of their roads.

The Government has put forward contradictory positions on the employees' situation. It tells us we will see the sorts of changes and massive cost benefits that were achieved by Australian Southern Railroad Pty Ltd - the South Australian outfit. The Government has looked at the cost structures of Australian Southern Rail before and after restructuring that demonstrate massive savings. The Opposition has pointed out not only are the systems different but also Australian Southern Rail slashed its staff by two-thirds. Westrail says that it will not slash staff numbers because it has already cut its staff to the bone. That is true, and is one area in which Westrail has made changes. Whether those changes are fair is another question. The Government cannot have it both ways. It cannot predict massive cost savings like Australian Southern Rail, when these were achieved by slashing staff numbers, and say that Westrail will achieve the cost savings without slashing its staff. We know that is not possible. We know that many employees are likely to lose their jobs, because various lines will close down.

I note a comprehensive study by the Bureau of Transport and Communications Economics that reported on workers who took redundancy around Australia as part of the rail privatisations: 44 per cent remain unemployed after redundancy, and

two-thirds were unemployed for at least 13 months. A rail worker wrote to me and made some interesting observations. He said that railway workers have had the productivity squeezed out of them for the past four years, while at the same time the infrastructure is left to rot away. He said -

The State rail network must also be fixed. It has speed restrictions everywhere, trains travel at speeds as low as 20 km an hour for many kilometres. These delays add to labour costs and other operating costs. The constant braking and then accelerating of a 2000+ tonne train is very inefficient. Once a train has sufficient momentum it needs little energy to maintain it, it's a pity that Westrail didn't utilize this fact. They don't even care about encouraging fuel saving driving habits; many other rail operators save thousands of dollars by teaching Drivers such practices. Any efficient operation of a railway is always incumbent on the track; high-speeds operations of at least 90 km/h must be introduced if rail ever hopes to compete with road transport . . .

The letter outlines the sorts of inefficiencies that come from a rail infrastructure that has not been properly maintained. The Government has sought to squeeze the work force of Westrail to get every last ounce out of it. At the same time the real inefficiency remains, because we have not invested in the rail infrastructure. We see the differential between the investment at a national and state level between roads and rail. The Government is prepared to put billions of dollars into roads for massive Transform WA projects, but it is niggardly in putting money in place for rail infrastructure. The fault of the system does not lie with Westrail workers; it is the system. The failures in the system derive, fundamentally, out of the fact that the Government has not been serious about rail. The Government has not been prepared to put anywhere near the sort of money into rail that it has put into road.

On no basis can the Government say that it has established a level playing field between road and rail. Rail has every single line item of cost attributed to it. On the other hand, with road, heavy haulage is heavily subsidised by the urban motorist through fuel levies and licensing fees. We have an uneven playing field with road and rail and we will not fix our rail system until the Government is prepared to put more money into it. The Government has the naive view that if it hands over the system to a private operator it will see investment in infrastructure. What will happen is that certain rail tracks will be developed and will operate well. However, this will be only a small percentage of the rail network and other areas will be at great risk. Our part of the national grid will not operate as it should. The Australian Labor Party strongly opposes this Bill.

MR PENDAL (South Perth) [3.49 pm]: I want to contribute to the debate in an unashamedly general way, not because I do not want to discuss in detail the contents of the Bill, but because I want to draw attention to and to get from the Government an understanding of the philosophical underpinnings of what it is trying to do on this occasion and what the Government might also want to do as it looks across the political and administrative landscape to see what should be next on the list. At the outset I ask a general rhetorical question: What drives the Government's privatisation agenda in Western Australia?

Mr Thomas: Ideology.

Mr PENDAL: I thank the member for Cockburn for that interjection. I am not sure whether it is ideology. If it is ideology, there are enormous inconsistencies to which I shall refer. Neither does it appear to be financial, as I hope I will make clear in the next 20 minutes, because there are cabs waiting at the rank, which might be an invitation to the Government, in a financial sense, to move towards privatisation, but, on the best available advice, the cabs will remain at that rank for a long time to come under this Government. Again I pose a question: Why do we look to privatise some of these government enterprises and seek to leave others in place? The only conclusion at which I can arrive is that, frankly, the Government is all over the place when it comes to privatisation.

As an Independent and, previously, a Liberal, I have no difficulty with what we might call that old-fashioned, unreconstructed Menzian or David Brand view of the world. It might be temporarily out of fashion, but it does not necessarily mean it is irrelevant. What is that old-fashioned Menzian-David Brand view of privatisation? We were taught in our economics classes that there are some things that it is essential for government to provide, and that there are other things that it is not essential for government to provide and that government should not enter into the fray. For example, in the 1960s, upon the election of the Brand and Watts Government in this State, the Government seemed to get the equation right. It came to office and it sold State Sawmills, disposed of some state hotels, and got rid of a range of things that we, at least on the non-socialist side of politics, believed were unnecessary enterprises in which to be involved.

The debate should come back to the question that was posed in some detail, and that is: What are the core responsibilities of government? That is a good way of separating the ideology to which the member for Cockburn referred. Essentially, it is not really about ideology, funding or finance. Most members of Parliament are not purists one way or the other in the matter. Most members of Parliament do not say that we should have a total public enterprise in all respects across the board - no-one I know says that - and neither at the other extreme do I know of any member of Parliament who says that we should have open slather - there should be no government involvement in education, health, transport or anything of that nature. So what does it mean? It means that most people are in the centre, and have been historically. The way in which historically we have separated those people to the left and right of politics is by considering what is core to the activities of government. As one who was raised in the free enterprise mould, I do not have a lot of difficulty in accepting that one of the core functions of government is to do what we are about to undo today, and that is to provide, especially to country and remote areas of Western Australia, public rail services so that people can have a continuation and retention of those services. I do not see that as being out of kilter with the general view that I have just explained.

For example, I cannot follow the logic that says that we need to privatise the Westrail freight service, because, among other reasons, it is costing unnecessary dollars, although we read in the second reading speech that it now makes a modest profit.

What I cannot understand is the Government's withdrawal from that core service when it says that funds are in short supply, and yet it is able to manage to find \$100m to build a state convention centre. I have to ask myself, "Is that a core government service?" The answer is no, it is not. If anything is designed to promote the wellbeing of the private sector and private tourist operators - and good on them - it is the construction of a state convention centre, yet we in this Parliament are giving approval for \$100m to be spent on a private but taxpayer-funded convention centre.

Mr McGowan: What about the cinemas?

Mr PENDAL: The member for Rockingham raises my old hoary chestnut. The only reason I did not raise it is that at last we have got the Government to see some philosophical light and to sell the things. It sold the cinemas only under a fair bit of pressure as part of the 50 per cent ownership of the Joondalup shopping centre. The member's interjection brings to light another of those philosophical inconsistencies. For the past five or six years we have been justifying a private enterprise government's 50 per cent ownership in a shopping centre, including the operation of a chain of cinemas. That is why I keep saying that the Government's privatisation principles in this case and in all other cases that I can see are fundamentally askew.

Perhaps the time has been reached in Western Australia when we should put the whole thing on hold and go away, take a deep breath, study and then come to grips with what it is that we are seeking to achieve. I suspect that what we are seeking to achieve would be something like what the Brand Government did in the early 1960s - that is, for us to come back after taking that deep breath and say that the time has arrived when we will reassess this incessant move to privatisation for its own sake and that we will draw a new line in the sand. That new line in the sand will have on the one side the fundamental core objectives and reasons for having government and, on the other side, a list of things that will be for the private sector to look after for itself.

Mr McGowan: The Brand Government went further - it actually nationalised the Midland railway.

Mr PENDAL: It is interesting that the member for Rockingham should say that, because it prompts me to come to my next point. Another industry that that Government nationalised was the betting industry. What an enormous irony it was that in 1959 that Government won office on the basis of putting the private sector to work and getting government off its back. One of the first things it did was to introduce legislation to nationalise the betting industry and to create the Totalisator Agency Board. We have turned the TAB into a massive state-run industry with a \$700m or \$800m turnover. If we in this Parliament had a choice between selling Westrail's freight service - which I regard as a core service of government - or the Totalisator Agency Board, which no-one could suggest is a core business, what would a Liberal-National Government decide to do?

Mr Osborne: Sell them both.

Mr PENDAL: Without question it would decide to sell the TAB. However, what do we have? We have the Government selling the Westrail freight service and, instead, retaining the TAB. Why would the Government do that? I suspect it is a financial imperative. The latest figures in the books of the TAB show that its annual operating profit runs at about \$46m. That tells the story. The Government has no intention of getting rid of those organisations that are not core services, especially when those services are bringing in, if not taxation, revenue to the tune of \$46m.

That leads to the next question I want to ask: Why would we retain the TAB, which is not a core government service, and instead bleed an organisation in my electorate, the Perth Zoo, the only publicly-owned zoo in Western Australia, which is a core service, which provides an educational function to children and adults alike and which contributes internationally to things like the endangered species programs so that it has a global environmental role? Yet, we are bleeding it. For example, the Perth Zoo has been bled to such an extent that it had an operating loss of \$694 000 in the past financial year. Madam Acting Speaker (Ms McHale), who will pay for that \$694 000 operating loss? Will the Government pay? No. Will the Treasury pay? No. Will the Minister for the Environment pay out of her own pocket? No. Apparently, the sponsors will pick up the bill. Sponsorship money is being used to pay for all or some of the operating loss of the Perth Zoo for the past financial year. That is why it is important, in the context of this Bill, that we should begin to come to grips with what it means when we talk about privatisation. I will repeat the question in another form: How can our publicly-owned zoo, which is a core service, be starved of funds to the point where it has to dip into sponsorship money given by the private sector, while the Government has no difficulty at all in spending up to \$100m on the Perth convention centre to which I have referred?

In a slightly different vein, I wonder whether the members of this House, the Government and the Parliament generally are being stampeded into the sale of Westrail's freight service. I understand one of the justifications for the sale came from a recent federal parliamentary committee of inquiry which claimed it was necessary to spend about \$2.75b to upgrade the infrastructure of the national rail network. On the face of it, the expenditure of \$2.75b is daunting and can be used as a reason to get rid of the service so that the private sector can take over that type of expenditure. However, I understand that the \$2.75b was to be spent over 13 years. If that amount is amortised in a national sense, one comes up with less than daunting figures. Taking the rule of thumb that Western Australia represents 10 per cent of everything in the nation, the likely cost to this State is approximately \$33m a year over that extended period of 13 years. Is that a daunting prospect? Is that over the top? No, it is not, if we compare that amount with a once-off expenditure of \$100m for a convention centre. It is chicken feed if it is compared to the annual expenditure in this relatively small State, for example, on education on which the Government spends about \$1.4b annually. The huge sum of \$1.4b can be properly allocated to something as important as education; therefore, a figure of \$33m or thereabouts for upgrading the infrastructure of the country rail freight service is by no means out of the ballpark or beyond the capacity of a State like Western Australia to pay.

I will give another example. In the second reading speech the minister referred to a deal having been reached to pay off the staff who are otherwise contributing to the Westrail system. I hope the arrangement is more sensible than that which was arrived at for Perth bus drivers. Apparently, we went through the process of privatising the bus system and now the buses never appear, or if they appear they are late. The complaints that I receive as a city member are no doubt akin to those that a country member would receive if freight trains and the like did not arrive on schedule.

We are told by the minister that proper arrangements have been made for the staff who are currently employed by Westrail freight. I make this obvious observation: Let us all hope that it is a better arrangement than that which was arrived at for the staff who manned the buses in Perth in the past couple of decades. My recollection is that 400 bus drivers still do not have jobs and are being paid out of the public purse but are not driving buses. At least we would be getting some value for our dollar were those people employed in a public sector bus system, albeit that it may become a fat cat because of the activities of the union movement. However, we would be vastly better off than having those 400 people in the positions they are in today.

It is time to get back to basics. A convention centre is not core government business and I rather suspect a country rail system is. We have only one zoo, which is an educational establishment; that is clearly a core government business. The Totalisator Agency Board is not core government business, albeit that it provides about \$47m to the State's exchequer. In all of that, where is the social dividend that we are constantly told is just around the corner? I am not convinced that Westrail freight should be sold. I will vote for the Bill because I believe the Government is entitled to go to hell in its own way. However, the Government must go back to basics and determine what is core government business.

The minister's speech contained a reference to the National Competition Council. For heaven's sake, let us not take too much notice of that council or its predecessor. That is the same body that closed down the Perth *Daily News* in 1990. Do members know why it closed down the *Daily News*? It was done on the basis that it would not allow the *Daily News* to be purchased by *The West Australian*. Why was that? It was because that would result in a lack of competition. However, we said at the time, "Mr Competition Council, there will not be any problem about competition because if that is not allowed to happen the *Daily News* will have to close." The NCC closed its mind; the *Daily News* closed its doors. That is the power, effect and logic of the National Competition Council. For those reasons it is time for the Government to go back to basics.

MR THOMAS (Cockburn) [4.10 pm]: I am very pleased to speak in this debate and support the proposition advanced by my colleague the member for Armadale, the Labor Party spokesperson on Transport. The Labor Party is opposed to privatisation in general and, in particular, it is opposed to this Bill.

This Bill should fail on its own terms. Apart from whatever attitude members on this side might have towards privatisation, this Bill cannot achieve its objectives. In his second reading speech, the Deputy Premier paid tribute to the role Westrail has played in the development of the State. However, he then said that times have changed, along with the nature of competition in the transport industry. He further pointed out that Westrail and the railway industry must be brought up to date, which is what this Bill seeks to do. Even without referring to the basic principles of privatisation, to which I will refer shortly, the Bill cannot achieve those objectives.

Since this Government has been in power it has dismantled some of the venerable institutions of this State that have served it well. We remember most vividly the award system that has served us so well and the way in which the Government has sought to undermine it by restructuring the industrial relations system. Westrail has played and continues to play an important role and it is appreciated by the people of the State. The Deputy Premier and the Government will rue the day that they dismantle Westrail and the rail system in the southern part of the State. The people of Western Australia look fondly upon the railways and they see Westrail as a valued and venerable institution.

I do not normally give the Government political advice, but I will provide some statistics that came to my attention some years ago. A predecessor to this Government closed the Perth to Fremantle railway. The economic rationalists - I call them irrationalists - sought to improve the metropolitan passenger system by closing the railway and replacing it with buses. Of course, that was very unpopular with the people served by that railway. That occurred during the years prior to the election of the Labor Government in 1983. I held a position in the Labor Party and was made aware of research conducted in 1982, in the lead up to the 1983 election, indicating that the closure of the Perth to Fremantle railway was a significant issue in Wanneroo and Joondalup - areas some distance from the region served by that railway. Because the railways were part of the fabric of Western Australia - one of the institutions that people valued and wished to see maintained - although those people were in no sense served directly by it, they nonetheless regarded it as important and its closure would have an effect on the way they intended to vote. The Government should be very careful because people will resent the fact that it is dismantling these institutions that have served the people of Western Australia very well.

It is worth noting that Westrail has adapted as the years have gone by and it is now a modern and efficient organisation. It is not often appreciated that in recent years it has become profitable. My colleague the member for Eyre was the Minister for Transport for a number of years during the 1980s. Many changes were made at that time - often unwelcome. He, along with other Transport Ministers such as Gavan Troy and Pam Beggs, were responsible for transforming Westrail into the profitable organisation it is today. In paying tribute to those who played a role in modernising Westrail and turning it into an efficient organisation, I must also mention Jim Gill, the Commissioner of Railways who has gone on to serve the State in other capacities. While I agree that the rail industry must be restructured, we should acknowledge the fact that the current organisation has adapted over the past 20 years and no doubt in the decades before that. Credit should be given to the people involved in that development; that is, the ministers, the senior public servants and those many people who work in the organisation, who are very proud of it and who value their role.

The rail industry must be restructured so that it is able to compete effectively with its main competitor - road transport.

Having regard to that, this Bill should be redrafted. This provides us with the worst of all worlds. I agree with the proposition advanced by my colleague the member for Armadale that there should be vertical disaggregation if we are to have private sector participation in running the rolling stock on the railways. If we are to have true competition - that is, people being able to operate trains on the permanent lines - they should be able to operate fairly. It is unlikely that they will be able to do that if there is a vertically integrated organisation - one which not only operates the rolling stock but also owns the rails and the other infrastructure.

Apart from that, this Bill contains no explanation of how the system will operate. One of the key questions about the future operation of the railway system in Western Australia relates to investment in infrastructure - that is, the tracks and the quality of infrastructure. The system must have the capacity to carry loads, to operate at speed and to provide a truly competitive service with road transport. As far as I can see, this Bill contains no provision for that. I would like the Deputy Premier to address that issue in his second reading response and in Committee. The proposition is that the Government will sell the business - the rolling stock - and lease the fixed assets.

Mr Cowan: The rolling stock is primarily leased in the ownership of companies that have a freight task. We will not be selling what is already leased.

Mr THOMAS: I am referring to those parts of it owned by Westrail. The fixed assets - the land corridor and the rail line - will be leased.

Mr Cowan: The track will be leased.

Mr THOMAS: The corridor will be leased as well.

A critically important question emerges: Who will be responsible for reinvestment in the quality of the rails and associated infrastructure? When travelling on the *Prospector* from Perth to Kalgoorlie, as I do from time to time, I notice substantial sections of the track on which the train must travel inordinately slowly. That does not relate to the freight business but the train is on those rails in that corridor. People ask why the train goes so slowly. It goes so slowly because of the quality of the track in those areas; there are speed limits. That affects the capacity of the service that is able to be delivered and its competitiveness. We are told that there is a need for investment in the rail and the quality of the infrastructure generally. What is the incentive for the lessee of the rail corridor, who will obtain in practical terms a 50-year lease, to invest in order to maintain the quality of the asset? It will be operating in a vertically integrated business and presumably will want to maximise the return to shareholders. If it is not strictly commercially prudent to invest in upgrading that infrastructure, there is no guarantee that it will.

Those decisions should not be made on a strictly commercial basis. I put as socially desirable the objective of getting more freight off the road and onto rail. However, the necessary investment decisions to facilitate that will not necessarily be facilitated by a strictly commercial analysis of the balance sheet of the operator of the rail system. How can we be assured that investment will be made to maintain the asset of what is socially desirable? I do not think that this legislation contains any assurance. The Bill amends in some respects the Government Railways (Access) Act which provides for access codes and the like. The Act is trying to ensure that there is some provision for a fair access to the infrastructure and some sort of competition. It is based in some sense on similar provisions relating to gas and the third party access to pipelines and, although developed to a lesser extent so far, third party access to electricity transmission lines. I am glad that the Minister for Energy is here because he will be able to contribute to the debate if he wishes. In those cases the owners of the infrastructure have obligations to increase capacity. If I have a quantity of gas and I want it carried on a transmission line, I can go to the owner of the pipeline and say that I want to transmit so many terajoules of gas along the pipeline. There are obligations on the owner of the pipeline to provide that access. If the owner does not have the physical capacity at the time, it is obliged to upgrade the capacity of the pipeline so that it is able to carry that load within commercial parameters. I can see no similar obligation under any of this legislation.

I put this to the Deputy Premier: Suppose, for example, we sell the business and lease the fixed assets as is proposed in this Bill, and the line is pretty well carrying at capacity. Suppose also that a third party comes along and says that it has managed to secure business which would otherwise go on the road, it is able to operate locomotives, and it would like to have access to rail in order to carry this business on rail rather than on road. I ask the Deputy Premier to further suppose that the operator of the rail said that it did not have the capacity because the line is in need of repair and it does not want to spend money on upgrading the quality of the infrastructure; it may be better off investing its money in something else. It would make a commercially prudent decision as it sees it. There is no obligation whatever that I can discern - if I am wrong, I will be pleased to hear about it - to require the lessee of those fixed assets to maintain them at a level which will allow the rail sector of the transport industry to expand at a level which the State might deem to be desirable. That is a major weakness in this Bill.

The Government counters the argument advanced by my colleague, the member for Armadale, by saying that there should be a disaggregation rather than a vertically integrated business if we are seeking competition. I have sometimes been in a minority in my party because I am very keen for rail to have competition. The major competition for Westrail does not come from private operators but from road transport. I am passionately keen on rail. I want to see as much freight as possible off the roads and onto rail. Competition on the rail system is very desirable. I have been in favour of that for some time. However, the Government, in the form of the Deputy Premier, is citing a report from the Productivity Commission which states that small regional railways will not necessarily benefit from vertical disaggregation. I can understand that argument because it is essentially saying that they are a natural monopoly. The market is too small to have more than one player because if more than one player were to go in, costs would rise.

I am happy to debate once again with the Minister for Energy the proper definition of a natural monopoly. As I understand it, it is a market that is most efficiently serviced by one supplier. Vast sections, possibly most of the Westrail freight network, are natural monopolies. The Government is saying that there is a natural monopoly, so the Government will probably not be able to have the sort of competition that it regards as most desirable, but will privatise it. We therefore need to have the sort of debate that the member for South Perth was entering into. If we have natural monopolies, there is a very great case for not privatising. We are taking a public monopoly and turning it into a private monopoly. At least if it is a public monopoly, we in this Parliament have some control over freight rates and the way in which the monopoly behaves. If it is a private monopoly, the control is very much less. Of course, the Government will say that there will be regulators. Regulators arise in other areas for which the Government is responsible. However, the fact of the matter is that if the Government is regulating a private monopoly, it is seeking to contain a caged animal that is trying to get out to make a profit. The Government may be able to constrain it. If the monopoly remains in public ownership, the question does not arise. It is answerable to a minister, who is answerable to the Parliament. Ultimately, if it wishes to misuse its position as a monopoly, the minister will be dealt with politically for allowing that to happen.

It is a tried and true system, and it is much better. In those areas with the capacity for competition, and where there is not necessarily a natural monopoly, the case for vertical disaggregation is unanswerable. We need only look at other cases in this State and elsewhere to recognise that that is the case. We have had debates in this place previously in the energy area, specifically electricity and gas, where the argument has been that there should be disaggregation to allow for true competition because the person who owns the transmission infrastructure can frustrate a competitor who wants to get into the market. No doubt more debates will take place on this subject in years to come.

Let us consider the rail system. Third-party access obligations apply in this State under the iron ore resource Acts in the Pilbara, where three private railways operate. Under those Acts, the owner of the railway has an obligation to allow a third party to carry iron ore on those railways if requested. However, they cannot just put their rolling stock on the line but must connect to it, use rolling stock of a specified quality and so on. The Minister for Energy, to whom I referred earlier, is also the Minister for Resources Development, and he will be aware of a number of applications over the years to use third-party access rights on iron ore railways.

Mr Barnett: It is not a good example, and you know the specifications of a heavy iron ore railway are different from those of a freight railway.

Mr THOMAS: That is true, but I am sure that the minister has had aggrieved parties come to him saying that the owners of the railways are seeking to frustrate their rights to third-party access, because the owners do not want a competitor using their infrastructure to carry products to the ports. I was involved myself at one stage when the late Lang Hancock was trying to get a project off the ground and he wanted to access Broken Hill Proprietary Co Ltd's railway line. He wanted to use his company's rolling stock - it was probably the last rolling stock made in Rumania, at least during Ceaucescu's regime - and BHP said the quality of his rolling stock was not good enough for its railway line. Hancock had engineers' certificates which indicated that it was good enough. Lang Hancock and his company said that BHP did not want the inconvenience of having someone else on its railway, did not want a competitor using its railway - of course, it is built on crown land - and did not want a competitor using its railway to get its product towards the market. He said that BHP would use any means it could to frustrate the project.

At present there is a dispute between Robe River and Hamersley Iron Pty Ltd, because Robe River wants access to Hamersley's railway line. According to the financial Press, Robe River is complaining that Hamersley is being unfair and unreasonable in restricting access to the railway. That could be done in many ways. A company may write to the owner of the railway seeking access, and may wait three months for a reply. The owner usually has no obligation to reply within a certain period. The railway owner may then apply specifications for the quality of the rolling stock and insist on engineers' reports. These things can take years and those in the business of operating freight cannot wait years while engineers and others sort out these things. It must be done in a commercial manner within commercial time frames. That leads me to the point that if the owner of the permanent way - as the railway is described in the industry - is not the owner of the business that operates the trains, it is a matter of commercial indifference as to whether it involves one railway operator or a competitor. The owner of the permanent way derives income from the trains running on the rails, and is commercially indifferent to whether it is one or another rail operator. That is how it should be in a truly competitive environment, because in other ways there is plenty of scope to frustrate competition.

This Bill is quite defective on any terms, but certainly in relation to the Government's objectives enumerated by the Deputy Premier in the second reading speech. It will not facilitate competition over large parts of the system, because those large parts of the system are not of sufficient scale that disaggregation would be appropriate and they are a natural monopoly and probably will not benefit from competition. Indeed, they say that if another person were involved in the business it would probably be uneconomical. Therefore, no-one will go into that business. Those lines - described by my colleague the member for Armadale as the jewel in the crown - that carry enough volume to provide genuine competition will be in the situation of a vertically integrated private monopoly. That vertically integrated private monopoly will have a very clear interest in keeping competitors out. I challenge the Government to show how it can provide an access code that will not provide scope for the owners of that vertically integrated monopoly to frustrate potential competitors. They must apply and demonstrate to the operator of that permanent way that their rolling stock is adequate, and reach arrangements for timing and many other complex matters. That will involve negotiations, meetings and the like. If a person wants to keep out a competitor, there will be plenty of scope. That happened a decade ago in the energy area, with the former State Energy Commission, and with the privately owned railways in the Pilbara, notwithstanding that they purport to provide third-party access rights under the agreement Acts. I am sure it will happen in this case.

I cannot see this legislation necessarily guaranteeing what it purports to do; that is, create a healthy rail system. I am strongly committed to the establishment of a healthy rail transport system in this State. All members on this side of the House are committed to that, and we all want to see as much freight carried by rail as possible. The reasons were alluded to by the Deputy Premier in his second reading speech. Most people agree that it is a good thing. However, that will not be achieved with a vertically integrated private monopoly over a large part of the system, where it is acknowledged there will not be competition in any sense.

Finally, I again emphasise, because I want a clear answer from the Deputy Premier in his response to the second reading debate, or at the committee stage, that it is absolutely essential - if we are to have more of the freight in this State carried by rail rather than road - to make some investment in the system. That involves upgrading, doubling the track where necessary and other measures. What incentive is there for the owner or the lessee of the infrastructure to upgrade it? I suggest to the Deputy Premier that on many occasions, possibly most occasions, there will be no incentive. They may well have a business operating to capacity, but may not want someone else to come into the business. Why should they invest money on a rate of return when they can invest elsewhere for an equal return? One needs a guarantee or system which facilitates reinvestment and infrastructure quality upgrade, as we have in the gas industry. No such provision is made in this Bill.

MR GRILL (Eyre) [4.40 pm]: I join the members for Armadale and Cockburn in opposing this legislation, which is clearly about privatisation. The intriguing question must be asked: Why is the Government proceeding down this track? The Government claims reasons, and denies others, within the second reading speech. It asserts strongly that it is going down this track for the sake of productivity and efficiency, and a secondary reason provided is that it must comply with the National Competition Council Guidelines. The Government denies that it is headed down this track simply to raise money. The member for South Perth put forward a very strong case a few minutes ago that the Government is selling off this freight business and the relevant infrastructure simply to raise funds. One must consider that question in this context: The Labor Party disagrees, but some argument might exist for selling off the freight business; nevertheless, we can see no argument for selling off the below-line operation and the rest of the infrastructure to the same entity which will operate above-line; namely, the same entity to which the Government will sell the freight business. This will be an exchange of a government monopoly for a private monopoly. It makes no sense. It makes sense only in the context of fundraising, which is the only rationale one can propose as the basis for this extraordinary action to be taken by this Government at this time.

All members know that this Government has had problems balancing its budget. In fact, most neutral commentators on the subject state that the Government did not balance its budget on the last attempt, and that it was in deficit. I am persuaded by those arguments, although some disputes arise from the government side of the House. Nevertheless, I think no-one opposite would say that the Government is having no problem balancing its budget.

A feature of this legislation, and of the Government's policy during the past couple of years, is that it eschews the notion of competition. A Government is eschewing competition, yet is opting for a very powerful private monopoly, which will be vertically integrated, as the member for Armadale made clear, and that will make it hard for competition to occur on rail in Western Australia. It will also make it hard for new competitors to break into the market, and for the competitive forces to assert themselves in our system. I do not know why a Government would opt for a private monopoly in these circumstances unless it was desperate to raise funds.

The Government over some years has established in critical areas uncompetitive structures and infrastructure. This line and the freight business could be sold off with a range of government conditions attached to the sales. It appears that the range of conditions to be attached to these sales will be meagre indeed. If one were to maximise the price - namely, the ultimate bottom-line return - one would attach as few conditions as possible to the sale. Another aspect is involved: The fewer conditions attached to a sale, the higher the price one receives. The other side is that the fewer conditions attached to a sale, the easier it is for a private monopoly holder to jack up prices to increase returns. In fact, if the operator pays top dollar for this integrated operation, it is almost honour bound, in deference to its shareholders, to jack up prices as much as possible - that is, as high as the traffic will bear. Also, the operator is almost honour bound to fight tooth and nail to keep any potential competitor off the track. Given half the chance, it will do so; the Government will give the operator not half a chance, but every chance under the sun to ensure that competition in the Western Australian system will be kept to an absolute minimum.

This situation has developed in several areas of critical infrastructure, and I return to an argument we have had before in this place which epitomises the circumstances. The Dampier-Bunbury natural gas pipeline was sold at a price of \$2.4b, which included a substantial premium. This was celebrated by the Government. No commentator in the industry would assert that the premium was less than \$600m. However, who ultimately picked up the \$600m premium, or greater if the commentators are right? Users pay for the premium, especially when the Government is opposed to a second pipeline. This Government has done everything it can to ensure that a second pipeline will not be provided.

Mr Barnett: There is one being built now.

Mr GRILL: Does the minister mean the looping, which is in the hands of the same monopoly holder? The minister should not make a complete joke of himself. The minister's actions on the Dampier-Bunbury pipeline are as anti-competitive - I emphasise that point - as the actions of the Minister for Transport in his efforts to sell off the Westrail freight infrastructure to one monopoly holder. It is as anti-competitive as the would-be Premier's actions in selling off AlintaGas in the same model and form; namely, an integrated, vertical monopoly in the hands of one owner.

Mr Barnett: I pose one simple question: Gas is consumed all around Australia. Name for me one gas distributor which is not vertically integrated.

Mr GRILL: Victoria broke up its system into three competitive parts before it sold it.

Mr Barnett: They geographically divided the market, but left the vertical integration in place.

Mr GRILL: It was split into three competing entities, which will compete on each other's lines as time goes by.

Mr Barnett: That will happen here as there will be open competition. That is not part of the sale. You're out of your depth.

Mr GRILL: The minister will not set up more than one entity. Victoria set up three competing entities. Look at the system in relation to power, and take New South Wales as an example: Without privatisation, the generation system was broken into three sets of operators. These are not bad operators, and one of them operates, according to the minister, the most efficient power station in Western Australia; namely, the Collie coal-fired power station. The New South Wales taxpayers and Government operate the unprivatised and most efficient power station in Western Australia.

When we start talking about privatisation, let us bear some of these models in mind. Let us put the situation into context, because a thread runs through the whole of the privatisation operation of this Government. That thread is that it is all designed to maximise price and minimise competition. If we sell it off with minimal competition, we will get a higher price. The concomitant factor which must be woven into all of this is the fact that, at the end of the day, the consumers pick up the tab for those premiums which are paid by the monopoly holders. That will happen with AlintaGas, and it is happening now with the Dampier-Bunbury gas pipeline.

Mr Barnett: It is a nice story, but as you well know, tariffs came down 19 per cent on the sale of the Dampier-Bunbury natural gas pipeline.

Mr GRILL: Tariffs came down nowhere near the extent to which they should.

Mr Barnett: They came down, and they have just come down 25 per cent on the goldfields gas transmission.

Mr GRILL: We can trot out the figures again, but it is not an argument I want to have now. I assert in the strongest terms that gas prices are too high on that pipeline and on the other monopoly created on the other side of the State - the goldfields gas pipeline. A monopoly was given to one set of operators, and the cost of transmission is probably the highest in the world; at least four times as high as any other pipeline operation in Australia. The thread that runs through the privatisation by the Government is the question of maximising price. When prices are maximised, there is another side to the equation - the repaying of that cost, which must be repaid by the consumers of this State.

Mr Barnett: You will have a real problem with the sale of AlintaGas.

Mr GRILL: The minister is already having a problem with the sale of AlintaGas. He should not worry about the problems I am having; he should worry about the problems he will have. When he finally makes up his mind whether he will sell Western Power, he will have exactly the same problem.

Mr Barnett: It is not my decision, but I do not favour the sale of Western Power. It will not be sold. The irony is that you do not understand the reason that I do not favour the sale of Western Power, and that is the problem. You are totally besotted by the garbage that comes out under national competition policy instead of understanding that the prime objective in this State is economic development, not competition policy.

Mr GRILL: We have heard the minister change his tune on that.

Mr Barnett: I have never changed my tune on that.

Mr GRILL: The minister constantly changes his tune. When the Government came into power, he talked about nothing but competition. I have the quotes which I have quoted across the Chamber to him. They are in black and white. When he failed to bring down energy costs in this State, especially power costs, he then endeavoured to change the argument from competition and, ultimately, bottom-line prices and cost to focus on development.

Mr Barnett: You should read my maiden speech. I do not suggest you do, because you would be bored, but I have not changed my philosophy one step.

Mr GRILL: The minister has continued to change his philosophy. How many times has the minister changed his mind about the sale of Western Power?

Mr Barnett: Never.

Mr GRILL: Several times at least.

Mr Barnett: No.

Mr GRILL: The minister might think that, but the rest of the world, including the media in Western Australia, has another line on this subject. I know the minister is touchy on that point because he has had an argument with *The West Australian*.

Mr Barnett: The only thing that gets me touchy is that you can make your speech about what you think, but do not put words into my mouth. You had a report released by Western Power, not by me. I have never changed my position on Western Power.

Mr GRILL: Yes, the minister has.

Mr Barnett: No, I have not.

The ACTING SPEAKER (Ms McHale): The member for Eyre should direct his comments through the Chair.

Mr GRILL: Can the minister tell us that he has never changed his mind about the sale of the Dampier-Bunbury gas pipeline? When he spoke to us on that matter initially, he indicated that it was a core asset and the State should never give away more than 49 per cent of it. In due course, he changed his mind on that subject. Having made that point, I reiterate: The one thread that runs through these privatisations is the maximisation of return at the end of the day.

Mr Barnett: It is not a bad principle to start with.

Mr GRILL: If that is the minister's philosophy and he is happy to own up to it, let us not argue about it any further. In those circumstances, the people who pick up the cost are the customers. The minister, the Deputy Premier and their colleagues are creating uncompetitive infrastructure in this State. It will hurt every one of us. It will hurt the mining industry. It will hurt the agriculture industry, which can see the writing on the wall. It knows it will have to pick up extra costs. It will hurt every one of us in one way or another, especially with a private operator coming in; one of those ruthless American operators which will cut, slash and burn its work force and maintenance to ensure that it does exactly what the Government is doing right now - ensuring its bottom line. If we carry on with that sort of short-term thinking, we will price ourselves out of the market. We must be competitive in this State. Western Australia, more so than any other State, is at the mercy of overseas markets.

Some time ago as Minister for Transport I had a lesson on competition. I might bore some people because I have told this story before. When I became the minister I was told that the two lakes grain contracts to take grain out of the lakes area of Western Australia - one down to Albany and one down to Esperance - were competitive. They had been monitored for 20-odd years by the Department of Transport; costs had been screwed down; and there was no potential for the further screwing down of costs. The department had not gone out to tender for some time. I said that, even if the costs did not come down, we should go out to tender. We went through the exercise and, by and large, the same companies which had the contracts before picked up the contracts afterwards, albeit not necessarily through the same name. At the beginning of the exercise the cost per tonne-kilometre was about 10¢ a kilometre. After it went to a competitive tendering situation, the costs came down 6¢. That is what raw competitive pressure can do. That is what raw competitive pressure will not do on this set of lines because that competition will not be there. We will be putting in place a privately-operated system which will be a monopoly that will be in a powerful position to exclude any other operators on the track.

The rail freight task force has argued against the model put forward by the member for Armadale as an alternative to the current model fostered by the Government. We have argued against an integrated system and argued for a disintegrated system. After an inquiry into the progress in rail reform, the task force argued that the Productivity Commission said that vertical separation is unlikely to deliver any significant competitive gains for low volume regional railways. Far from improving the performance of low volume regional railways, vertical separation may actually impair it. The task force also said that by any objective measure, most of Westrail's freight network is a low volume regional railway.

They are only partially right; although a large part of the system is low-volume regional railway which only carries grain in the grain season, very important parts of it are neither regional nor low volume. Members should look at the east-west line. It is not regional; it is part of the national track system and it is certainly not low volume. The Bunbury line may be regional depending on the definition but it is not low volume. Although the Deputy Premier began to argue some time ago that it is a low-volume railway, when he was reminded of the volume of freight which it carries, he had to concede that it may be a high-volume railway track. Significant parts of the system which will be sold if this legislation goes through do not meet that description. The description - which came out of the inquiry into the progress in Rail Reform - Draft Report by the productivity commission - was really only directed at lines where it was unlikely there would be competition. Apart from the two lines I have mentioned, a number of other lines will attract competition. One of those is the Leonora-Esperance railway line or at least the line that carries ore and other commodities in and out of the goldfields and north east goldfields.

Some years ago one of the Railway Commissioners came to me and said the commission would like to close the Kalgoorlie-Esperance line in my electorate. I will not name the commissioner or say exactly when that happened but I assure the House that I am telling the truth. The commissioner said the track did not carry a great deal of freight; it carried a few wagons of petroleum for the mineral industry each day and not much more. He wanted to see it closed and I asked the natural question about the ore freight which comes out of the goldfields and north east goldfields. He said that could go on the Perth-Kalgoorlie line. I asked about the Esperance port which would be left stranded if that line was closed and he said that was not his concern. It may not have been his concern but it was certainly mine and I told him in unmistakable terms that I would not agree to such a suggestion in any form or fashion. In the letter criticising me printed in the *Kalgoorlie Miner* this morning, Graham Baker, the project director of the rail sale freight task force, said of the Kalgoorlie-Perth line -

The new operator will also be required to complete a \$32 million capital works program on the Kalgoorlie-Esperance line, subject to Koolyanobbing Iron deciding to continue shipping current tonnages through the Esperance port.

I do not know where he gets that from. I ask the Deputy Premier whether that is in the legislation.

Mr Cowan: There is no reason that cannot be negotiated.

Mr GRILL: It is all very well for some bureaucrat or task force to get into the press and make assertions and criticise me on that basis, but the Deputy Premier does not know where those assertions come from.

Mr Cowan: I will tell you where they come from. It has been made perfectly clear. I am terribly disappointed that your listening skills are such that you have not heard it or that you have selective hearing because you know as I do that since this

debate was initiated there has been discussion about how to raise the level of investment in the infrastructure - the track on which the freight is hauled - and a number of issues have been raised. That was one of them. The maintenance contract for the narrow-gauge branch lines was another. Issues associated with the *Prospector* and some of the other country passenger transport services have been out in the arena for public debate and consumption. You know it, yet you choose to come in here and say this is an unknown quantity. You know this was debated; you know that issue has been raised time and time again. I will deal with it when I speak.

Mr GRILL: I know it has been raised; prior to the last election Deputy Prime Minister Fischer came to Western Australia campaigning for a National Party candidate and said that \$35m would be raised to upgrade that track. Looking at that promise closely, one finds that it is based on the Australian Rail Track Corporation taking over the line. It is not part and parcel of the legislation being discussed today. The Australian Rail Track Corporation taking over that line is not part of the proposition.

Mr Cowan: But we are not talking about the statements made by the Deputy Prime Minister. We are talking about statements made by successive Ministers for Transport.

Mr GRILL: Many statements have been made; how many of them will be adhered to as time passes is yet to be seen. A bureaucrat on a task force is now making a statement which everyone will believe is gospel. However, I would be surprised if the Deputy Premier is prepared to assert that as a fact today. I would be surprised if he could tell me that that is involved in the legislation or the regulations.

Mr Cowan: You are quite right. To my knowledge, it is not in the legislation and undoubtedly I will be able to confirm that during the committee stage.

Mr GRILL: I would be very surprised if the Deputy Premier can confirm the source of those funds or whether they will be paid in the event of Portman Mining not opting to go through Esperance as a port. I believe the Deputy Premier has an obligation - as I have an obligation as the member for a large part of that area - to ensure that Esperance is not a stranded port, to ensure that it has a railway line and that the north east goldfields is served by more than one railway line and the shortest railway line, through Esperance. Those matters should not depend on the whim of Portman Mining as to which port it picks for its iron ore. The Deputy Premier knows as well as I do that a bureaucrat can make that statement and not bind the Government but still give the impression to people in the goldfields and Esperance that he is talking gospel. The Deputy Premier can immediately disown that statement as he almost has already. During my 20-odd years in Parliament I have seen too much of this happening. If we are talking about \$32m, let us hear a minister say it in a formal situation where it will be believed, where it is written down and where he can point to the source of the funds and enumerate the conditions under which those funds will be paid. That is the challenge for the Deputy Premier and I look forward to his meeting that challenge in the very near future.

That railway line is vulnerable. It is vulnerable when a Commissioner of Railways comes to me and suggests its closure. It is even more vulnerable when a private operator takes it over.

Mr Cowan: I would be very interested to know how much money you committed from the consolidated revenue fund to improve the line.

Mr GRILL: To improve it?

Mr Cowan: Yes.

Mr GRILL: The Deputy Premier knows as well as I do that there has been only minimal track improvement and minimal expenditure over time.

Mr Cowan: That is right. Therefore, your response to the commissioner was only halfway there. You made the right response in that you told him you did not want to see the line closed, but you made no contribution to its retention or improvement by getting some money set aside for its improvement. You were only a half minister at the time.

Mr GRILL: I was not as successful there as I would have liked to have been but I was not a minister at that stage; in fact, I was not even in the Cabinet, having resigned. I do not know why, apart from the bottom-line preoccupation with revenue, the Government wants to go down this track. It is highly uncompetitive and it flies in the face of almost all of the Government's supporters. I can show the Government letters I have received, as has the member for Armadale, from high-profile companies, including Western Mining Corporation and Portman Mining, and a range of big companies which use the track, each one of which is opposed to the model the Government is putting forward. The politics of this is going against the Government. Half the population does not believe the Government should be privatising and supports the Opposition in that sense. They would say no privatisation, full stop. Of those who agree with privatisation, almost to a person, organisation and company they say the model is wrong. I tell the Deputy Premier that the politics of what the Government is doing is wrong and it might just be that the Opposition will save the Government in another place.

MR MCGOWAN (Rockingham) [5.10 pm]: In contributing to this debate on the Rail Freight System Bill, I must say at the outset that people are sick and tired of Governments selling off assets which are natural monopolies. People are sick and tired of assets which are owned by the public being sold off, particularly in the shoddy way that is proposed in this Bill. I refer in this context to the Federal Government's sale of a further 16.6 per cent of Telstra, 66 per cent of which is owned by the public until that Bill is given the royal assent. What happened last night is a travesty in the overall political operation of the Federal Parliament in this country. What happened last night is that the Federal Government sold a further 16 per cent of another natural monopoly, Telstra. It corrupted that process by, in effect, bribing a Tasmanian senator to get the sale through, while handicapping every other State, and also by relying on the vote of a person who had also been bribed at

another point in time to get him to agree to the Federal Government's legislative plans in the Senate. What the Federal Government did last night is outrageous, and, furthermore, it is outrageous that it guillotined that debate through the Parliament.

However, there is an important difference between the sale of a further 16 per cent of Telstra and the proposed sale of the rail freight business of Westrail, and there are some indications that the Telstra sale is more justified than the proposed Westrail sale. The first indication is that one of the primary arguments that is always used when public assets are floated for public sale, as in the case of Telstra, is that ownership is being transferred from the State to the hands of a large number of people. That will not be the situation in the case of the Westrail sale. Westrail will be owned by one large, overseas-owned company. In the case of Telstra, the Government is trying to sell it into the hands of a large number of Australian shareholders. However, experience has shown that while at the outset there is some degree of Australian ownership, these people are eventually bought out by foreign-owned companies. The most important difference between the Telstra sale and the proposed Westrail sale, and what gives the Federal Government some greater degree of justification for its sale, is the fact that the Federal Government had to some degree a mandate for the sale of Telstra. The Federal Government promised at the last federal election that it would hold an inquiry into the sale of Telstra and would then decide what to do, but it flagged that it would try to sell part of Telstra. The coalition Government received only 48 per cent of the vote at that election, so it had only a slight mandate, and it did at least tell the public of this country what it would try to do. This Government has no mandate to sell Westrail. It did not tell the people in the December 1996 state election about its plans for the sale of both Westrail and AlintaGas. It did not give the public of this State one breath of indication about what it was planning to do. The public of this State went to the ballot box and voted on the basis that those assets would remain in public hands.

I have looked at the Liberal-National Party transport policy statement, entitled "Western Australian Coalition Policies Leading into the 21st Century" to gain some idea of what this Government is planning for Westrail. That policy contains three pages of information dealing with Westrail, yet it does not mention that, by the way, the Government intends to sell Westrail's freight operations! It refers to a massive investment in Westrail, to a modernisation program that will achieve savings of \$47m per year, and to new grain freight rates effective from 1 October 1996 that will mean that rates will have decreased by 23.4 per cent in real terms since the Government took office. It also outlines the coalition's plans for Westrail. I will outline those plans so that we get the full picture of the Government's duplicity on this sale. It states that the objectives are to -

Encourage Westrail to increasingly pursue commercial objectives, in its operations with community service obligations explicitly recognised and funded.

Pursue further reductions in freight rates by encouraging competition in the rail network and allowing third party access.

Continue the modernisation of Westrail to ensure the maximisation of rail use for freight in this State.

That is the coalition Government's plan for Westrail. It does not mention a sale. It does not mention the proposal to hand over the track to a private operator, who also will buy the business and the rolling stock. It is unacceptable that this Government has addressed this issue by bringing into Parliament a Bill that it will, no doubt, ram through despite the considerable misgivings of the National Party backbenchers in particular, because this matter deals with what they would regard as their heartland. I grew up in a country town that relied heavily on the rail service. My father ran a small business in that country town that relied upon the railways for much of the trade that he did when I was a boy. Most country towns have been devastated in the time since I was at school. However, the one party that professes as its sole aim the protection of these country people is the National Party. I raise this matter because the minister who is handling this Bill is the Leader of the National Party. That minister, the Deputy Premier, is pushing this Bill through this Parliament, probably against the express wishes of his backbenchers, as has been the case on a range of issues of late. I thought when I was allocated to speak on this Bill today that I would look at the National Party policies on Westrail. However, when I went to the library, I was told that the National Party does not have a platform. I suspect its platform is what comes out of the head of the Leader of the National Party. I did manage to find some policy documents about the history of the National Party over the past 20 years and about what it professes to be its core values and beliefs. The National Party did have a platform in 1974. That was the last platform I could find. The "State Parliamentary Platform" of the Country Party of Western Australia 1974 states in paragraph 1(b) that -

It shall be the responsibility of the State Government to provide essential services and utilities.

It states also under the heading "Transport" in paragraph 12(a) that -

Appointment of a Minister for Transport to co-ordinate transport and port facilities to the best advantage of the State and to control railways . . .

It is explicit from that document, which is the latest National Party platform, that the State shall control railways, yet the National Party is not only agreeing with this course of action but is pushing through a Bill that will take railways out of the hands of the State.

Nowhere in the Government's policy for the 1983 state election is mention made of the sale of Westrail. In fact, it commits to autonomy, which I suspect means corporatisation, which is the Labor Party's policy. In 1983 the Government was in agreement with the Labor Party. However, in his policy speech in 1983 the Leader of the National Party - I was surprised to see he was the leader then - indicated that as soon as it was legally possible the joint venture between Westrail and Mayne Nickless Limited would be terminated and replaced with West Freight, a wholly owned subsidiary of Westrail. It indicated

that the main thrust of that company would be to ensure that all country Western Australians received an adequate small freight service, regardless of their geographical location. It said further that it would instruct Westrail to reopen its contractual arrangements with grain growers. Fifteen years ago the Government had a policy by which it had some control over essential public infrastructure, which in effect is a rail line. It is one of those core activities of government that most Australians hold dear and that government should hold dear and should hold on behalf of the people of the State.

Having shown that the Government has no mandate for this step we now find that it is anti-competitive. This Bill will provide a mechanism of vertical integration. Through a trade sale an overseas operator will purchase the rolling stock. It will also lease the rail corridor and the track for 49 years. The Government's aims in this regard are clear; that is, to increase the premium it will receive. If someone is offered a monopoly of course he will pay more.

It is a long time since I studied economics, but I know that the first lesson in economics is that a public monopoly is better than a private monopoly. Private monopolies have proved to be detrimental to consumers. With this Bill the Government will be handing over a monopoly to one organisation that will operate not only the rolling stock but also the track. The Government has prepared a rail access code which is supposed to guarantee competition and ensure that other operators will be on a level playing field with the owner of the rolling stock, the business and the track.

As the member for Armadale proved in her address and as is contained within the Productivity Commission report, that does not always work. It means that the lessee of the track will service a 49-year lease - akin to ownership - and that it will be able to use various techniques to push out competitors and push up prices. That is basic economics. It is something children learn in high school; yet for some reason the Government is pushing ahead with this model. It is the wrong model. Westrail should not be sold. If it is to be sold, surely it should be sold in a way that will promote competition. The proposed method will not promote competition. What is more, it has the potential to affect small grain lines and operators throughout the wheatbelt who rely on the smaller lines, because they could be closed. It does not fit in with the model for privatisation applied in other places, such as Victoria, where electricity has been privatised. In that case one company does not own transmission, distribution and generation. I cannot work out why the Government is going ahead with this model.

Ms MacTiernan: It is all about money.

Mr McGOWAN: Yes; it is contrary to the National Party platform of 1974 when the Leader of the National Party was elected; yet he is pushing it through this Parliament. I suppose that he can contradict me by saying that this is a more modern National Party platform. However, I telephoned the library to see if it knew where the copy of the National Party platform was. The librarian called the National Party office only to be told that it did not have a platform. As I indicated earlier, after some searching I found the 1974 platform which indicates that privatisation of this nature was not policy. Then I found a dusty old book in the library containing the National Party Constitution which indicates that any member of the National Party who contradicts the platform outlined in the 1974 document should be expelled from the National Party. Not only is the Deputy Leader pushing through a Bill contrary to his own platform, but also he should be expelled by the state executive of the National Party.

Ms MacTiernan: They would have only one member left if they did the same concerning its policy on the RFA.

Mr McGOWAN: I see the member for Wagin has had his ear chewed by his colleagues in the National Party, no doubt on that issue.

This is a serious issue which is being treated in a flippant manner. The Government has introduced a Bill for which it has no mandate. It should at least wait until the election is held in 18 months when it can put it to the people and its own National Party and show some democracy on this issue. For those reasons I oppose the Bill.

MS ANWYL (Kalgoorlie) [5.28 pm]: It is clearly on the record that the Opposition is opposed to this legislation. Perhaps it is encouraging to some members opposite that the Opposition has a cohesive and alternative strategy that the Government could adopt, which I am sure would satisfy many of the concerns raised by members of the Deputy Premier's constituency.

Mr Cowan: I must have missed it; you must repeat it.

Ms ANWYL: I am happy to repeat it. I am sure it will go some way to alleviating many of the problems that have no doubt been raised privately with the Deputy Premier by his own constituents and that have been raised by significant peak bodies such as the National Farmers Federation. I know there are concerns across the development commissions and many other groups. The Opposition is not opposing just for the sake of it; it has real concerns to which I will refer shortly.

The Opposition accepts that there is a need for some change in the operations of Westrail freight. We, of course, follow the rationale that it is not appropriate or sensible to sell off all the infrastructure, track, and some land potentially because this legislation contains significant provision for land corridors. The Opposition's suggestion is not to sell all of that in one go. I appreciate that we are talking about a 49-year lease for the track and therefore land corridors. I am sure the Deputy Premier will explain that to me in his response. The main issue is that the whole lot will be given away in one package to a private operator. I would have thought the chance of its being an Australian operator is nil - I hope I am not being unduly negative. The sad reality is that this package is not likely to be picked up by an Australian interest. Let us remember the fundamental issue, which is simply that the private operator will run the whole system for profit. No guarantees will be given to anybody in Western Australia, now or in the future, because decisions that are made now on such important infrastructures as these will also impact on future generations of Western Australians when it comes to issues such as jobs and how we ensure healthy and proper public sector employment. Let us remember the fundamental issue that a company will be purchasing under this model, which is all about profit. Of course, that leads to the concerns about prioritisation of certain rail line infrastructures over others.

I raise another fundamental issue. I have read the Deputy Premier's second reading speech and I cannot see any reference to the issue about what will happen to the workers who are currently employed by Westrail freight and any other ancillary service workers who are dependent on Westrail's operations for their living. I know what is being said to the Westrail workers in Kalgoorlie-Boulder. Recently, I was able to speak to a number of people on this issue - many of them employed in Westrail - due mainly to the excellent job done by the member for Armadale when she was in my electorate recently to raise public consciousness about the issues associated with the Westrail privatisation. It is fair to say that the community is opposed to this concept of privatisation, full stop. In relation to the Westrail privatisation, a healthy cynicism is held among goldfielders about this Government and whether it has a commitment to not only freight rail transport in Kalgoorlie-Boulder, but also passenger transport, because it is a commonly held view that this is the thin end of the wedge; we are talking about freight, but it will extend to passenger operations. The goldfields residents also believe that the *Prospector* rail system has been deliberately downgraded.

The workers employed by Westrail in Kalgoorlie-Boulder have not had a huge opportunity to obtain information about this. They have been told repeatedly that they will be given a finite answer to what will happen to their jobs within a finite period. I recollect that they were promised last year that they would know by February this year what would happen, and they have been recently told again that they will know by June. Here we are near the end of June, at least debating the legislation in Parliament; however, my understanding is that the workers are not any closer to knowing about their futures. That is not an appropriate way to treat a significant number of workers. The workers at Westrail have been told that they either accept this change to Westrail freight, or their jobs will wither on the vine. That is to say, they do not really have a choice because they either accept these changes or they will not have a job anyway because Westrail freight will be so uncompetitive that their jobs will not exist. I do not think that is entirely accurate. It is certainly not responsible, ethical or professional for management to be telling workers something like that. I also do not think workers have been told the true situation or been consulted. I know that the Minister for Transport attended a public forum in my electorate some months ago. Unfortunately, I was not able to be there, but that is the only public forum of its type that has been held in Kalgoorlie-Boulder, to the best of my knowledge.

I am informed - the Deputy Premier may be able to address this issue when he makes some remarks later - that Westralia has about 270 workers in excess of its needs, and that some very limited offers have been made about what will be the arrangements for transfer packages, voluntary redundancies or similar payments. The precise nature of those payments is not clear. The Deputy Premier's second reading speech should have referred to what will happen to those workers and what arrangements will be made for their futures. I recall seeing comment in the media in the wake of the MetroBus fiasco about the ongoing amounts that are still being paid to former bus drivers who are awaiting redeployment elsewhere in the public sector. I recall seeing a comment by a government minister that that path would not be followed by the Court Government for Westrail freight workers. There has been a delay in advising workers what will occur and incredible pressure has been put on the workers by their being told that either they should accept these changes or their jobs will go anyway.

A number of speakers have already referred to the community and the Opposition's concern about what organisation will be next in the privatisation firing line. Many things are happening. The member for Rockingham referred to the further privatisation of Telstra, which resulted from a vote in the Senate last night. It is also clear that politics of the chequebook are going on, a phrase used by a commentator today. We must cope not only with the mentality that raising funds from sales is okay in itself, but also that one can buy certain politicians by looking after their sectional interests, as is done in this place and the other place when Independents or minority parties hold the balance of power. It is almost a double whammy situation because not only does the Government have an obsession with privatisation, but also it can buy off sectional interests and smaller representatives in the political system.

The model of the sale that I have referred to is of vital concern. The Kalgoorlie-Perth *Prospector* and the Leonora-Kalgoorlie-Esperance lines have different infrastructure needs. We had a bizarre scenario in which the former Minister for Transport, just before he left the Parliament or after his position as a member of the other House lapsed, promised that we would get a super duper, very fast train to Kalgoorlie-Boulder to replace the *Prospector*. That was not before time, because the *Prospector* is about 27 years old. Since the *Prospector's* carriages have had to do the Avon run as well as the Kalgoorlie-Perth run, there have been major problems with breakdowns. Major problems have also occurred because of the huge job losses from the wonderful Right Track program and the privatisation of maintenance services that has occurred. In excess of 1 600 jobs were lost. Some people would point to that as being a factor in the delays that occur on that line. Everybody in Kalgoorlie-Boulder has a story to tell about a late *Prospector* service. It has not got any better, and is still a major problem.

The reason for those delays, apart from the breakdown of the engine, is the standard of the line. Recently, the member for Armadale compiled a list of all the speed restrictions operating on the Kalgoorlie-Perth and the Leonora-Esperance lines, of which there are a significant number. The huge number of speed restrictions occurring on the Leonora-Esperance line require the train at times to travel at speeds of less than 30 kmh and is clear evidence that the track is in need of major repairs. The Deputy Premier and I would agree that track requires repair.

Each of the two rail lines I mentioned is critical to the economic health of my electorate, and to the economic development of the whole region, including the Esperance area. On that basis I have two major concerns. The first is purely parochial in that I want my electorate to flourish. The second is a broader interest in the whole region. At the end of the day, one of the things that detracts from the goldfields-Esperance region and in some ways from all regional areas in Western Australia is the tendency to focus on one's own small area and therefore overlook some of the opportunities that can present for cooperation between the regions. I want the concerns in my region to be clear. With the potential for the continuing disrepair of those two lines and the lack of utilisation of the Esperance port, concern exists that the region will lose out to either the Kwinana port or the Geraldton port. One need not be too much of a mineral resources expert to know about the

major developments in nickel in the north eastern goldfields and potential for major developments of coal and nickel to the west and east of Esperance. Anyone who is living in the goldfields-Esperance region would like to see transport infrastructure in the area benefit from that extra amount of export and some importation of materials used in the minerals processing of those resources.

A lot of planning has gone into the concept of developing Kalgoorlie-Boulder as a transport hub. That planning predates my election to Parliament and significant amounts of resources continue to be spent on it. In the current financial year, \$100 000 of the regional development budget that is put towards the Goldfields-Esperance Development Commission is allocated to planning for that inter-modal facility. This issue was raised recently in the estimates debate. The Deputy Premier said in reference to the Leonora-Esperance line -

So, I think the improvement to that line is fundamental to the economic welfare of that area . . .

We agree on that. The real issue relates to priorities and the priority that a private-for-profit operator would give to that line. This is where we get into the grey area. The Deputy Premier has agreed with everyone on this side who has raised the issue that that line is of fundamental importance to the region. The member for Eyre and I agree with the Deputy Premier. I am sure that the member for Roe, who represents Esperance, knows that Esperance will suffer more than any other place from the overall downgrading of the line. The Esperance Port Authority is dependent on that line. Without that line the Esperance Port Authority will not have a whole lot to shift. Currently the Esperance Port Authority has six major customers. The 1997 figures show that about 3 million tonnes was moved through that port: 52 per cent was minerals, 35 per cent grain and 11 per cent fuel. Those figures represent massive freight movement. I expect the current figures to be even higher as we have had better than ever grain harvests and significant development of mineral resources projects in that area. A lot is at stake here.

I refer to the issue of prioritisation. The member for Eyre has quoted from a letter to the *Kalgoorlie Miner* by Graham Baker that referred to a figure of \$35m. Varying amounts from \$32m to \$38m have been quoted. In the estimates debate, the Deputy Premier adopted the figure of \$38m. The Court Government is saying, "Hang on a minute, this is up to Portman Mining Ltd, through its Koolyanobbing iron ore deposit, to say whether it will keep the line." The Government has left Portman Mining Ltd to decide whether the Government should put expenditure into that infrastructure. I have a significant question: Why should the decision of Portman Mining affect all the other freight users of that line, not only those who use the line now but future users? I do not understand how a decision can be made by Portman Mining for all of those other players.

The Deputy Premier has said that this line is of fundamental importance to the economic welfare of the region.

Ms MacTiernan: It could have the opposite effect of persuading the private operator that Koolyanobbing ore go via Kwinana for a small discount.

Ms ANWYL: The member for Armadale makes a very good point, and one which I was about to make. How do we know what forces will be brought to bear on Portman Mining's decision? We have an unhealthy situation. If the Government leaves Portman Mining to influence what terms will be attached to the leasing of the freight system as it relates to the line, what guarantees will we have that undue influences will not be brought to bear on Portman Mining? We are talking about a private company, and possibly an overseas-based company, that has no real interest in the region. Of course it will be very careful when it makes decisions as to which track to invest in. As to the overemphasis on the decision of Portman Mining Pty Ltd, there will be an opportunity for undue influence and for other players in the system. I am talking about the opportunity for some other ports and other rail users to have discussions. We all know that as soon as privatisation comes along everything is behind closed doors. It is hard enough now, when the rail system is owned by the Government, to get any sensible answers about what is going on. I gave the example of workers not being properly advised of what is going on. Once it moves into the private arena we can forget about workers having any entitlement to be advised about what is going on, because that simply will not be usual. That is exactly what we see with the privatisation of Perth buses.

There are problems following privatisation of the Perth bus system, but the Government's attitude has been to say, "Hey, hands off; we're not responsible for this any more; it is a private matter", notwithstanding that Perth commuters clearly are caught up in that. I would have thought that there was an ongoing obligation to bus drivers, whether or not they were privately employed, because they provide such a fundamental service to the people of Perth. The Government has ongoing obligations to redeploy drivers who were unable to find further employment as a result of the Government's policy change, which was to divest itself of the metropolitan bus system.

There are parallel changes in government policy in respect of timber workers. The Government has made clear noises that it will look after people whose jobs are affected by policy change. I have raised the Government's policy change in respect of the gold royalty, which I have no doubt has caused job losses in my electorate. Certainly, \$28m has been raised by the Court Government pursuant to the gold royalty changes. After a policy for 100 years or so of not taxing gold, a change was made. Workers in my electorate lost their jobs, but the Government does not seem to be too concerned about that. Every time the member for Eyre and I ask a question on that matter we are told that native title is the only issue to blame for any job loss, notwithstanding that such job losses are occurring in companies in which mining is going on and that mining is not affected by the native title process. Nevertheless, the Court Government is not interested in that policy change.

One wonders whether the Court Government will be interested in how its policy change affects the jobs of Westrail freight workers. When we look at the second reading speech we see that the answer is no, because there is no mention of workers and their entitlements. We can live in hope. I am sure that the relevant interests, including those segments of the union movement which represent the workers in question, will take up the matter. If nothing else, I hope that the Deputy Premier

will answer some of my questions. I have looked at the legislation and it seems that the minister has extraordinarily wide powers. Clauses 11 to 14 provide the basic way in which the minister may prepare a proposal and negotiate disposal. Clause 13 states -

The Minister may enter into any agreement on behalf of the State to give effect to a proposal under section 11 that is approved by the Treasurer.

We know that the Minister for Transport and the Treasurer will have some knowledge of what is going on. As for the rest of us, I do not think that we will get to know too much, and as for people who currently have jobs with Westrail and those who have had jobs with Westrail for many years, I do not expect that they will be told too much at all. I hope the Deputy Premier will tell us what provision will be made for those workers and what method will be used to keep them advised of the process. I can find no reference in the legislation to the infrastructure prioritisation needs of the State. I do not know which provision the minister will invoke in order to negotiate that matter, but I suspect it will be under the broad clause 13.

How can we legislators be sure that proper prioritisation will be afforded? How can we be sure that the scenario that I have described in which one important freight user in an area such as Koolyanobbing - for example, Portman Mining - will not be persuaded economically or any other way by the new owner of the system to adopt a particular course? Who will advocate for the regional interests of my electorate and the electorates of the members for Eyre and for Roe? I do not think that we will hear from the member for Roe on this issue. How is it that the National Party has even found itself in the situation in which there are massive cries from people in the country that the Bill will not advance regional interests? Of course, the Deputy Premier has a difficult role, because he is the Minister for Regional Development as well as the minister with the carriage of this legislation. I find it extremely difficult to see how the legislation will advance the concept of regional development in this State. One of the fundamental things that we know, as the largest State with the biggest tyranny of distance, is that it is difficult to provide adequate infrastructure to places which do not have large populations. No country member needs to be reminded of just how difficult it is to get across the message that if we are to make decisions only on the basis of per capita or the population in regional areas, we will not provide much service there at all. I do not want the legislation to become part of the erosion of country services that we have seen under the Federal and State Governments. I do not see how the Government can give a 49-year lease over its track and rail corridors and expect that a private-for-profit operator, who is probably offshore, will have any interest whatsoever in regional development.

MR BROWN (Bassendean) [5.58 pm]: I join my colleagues in opposing the Rail Freight System Bill. There are three basic reasons in the minister's second reading speech for selling off and leasing out the rail freight system, and those reasons are set out on pages 8771 and 8772 of *Hansard*. The Deputy Premier said -

There will be a number of benefits to the State arising from this decision. We will introduce to the State an efficient, innovative specialist private rail operator committed to the sustainability of rail transport in a competitive market and willing to make the necessary investments to improve rail's market share.

On page 8772 the Deputy Premier went on to say -

In addition to the benefits I have just outlined, the proceeds from the sale will provide the opportunity to retire a significant amount of state debt, and reinvest in vital state social and economic infrastructure.

In fact, according to the Deputy Premier, there are three key reasons for taking the step outlined in this Bill and I will deal with each of those matters. The first basically says that the Government is simply giving up on the objective of running an effective and efficient rail service. That is an interesting concept because in 1993 the Government said to the people of Western Australia, "Elect us and you will get better management." Of course, we have seen since that time that the Government does not have the competence to deliver and has not been able to deliver. It therefore says, "Look, we cannot deliver better management and because we cannot deliver it we had better give it to someone else to do. We will contract it out."

Sitting suspended from 6.00 to 7.00 pm

Mr BROWN: Prior to the dinner suspension I made the observation that there were three reasons why the Government had seen fit to introduce the Rail Freight System Bill 1999. In the first of those reasons, as provided in his second reading speech, the Deputy Premier makes it plain that the Government wishes to introduce an efficient, innovative, specialist private rail operator into the system. The point I was making prior to the dinner suspension was that in 1993 when the Government was first elected it promised the people of Western Australia better management and said to the people of Western Australia that if they elected it as a government it would be able to manage the State better than the former government. We have seen since that time that the Government has not been able to meet that objective; it has simply given up the ghost of trying to do that and sought to overcome its deficiencies by giving the job of management to someone else. We have seen that time and time again with the contracting out of government services. Essentially, contracting out of government services and the selling off of government assets is an admission by ministers that they do not have the capacity to operate those services in an effective and efficient manner and that they wish to give that responsibility to someone else. It is therefore interesting that the first reason for introducing this Bill is contrary to the promises made to the people of Western Australia; it is an admission by the government that it does not have the capacity to achieve the objectives outlined in the Deputy Premier's second reading speech. In all honesty, that is not a sufficient reason to move down that path. The Government made a commitment in 1993 to better management. It is true that it did not repeat that commitment in 1996. If that commitment were alive and well, that is what the Government would do; it would not renege on that obligation by seeking to transfer it to someone else or to the private sector. The first reason advanced by the Government for the necessity to go down this path is not sustainable and is in fact a breach of the commitment that the Government gave to the people in 1993.

There are two other reasons advanced by the Deputy Premier in his second reading speech for going down this path. The first was that the proceeds of the sale would provide an opportunity to retire a significant amount of state debt. That is an interesting observation. The second reading speech by the Deputy Premier was made on 3 June 1999. It is interesting to see what the Deputy Premier has said about state debt previously because he is on the record commenting about the state debt and the need to reduce it. He was quoted by *The West Australian*, and I appreciate that many ministers, after they are quoted by *The West Australian*, say they were quoted incorrectly and this may be another incorrect quote. In an article that appeared in that newspaper on 29 December 1998 under the heading "Cowan wants gas money spent on capital projects", the Deputy Premier is quoted as saying a number of things, including this -

"Debt retirement is not an issue, we have got debt under control."

Mr Cowan: That is right. That was an accurate quote.

Mr BROWN: If, in fact, that is the case and debt is under control - the Deputy Premier has said that it is an accurate quote - one wonders what is the purpose of selling off this asset as it seems to conflict with the comments made in the second reading speech that the other benefit of the Bill is that it will provide an opportunity to retire a significant amount of state debt. Those two things conflict.

Mr Cowan: They do not conflict at all. Just because you have it under control doesn't mean you lose the desire to retire further levels of debts.

Mr BROWN: The Deputy Premier went further in the article in *The West Australian*, not to say that the objective was to reduce debt even more, but rather, if he was properly quoted, that funds raised by the sale of AlintaGas, and therefore the sale of another public asset, should go towards acquiring other public assets rather than paying off more debt.

Mr Cowan: You should look at the rest of that quote in its full context. I said that the debts associated with that government trading enterprise should be retired, that any surplus generated should not be used to retire other debts of the State but used to build new assets. I still stand by that statement.

Mr BROWN: It may be that the reporter again did not get it right; however, the first two paragraphs of the article read -

Deputy Premier Hendy Cowan believes most of the money raised from the sale of AlintaGas should be spent on capital projects for the WA community.

Mr Cowan said it was inappropriate for individual ministers to be debating a wish list of where the money - up to \$1.1 billion - should go because it was a Cabinet decision.

The impression I get from reading the ordinary words in the article is the Deputy Premier is on the record as saying that state debt is under control, that it is not a priority issue and that if funds are raised through asset sales, they should be spent on acquiring other infrastructure necessary for the State.

Mr Cowan: When you have retired the debt of the government trading enterprises which might be sold, you should use the balance to build new assets.

Mr BROWN: I hear what the Deputy Premier is saying but when I read the second reading speech and contrast it with what was reported by *The West Australian*, there appears to be a conflict in the position taken then and now. If that is true, it raises the question of whether the reasons for proposing this sale as outlined in the second reading speech are valid. The other matter raised by the Deputy Premier -

Mr COWAN: That is the third reason.

Mr BROWN: The third reason is the need to reinvest in state social and economic infrastructure. I was particularly interested in that comment. I took the opportunity of raising that matter with the Deputy Premier in a question on notice, which he may recall.

Mr Cowan: Given the number of questions you ask, I probably don't.

Mr BROWN: Probably not, but in question on notice 1975 of 1999 addressed to the Minister for Commerce and Trade I asked -

- (1) Is business growth in Western Australia being constrained by the inadequate provision of infrastructure?
- (2) What additional infrastructure is required to meet the needs of the State at the present time?
- (3) Has the Government/Department of Commerce and Trade identified the need for additional infrastructure over the next two years?

Mr Cowan: I could have given you the wish list.

Mr BROWN: He did not but the answer stated -

- (1) In an expanding economy such as Western Australia's there will be instances where major developments may strain the State's infrastructure in the short term.
- (2) The State Government is currently expanding the industrial land supply and associated infrastructure in advance of an anticipated upturn in resource processing investment. In addition, the Government is currently seeking an additional telecommunications carrier for regional Western Australia and the Regional Headworks Development Fund assists local Governments and industry to access infrastructure.

- (3) The Department of Commerce and Trade has released 10 industry sector strategic plans which identify the key infrastructure needs critical to the growth of business. These plans are tabled. . . .

In 1998 Cabinet endorsed the Office of Information and Communications' Telecommunication Enhancement program which identified the State's telecommunications infrastructure requirements.

I thought a list of those key infrastructure requirements would be provided but it was not; a copy of the 10 industry statements was. I have read most of those statements and while I do not purport to recall all of them off the top of my head - they are stacked up in the car - they suggested the Government take up a range of initiatives. Interestingly, the Department of Commerce and Trade was able to link the initiatives proposed by the various industry sectors back to existing programs offered by it. Since being asked to speak tonight I have not had an opportunity to check whether major infrastructure requirements are sought in those industry statements but from my recollection - and I will stand corrected - there is no significant identification of major infrastructure needs in those industry statements. A scoping document carried out by the Department of Commerce and Trade which identified some infrastructure required in different regions was kindly provided to me by the office of the Minister for Commerce and Trade. Following information I sought during the Estimates Committees, I expect further information to be provided through the regional commissions about where infrastructure is required in each of those regions.

I raise this matter in the context of the second reading speech. In it, the third reason for the Government going down this path is said to be to reinvest in state social and economic infrastructure. However, that speech does not identify what this is, where it is and how much it is. I suppose one can live in trust and say that no doubt that will be done in the fullness of time but it would be somewhat beneficial for the Deputy Premier to advise the House of exactly what the Government has in mind for this money. This is the reason for going down this path. It is a fundamental reason for the Government taking this particular tack. If that is the case, what will the money be used for? Is it simply a coalition slush fund for the next election? Is it flogging off the asset to have a bundle of money with which to make all sorts of promises in the lead-up to the next election? That is what it looks like because I can see nothing in the second reading speech - maybe I have missed it -

Mr Cowan: You have been involved in the union movement for too long. Do not bring those practices in here and apply them to political parties.

Mr BROWN: The Deputy Premier amuses me all the time. I cannot see anything in the second reading speech which identifies an urgent need for this money, where it will be spent, the State's priorities and why it is appropriate to go down this path. That reasoning is not there and members may appreciate the modicum of doubt, just a small amount of doubt, about whether that is a real reason for this proposal. These are the three reasons advanced and when members look at them, they will see they are fairly shallow. I do not see them as justifying in any way the action proposed.

My fourth point is not a reason for going down this path but a consequence of doing so. It is referred to by the Deputy Premier on page 9772 of *Hansard*. Reference is made to the fair treatment of transferring staff and the Deputy Premier claims that will happen. Again, having read the second reading speech, I do not know where else that is referred to in any great detail but presumably this fair way of transferring staff is somewhat better than the so-called fair way of transferring staff who were formerly employed by the Education Department as cleaners and whose jobs have now been taken over by contractors. These people, who were members of the Miscellaneous Workers Union, were employed under an award. Since those jobs have been put out to contract, they have been employed under workplace agreements and are paid considerably less than they were when they were employed by the Education Department. Some people would say that that is not fair treatment; they suffered a very significant reduction in pay and conditions as a result of the transfer from the public sector to the private sector. That has happened over and again.

For a number of years security people were employed by a contractor to service Parliament House and they were paid according to the appropriate award. A change of contract saw those security officers paid under a workplace agreement. Their wages have been reduced by 20 to 30 per cent. That is all very well if one simply wishes to save money. From that point of view, it is a good deal and like buying products on the cheap. However, it is not fair to a rail employee, security officer or cleaner. It is bad news to them to be told that it is good to lose 20 to 30 per cent of their pay.

I have some misgivings about this fair treatment proposal. The Government's record on this is abysmal. It is even worse when one tries to obtain the details. Members can ask what is the rate of remuneration for government employees, they are entitled to an answer and they get it. However, when the job is put out to the private sector under a contract and members ask the pay rate, the answer is that the Government does not know because that information is outside the purview of government responsibility. The Government does not know whether the rate of pay has reduced. That is code for the fact that members opposite do not know and do not care; it is bad luck.

That is the fair treatment that has been handed out so far to government cleaners, who now no longer exist. Bus drivers went to the private sector and are earning about \$100 a week less than they were in the public sector. Finally, after many questions on notice, the Minister for Transport admitted that their wages dropped by about \$100 per week. The proposed private prison will employ people equivalent to prison officers doing the same job but for significantly less money and under inferior conditions. All of this is said to be fair treatment. It depends through whose eyes one is looking and who is at the sharp end of the stick. At the sharp end, people are being told that they are fortunate because they still have a job; they should think themselves lucky. Managers have acknowledged that these people have had to adjust their lifestyles to a lower income. Those involved are doing the same job they did previously for 20 or 30 per cent less, but managers are telling them that they are still fortunate; they have done very well in having a job.

I do not agree now and I have never agreed with that approach. Perhaps that is my upbringing or some old-fashioned value system. However, I will take it to the grave with me and I will be happy to do so. I do not support those arrangements whereby the little people - people who have comparatively little power in the system - are treated in that way by people who have much greater power.

I was pleased that finally, after many years of my asking hundreds of parliamentary questions, the Commissioner for Workplace Agreements did a report comparing workplace agreements with awards.

Mr Bloffwitch: That surprises me because everyone at my place is on a workplace agreement and they all earn considerably more than they did when they were on the award. I find it difficult to believe that everyone is as you say.

Mr BROWN: I am not saying that this applies to everyone. I disagree with the conservative methodology used by the Commissioner for Workplace Agreements. He determined that one in four people is worse off. This is a very interesting way to measure the situation; this is creative accounting.

Mr Osborne: The member for Geraldton does not know anything about that.

Mr BROWN: I am sure he would not. That is why I want to explain it. The commissioner looks at the hourly rate in the relevant award and compares it with the hourly rate in the workplace agreement. On the face of it, that appears to be fair. However, he does not look at the conditions in both documents. Most security officers work afternoon and night shifts and on weekends. The award includes respective loadings for those who work afternoon and night shifts, on Saturdays and on Sundays, but the commissioner ignores those loadings. He cites the flat hourly rate under the award, which might be \$12, and the hourly rate under the workplace agreement, which might be \$11.50. He then determines that the employee is worse off. On the other hand, the hourly rate under the workplace agreement might be \$13, so he will determine that employee is better off. However, he does not look at the hours they work and when they work. A security officer working afternoons and nights with the loadings might be earning \$16 per hour, but that is not taken into account. The commissioner does not compare like with like; he simply compares the base rates, although one base rate is loaded up and the other is not. He compares apples and oranges and gets the wrong result.

Even using that conservative methodology, the commissioner has determined that one in four employees is worse off. That is why I doubt the assertion that employees who are transferred from the public sector to the private sector are treated fairly.

MR KOBELKE (Nollamara) [7.30 pm]: I will explain my opposition to the Rail Freight System Bill, which seeks to privatise Westrail's freight services. One can discuss the concept of privatisation and what advantages may result from it, but I will look largely at the Government's proposal to privatise and sell off Westrail's freight services, because I believe that will not serve the interests of this State and will serve only the interests of this Government in the short term by providing some cash. The method of sale which is proposed in this Bill has nothing to recommend it. This proposed sale will make it possible for a private monopoly to run the State's rail freight services. The Government is obviously aware of the potential for a private monopoly to operate those services, but it believes the form of contractual arrangements, checks and balances, and access by third parties that it will put in place will prevent such a monopoly from developing. However, I do not believe those assurances amount to anything on which people can rely. At the end of the day, if this Bill is enacted, within a short time a private rail monopoly will be established in the south west of Western Australia, to the detriment of the current rail users, and to the detriment of Western Australia. For that reason, this Bill should be opposed.

The Government is keen to sell off the Westrail freight services and to use the profit that it will realise from that sale for what we assume is the very good purpose of making capital investments in this State. However, in doing that, the Government is not giving due consideration to what will be in the medium to longer-term interests of Western Australia and the current users of Westrail's freight services. This smells of a fire sale. The Government wants the money; and if it wants the money, it must maximise the value of the asset to the potential purchaser. The best way to maximise the value of the asset is to sell it in such a form that it can be used as a monopoly. A prospective multinational or international company will pay top dollar if it knows that for the next umpteen years, according to the contract of sale of the freight services, it will be able to control the market and maximise its return, and therefore justify paying a premium on the purchase price for Westrail's freight services. I believe that is clearly the intention of the Government in this Bill. The Government wishes to get a maximum up-front return, and it is willing to forgo the medium and longer-term interests of the State by selling those services in a way that will entice an international buyer to come in knowing that it will be able to maximise its return through monopolistic practices.

The Deputy Premier indicated in the second reading speech that this Bill is about selling Westrail's freight business and leasing the freight railway. He said -

We will introduce to the State an efficient, innovative specialist private rail operator committed to the sustainability of rail transport in a competitive market and willing to make the necessary investments to improve rail's market share. We believe that, as has happened elsewhere, the sale of Westrail's freight business will give a renewed stimulus for increased rail freight tonnages, better services, decreased freight rates and increased investment in rail infrastructure and rolling stock.

That statement can be judged in one of two ways. The first way is that the Government is a babe in the woods and is being overoptimistic. It really believes that a private operator will come into this State and, as a monopolistic operator, do the very best by Western Australia. The Government may be naive and have the best of intentions, and really hope that is what will happen. The alternative interpretation is that this is Sir Humphrey speaking in *Yes, Minister*, where one says what one intends to do which is exactly the opposite of what one knows is likely to happen. I do not think those words at the introduction of the Deputy Premier's speech have any validity. They are wishful thinking at best. A private operator will

not deliver in any of those ways. It is an old tune to say that privatisation will improve things and the private sector can do it better. This Government is now into its seventh year of privatisation and contracting-out, and it has not delivered on the rhetoric that we have heard since the beginning of 1993. The fruits of the privatisation and contracting out programs of this Government are very hard to find. In the odd case here or there, we can clearly identify a benefit from contracting-out or selling off a service, but overall it has been an abysmal failure.

I will outline some of the promises made by this Government. The McCarrey report, which was supposedly a blueprint for contracting out and privatisation, suggested that the implementation of the contracting-out and privatisation program would result in savings of between \$300m and \$400m per year. The Premier said also, on several occasions, that by selling off major assets, the State's interest bill would reduce by about \$300m per year. The Government sold BankWest and the State Government Insurance Office. The Government is now proposing to sell Westrail's freight services. The Premier promised that the \$300m or \$400m that would be saved by privatising and contracting out, and the \$300m that would be saved on the interest bill, would be used to provide services for the citizens of Western Australia. However, at the same time, this Government has become the highest-taxing Government in this State's history, not only because this State has experienced extremely good economic growth, for which the Government likes to claim the credit, but also because the Government has increased by a considerable amount the basic rate of taxation for ordinary Western Australian families. Through those processes, the State's coffers have been awash with money, which can be seen in the growth of the annual budgets since this Government came to office. However, if the State has made all these savings and been able to increase its budget, we should have police on our roads with petrol in their cars and able to catch the crooks, we should have no waiting lists for our hospitals and Homeswest, we should have no problems in getting teachers to go to country schools by offering them decent incentives, and we should not be having cutbacks in government department after government department. The lie is clearly seen in the Government's failure to produce the outcomes. If contracting out and privatisation produce greater efficiencies, cost savings and better outcomes, we are not seeing them. It simply does not stack up. This State has spiralling crime rates, with the worst rates in Australia for many crimes, and the hospital and Homeswest waiting lists are growing. The Government has not been able to deliver.

I cannot give the figures, because the Government is hiding them, obviously because the truth would substantiate what I have been saying, so I can only conjecture that privatising and contracting out has in many instances - not all - cost the State more. This State is financially worse off as a result of the management and contracting-out procedures that have been put in place by this Government, because in many instances those procedures have cost this State more.

The Deputy Premier said also that the Government hopes to use this sale to retire a significant amount of state debt. Can the Deputy Premier, as the minister responsible for this Bill, tell us what is the current level of debt in Westrail's freight services so that we can make a guess about the sale price and about what amount may be available to retire debt in areas other than Westrail's own debt?

Mr Cowan: The total debt of Westrail's freight operations, expressed as part of Westrail's total debt, is about \$530m. I will look it up and deal with it in response.

Mr KOBELKE: I suspect it is a lot more than that.

Mr Cowan: Westrail's total debt is more than that.

Mr KOBELKE: Does the Deputy Premier know the total debt? He is suggesting that rail freight debt is about \$500m.

Mr Cowan: The total debt is about \$889m. The debt allocated to Westrail's freight operations is \$531m.

Mr KOBELKE: That does not stack up with the figure to which the Deputy Premier referred in his second reading speech. He may wish to correct me if I have it wrong, but at page 8773 of *Hansard* he is recorded as saying -

Westrail already pays about \$125 000 per day to serve its existing freight-related debt.

Multiplied by 365 that gives an annual interest payment on freight debt of about \$45m. As indicated in the last annual report, interest rates paid on that debt for the past year vary from under 6 per cent to over 8 per cent. Based on the highest interest rate of 8 per cent the freight related debt would be \$562m. Based on a 7 per cent interest rate the debt would be \$643m; at a 6 per cent rate it would be \$750m. The figure the minister gave suggests that the debt was being carried at the highest interest rate. That may be possible, but it seems to be bad management because we have had low interest rates for some time. Surely the Government would be able to move that money as it exists in various tranches into low interest rates. If the lowest interest rate is under 6 per cent, to be charged an average of 8 per cent or more on the total debt would not be good management.

It could be that whoever wrote the speech gilded the lily in the wrong way by indicating the debt was \$125 000 a day. The actual figure may be different from that, which would alter my calculations. I suspect that we are referring to a freight-related debt of \$600m or more based on the figure in the Deputy Premier's second reading speech. If that is the case we must consider what price will be achieved. Given the successful price the Government achieved with the sale of the north west gas pipeline, again because of the monopolistic tendencies, it is difficult to judge what might be the price; the Government may do extremely well. I have great difficulty with the proposal. As I indicated, having tried to make sense of the Deputy Premier's figures, I am sceptical about them.

We had a similar debate in April 1996 when the Opposition took issue with the Government over its breaking of the promise to upgrade and revamp the Midland Workshops. At page 785 of *Hansard* the Deputy Premier is recorded as saying -

The actions of the Minister for Transport in regard to Westrail, which include the closure of the Midland Workshops, have saved Westrail \$67m in one operating year.

According to the Deputy Premier, the actual cost of Westrail's Midland Workshops was \$19m and he indicated that, with other costs, it could have cost approximately \$21m to operate. He said that in one operating year, the then Minister for Transport was able to save Westrail \$67m from the closure of the Midland Workshops and other savings. If those savings meant anything they would have rolled over into the following years. That saving is unbelievable. We took issue with the Deputy Premier then because he failed to substantiate the statement, and I did not think the figure was true.

Mr Cowan: The total projected debt of Westrail at 30 June 1999, not 1998 as said, is just over \$1 billion. The debt allocated to the freight service provided by Westrail based on asset valuations is \$632m.

Mr KOBELKE: I thank the Deputy Premier for pointing that out. My figure was close to the mark. I will use 1998 figures on the basis that they were all that were available to me; nonetheless the picture I wish to draw will not change. The 1998 annual report for Westrail indicates these figures from the general accounts. At the outset we referred to the Westrail freight accounts which relate directly to the privatisation and sale of that service, which is the subject of this Bill. The figures I will now use relate to the whole of Westrail because the accounts presented in the annual report are not divided up in a way that I can use. This is an overall view of Westrail, but the implications I wish to draw apply, I believe, to the Westrail freight division.

The operating profit before abnormal items at the end of 1998 was \$46.5m. The income tax equivalent was \$28m. When we subtract that, the operating profit after tax was \$18.5m. In those accounts an opening balance of unappropriated profits of \$18.2m was brought forward from the previous year, the end of 1996-97, which gave a cash box of \$36.7m. From that a dividend was paid to the Government of \$32.8m. That meant that the unappropriated profit was \$3.9m. I referred to that because the Government has been heralding the fact that Westrail made nearly \$4m profit in the 1997-98 financial year. I do not doubt that there is validity in the presentation of those figures.

My point is that we could make these figures provide almost any profit we wished. As I said, Westrail paid to the Government an operating profit of \$28m. It also paid a dividend of \$32.8m. That means that approximately \$61m was paid by Westrail to the Government. I am happy to be corrected if I have left amounts out because further amounts may also have been paid. How much was paid from the Government into Westrail? There was a community service obligation of \$25m and a payment from the Department of Transport of about \$100m. That means that about \$125m from the Government went into Westrail and about \$61m went from Westrail to the Government. That indicates that a top up of about \$60m-plus was paid from the Government into Westrail. Yet the Government was heralding that it made \$4m profit. According to those accounts it did.

What is the real meaning of that profit if the Government is injecting about \$60m net? There is more to it than that: Westrail also has borrowings. Note 17 in the accounts refers to advances and borrowings in 1997 and 1998. The total of current and non-current amounts increased from \$812m in 1997 to \$896m in 1998, which is the figure quoted earlier by the Deputy Premier for debt. In one year Westrail increased its borrowings by \$84m, which is more than 10 per cent. What is this talk about a \$4m profit? It is a nonsense. The Government is putting money in, it is borrowing huge amounts, and it is declaring a profit. I now tentatively compare the figures for 1993 and 1998, because the accounting system has changed and I do not want to misrepresent the accounts. There is considerable difficulty trying to compare like with like. However, Westrail's revenue, which is a standard figure that should not change much, in 1993 totalled \$367.9m, and in 1998 it totalled \$410.5m. That is a very small increase of 11.6 per cent over five years. Clearly, the business has not been growing over that five years; it has increased by little more than the inflation rate. However, the advance in borrowings in 1998 totalled \$900m. In 1993 the borrowings were between \$400m and \$500m, but this is not clearly discernible from the accounts. Assuming that the equivalent borrowings in 1993 were \$500m, that figure has almost doubled in 1998, while the revenue stream has not increased in real terms. In 1993 the ratio of borrowings to annual revenue was 1.4:1; and by 1998 it had increased to 2.2:1. It does not seem to paint a picture of good management of Westrail. The Government has loudly crowed about the way it has managed the system well and produced profits from Westrail, but the picture shows that the profits are illusory. The books can be stacked up in all sorts of ways to show a profit.

Mr Bloffwitch: The profits are insignificant when you look at the amount of capital equipment that must be purchased. That is the problem.

Mr KOBELKE: The member for Geraldton raises an important issue, but I would like to see him, or someone on his side of the Chamber, document the capital investment in Westrail. He will find it has not been significant enough to change that picture. It is important, but in the overall scheme that capital reinvestment by Westrail has been tardy. It has been made only in specific areas where it was essential. Although it is a valid point, it will not blow out of the water the picture I am presenting. The profit was indicated in the way the accounts were presented and it does not indicate a level of efficiency in the operation of Westrail. Secondly, the overall management in those five years has resulted in a significant increase in debt, specifically in proportion to the level of revenue.

My final point is that this is the reason the Government wants to get rid of Westrail. It does not have confidence that it can make sure Westrail delivers services efficiently and returns profits, without the Government backing it up with large amounts of money or continuing to increase borrowings. The Government has a dilemma about how to manage Westrail. It wants to get out of this problem and reap a nice little profit on the side. That will help the Government because this State is now in a severe downturn, if not a recession, which I hope will be short-lived, and it is in a dire situation with respect to revenue. The Government can get this problem of Westrail off its hands and get some revenue to fix up the books for a year. It may seem a smart political move for a Government only a year or 18 months away from an election, but the end result will be devastating for many Western Australians and Western Australia as a whole. The many rural Western Australians who make use of the rail system in the south west will pay the price for allowing the Government to fix up its bottom line in one year's

budget. This Government thinks it can get rid of the problem and pass it to the wheat growers, the mineral sands companies, the woodchip companies and the other companies which are major users of the Westrail freight system. They will pick up the tab and pay 10 to 20 per cent more per annum over the next 20 years. They can cover the cost and the Government can use the funds in the short term to fix up the hole in its budget. That is not good management and it is not in the medium and long-term interests of Western Australia. It is about the short-term political goals of this Government. That is bad government but, unfortunately, too many decisions of this Government have simply been political fixes. It has no view about the longer-term good of Western Australia. I tried to briefly outline earlier that that is the reason this State is in such dire straits at the moment.

This Government, in its decisions about contracting out and privatisation, gets it wrong more often than it gets it right. One more example is the sale by the Government of the small and light vehicle fleet, which is a contract worth \$250m in round terms. The Auditor General reported on that, and indicated that a small saving of 4 per cent had been achieved in the cost of financing the cars. However, when asked about the overall system, he did not know whether there were any savings. However, we hear that government departments are now paying more and that feeds through to all their budgets. This privatisation has increased the cost to Government and it is a classic example of how we now have a lower quality service at a higher cost. The public wants to know where the money is going; the Government promised savings and better service. The opposite is being delivered. The Government is taxing at a higher rate, spending more money and delivering poorer quality service. The people in the rural areas, who are the major users of the Westrail freight system, know the story. They are in tune with the proposal in this Bill and they know that the Government is setting up a structure that will lead to a monopoly. That being the case, either their service will be withdrawn because it does not make a profit, or they will pay extra to meet the profit demands of the company that buys the Westrail freight service. This Bill is a lose/lose proposition. The only one likely to win is the Court Government in the short term because it will fix the hole in the budget. If that is the only thing to commend this Bill, it clearly should be defeated and I hope members opposite will think very carefully about the consequences of this Bill and make sure it does not proceed.

DR TURNBULL (Collie) [7.59 pm]: I have paid very serious attention to the Rail Freight System Bill and its consequence, which is the sale of Westrail. The sale of Westrail is of great importance to Western Australia as a whole, and to country areas and the south west in particular. I totally rejected the first proposal put forward for the sale of Westrail, which included the sale of all items of Westrail, except the land on which the railway system is built. As a National Party member, I stand on the policy that Governments must own the means of distribution, whether it be roads, electricity transmission lines or the railway. Therefore, I did not support the sale of the rail and its associated infrastructure. How could we as a Government genuinely ensure that our rail access legislation would be effective over, say, 40 years if we sold the rail and its infrastructure? If the operator were not maintaining the infrastructure sufficiently to enable competitors to have genuine access, how could we take back from a company something it bought?

When the review of the sale process was announced, I made a number of presentations to people connected with that review. I am very pleased that the minister and the review process altered the original proposal, and they are confident that a sale of the infrastructure will not occur.

Mr Kobelke: Or the line?

Dr TURNBULL: Or the land, the line and the associated infrastructure.

Ms MacTiernan: The management of the line will be handed over to the rail operator.

Dr TURNBULL: It will be done with very strict conditions applied. I have stated the case for the people in my electorate on these issues and others. The major rail users in my electorate are the alumina and coal companies, which are valuable core customers of the railway system. Contracts with these companies are part of the sale of Westrail.

Westrail could continue the current contracts and retain its \$632m debt, but Western Australia requires a much more proactive rail haulage system than Westrail currently provides. Tonight I will discuss the future of rail freight in Western Australia. A huge opportunity exists for rail transportation in the haulage of the plantation harvest. By 2007, transportation of 1.2 million tonnes of timber woodchip harvest will be required in the south west, carted as either woodchip or logs. In the great southern, of course, an even larger transportation task will be required - in fact, it is most likely double that of the south west. All this wood must be hauled by either road or rail.

Whether road or rail is used, a large capital investment will be required in prime movers, trailers, road railers, wagons or locomotives. From where will the money come? If the task will be undertaken on the road, no-one in the Opposition would say that the Government should buy the trucks, prime movers and trailers.

Ms MacTiernan: We would build the roads.

Dr TURNBULL: Of course.

Ms MacTiernan: That is all we are talking about.

Dr TURNBULL: No, the member was not.

Ms MacTiernan: We are talking about keeping the tracks.

Dr TURNBULL: We are too - I thank the member very much!

Ms MacTiernan: You are talking about handing them over to a private operator for 50 years.

Dr TURNBULL: The member has not discussed the strict conditions related to that process; I listened to the member's contribution.

From where will the money come for that huge capital investment in equipment needed to haul the plantation timber harvest? It will come from private operators and private enterprise. A major objective and part of the sale of Westrail is to encourage a major transport operator, who has a commitment to rail, to make that investment. That is the crucial issue involved. Of course, it comes down to price.

Ms MacTiernan: Do you think you will have competition in this system?

Dr TURNBULL: It is a little like the situation with gas and coal: They may not be exactly the same system, but they provide hefty competition with each other. Whether one has road or rail operators, the competition will relate to road costs, which will drive down the price on rail. This will ensure that the transportation on rail is at a price which is acceptable to plantation producers.

Mr Bloffwitch: The fuel on trains would be considerably cheaper than fuel for trucks because of the different levies to apply to rail.

Dr TURNBULL: Road transport would have the same fuel opportunities as rail. That is the objective.

Mr Bloffwitch: That is if they come from Collie, but not from Perth.

Dr TURNBULL: I am sure they will not come from Perth! We will go only to Bunbury or Albany with these products. I welcome this opportunity for a major transport operator with a commitment to rail to take over the Westrail operation with the core business of coal and alumina, and to look at making this new business grow.

It is important to pass this Bill quickly. The time frame for the development of the transport system for the plantation timber is very important. The harvest is starting now. It is only starting in small components, but the capital investment in infrastructure is also starting now; that is, transport operators are starting to put in place the prime movers and trailers which will haul the chips or logs. Bunnings has conducted some trials with the haulage of the plantation logs to Diamond Mill for chipping. This harvest will be incremental. If the road haulage people start installing the new infrastructure, and they pay for it year by year, investment in capital will occur as the size of the harvest increases. Therefore, the opportunity for rail operators to propose a whole package to transport the harvest on rail will be very much diminished. This is the most important aspect of passing this Bill and putting Westrail forward for sale. The longer we delay the measure, the less chance there will be of a new rail transport operator putting forward a viable and attractive package to the plantation timber people to haul products on rail.

Ms MacTiernan: Why can Westrail not put that proposal for it?

Dr TURNBULL: Westrail is working on it at the moment. It needs the capital investment, which is the important factor.

All these things take time in business. For example, the Collie power station took a whole year and half to design, and six to 12 months before finance was raised - that was before one started to put anything on the ground. The same process will apply in developing a package for plantation timber transportation. Bunnings is looking at woodchippers for the south west. I trust that it will strongly consider a large woodchipper just south of Donnybrook. In the past few days I have spoken to the managers of a number of large plantations in the south west. They are now firmly convinced that with the newest in plantation mobile chippers, they can do just as good a job as if they had a large, centralised installation. Fortunately, there are a reasonable number of owners of these plantations in the south west. There are also different plantations in the great southern region. They are starting to realise that technology moves very rapidly. Two to three years ago Bunnings said that mobile chippers were totally out of the picture. Today mobile chippers are back in the picture. With mobile chippers, we have a fantastic opportunity for road railers. Road railers can be taken to Greenbushes, Kirup or Donnybrook, put on the rail and then railed up. We would have the same situation in the great southern region; they could be taken to Mt Barker and then railed down. This is a very important time in the development of Western Australia in relation to the woodchip and plantation harvest, which everyone is begging us to get on with. We must have a clear decision on this. I trust that opposition members, both in this House and in the other place, will look carefully at the question of the timing and the need to have in place a company which has a strong commitment to developing the business of rail and putting the capital investment into rail which can deal with the plantation harvest by chipping either in the plantation or centrally just south of Mt Barker or Donnybrook. These are important issues.

We must support this Bill. Members of the Opposition have raised some genuine points during the discussion. The member for Armadale asked some important questions about the fact that a person who buys the Westrail business will also be offered the lease of the rail. There must be strong contracts which contain performance indicators, the timing of which must be spelt out clearly. The Deputy Premier will enlarge on some of those issues in his reply. I trust that members of the Opposition, both in this House and in the other House, the Greens (WA) and the Democrats will look carefully at the proposed contract and recognise that it will provide benefits by spelling out performance indicators with a very clear timetable.

I commend this Bill to the House. It is important that we develop our rail system in Western Australia for three reasons, principally environmental protection and to keep the traffic off the roads. Rail transport is far more environmentally friendly than road. We have a great opportunity to ensure that rail haulages are increased. The third reason is that we want a new, sound company which can service the core customers of alumina, coal and mineral sands. Along with those core customers, new customers can be attracted, particularly new customers who will be hauling a significant part of the plantation harvest on the rail. I ask the Opposition to look carefully at the reasonable and sensible propositions that are being put forward by the Government to address many of the concerns that have been expressed by those on the other side of the House. I urge members not to delay this Bill too long, otherwise we will lose the opportunity of presenting a package to the plantation and woodchip owners on how the plantation harvest could be transported. This needs to be done as soon as possible.

MR COWAN (Merredin - Deputy Premier) [8.15 pm]: When the opposition spokesperson - I will not call her the opposition shadow Minister for Transport because if she looks up the definition of the word "shadow" in the Oxford dictionary, she will agree with me that she is not something that one can see, but which has no substance - said that she agreed with the fact that Westrail had gone about as far as it could go in its current form, I thought we would be in for a fairly smooth and comfortable ride with this legislation, but that is where it ended. The member then focused her attention on the issue of whether we have vertical integration or vertical separation of some of those assets of the Westrail freight business as well as the track upon which that freight business is conducted. The member argued the case for vertical separation on the basis that it would be in the best interests of the State; in other words, if I heard the member correctly, she was advocating that we could sell the profitable business of Westrail, its freight business, but we should keep that part of the business - the track - that absorbs so much capital in order to maintain its operation as efficiently as possible.

Ms MacTiernan: That is not correct.

Mr COWAN: That is my interpretation of it. We must go through some of the issues raised by the member for Armadale, and we will deal with them one at a time. The member must accept that the Government is not prepared to sell only the profit-making venture at Westrail, for the very reason to which she referred; that is, we are not interested in just one issue - getting the maximum amount of money. We want to maximise the value of any asset of the State, but we must take a lot more than that into consideration. We must take up some of the issues raised by the member in her objection to this sale. She made some comments about the Productivity Commission's supporting the fact that there is more worth in having vertical separation. She then tried to substantiate the fact that that would be applicable to high volume rail track. The fact of the matter remains that Westrail operates low volume freight lines. If the member wants to argue that we have some high volume on some lines, she could take the case of the south west line as the most heavily used line. In that case, I fail to see what vertical separation will do when there is a predominant single user - Alcoa. Therefore, the one area where the member for Armadale's argument might carry some weight, in as much as vertical separation is applicable when one has high-volume and many competing interests seeking to run freight across the track for a whole range of customers, does not apply in Western Australia.

Ms MacTiernan: It does apply.

Mr COWAN: It does not apply.

Ms MacTiernan: How many companies do you have travelling across the east-west line at the moment?

Mr COWAN: We have now shifted from that high-volume track, the south-west line, to the east-west line. Under the third party access regime, we have a number of operators working on the east-west line. There is no question that there are more opportunities there. However, in talking about the east-west line being high-volume, perhaps the member for Armadale needs to accept that that line is running at about 60 to 70 per cent capacity. It is not a high-volume line.

Ms MacTiernan interjected.

Mr COWAN: We need to sort something out. I listened to the member for Armadale develop her argument in silence other than when she invited me to make a comment which might assist her in the debate. I can either ignore the member completely or we can have this debate on the basis that if the member interjects seeking more information, I will respond; otherwise I will not respond at all. I want to make clear that I have not seen - and neither have the people who have had more time than I to investigate this - any example of a vertically separated rail system providing increased competition as a result of the separation. I do not think that will ever be the case in Western Australia given the tonnage being transported by Westrail. The member for Armadale also commented on the Australian Rail and Track Corporation and the promise of \$35m for the Esperance-Kalgoorlie line. That matter was also raised by the members for Eyre and Kalgoorlie. I am sure the members for Eyre and Kalgoorlie know that the Australian Rail and Track Corporation is intended to provide services from capital city to capital city. As much as I would like to think Esperance has a great future, it is not likely to usurp the role of Perth as a capital city. Any funding which would have been provided under the Australian Rail and Track Corporation proposal would have needed to fall within the corporation's terms of reference. The funding for the Esperance-Kalgoorlie line would not have come from that source. However, it must be said that members need go no further than a statement made by the Western Australian Minister for Transport in March 1999 in which he said the re-sleeper program for the Esperance-Kalgoorlie line - which is \$32m - would be completed by the new owner.

Ms MacTiernan: Did you read the whole thing?

Mr COWAN: Sure.

Ms MacTiernan: What was the condition? Under what circumstances was it going to be completed?

Mr COWAN: Subject to Koolyanobbing Iron continuing to export through Esperance.

Ms MacTiernan: Do you know what they will do? They will offer them a discount to go to Kwinana. That might cost them a couple of hundred thousand dollars and they will save \$32m. It is an absolute nonsense.

Mr COWAN: I wish I had the number of dollars which have already been spent on the re-sleeper program. That program is under way, as the member will know.

Ms MacTiernan interjected.

Mr COWAN: Let me put it another way: That funding is programmed by Westrail for that freight operation.

Mr Grill: This is important. That is not what the task force is saying. Graham Baker is saying that the new operators will

also be required to complete the \$32m capital works program subject to Koolyanobbing Iron deciding to continue shipping the current tonnages through the Esperance port. It all depends on Portman Mining deciding to use that port.

Mr COWAN: It depends on freight volumes.

Mr Grill: That is not what it says.

Mr COWAN: About 400 000 tonnes of freight other than iron ore goes down that line. Members need to ask themselves if they would be prepared to spend -

Mr Grill: It is more than that. Three million tonnes goes down that line all up. Let me give you the figures. Three million tonnes; we have agreed on that. A million of that is Koolyanobbing iron ore, there are 2 million other tonnes.

Mr COWAN: I have not agreed on that. To my knowledge, if one took into account gross tonnage, the member for Eyre may be close to being correct but most people talk about net tonnes when taking freight into account. Unless Portman Mining seeks to increase its volume - I hope it does - I am advised that the volume of tonnage will be about 1.8 million tonnes of iron ore and about 400 000 tonnes will be freight other than Koolyanobbing iron ore. I hope they remain there.

We need to sort out a couple of things. I agree with the comments members have made about maintenance of the rail track. There is no difficulty in negotiating this Westrail freight sale on the basis of the purchaser of the Westrail freight business and the company leasing the track being required to meet obligations in the maintenance and capital expenditure on a number of lines. That includes the Esperance-Kalgoorlie line and the narrow gauge branch line - where a maintenance program is already in place - and I imagine it will include a number of other areas in which we need to spend some capital on improving the quality of service.

Mr Grill: Let us go through this question logically. The new company which acquires this line will only be obliged to complete the contract if Portman Mining decides to use that track. In other words, it is Portman Mining and not the Government which is making the decision about whether that track will be upgraded. It is Portman Mining and not the Government making the decision as to whether Esperance port will be stranded. It is Portman Mining and not the Government which is making vital decisions about regional development. We are saying that Portman Mining can be bought off with lower freight rates to Kwinana and the important regional decision about funding and the upgrading of that Esperance-Kalgoorlie line will be left in the hands of Portman Mining. Portman is interested in profit; you should be interested in strategic regional development.

Mr COWAN: The member for Eyre knows that the Government is interested in strategic regional development for the simple reason that there was a lot of discussion between Portman Mining and the Government and it was because of a concession the Government offered to Portman Mining in the first instance that that product went to Esperance. The member for Eyre knows that. He knows that the first option that Portman wanted to exercise was to transport the product in exactly the same way as it was transported when the product was under the ownership of BHP. The Government of the day intervened and made sure that the product was transported to Esperance. Having done that, we have sought to maintain that direction to the extent that Portman Mining Ltd made it very clear that some savings were to be made by changing its direction. It was even prepared to examine the prospect of transferring the tumblers and unloading facility at Esperance to Kwinana. Members might recall that it went as far as making an application to do that. The Minister for the Environment refused the application on environmental grounds. The member for Eyre does not need to question the Government's commitment to making sure that we can get product through Esperance.

Mr Grill: You have given the impression that the \$17m that was used to upgrade Esperance came from the State Government. It came from the Federal Government. It was only obtained because Graeme Campbell put the pressure on for us.

Mr COWAN: I am pleased that Graeme Campbell, for the first time in his life, has something contributed to him by the member for Eyre.

Mr Grill: Portman Mining does not make any bones about it.

Mr COWAN: The point I am seeking to make is that this sale is not, as has been said by so many people on the opposite benches, about maximising the cash value of Westrail's freight business. It is not about that and that alone. We would be derelict in our duty if we did not seek to get the best possible price. We must deal with a number of issues which relate to areas around the track itself and what maintenance and capital expenditure will be undertaken on the track. As most people know, those conditions will be set into the lease agreement. Once it has been negotiated, I have no doubt that the lease agreement will be very much a public document.

Ms MacTiernan: On what basis? You have not made any of those other agreements for privatisation public. Why should this one be any different?

Mr COWAN: Once the lease agreement has been arranged, I am quite sure that its contents will be made available for members of the public. I accept that perhaps some areas will be commercial in confidence, but once there has been an agreement about the operation of the track, that document in the main is likely to become public.

I turn to the projected line closures issue that was referred to by members. I do wish that the members opposite had spent a little time looking at the length of line and the number of lines that have been closed over the past 20 years. I suggest that during the first 10 of those 20 years lines were closed and are no longer operational. I could name a number of them. The member for Eyre knows which lines I am talking about because the majority were closed during his tenure as Minister for Transport.

Mr Grill: The ones we closed were derelict when we came into power. You know that as well as I do. They had not been used.

Mr COWAN: Members opposite may make all sorts of excuses, but the fact is that the majority of lines that were closed in the previous 20 years -

Mr Grill: We did not close any operational lines. Name one operational line that we closed.

Mr COWAN: Shackleton to Yoting.

Mr Grill: It was not operational when we came into power.

Mr COWAN: I drove the road there twice a week every year. I used to have to stop now and again for the train going across the crossing. I have been here for only 25 years, so I think I know what I am talking about. I could give a few more examples but I do not think it appropriate.

Mr Grill: I do not think you can.

Mr COWAN: I certainly can. I could give the member a number if he really wanted me to but I do not think it would be appropriate to do so.

I reinforce the fact that the lease conditions on which the track will be leased will contain maintenance standards and require incentives for the new lessee to make sure that it meets the requirements of customers. The member for Eyre wanted to know what incentives would be put in place for the lessee of the track to ensure that any new business would be catered for, so that there was not some capacity to ignore the opportunity for more freight to be transferred across to rail rather than be put onto road. This is one of the reasons that the Government supports the concept of the sale of the freight business and the lease of the track. As the member for Eyre knows, even at his worst moment in recent times, Westrail's operations, notwithstanding the fact that it has increased its volume of tonnage, have condensed to bulks and bulks only. Another operator could make something of many products which do not reach the category and which Westrail would regard as unprofitable. Some of the products we would like to see transferred off road and onto rail include fertilisers, fuel and some of the inputs for the mining and agricultural industries. A successful operator will not be restricted by capital expenditure, as Governments invariably are. Most of the comments of the member for Eyre have been whether capital has been expended on the rail or whether we will commit to further capital or seek to write into any lease an arrangement whereby the incoming lessee will be required to undertake continued maintenance or upgrading of a particular track.

I do not think any members in the Chamber, even those opposite, would delude themselves to the extent that they think a Government, where it has significant competition for capital, is likely to prioritise the capital expenditure in Westrail's operations above health, education, justice, law and order or a range of other issues. No Government has done that in the past. I do not think that any future Government is likely to do it. In this instance, significant conditions will be applied in the long-term lease on a privately owned Westrail freight business to ensure that it is properly maintained, that there is a review of the level of maintenance to be sure that we get it right, and that incentive is built into the lease arrangements for the upgrading of the track to cater for new business that might come on or for new customers -

Mr Grill: Are you not just a little bit concerned about the Esperance track and its future?

Mr COWAN: I will take it from a different angle and the member will have some agreement with this. The mining industry is moving north and east of Kalgoorlie and the northern goldfields. That is even true of the iron ore industry; it is moving east. I suggest that a number of good quality sealed roads will run east-west. One road will run from the goldfields to the Pilbara, but there is no track option other than the Esperance-Kalgoorlie-Leonora line and hopefully beyond at some time in the future. It is important that we improve the quality of that north-south line because the mining industry north of Kalgoorlie will be the area of greatest potential. It is already looking at obtaining large tonnages of lateritic nickel from that mining process, whether it is sulphur or calcrete or a number of other products that I am not familiar with, because I am not really that competent in the resources sector to talk about all the inputs that the mining industry needs. They will need access to rail to transport those products. I have some concerns about the Kalgoorlie-Esperance-Leonora and beyond line. I do not think the proposal contained in this Bill will do anything other than enhance our opportunities to find the capital to put into that line to make it a viable option for those mining companies to transport the products they need into that area and transport refined product out of the area to a port, preferably a regional port such as Esperance. I strongly believe that selling Westrail's freight business by offering a lease to the company which purchases the freight business and building into the lease agreement requirements for maintenance and other issues such as opportunities or incentives to attract new business, will be the best option for this State Government. I give one further reassurance: This is about seeking to maximise the value of Westrail's freight business, but it is not about that issue alone. The first priority is to retire the debt incurred by the business, but if the sale yields a good price, I can assure members opposite that those funds will be used by Government to enhance the quality of the track. There is no question of that at all.

Ms MacTiernan: The Premier said the opposite. He said in the budget that it would go into developing the Perth-Mandurah rail link.

Mr COWAN: I can assure the member for Armadale of one thing; it is hardly likely that any income that is yielded from this sale, given that it is about a rural freight operation, will be spent in the metropolitan area. I can give her that undertaking.

One other issue needs to be addressed - staff. An undertaking has been given by the minister that staff will receive advice on the options that are available to them. Due to unforeseen circumstances that approach has been delayed; I acknowledge

that. However, I am informed that the package is being worked on and it will be presented to Westrail employees. It will be presented to them long before the Westrail freight business is sold so they will have an opportunity to make up their minds well in advance. Westrail has been reduced to a core group of employees. The member for Eyre would have to nod his head about that because he initiated the process which allowed Westrail to have more competitive freight rates, particularly in the grain industry. He removed the "less than wagonload" requirements and a number of other impediments that meant Westrail would never be a profitable business. He did not finish the work; it was finished by a number of his successors, particularly Hon Eric Charlton. Westrail freight has placed itself in a position whereby it makes a modest profit. That profit can vary considerably depending on the volume of product, particularly grain, given that it is such a large contributor to Westrail's traffic, but it has made a profit for two successive years.

Ms MacTiernan: You said that due to unforeseen circumstances they had not been able to provide the advice to the staff and they could not meet the previous deadline. Can you give us some idea of those circumstances?

Mr COWAN: No, I cannot, but I am sure the member will persist and will ask a question and I hope she will keep asking until such time as we are able to give the package -

Ms MacTiernan: It is due to unknown circumstances rather than unforeseen circumstances.

Mr COWAN: I do not think I need to answer that. All I can say is that a package will be presented to the staff of Westrail as soon as is practicably possible. It will be done well before the business is to be sold so that those employees of Westrail will be able to exercise the option to transfer should they wish to do so. They will know the conditions of that transfer; nothing will be hidden from them.

Ms MacTiernan: I ask you to address another issue; that is, the criticism of the rail access legislation. All the users and the other rail operators take the view that rail access legislation simply cannot be made to work when a vertically integrated operation is in place.

Mr COWAN: That is an interesting point. My understanding is that there are a number of reports which show that when low volume freight lines exist, the best method of getting value out of the operation is exactly in the manner that we propose; that is, a vertically integrated operation with the owner of the freight business having the lease on the track and a very well reinforced rail freight access regime which allows competition to be introduced. During the committee stage, I will ensure that I get the member some extracts from the reports which will show that that is the case.

A number of issues have been raised continually by way of interjection that are better dealt with during the committee stage. In most instances the concern of the Opposition has been built around the question of whether we are seeking to maximise the value of the sale of Westrail's freight business, and whether we will return those assets to certain areas of operations for the State, such as improvements to the quality of track, or other aspects associated with the transfer of freight from road to rail. I reject that. The Government is seeking to ensure that Westrail takes the next step that it cannot take under the ownership of a Government. It cannot progress any further as a government enterprise. It must move to the private sector. I think most people will acknowledge that. The Government is strongly of the view that the most efficient way to do that is to sell Westrail's freight business, to also offer a lease to the new owner of that freight business for the track and to ensure that we rigorously apply the rail freight access regime that gives people the opportunity to introduce those transport options and some competition along those lines. The Rail Freight System Bill provides all of those options for the Government and I encourage members to support the Bill.

Question put and a division taken with the following result -

Ayes (25)

Mr Ainsworth	Mr Cowan	Mr Nicholls	Mr Trenorden
Mr Barnett	Mr Day	Mr Omodei	Mr Tubby
Mr Bloffwitch	Mrs Edwardes	Mr Pandal	Dr Turnbull
Mr Board	Dr Hames	Mr Prince	Mrs van de Klashorst
Mr Bradshaw	Mrs Hodson-Thomas	Mr Shave	Mr Wiese
Dr Constable	Mrs Holmes	Mr Sweetman	Mr Osborne (<i>Teller</i>)
Mr Court			

Noes (16)

Ms Anwyl	Dr Gallop	Ms MacTiernan	Ms McHale
Mr Brown	Mr Graham	Mr Marlborough	Mr Ripper
Mr Carpenter	Mr Grill	Mr McGinty	Ms Warnock
Dr Edwards	Mr Kobelke	Mr McGowan	Mr Cunningham (<i>Teller</i>)

Pairs

Mr House	Mrs Roberts
Mrs Parker	Mr Riebeling
Mr Barron-Sullivan	Mr Thomas

Question thus passed.

Bill read a second time.

CRIMINAL CODE AMENDMENT BILL 1999*Receipt and First Reading*

Bill received from the Council; and, on motion by Mr Prince (Minister for Police), read a first time.

PRISONS AMENDMENT BILL*Committee*

Resumed from 3 June. The Deputy Chairman of Committees (Mr Sweetman) in the Chair; Mrs van de Klashorst (Parliamentary Secretary) in charge of the Bill.

Clause 7 - Part IIIA inserted -

Progress was reported after the clause had been partly considered.

Mr BROWN: Proposed section 15O is headed, "Contract workers require permits to do high-level security work" and reads -

A contract worker must not do, or purport to do, any high-level security work unless he or she has a current permit to do the work and does the work in accordance with the permit.

A substantial penalty of imprisonment for three years is imposed on a contract worker who might be a person who is carrying out a job as a prison officer. No direct penalty appears to be applied when a contract worker has been instructed to do such work when he or she does not have a permit. While a penalty can be imposed on a person who does work without a permit, no penalty is imposed on a company or the management of that company for giving instructions to a contract worker to do the work for which they do not have a permit. However, there are provisions for terminating the contract of the prime contractor under proposed section 15X, which provides for termination or suspension of contracts. Proposed section 15X(2) states -

The grounds for terminating or suspending a contract are . . .

- (c) the contractor has committed a material breach of the contract that is not capable of being remedied; . . .

If the contractor has instructed a contract worker who does not have a permit to carry out work for which a permit is required and therefore has rendered the contract worker susceptible to a penalty under proposed section 15O, would that be considered to be a material breach by the contractor - not by the contract worker - such that it could render the contract liable to be suspended or terminated and, if not, why not?

Mrs van de KLASHORST: We finished on this note when we previously discussed the fact that a contract worker must not do work that he is not allowed to do, and whether, if an order was given to him and he carried it out, there was a penalty for the person giving the order. I checked that matter, as I expected the member for Bassendean to raise it. The reason that there is no penalty in the legislation is that several provisions in the Criminal Code cover that issue, including section 7(d). The public prosecutor would determine the matter. Section 31(2) of the Criminal Code states -

In obedience to the order of a competent authority which he is bound by law to obey, unless the order is manifestly unlawful . . .

In other words, if they give an unlawful instruction to a contract worker, the penalty in the Criminal Code is relevant. Proposed sections 15W and 15X are also relevant. It would depend on the circumstances of the offence as to whether the contract would be terminated.

Mr BROWN: As I understand what the Parliamentary Secretary is saying, under proposed section 15O, if a contract worker was given an instruction and the contract worker carried out that instruction, a defence would be that they were given that instruction and they could therefore argue under the Criminal Code that they should not be so dealt with by the penalty provided for in the Bill.

Mrs van de Klashorst: Certain circumstances are provided for in the Criminal Code. Provided that the contract worker did not know that he or she was committing an offence and just carried out the order, he or she is covered by the Criminal Code. There is a defence of compulsion. In particular, I refer to section 3(1) of the Criminal Code.

Mr BROWN: I accept that that provision exists and that it may be used as a defence mechanism. However, I am talking about equity within the legislation. It says that if a worker does something which they do not have a permit to do when they should have, they risk going to prison for three years. That is, if a worker, of their own volition, determines that they will do certain work that they are not allowed to do unless they have a permit, they risk being put in prison for three years.

Mrs van de Klashorst: That is right.

Mr BROWN: So what is being looked at is a very significant penalty. That is important. If such a penalty is to be imposed on a contract worker, what penalty is to be imposed on the contractor? It is not that there are not certain defences that the contract worker can use, but given that a contract worker can be put in prison for three years, what penalty is imposed on the contractor who gives the worker an instruction to do work which is not allowed and which could render that contract worker liable for a period of imprisonment?

I raise that matter because it is not a small fine that is to be imposed on a worker. It is not a \$10 or \$20 fine but a very significant penalty. In fact, I do not know of any such heavy penalties where an act is not an illegal act in the normal sense of the word. I do not see any penalty at all proposed for the contractor where the contractor gives that instruction to the worker. On that basis it is grossly unfair, unless it is proposed that if such an instruction was given, that instruction would be deemed to be a breach of proposed section 15X, which would invalidate the contract and lead to the contract being terminated, but I do not read that in the legislation. I see a very heavy penalty on a contract worker and no penalty at all in relation to the contractor. That is not equitable. I would like the Parliamentary Secretary to clarify what penalty would be imposed on a contractor in the event of that situation arising.

Mrs van de KLASHORST: I am advised that the criminal penalty is to stop people masquerading as contract workers. My adviser has given me the example of a uniformed off-duty contract worker travelling on a bus and being instructed to do something under those circumstances. That would be a criminal offence for the supervisor who told him to do that job and for the contract worker. The provision has been inserted for a specific reason so that the contract workers are contract workers at work. It does not carry over until after work. The provision has been specifically inserted to stop that happening.

Mr BROWN: I can understand why we would need such a penalty for a person seeking to masquerade as a contract worker and therefore assume certain powers under the legislation, but it goes further than that. The provision is not limited to impersonating a contract worker. It is not limited to a contract worker who seeks to exercise certain powers that he or she does not have after working hours or whatever. There are very specific clauses elsewhere. Impersonating a police officer is a specific offence for which one can be charged.

Mrs van de Klashorst: This is a similar provision in this Bill to cover contract workers who may be doing something after hours that they should not be doing; for instance, impersonating a contract worker.

Mr BROWN: It is not limited to that. If proposed section 15O were limited to two situations, where after hours someone impersonates a contract worker and tries to exercise certain powers, or a contract worker seeks to exercise powers he does not have, one could understand that the contract worker is then not capable of being put in the position of carrying out a direct order which would be in breach of that requirement. After hours, if a person who is not under the direct control of their supervisor or management or whatever, did certain things, he is a free agent to do those things and if he does them wrongly, they can be dealt with accordingly. My concern is for when they are not free agents but are at work and this type of work, whether in the private or public sector, is paramilitary, ranked work at which people do as they are told. This is not a consultative job in which the supervisors says, "I know you are busy and in 10 minutes would you mind stopping that escape." This is a job in which if it needs to be done the worker gets instructions and does it; it is as simple as that. This proposed section provides a very heavy penalty for a contract worker who is doing something he should not be doing or a heavy penalty for a person doing a contract worker's job without a permit. However, it does not provide a penalty for the contractor if it so instructs.

If the Parliamentary Secretary tells me that it is dealt with under proposed section 15X - that is, if a person was so directed it would be a material breach and the Government would terminate the contract of the contractor if such an instruction was given to make an employee vulnerable to imprisonment - I will accept that the Act has some equity in it in providing significant penalties for the employee and the employer. However, all I see in this Bill is a significant penalty - an unbelievable penalty, almost - for the employee and no penalty for the employer when the employer instructs the employee to carry out work that the employee is prohibited from carrying out under the Act; that is wrong. Can the Parliamentary Secretary tell me, if that situation occurs, where in the Bill there is provision for a sanction or penalty on the contractor?

Mrs van de KLASHORST: The reason for this provision is that there is an employee with a permit on site - for example, a maintenance worker or a builder - and he attempts to escort a prisoner, that would be impersonating a prison officer or contract worker and there would be a penalty of imprisonment for three years. We must always remember that we must allow for any contingency in that prison environment. Under proposed section 15X(2)(c) a contract will be terminated when a contractor has committed a material breach of the contract that is not capable of being remedied. In this case it would be capable of being remedied because if either the employer or the employee carried out an illegal act by doing something or giving an instruction for something to be done, the police would be called and he would be formally charged and removed from the situation. It can therefore be remedied.

I repeat that the employer who gives a contract worker an instruction that is not covered by the permit will be performing an illegal act under the Criminal Code and once again the police will be called and the person will be removed. The employer therefore has a responsibility under the Criminal Code to do the right thing. If the employee does something illegal under the Act, such as masquerading in another position in the prison, he must accept the consequences.

Mr BROWN: So that it is on the record in the *Hansard*, what provisions of the Criminal Code does a contractor breach by giving such an instruction and what are the penalties for giving such an instruction? We need to test whether there is some evenhandedness in this matter. I do not want to know what defence mechanisms there are in the Criminal Code for the employee. I want to know what the contractor would be guilty of under the Criminal Code if it gave such an instruction.

Mr Bloffwitch: Guilty of impersonating someone who has that authority.

Mr BROWN: No.

Mr Bloffwitch: He would be guilty if he impersonated someone.

Mr BROWN: I just want the Parliamentary Secretary to tell me under what section of the Criminal Code I could be charged if I as a supervisor told a contract worker to do certain work when I knew he did not have a permit to do that work. What

provision under the Criminal Code would I or the company be charged with? What is the sanction in the Criminal Code for giving that instruction?

Mrs van de KLASHORST: As I pointed out, there are sections of the Criminal Code that can be used for the defence of the employee if the employee is told to do something that he or she should not do. However, I cannot specifically answer the question because we would have to seek proper legal advice and it would depend on every single, separate circumstance of the case. The police would then be called in; they would charge the person under the part of the Criminal Code that had been breached. However, unless the member has a specific scenario to suggest to me, this is a load of maybes, ifs and buts. For example, it may be covered by section 553 of the Criminal Code, incitement to commit an indictable offence. It would depend on the individual case and the law applying to that case at the time. However, there are several sections in the Criminal Code that can be drawn on, if necessary, when someone does something illegal, just as in any other field of life. If one does something illegal, the Criminal Code works to stop one doing that or allows one to be charged.

Mr BROWN: I understand there is a range of provisions in the Criminal Code. I also understand that those provisions can be utilised only where there are certain facts.

Mrs van de Klashorst: That is correct.

Mr BROWN: However, we have here a proposed section providing a significant sanction. What I am putting to the Committee is nothing more or less than this: If a contract worker is instructed to do something that is contrary to this provision, where is the sanction? I am not asking whether the sanction will be applied or about the facts of the case, which might be that the supervisor did not give an instruction and so on. The facts will determine whether charges are laid. However, I and people who might be put in this situation must be able to say it has been said in the Parliament by the Parliamentary Secretary - that is why I am keen to get her to say it - that if such an instruction is issued, the person issuing the instruction *prima facie* is acting contrary to the Criminal Code. I ask that because the Parliamentary Secretary referred to the Criminal Code in terms of incitement. My interpretation is that giving someone a direct order in those circumstances would not be incitement.

Mrs van de Klashorst: It depends on the circumstances.

Mr BROWN: Incitement is distinct from giving a direct order in those circumstances. If the legislation provides an evenhanded approach, what is it? I am happy to test the Criminal Code to see whether it is there. I do not know whether it is, and I do not want to wade through the 600 or 700 sections in the code to find it. I want what happens in that circumstance clearly on the record.

I persist with this because I have seen situations in institutions in which guards and others do not want to do something and they are instructed that they will do it or be sacked. If someone is put in that position, and he does whatever he has been instructed to do and it is contrary to this legislation and carries a penalty of imprisonment, what is the penalty imposed on the person who gives the instruction? What is the penalty imposed on the person who puts the guard in that vulnerable position when he is insisting that he does not want to do it and should not do it, but is threatened with dismissal?

Mr Bloffwitch: Surely the person doing the act will not be charged.

Mr BROWN: That person should not be charged, but the person who gave the instruction should be.

Mr Bloffwitch: If what he is doing is a criminal offence, he would be.

Mr BROWN: That is the big question, because he may not be.

Mr Bloffwitch: If it is in this legislation and he does it, it is a crime.

Mr BROWN: Is it?

Mrs van de Klashorst: Yes.

Mr BROWN: Where is it stated in this legislation that the person who gives the instruction is liable?

Mr Bloffwitch: It is not in this legislation.

Mrs van de KLASHORST: We need to go back to the basics. Everyone working in the prison, from the top down, will be on a contract. Therefore, if a supervisor or anyone higher up than the person being instructed, who is also a contract worker, gives an illegal instruction, he will be charged. That includes the supervisor, who would also be a permit worker. That contract worker would have a contract to supervise. If he steps over the bounds of that contract, he would also be subject to the same penalty if he were found guilty. The case would have to go to court because this is not a judicial Act. The supervisor and the person above him have permits. Everyone working in the prison under this legislation will be a contract worker who must work in accordance with this provision. Clause 150 provides -

A contract worker must not do, or purport to do, any high-security work unless he or she has a current permit to do the work and does the work in accordance with the permit.

Therefore, a supervisor would have a set of rules. If he stepped over the bounds of those rules, he would also be subject to imprisonment for three years. This does not apply only to the people working under the warders; it applies throughout the system. Proposed section 15A provides that -

"contract worker" means a natural person who is -

- (a) a contractor or an employee or agent of a contractor; or

- (b) a subcontractor or an employee or agent of a subcontractor;

Therefore, everyone working in the prison will be a contract worker.

Mr BROWN: This clause provides that a contract worker must not do or purport to do any high-level security work unless he or she has a current permit to do the work. A supervisor -

Mrs van de Klashorst: Will also be a contract worker.

Mr BROWN: But not a contract worker who necessarily has a permit to do high-level security work.

Mrs van de Klashorst: Yes.

Mr BROWN: Will all supervisors have a permit to do high-level security work?

Mrs van de Klashorst: Yes.

Mr BROWN: If a supervisor gives an instruction to a contract worker who does not have a permit to do high-level security work -

Mrs van de Klashorst: The supervisor would then not be acting in accordance with his own permit, so he would be liable to be charged and would be subject to the same penalty.

Mr BROWN: Would he or she be subject to this same penalty?

Mrs van de Klashorst: Yes. We have the Criminal Code penalties to fall back on. He or she would be charged under those provisions as well, depending on the circumstances of the case. The member is thinking of the worker being the person on the bottom rung in the hierarchy.

Mr BROWN: No.

Mrs van de Klashorst: It covers everyone working under a permit in the system. Every worker will have a permit whether or not he or she is a supervisor.

Mr BROWN: That interpretation is not capable of being made given the words currently in the proposed section. It provides -

A contract worker must not do, or purport to do, any high-security work unless he or she has a current permit to do the work and does the work in accordance with the permit.

The breach relates to the work, and the work must be done by the contract worker. The question of whether the provision is breached depends upon the work that is done by the immediate person. It does not depend upon an instruction that is wrong being given by someone else, because the test of whether a breach has occurred depends upon whether the contract worker has carried out certain work for which he does not have a permit.

Mrs van de Klashorst: The supervisor would have his own permit. If the supervisor gave an order that was not within his permit, he would be in breach of his permit because he was not entitled to give that order.

Mr BROWN: Would that person then be liable to the penalty in proposed section 15O?

Mrs van de Klashorst: Yes. If a supervisor who gave an order did not have the right under his permit to give that order, we would request that something be done about it, and if the system were so corrupted that the breach could not be remedied, he would be in breach of his contract, and that would result in a termination under proposed section 15X.

Mr BROWN: If a supervisor who was a contract worker and who held a high-level security work permit gave an instruction to a subordinate who was a contract worker and who did not hold a high-level security work permit, and that instruction was that that person shall do work that is covered by the permit, would the person who gave that instruction be in breach of proposed section 15O?

Mrs van de Klashorst: Yes.

Mr BROWN: Would the question of whether that breach was activated against that person be a matter for the enforcing authorities?

Mrs van de Klashorst: Yes. It would be up to them to call in the police and charge, and then to test it in a court of law.

Mr BROWN: I do not agree that that is the correct interpretation. I accept that the Parliamentary Secretary says that is the intent, and, if nothing else, in time when this is tested, whenever that may be, we will see what arises from it.

Proposed section 15Q(1) provides that -

The chief executive officer may, in writing, require a contract worker who applies for a permit or the relevant contractor to provide -

- (a) information about any offence for which the contract worker is convicted;
- (b) information about any disciplinary proceedings conducted against the contract worker in the course of his or her employment.

Does the word "offence" in paragraph (a) mean an offence in any country in the world?

Mrs van de Klashorst: Yes.

Mr BROWN: Does it mean misdemeanours, traffic offences and parking tickets, or offences against local council by-laws or the Dividing Fences Act?

Mrs van de Klashorst: It means all offences for which a criminal record is maintained in any jurisdiction.

Mr BROWN: Would it not be wise to make that clear in the legislation? I do not know whether that is clear by reference to somewhere else.

Mrs van de Klashorst: It is not detailed, but that is the intent of it. It states "any offence".

Mr BROWN: That is the difficulty. I will give a scenario to illustrate my problem. A contract worker may have been employed for a few years and everyone is happy. No-one has said anything about that worker. However, all of a sudden, it comes to light that the contract worker has committed a few offences - not criminal offences, but traffic offences. The Bill states that the contract worker shall disclose any offence, but the contract worker has not disclosed those traffic offences because he believes it applies only to any criminal offence, and he has not committed any criminal offence. However, someone who is very officious and who does not like that individual says, "You have committed a traffic offence and you have not disclosed it, and the Act says you must disclose information about any offence."

Mr Prince: So disclose it!

Mr BROWN: Normally when a person applies for a job, unless the question is specifically asked and the person is applying for a job as a driver, he does not disclose his parking or traffic offences. He may be asked to disclose criminal offences.

Mrs van de Klashorst: A parking infringement is not an offence unless you do not pay the fine.

Mr BROWN: It is an offence. That is why you pay a fine. If it is not an offence, why do you have to pay a fine?

Mrs van de Klashorst: Is it recorded as a criminal offence?

Mr BROWN: No. It is a simple offence.

Mr Prince: If I am asked, I disclose the offence that I committed in 1995.

Mr BROWN: I would disclose that too!

Mr Prince: Failing to give way to the right and cleaning up a Swan Brewery truck!

Mr BROWN: Deliberately!

Mr Prince: No, I assure you!

Mr BROWN: My concern is that it is very important for people to know what they need to disclose, and if it is simply any offence, and that is what the Parliamentary Secretary is saying to me, I hope that it is made very clear what scope of offences will be involved, because there is a bundle of offences, such as failing to keep one's dog under control and letting it roam the streets, and parking and traffic offences, that I do not regard as necessarily having anything to do with a person's capacity to perform the job, yet somehow a person may be excluded from working because his dog is off the leash at a certain time. I cannot see the relevance of that. I can understand that if a person is working in a prison, the authorities, whether public or private, need to know whether that person has committed any criminal offences, but I cannot understand why the authorities need to know about any simple offences. Can the Parliamentary Secretary clarify that?

Mrs van de KLASHORST: Proposed section 15S indicates that the chief executive officer will make the decision. He has the discretion to examine the full disclosure of the person applying to become a permanent worker in the prison service. Therefore, he will examine all the circumstances. Any offence should be disclosed. The chief executive officer may refuse to issue a permit.

People applying to become a justice of the peace or a commissioner of declarations declare whether they have had a parking or a traffic offence. The Ministry of Justice then decides whether they are suitable people. If someone had a large number of offences, he might not be a suitable person. He may have one or two parking offences, but still become a JP or a CD. In this case it is a matter of commonsense because people are being selected to work in a prison system. The chief executive will have the authority to make the decision, which will be absolute.

Mr BROWN: Proposed section 15S reads -

The chief executive officer may refuse to issue a contract worker with a permit to do high-level security work if, in the opinion of the chief executive officer -

(a) a contract worker has not complied with the requirement under section 15Q(1);

Mrs van de Klashorst: If he has not included his offences.

Mr BROWN: That is right. This provision relates to any offence, simple, criminal, local government, parking, dogs or dividing fences that has occurred anywhere in the world. Hypothetically, a 43-year-old man may be applying for a job and fail to disclose a simple offence that occurred when he was 15 years old.

Mrs van de Klashorst: That would be at the discretion of the chief executive officer.

Mr BROWN: No; he failed to disclose it.

Mrs van de Klashorst: It would have to be discovered.

Mr BROWN: Of course. Here is an opportunity for the chief executive officer not to exclude somebody on the basis of what he may have done when he was 15, but to exclude him on the basis of failing to notify.

Mrs van de Klashorst: The chief executive officer will want to find out whether the person is a fit and proper person to work in a position requiring high-level security within the prison system. He will base his decision on offences that are written on the application form.

Mr Prince: A 15 year old in company with another 15 year old could have committed an offence and at the age of 30 be employed in the prison in which his mate is kept. That could have the potential for difficulty. If he has not disclosed the offence how will the supervisors be able to handle that? There are reasons for complete disclosure to be made before being selected for this work.

Mr BROWN: I understand the need for the provision concerning criminal offences.

Mr Prince: All offences.

Mr BROWN: There would be no difference if a couple of kids were in a car together and knew each other and one was caught for speeding. They would know each other. There will always be a risk in a prison service when an officer and a prisoner have had a prior association. Some of the major escapes have occurred as a result of that risk.

Mr Prince: It is a matter of disclosure. A judgment can then be made about the information. If no disclosure is made, no judgment can be made.

Mrs van de Klashorst: Is the member saying some offences are not criminal offences?

Mr BROWN: No. If "criminal" were included, I would accept it, but it is not included. If I have committed an offence under the Dividing Fences Act I must disclose it. I am such a vicious criminal that I have been prosecuted under the Dividing Fences Act because I will not pay half the money. That is rubbish. If it said "criminal offence" I could understand it.

Mr Prince: There is no definition of criminal offence. It is either a crime, a misdemeanour or a simple offence.

Mr BROWN: Can we not refer to an offence under the Criminal Code or the Police Act?

Mrs van de KLASHORST: The full intent of this proposed section is to give the chief executive officer a chance to examine the background of the people applying to work in a situation in which they will be working with criminals. He must establish whether the applicant is a fit and proper person to work in a prison with criminals. The decision will be at his discretion. I am sure that having been part of the prison system, the member for Bassendean would not want to see people working in that system who would be unsuitable. We are looking for people with integrity. That is why the application form must have a space in which to indicate an offence if one has been committed. A speeding fine will not necessarily make an applicant unsuitable for the position. Its inclusion will be an indication of honesty and integrity.

People come into my office for interviews and they indicate that they have committed what the member calls misdemeanours, such as parking or speeding offences. It is a requirement to do that. A decision is made based on the person's overall presentation. This clause seeks to enable the chief executive officer to find the most appropriate people to work within the prison system.

Mr PRINCE: I know that the member for Bassendean is referring to offences for which some form of criminality is associated versus administrative offences such as a parking fine.

Mr Brown: Or taking out one's dog without a leash.

Mr PRINCE: Yes. The basic definition of offence in this State's legal system is found in the Criminal Code which indicates that there are crimes, misdemeanours or simple offences. If we try to limit it to criminal code offences we will leave out offences under the Misuse of Drugs Act. There is no way they should be left out. We will also leave out serious offences under the Road Traffic Act such as drunk driving, dangerous driving causing death, unauthorised use of a motor vehicle and driving while under suspension. They are serious offences that have an element of dishonesty or lack of ability to appreciate that society has rules with which we must comply. I think the member is trying to say that we should limit those offences that must be disclosed.

The better way to approach this is to disclose everything and having done that, a judgment will be made. A person should not make a judgment about someone who has had a number of parking offences recorded against his name, but that person should think seriously about an applicant for a prison officer's position who, for example, has been convicted of a couple of possession of cannabis offences. That is a fair comment. If there is no provision for people to disclose everything, there is the potential to select badly the contract person working in a jail.

Mr BROWN: I take on board the minister's comments. My concern is that people may forget minor infringements, not criminal infringements, of the law which happened many years previously and which could be used capriciously.

Mrs van de Klashorst: If a person has committed a minor offence such as a speeding or parking fine, and he includes this

in his application form, and he has had no offences for 20 years, it will be at the discretion of the chief executive officer to decide whether he is a fit person. If he has applied for a driving position, the CEO may want to know whether he has five or six speeding offences, so that he does not employ a person for that job who may not be a safe person to drive prisoners around. A whole raft of things could happen and the CEO should know these things to build up some background on the character of the person applying for the job. There is a difference between an act of omission and one of commission. It is for the CEO to test when going through the application. They are not average jobs; they are mixing with people in the criminal justice system every working day.

Mr BROWN: My concern about this clause and the effect of proposed section 15S is that if a person failed to disclose an offence of a minor nature that happened many years previously, the CEO could - not necessarily would - use that as a reason to deny the person a permit to do high-level security work. In those circumstances, he would be acting in accordance with the law, and doing everything correctly, but perhaps exercising a judgment capriciously and no-one could do anything about it.

Mrs van de KLASHORST: If a chief executive officer acted capriciously, there are certain other remedies. For instance, an appeal could be made to the Ombudsman or the whole case could be tested in court. There are safeguards for that.

Mr BROWN: How does it relate to the Spent Convictions Act with regard to disclosures? That Act provides that if a person has a spent conviction, he is not required to disclose it.

Mr PRINCE: The Spent Convictions Act states that after a certain period after a conviction has been recorded, a person is no longer deemed to have that conviction for the purposes of any subsequent conviction. The fact that a person is convicted is never able to be expunged. The same applies to a child under the age of 18 years. The conviction is taken into account when the child is up to the age of 18 years and for two years afterwards. Thereafter it is not taken into account. For example, in drink-driving offences there is a graduated series of penalties for second and subsequent convictions. If a person has a conviction at 17 years of age, by the time that person is 19 years of age, it no longer counts for any second conviction.

Mr Brown: Under spent convictions, are people given anonymity after the 10-year period?

Mr PRINCE: No. There is still a conviction, but it is deemed to be so long ago that for any purposes with regard to court proceedings, it does not count. That is fair enough, but when the conviction relates to an employment history, it is about the character of the individual and the potential for some form of difficulty in employment of that individual, as opposed to some other person. I may be wrong in what I said about the Spent Convictions Act, and if I am subject to correction that is fine. It does not take us much further, because we want a person to disclose that which is relevant and then someone else will judge whether it should be used in the question of employment. If a person discloses everything, there is no problem at any future time.

Progress reported and leave granted to sit again.

House adjourned at 9.56 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

GOVERNMENT DEPARTMENTS AND AGENCIES, CREDIT CARD USE

2401. Mr CARPENTER to the Minister for Police; Emergency Services:

- (1) Has the Minister's office received any comment, either directly or indirectly, from the Auditor General's office expressing concern about use of Government credit cards outside the Government guidelines?
- (2) If yes, when were the comments made?
- (3) What was the cause of the concern?

Mr PRINCE replied:

- (1)-(3) Since the decision was made for the Ministry of the Premier and Cabinet to assume responsibility for all expenditure in Ministerial Offices the communication between the Office of the Auditor General and the Ministry of the Premier and Cabinet in relation to these matters is covered in the Office of the Auditor General's –
Report on Controls, Compliance and Accountability Audits 1997, Report No. 7 – November 1997; and
Report on Controls, Compliance and Accountability Audits 1998, Report No. 8 – October 1998.

KEMERTON INDUSTRIAL PARK, EXPANSION

2492. Dr GALLOP to the Minister for Resources Development:

In relation to the proposed expansion of Kemerton Industrial Park-

- (a) what studies on this area have been in progress, or have commenced, since January 1998;
- (b) of these studies, which have concluded and which are continuing;
- (c) will the Minister table these studies upon conclusion; and
- (d) if the answer to (c) above, is no, why not?

Mr BARNETT replied:

- (a) In relation to the Kemerton expansion, two studies have been progressed at Kemerton since January 1998:
 - flora and fauna surveys are in progress; and
 - a water study is also in progress.
- (b) The Phase I of the flora and fauna study has concluded and has been referred to the Environmental Protection Authority (EPA). The EPA has requested some additional information which is currently being prepared. A Summary Report of the Flora and Fauna investigations is being prepared and will be made available to the member in due course.

Phase II flora and fauna work is scheduled to continue until the end of the year.

The water study is due to be completed shortly.
- (c) Yes, as soon as they are available.
- (d) Not applicable.

GOVERNMENT DEPARTMENTS AND AGENCIES, VEHICLES AND MOBILE PHONES

2505. Mr RIEBELING to the Minister for Family and Children's Services; Seniors; Women's Interests:

- (1) How many vehicles are currently allocated to the Minister's office?
- (2) What are the names and levels of the officer's allocated vehicles?
- (3) For each of the Ministerial officers allocated a vehicle -
 - (a) what is the type of vehicle; and
 - (b) what payment is the officer making under the Executive Vehicle Scheme for the use of this vehicle as at 16 March 1999?
- (4) How many mobile phones have been purchased for use by Ministerial officers?
- (5) What are the names and the levels of the officers allocated mobile phones?

Mrs PARKER replied:

- (1) There are 3 vehicles currently allocated.
- (4) 6 mobile phones have been purchased for use.
- (2)-(3),(5)

As at 16 March 1999 :

Name	Level	Vehicle	Vehicle type	EVS payment	Mobile
M. Cormann	7	Yes	Falcon	\$59.43 per f/n	Yes
J. Tennant	7	Yes	Camry	Government Plates	Yes
O. Cole	6	Yes	Camry	\$47.92 per f/n	Yes
S. La Piana	6	Yes	Magna	Government Plates	Yes
F. Duda	3	No			Yes
N. Lobo	3	No			Yes

GOVERNMENT DEPARTMENTS AND AGENCIES, VEHICLES AND MOBILE PHONES

2516. Mr RIEBELING to the Minister representing the Minister for Transport:

- (1) How many vehicles are currently allocated to the Minister's office?
- (2) What are the names and levels of the officer's allocated vehicles?
- (3) For each of the Ministerial officers allocated a vehicle -
 - (a) what is the type of vehicle; and
 - (b) what payment is the officer making under the Executive Vehicle Scheme for the use of this vehicle as at 16 March 1999?
- (4) How many mobile phones have been purchased for use by Ministerial officers?
- (5) What are the names and the levels of the officers allocated mobile phones?

Mr OMODEI replied:

The Hon Minister for Transport has provided the following response:

- (1) There are five vehicles currently allocated.
- (4) Six mobile phones have been purchased for use.
- (2)-(3),(5)

Name	Level	Vehicle	Vehicle Type	EVS Fortnightly Payment	Mobile
S Imms	Level 7	Yes	Ford Falcon	\$59.43	Yes
G Harman	Level 8	Yes	Holden Commodore	\$47.92	Yes
A O'Brien	Level 6	Yes	Holden Commodore	\$59.43	Yes
S Calder	Level 5	Yes	Holden Commodore	\$59.43	Yes
D Cunningham	Level 6	Yes	Ford Falcon	\$47.92	Yes

Note: A superseded mobile phone is retained for use as a back-up facility.

PUBLIC SERVICE, APPOINTMENTS PURSUANT TO SECTION 64(1)(a) OF PUBLIC SECTOR MANAGEMENT ACT

2542. Mr RIPPER to the Minister for Health:

- (1) At any time since 1994, has the Minister, or the Minister's office, requested the appointment of a person to the public service pursuant to section 64(1)(a) of the Public Sector Management Act 1994?
- (2) Were any of the people the subject of such a request actually appointed pursuant to the Act?
- (3) If so, for each such appointment, will the Minister specify -
 - (a) the officer's name;
 - (b) their classification and position at appointment;
 - (c) the date their appointment took effect; and
 - (d) their relevant employing authority?
- (4) Were any of these officers subsequently seconded to work in a Ministerial office?
- (5) If so, for each secondment, will the Minister specify -
 - (a) the officer's name;
 - (b) the classification and position to which the officer was seconded;
 - (c) the date this secondment was requested;
 - (d) the date this secondment took effect; and
 - (e) the Ministerial office to which the officer was seconded to?

Mr DAY replied:

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

ARMADALE HEALTH SERVICE PRIVATISATION, CONSULTANTS

2570. Ms MacTIERNAN to the Minister for Health:

I refer to the answer to question on notice No 2080 in which the Minister listed consultants involved in the Armadale Health Service privatisation project, and ask -

- (a) how much was paid to each consultant so listed;
- (b) is that a full list of consultants so engaged;
- (c) if not, who else was employed; and
- (d) were there any other consultants employed outside October 1997 and January 1999 and if so, who were they and what was the cost?

Mr DAY replied:

- (a)

Price Waterhouse	34,758
Prognosis Consulting	158,245
RHK Public Relations	364,958
Skea Nelson and Hager	1,050,840
Health Craft Consulting	5,625
Marian Lin	4,875
John Stranger Partnerships	18,900
Padgham and Partners	6,909
Lincoln Scott Australia Pty Ltd	6,805
Oceana Consulting Pty Ltd	1,655
Silver Thomas Hanley	10,000
South Australian Health Commission	4,722
- (b) No other consultants were hired. However, the following sub consultants were commissioned by appointed consultants and paid by HDWA. This expenditure is included in the previously reported total of \$1,716,706.

Smith Tucker Corporation (Commissioned by Skea Nelson and Hager)	10,000
BSD Consultants (Commissioned by Silver Thomas Hanley)	3,664
Don Tapper (Commissioned by Silver Thomas Hanley)	7,928
- (c) Not applicable.
- (d) No. The considerations about the potential privatisation commenced after the Premier's announcement about the Armadale Health Service Redevelopment in October 1997 and were completed before the Premier's announcement of January 1999.

MINISTERS OF THE CROWN, CREDIT CARD EXPENDITURE BY MINISTERIAL OFFICERS

2667. Mrs HOLMES to the Minister for the Environment:

- (1) Will the Minister advise what the total expenditure on Government credit cards was in the Minister's office for the following financial years -
 - (a) 1990-1991;
 - (b) 1991-1992; and
 - (c) 1992-1993?
- (2) For each individual credit cardholder in the Minister's office will the Minister advise -
 - (a) the name and position of the cardholder;
 - (b) the credit limit on the card; and
 - (c) the total expenditure on that card in -
 - (i) 1990-1991;
 - (ii) 1991-1992; and
 - (iii) 1992-1993?

Mrs EDWARDES replied:

- (1) (a)-(b) Records for 1990-91 and 1991-92 have been destroyed in accordance with Treasurer's Instruction 804 'Retention of Accounting Records'.
- (c) \$13 962.34

- (2) (a) R Pearce, Minister for the Environment
- (b) No limit specified.
- (c) (i)-(ii) Records for 1990-91 and 1991-92 have been destroyed in accordance with Treasurer's Instruction 804 'Retention of Accounting Records'.
- (iii) \$13 962.34

MINISTERIAL STAFF, PRESENTS AND SOCIAL FUNCTIONS

2736. Mr CARPENTER to the Minister for Resources Development; Energy; Education:

- (1) Did the Minister use taxpayers money to pay for staff presents and/or for staff social functions during the 1998 calendar year?
- (2) If yes -
 - (a) on what date;
 - (b) for what purpose; and
 - (c) how much was spent?

Mr BARNETT replied:

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

MINISTERIAL STAFF, PRESENTS AND SOCIAL FUNCTIONS

2741. Mr CARPENTER to the Minister for Lands; Fair Trading; Parliamentary and Electoral Affairs:

- (1) Did the Minister use taxpayers money to pay for staff presents and/or for staff social functions during the 1998 calendar year?
- (2) If yes -
 - (a) on what date;
 - (b) for what purpose; and
 - (c) how much was spent?

Mr SHAVE replied:

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

MINISTERIAL STAFF, PRESENTS AND SOCIAL FUNCTIONS

2742. Mr CARPENTER to the Minister for Housing; Aboriginal Affairs; Water Resources:

- (1) Did the Minister use taxpayers money to pay for staff presents and/or for staff social functions during the 1998 calendar year?
- (2) If yes -
 - (a) on what date;
 - (b) for what purpose; and
 - (c) how much was spent?

Dr HAMES replied:

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

MINISTERIAL STAFF, PRESENTS AND SOCIAL FUNCTIONS

2743. Mr CARPENTER to the Minister for Local Government; Disability Services:

- (1) Did the Minister use taxpayers money to pay for staff presents and/or for staff social functions during the 1998 calendar year?
- (2) If yes -
 - (a) on what date;
 - (b) for what purpose; and
 - (c) how much was spent?

Mr OMODEI replied:

- (1)-(2) The Minister approved the expenditure of \$536.50 on 22 December 1998 for the Ministerial staff Christmas luncheon. This account was incurred by the Chief of Staff.

MINISTERIAL STAFF, PRESENTS AND SOCIAL FUNCTIONS

2746. Mr CARPENTER to the Minister for Works; Services; Youth; Citizenship and Multicultural Interests:

- (1) Did the Minister use taxpayers money to pay for staff presents and/or for staff social functions during the 1998 calender year?
- (2) If yes -
 - (a) on what date;
 - (b) for what purpose; and
 - (c) how much was spent?

Mr BOARD replied:

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

MINISTERIAL STAFF, PRESENTS AND SOCIAL FUNCTIONS

2748. Mr CARPENTER to the Minister representing the Minister for Mines:

- (1) Did the Minister use taxpayers money to pay for staff presents and/or for staff social functions during the 1998 calender year?
- (2) If yes -
 - (a) on what date;
 - (b) for what purpose; and
 - (c) how much was spent?

Mr BARNETT replied:

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

MINISTERIAL STAFF, PRESENTS AND SOCIAL FUNCTIONS

2749. Mr CARPENTER to the Minister for Police; Emergency Services:

- (1) Did the Minister use taxpayers money to pay for staff presents and/or for staff social functions during the 1998 calender year?
- (2) If yes -
 - (a) on what date;
 - (b) for what purpose; and
 - (c) how much was spent?

Mr PRINCE replied:

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

MINISTERIAL STAFF, PRESENTS AND SOCIAL FUNCTIONS

2752. Mr CARPENTER to the Parliamentary Secretary to the Minister for Tourism:

- (1) Did the Minister use taxpayers money to pay for staff presents and/or for staff social functions during the 1998 calender year?
- (2) If yes -
 - (a) on what date;
 - (b) for what purpose; and
 - (c) how much was spent?

Mr BRADSHAW replied:

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

MINISTERIAL STAFF, PRESENTS AND SOCIAL FUNCTIONS

2754. Mr CARPENTER to the Parliamentary Secretary to the Minister for Sport and Recreation:

- (1) Did the Minister use taxpayers money to pay for staff presents and/or for staff social functions during the 1998 calender year?

- (2) If yes -
- (a) on what date;
 - (b) for what purpose; and
 - (c) how much was spent?

Mr MARSHALL replied:

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

MINISTERS OF THE CROWN, CREDIT CARD EXPENDITURE BY MINISTERIAL OFFICERS

2812. Mr CARPENTER to the Minister for Lands; Fair Trading; Parliamentary and Electoral Affairs:

- (1) Will the Minister state the total expenditure on Government credit cards in the Minister's office for the following financial years -
- (a) 1993-94;
 - (b) 1994-95; and
 - (c) 1995-96?
- (2) For each individual cardholder in the Minister's office, will the Minister advise -
- (a) the name and position of the cardholder;
 - (b) the credit limit on the card; and
 - (c) the total expenditure on that card in -
 - (i) 1993-94;
 - (ii) 1994-95; and
 - (iii) 1995-96?

Mr SHAVE replied:

- (1) (a) \$3,146.42
 (b) \$1,162.25
 (c) \$16,601.88

Year	Cardholder	Officer Position	Card Limit \$	Expenditure \$
1993/94	Mr. S G E Cash	Hon. Minister	10,000	683.31
	Mr. P W Rowe	Chief of Staff	10,000	1,190.76
	Ms K Newman	Executive Officer	10,000	1,272.35
1994/95	Mr. S G E Cash	Hon. Minister	10,000	506.35
	Mr. P W Rowe	Chief of Staff	10,000	436.50
	Ms K Newman	Executive Officer	10,000	219.40
1995/96	Mr. S G E Cash	Hon. Minister	10,000	4,002.78
	Mr. P W Rowe	Chief of Staff	10,000	3,853.24
	Ms K Newman	Executive Officer	10,000	5,153.84
	Mr. R J Stevens	Policy Officer	10,000	3,592.02

CRIME STATISTICS

2932. Mr CARPENTER to the Minister for Police:

- (1) On a month by month breakdown since August 1998, how many offences were reported in the following suburbs -
- (a) Coolbellup;
 - (b) Kardinya;
 - (c) Winthrop;
 - (d) Booragoon;
 - (e) Melville;
 - (f) Myaree;
 - (g) Palmyra;
 - (h) O'Connor;
 - (i) Hilton;
 - (j) Samson; and
 - (k) Willagee?
- (2) What was the nature of these offences?

Mr PRINCE replied:

- (1)-(2) See paper No 1046 which provides a monthly breakdown of the total number of offences committed in all offence

categories, for each of the specified localities, from 1 August 1998 until 30 April 1999; and notes the total number of offences committed, in all offence categories for the specified localities, from 1 August 1998 until 30 April 1999.

Additional Information: As from 30 June 1999 the Western Australia Police Service will provide quarterly statistics of reported offences and clearance rates relating to:

assault
robbery
burglary
motor vehicle theft (excluding attempts)
damage (including graffiti), and
drugs.

These statistics will be provided for each Police Region (Metropolitan, Southern, Northern and Central). Crime statistics are also printed in the Police Service Annual Report. In addition, each calendar year the Australian Bureau of Statistics collects and collates data from all police agencies and produces the Reported Crime Publication for that year. Given the time and resources allocated to provide the above statistical information, I am not prepared to commit police resources to provide additional statistical information thereafter.

COLLIER PRIMARY SCHOOL, SPRAYING OF TERMITES

2949. Mr PENDAL to the Minister for Education:

- (1) Has the Minister's department received a complaint from the Collier Primary School Parents and Citizens Association over the spraying for a serious termite infestation on a Monday?
- (2) Why was the spraying not carried out on a Friday as requested, given the school's concern that a noxious odour would be present for some three days after a spraying, exposing staff and students to a possible hazard?
- (3) Does the department have any guidelines or protocol in cases of such spraying, in order to minimise the risk to staff and students?
- (4) If the answer to (3) above is yes, were those guidelines/protocols followed in this case?
- (5) If such guidelines/protocols do not exist, will the Minister instruct that measures be taken along these lines?

Mr BARNETT replied:

- (1) No.
- (2) The spraying was initially scheduled for Friday after school hours. The contractor was not available to treat the termite infestation until Monday after school hours. The school was notified of this situation and manufacturer's data sheets were given to the school principal in accordance with current school guidelines for pesticide use. As a result, the school was sprayed after school hours on Monday with Chloropyrisos which is a synthetic pyrethroid. This product is used in domestic homes and it is considered safe for people to occupy the residence after spraying as long as they open windows to provide ventilation. A solvent used as the drying agent in the spray treatment causes the odour. The odour is not a noxious substance. Current guidelines suggest ventilation for at least two hours. In this case, the staff room could not be occupied for five days due to repairs to the floors being undertaken. The staff room was deodorised on the Tuesday and there was no odour on the Wednesday.
- (3) Yes - '*Guidelines for Pesticide use in Schools and School Grounds*'. All schools have copies of this document. Also, the contractor is ISO 9000 Quality Assured and uses manufacturer's data sheets and works to WorkSafe requirements.
- (4) Yes.
- (5) Not applicable.

EMIRATES AIRLINES, ADDITIONAL FLIGHTS

2953. Mr BROWN to the Parliamentary Secretary to the Minister for Tourism:

- (1) Is the Minister aware that Emirates Airlines have approached the Federal Government to gain approval to obtain additional flights into Australia?
- (2) Is the Minister aware that the Federal Government has delayed giving consideration to this request?
- (3) Does the State Government support the application made by Emirates Airlines?
- (4) If so, will the State Government make representations to the Federal Government to approve the application?
- (5) If so, when?
- (6) If not, why not?

Mr BRADSHAW replied:

- (1) Yes. Emirates have expressed interest in three additional points in Australia – Brisbane, Sydney and Perth.
- (2) Yes. The Federal Government delayed consideration to Emirates pending the outcome of the Productivity

Commission Report on International Air Services. This report has now been tabled and air services talks between Australia and the Dubai Government will be held in Dubai on 7 and 8 July, 1999.

(3) Yes.

(4)-(5) The Government has made a number of representations to the Federal Government supporting Emirates' case. It is understood that the Premier has recently written to the Hon John Anderson, Minister for Transport and Region Services to once again urge that approval is given to Emirates to commence services direct or to be given 5th Freedom Rights to fly via an intermediary point.

(6) Not applicable.

TOURISM SATELLITE ACCOUNT, ESTABLISHMENT

2957. Mr BROWN to the Parliamentary Secretary to the Minister for Tourism:

(1) Has the Government given any consideration to establishing a tourism satellite account?

(2) Does the Government intend to establish such an account?

(3) If so, when?

(4) If not, why not?

(5) Has the Government developed the methodology to implement such an account?

(6) If not, will the Government have such work undertaken?

(7) If so, when?

Mr BRADSHAW replied:

(1) Yes, the Western Australian Tourism Commission has long advocated the need for a Tourism Satellite Account (TSA). Currently, the methodology to develop a TSA is being developed by the Australian Bureau of Statistics (ABS) for Australia.

(2) A State TSA methodology is not currently available. However, Western Australia and other State and Federal Government Tourism Authorities have asked the ABS to consider the needs of the States during the development of the TSA in respect of making it possible to have a State based satellite account that is consistent with the National Accounts and which will enable comparison between States.

(3) See answer to (1).

(4) The Australian TSA is due for completion in September 2000.

(5) See answer to (1).

(6) No. See answer to (1).

(7) See answer to (1).

TOURISM COMMISSION, SYDNEY OFFICE

2981. Dr GALLOP to the Parliamentary Secretary to the Minister for Tourism:

(1) Does the Western Australian Tourism Commission (WATC) have a tourism office located in Sydney, New South Wales?

(2) If the answer to (1) above is no -

- (a) when did the office close down; and
- (b) for what reason did the office close down?

(3) If the answer to (1) above, is yes, where is the office located?

(4) Does the WATC have tourism offices located in any other State/s of Australia?

(5) If the answer to (4) above is yes, please list the location of these offices?

Mr BRADSHAW replied:

(1) Yes, the WATC has a trade marketing office located in Sydney, the role of which is to work with retail travel agents and industry principals to undertake trade marketing programs.

(2) Not applicable.

(3) The office is located at 116 Cathedral Street, Woolloomooloo.

(4) Yes.

(5) There are also trade marketing offices situated in Melbourne and Brisbane.

ROCKINGHAM POLICE STATION, STAFF

2985. Mr McGOWAN to the Minister for Police

I refer to the Rockingham Police Station and ask -

- (a) what is the current staffing level at the Station;
- (b) what categories are these officers and how many are there in each category;
- (c) when will these levels be increased;
- (d) will they be increased when the new Rockingham Station opens;
- (e) what will be the complement of officers when the new station opens and what will their categories be; and
- (f) when will the new Rockingham Station open?

Mr PRINCE replied:

(a)	Total Sworn Officers	51
	Total Unsworn Officers	4
		55

(b)	Rank	
	Senior Sergeant	1
	Sergeant	4
	Constable	31
	Probationary Constable	3
	Detective Senior Sergeant	2
	Detective Constable	5
	School Based Officer	1
	Community Policing Officer	1
	Prosecuting Sergeant	1
	Court Orderly	1
	Total	51

- (c) Policing within the Rockingham Sub District is being monitored to ensure that the service being provided is adequate for the needs of the Community. Where a need exists additional staff will be assigned, subject to the availability of resources within the Fremantle Police District.
- (d) There is no intention at this time to increase staff level.
- (e) Same as Question (a).
- (f) November 1999.

GOVERNMENT DEPARTMENTS AND AGENCIES, RESEARCH PROJECTS

3025. Mr BROWN to the Minister for Police; Emergency Services:

- (1) Are any research projects being undertaken by the departments and agencies under the Minister's control?
- (2) What is the nature of each research project?
- (3) Who is conducting each research project?
- (4) What is the anticipated cost of each research project?
- (5) What is the anticipated completion date of the research project?

Mr PRINCE replied:

Police

- (1) Yes.
- (2) *Crime Against the Elderly*: To examine and identify the perceived rise in crime against the elderly and determine the level of risk this poses to the achievement of the Western Australia Police Service's mission.

Cannabis Cautioning Notice Pilot Project: A drug diversion programme being piloted in partnership with the Western Australia Alcohol and Drug Abuse Strategy Office (WADASO).

- (3) *Crime Against the Elderly:* Western Australia Police Service.

Cannabis Cautioning Notice Pilot Project: Western Australia Police Service, in partnership with WADASO.

- (4) *Crime Against the Elderly:* No anticipated cost to the Police Service. The Project is being undertaken by a Police Service employee as a post-course requirement of the National Strategic Intelligence Course.

Cannabis Cautioning Notice Pilot Project: No anticipated cost to the Police Service. The Project is federally funded.

- (5) *Crime Against the Elderly:* It is expected this project will be completed in June 2000.

Cannabis Cautioning Notice Pilot Project: The Pilot Project is anticipated to be completed in December 1999.

Emergency Services

- (1) Yes.

- (2)-(5) Firefighter Physical Fitness - To determine the minimum physical fitness requirements for WA firefighters and to develop suitable physical fitness tests for recruit firefighters.

University of Western Australia

\$10,100

December 1999

Volunteer Health and Fitness Program- To raise the awareness of volunteer firefighters of Cardio Vascular Disease and to identify the current risk for CVD amongst this group.

University of Western Australia

\$50,000

December 1999

Testing of fire suppressant agent (wetting agent).

Biological Solutions Pty Ltd

Approximately \$5,000

Will be completed after the summer fire season

GOVERNMENT DEPARTMENTS AND AGENCIES, RESEARCH PROJECTS

3030. Mr BROWN to the Parliamentary Secretary to the Minister for Sport and Recreation:

- (1) Are any research projects being undertaken by the departments and agencies under the Minister's control?
- (2) What is the nature of each research project?
- (3) Who is conducting each research project?
- (4) What is the anticipated cost of each research project?
- (5) What is the anticipated completion date of the research project?

Mr MARSHALL replied:

MINISTRY OF SPORT AND RECREATION

- (1) Yes, three research projects are being undertaken; two for the Ministry of Sport and Recreation and one for the WA Sport and Recreation Council.
- (2) The nature of each project is -
 - (i) Volunteers in Sport - to research issues which have affected volunteers in the past five years (MSR)
 - (ii) Junior Sport Vision Review - to assess the impact of the Junior Sport Vision document within the sport and recreation industry (MSR)
 - (iii) Scenario Planning - to identify emerging social, technological, environmental, economic and political trends that impact on sport and recreation participation (WASRC).
- (3) The projects are being conducted by -
 - (i) Contracted consultant - JL Consultancies (Director, Dr Jennifer Edmonds)
 - (ii) Contracted consultant - Edith Cowan University's Sport & Physical Activity Research Centre (SPARC), (Director Dr Andrew Taggart)
 - (iii) Contracted consultant - John Curtin International Institute (Professor Jo Barker).
- (4) The expected cost of each project is -
 - (i) \$11 000
 - (ii) \$ 8 000
 - (iii) Stage 1 \$20 720
Stage 2 \$25 850

(5) The expected completion date of each project is -

- (i)-(ii) September 1999
- (iii) 20 September 1999

WESTER AUSTRALIAN SPORTS CENTRE TRUST

(1) Nil.

(2)-(5) Not applicable.

WESTERN AUSTRALIAN INSTITUTE OF SPORT

(1) Yes.

- (2)
 - (i) Performance Analysis of elite hockey competition and training
 - (ii) Heart rate oxygen consumption relationship during intermittent exercise
 - (iii) The effects of the female menstrual cycle on specific physiological parameters and exercise performance
 - (iv) Relationship between elite kayak performance and specific physiological parameters.
 - (v) The effect of warm up on supra maximal endurance performance.
- (3)
 - (i)-(ii) WAIS staff
 - (iii) WAIS staff in collaboration with UWA
 - (iv) WAIS staff
 - (v) WAIS staff in collaboration with UWA
- (4)
 - (i) Funded by Olympic Athlete Program \$25 000
 - (ii) \$3 000
 - (iii) Funded by UWA
 - (iv) \$5 000
 - (v) Funded by UWA
- (5)
 - (i) July 2000
 - (ii) October 1999
 - (iii) July 2001
 - (iv) July 1999
 - (v) November 1999.

GOVERNMENT CONTRACTS, IN EXCESS OF \$50 000

3044. Mr BROWN to the Minister for Works; Services; Youth; Citizenship and Multicultural Interests:

- (1) How many contracts of \$50 000 or more (excluding employment contracts) has each department or agency under the Minister's control entered into between 1 January 1999 and 31 March 1999?
- (2) What was the amount of each contract?
- (3) What is the name of each person/entity with whom the contract has been entered into?
- (4) What is the nature of the work or services required by the contract?
- (5) What is the completion date of each contract?

Mr BOARD replied:

I am advised that:

Contract and Management Services (CAMS) publishes the contract award details for contracts in excess of \$5,000 on the Government Contracting Information Bulletin Board web site at www.contracting.wa.gov.au. CAMS Tenders Management System and Tenders Registration System reports that the following contracts (other than employment contracts and contracts for less than \$50,000) were awarded between 1 January 1999 and 31 March 1999.

- | | | | | | |
|-----|------------------|---|---|---------------|------|
| (1) | 94 (ninety four) | (2) | (3) | (4) | (5)* |
| | \$133,650 | Perum Building & Construction Pty Ltd B Geraldton | Morawa and North Midlands District Hospital | June, 1999 | |
| | \$59,170 | Albany Industrial Services | Construction of Palliative Care Units | March, 1999 | |
| | \$82,140 | Hermes Precisa Pty Ltd (HPA) | Various Primary School in the Esperance Area (Newdegate, Varley & Lake King) Resurface Bitumen Areas | January, 2001 | |
| | | | Provision of computer output microfiche requirements for an initial twelve (12) month period with two (2) six (6) month extension options for the Department of Land Administration | | |

\$900,000	Amcon Solutions Pty Ltd Anacrom Technology Pty Ltd Computing People Express Computing Power Pty Ltd Corporate Computer Consultants Pty Ltd DBR Group Pty Ltd Deakin Consulting Pty Ltd Denver Technology (Australia) Pty Ltd Gryphon Consultants Pty Ltd Platinum Technology Solutions Pty Ltd SDC Solutions Group Pty Ltd Talent International Pty Ltd	Provision of an information technology consultancy panel, for development and network support for the Office of Racing and Gaming.	January, 2002
\$59,900	Saleeba Adams Architects	Fitzroy Crossing Community House & Child Care Centre	On hold
\$113,450	Darryl Way and Associates Pty Ltd	Denmark Agricultural College Stage 2	June, 2000
\$387,832	Dalcon Constructions Pty Ltd	Bedford Hostel Upgrade Alterations	July, 1999
\$501,487	P.S. Chester & Son	Meekatharra Hospital New Staff Housing	May, 1999
\$1,000,000	Sedgwick Ltd	Public Trustee Provision of Insurance Brokerage Services for the Insurance Requirements for Estate & Trust Clients	January, 2002
\$93,497	Rapley Wilkinson Master Builders Pty Ltd	Derby and Fitzroy Crossing Police Stations General Restoration and Minor Works	April, 1999
\$499,000	Best Constructions Pty Ltd	Manjimup College of TAFE Construction	April, 1999
\$66,870	Saleeba Adams Architects	Nannup Hospital and Quarters Redevelopment	June, 2000
\$247,200	Brand Deykin & Hay Architects	Middle Swan - Swan Districts Hospital Mental Health Unit	July, 2000
\$187,640	Compton International Fundraising Pty Ltd	Art Gallery of WA Provision of Consultancy Services to Assist the foundation to conduct a Fund Raising Campaign	December, 1999
\$107,332	Kulin Industries	Derby Regional Hospital Repairs to Children's Ward	May, 1999
\$78,200	Steve Tepper	Technology Park, Bentley Preparation of the Site for Expansion Entrances Project Artwork	May, 1999
\$86,444	Alpha West Pty Ltd	Ministry for Planning Information Technology Server Replacement	January, 2002
\$52,951	BKR Building	Roebourne Education Centre Home Economic Refurbishment	May, 1999
\$272,000	KPMG	Ministry of Justice Provision of Business Process Re-engineering and workflow analysis	July, 1999
\$151,233	Giacchi Contracting Pty Ltd	Australind Senior High School New Public Car parking Precinct	March, 1999
\$188,861	PPK Environmental Infrastructure	Bold Park/Perry Lakes & Campbell Barracks Preparation of Management Plan	December, 1999
\$215,650	Envar Engineers & Contractors Pty Ltd	Western Australian Museum Ventilation Upgrade	May, 1999
\$220,800	Westline Security Pty Ltd	West Coast College of TAFE Provision of Security Guard & Cash Collection Services	February, 2002
\$335,950	Platinum Technology Solutions	Waters and Rivers Commission Supply of a Water Information System	March, 1999
\$546,511	Centerline Constructions	Quairading Hospital Redevelopment	July, 1999
\$213,800	Holton Connor Architects	Katanning, Gnowangerup and Kojonup Hospitals - Multi Purpose Service Centres Architectural Services	November, 2000
\$5,743,750	Repol Commercial Investigators (WA) Pty Ltd	Ministry of Justice Management and Control of the Execution of Fines Enforcement Warrants in Perth Metro Area	March, 2001
\$8,356,943	Broad Construction Services Pty Ltd	CALM Plant Propagation Centre - Nursery	November, 1999
\$411,100	Best Constructions Pty Ltd	Collie Community Centre Alterations	July, 1999
\$97,380	Landscape Enterprises WA	The Water Garden, Kings Park Women's Suffrage Memorial Garden Upgrade	December, 1999

\$98,856	Ertech Pty Ltd	Wooroloo Prison Farm Waterproofing of Dams	June, 1999
\$149,110	Smec Australia	The Department of Resources Development For the Consultancy of Mid West Regional Minerals Study	July, 1999
\$76,200	Delich Constructions	York District Hospital Roof Replacement	May, 1999
\$244,973	Consul Construction	Family & Children Services, Ground Floor, 189 Royal Street, East Perth Fitout Alterations	June, 1999
\$1,403,000	Cooper & Oxley Builders Pty Ltd	Merredin Dryland Research Institute Alterations and Additions, Including Glass House	September, 1999
\$101,811	Urban Earthmoving	Canning Vale Prison Siteworks - Carpark and Roadwork	July, 1999
\$180,000	Dow Digital	Department of Commerce and Trade Supply of Design Development and Implementation of Online WA	June, 1999
\$189,938	Greg Curnow Constructions	Bunbury Lotteries House Maintenance & Refurbishment	July, 1999
\$63,309	Marvic Construction	Wyndham District High School General Restoration	May, 1999
\$514,723	Quality Builders Pty Ltd	Newman Hospital Laboratory Replacement	June, 1999
\$10,375,000	Cooper & Oxley Builders Pty Ltd	Joondalup Arena, Aquatic Facilities Construction	December, 1999
\$52,994	Nortel Australia Communication Systems Pty Ltd	May Holman Centre Telephone Services for Floors 13-15	May, 1999
\$79,237	Environmental Industries	Baldivis Cemetery Landscape Staged Development	May, 1999
\$79,500	Andy's Plumbing Service	Avondale Research Station Upgrade Water Supply	May, 1999
\$205,896	Xlibris Pty Ltd	Library and Information Services of WA Cataloguing and Processing Multi Cultural Language Resource Collection Materials	February, 2002
\$385,624	Ipex ITG Pty Ltd	Provision of NT distributed application file server hardware for the Ministry of Justice's proposed total Offender Management Solution	May, 1999
\$1,835,000	Cooper & Oxley Builders Pty Ltd	Stoneville - Adolescent & Child Support Services Construction	October, 1999
\$134,173	Premier Paving & Site Services	Dalwallinu, Miling, Wongan Hills Schools Bitumen Resurface and Site Works	June, 1999
\$315,000	Marnja Jarndu Women's Refuge Inc	Domestic Violence Prevention Unit - Kimberley Region Provision of a Family Violence Education Strategy in Collaboration with the Indigenous Communities	February, 2002
\$320,000	KBE Building Services	Fulham Street Belmont New Community House	July, 1999
\$500,000	WJ Moncrieff Pty Ltd & Data General Australia	Provision of NT servers for the Ministry of Justice	May, 1999
\$111,200	Tsigulis & Zuvela Pty Ltd Architects	South Port Kennedy New Primary School	April, 2000
\$504,748	Dalcon Constructions Pty Ltd	Glen Forrest Primary School Upgrade	August, 1999
\$99,645	L.R. Sims & Co.	Kulin District High School External and Internal Repairs and Painting	June, 1999
\$16,000,000	Ogden International Facilities	Perth Theatre Trust Provision of Venue Management & Food & Beverage Services	February, 2004
\$75,000	Greg Curnow Constructions	Bunbury Regional Prison C Blocks Doors and Screens	July, 1999
\$3,640,000	Commonwealth Bank of Australia	WA Treasury Provision of Banking Services to the Government of WA for the Operation of the Public Bank Account	March, 2002
\$66,674	Optel Audio Visual Pty Ltd	West Coast College of TAFE, Joondalup Campus Video Conference System and Theatre A/V System	June, 1999

\$885,000	Lanier (Australia) Pty Ltd Fuji Xerox Australia Toshiba (Australia) Pty Ltd CDM Australia Pty Ltd Canon Australia Pty Ltd Sharp Corporation of Australia Pty Ltd Ricoh Office Automation Pty Ltd Danka Australia Pty Ltd	W.A. Police Service Supply, Delivery, Installation and Maintenance of Photocopiers including Consumables	February, 2000
\$213,281	MacWorld Aust. Pty Ltd.	Central Metropolitan College of TAFE Purchase of Apple Equipment	June, 1999
\$72,837	Earthex	Pundulmurra College & SES Depot Repaving	June, 1999
\$109,580	T & J Pears Builders	W.A. Police Service - Karratha District Office - Fitout	June, 1999
\$761,516	Maximiles Pty Ltd (Parts A&B) Integra Pty Ltd (Part C)	Ministry of Premier and Cabinet Engagement of a Consultant to Conduct a Leadership Enhancement Program	March, 2004
\$73,223	Kayeddar Facilities Management	Eastern Goldfields Regional Prison Installation of New Cell Doors	June, 1999
\$111,962	Central Districts Airconditioning	Merredin Senior High School & Narembreen District High School - Air-conditioning installation	April, 1999
\$169,500	Warren King & Company	Department of Resources Development Survey Services for the Expanded Pipeline Land Corridor	September, 1999
\$223,600	Messina Building Co. Pty Ltd	Swan Districts Hospital Swan Clinic Stage 2	June, 1999
\$64,060	Premier Paving & Site Services	Cunderdin Agricultural College Road Works and Paving	April, 1999
\$91,300	Multi Develop & Construct	Hashimoto House - Fitout	June, 1999
\$135,303	Crothers Construction	Central West College of TAFE, Geraldton Refurbishment of Laboratory in "B" Block - Retender	May, 1999
\$1,400,000	Airesearch Mapping Pty Ltd McMullen Nolan and Partners Surveyors Pty Ltd Kevron Aerial Surveys Pty Ltd Fugro Survey Pty Ltd DEMS Pty Ltd	DOLA Provision of Digital Elevation Models from Metric Scanned Images	March, 2001
\$1,676,572	Cooper & Oxley Builders Pty Ltd	C Y O'Connor College - Northam Campus - Additions and Alterations	November, 1999
\$354,200	Dames & Moore Pty Ltd	Department of Resources Development Environmental Constraints Assessment and Aboriginal Heritage Consultant Support	October, 1999
\$400,000	Charles Kellett and Associates Hurn Corporate Advisory Pty Ltd Knight Frank (WA) Pty Ltd Smith Tucker Property Services Pty Ltd	Agriculture WA Provision of Strategic And Asset Management Consulting Advice	April, 2002
\$1,031,537	Southdown Construction Co. Pty Ltd	Health Department East Perth - Central Treatment Services - Additions	September, 1999
\$1,085,827	Mitts Ltd	Legal Aid Commission Provision of Information Technology Services	March, 2002
\$2,000,000	Alpha West Pty Ltd Southmark Solutions	Department of Training Supply and Maintenance of WAN, LAN and Firewall Equipment	March, 2003
\$111,156	Geraldton Building Co Pty Ltd	Family and Children Services, South Hedland 1999 Maintenance Contract	May, 1999
\$124,766	Dawn Express Partitioning Pty Ltd	Dumas House Level 13 East Fitout Alterations	May, 1999
\$165,469	Aarde Constructions	Forrestfield Fire Training Academy Water Service Treatment Upgrade	May, 1999
\$207,982	Murray River Barge Services & Jetty Constructions	Penguin Island Replacement of Jetty	July, 1999

\$70,688	Applied Micro Systems	Purchase of two file servers for the Works Management System and Data Warehouse System	March, 2001
\$262,826	Centerline Constructions	Hawker Park & Glendale Primary Schools Construction of Music, Art & Craft Facilities	August, 1999
\$123,908	A & S Contractors	Kellerberrin High School Major Storm Damage	April, 1999
\$621,751	Perkins Bros. Builders	Manjimup Hospital Modifications to D Block	September, 1999
\$160,400	Rentworks	Department of Conservation & Land Management, Exmouth 7.5 Metre Aluminium Patrol Vessel - Operating Lease Agreement	March, 2005
\$265,309	Pacific Building Co.	Belmay Primary School Upgrade 1999	July, 1999
\$1,052,491	Advantearing Civil Engineers	Canning Vale Prison Upgrade, Siteworks and Services	July, 1999
\$3,230,000	BGC Construction, a division of Homestyle Pty Ltd	Canning Vale Prison - C W Campbell Remand Centre Prison Living Units	November, 1999
\$84,861	Asset Services	West Pilbara Health Service Fire Services & Security Upgrade	July, 1999
\$1,580,000	Doric Constructions Pty Ltd	Denmark Agricultural College - Construction - Stage 1	November, 1999
\$235,689	Bollig Design Group Pty Ltd	Moora Hospital Redevelopment - Health Department	November, 2000
\$979,200	Fuji Xerox	South East Metropolitan College of TAFE Provision of Photocopiers and Related Services	March, 2003
\$124,900	Haden Engineering Pty Ltd	East Perth Police Headquarters Air Conditioning Upgrade - Cooling Tower Replacement	June, 1999

* May include warranty periods, exercisable contract extensions and defects liability periods

OFFICE OF YOUTH AFFAIRS

- (1) One.
- (2) \$50,000 (estimated).
- (3) Sandra Devahasdin Public Relations.
- (4) Event Coordinator - Cadet Challenge (October 1999).
- (5) October 1999.

OFFICE OF CITIZENSHIP AND MULTICULTURAL INTERESTS

- (1) None.
- (2)-(5) Not applicable.

STATE SUPPLY COMMISSION

- (1) None.
- (2)-(5) Not applicable.

GOVERNMENT CONTRACTS, IN EXCESS OF \$50 000

3047. Mr BROWN to the Minister for Police; Emergency Services:

- (1) How many contracts of \$50 000 or more (excluding employment contracts) has each department or agency under the Minister's control entered into between 1 January 1999 and 31 March 1999?
- (2) What was the amount of each contract?
- (3) What is the name of each person/entity with whom the contract has been entered into?
- (4) What is the nature of the work or services required by the contract?
- (5) What is the completion date of each contract?

Mr PRINCE replied:

Police

- (1) 3.
- (2)
 - (i) \$127,764.
 - (ii) \$900,000 (estimated).
 - (iii) \$53,333.

- (3) (i) Panel of Suppliers
 - Plestel
 - Admin Communications Services (ACS)
 - NEC Australia
 - Classical Communication
- (ii) Panel Contract
 - CDM Australia
 - Lanier Australia
 - Fuji Xerox Australia
 - Toshiba Australia
 - Sharpe Corporation of Australia
 - Ricoh Office Automation Pty Ltd
 - Cannon Australia Pty Ltd
 - Danka Australia

Mrs EDWARDES replied:

- (iii) Two suppliers
 - Plaza Camera and Video
 - Video and Perth Professional Sales Services.
- (4) (i) Provision of telecommunications equipment.
 (ii) Supply, delivery, installation and commissioning of photocopiers.
 (iii) Supply of photographic equipment and accessories.

Emergency Services

- (1) Two contracts.
- (2)-(5) T2-1999 VHF Repeater - \$112,000
 Spirit River Pty Ltd
 Installation VHF Repeater Stations Kimberley Region
 30 June 1999
- T13-1998 Light Tanker Fire Appliances - \$3,094,440
 Technifire 2000 (FRS) Appliances,
 WA Fire Appliances (BFS) Appliances,
 TL Engineering (BFS)
 Manufacture supply and deliver Light Tanker Fire Appliances
 30 April 2003

GOVERNMENT CONTRACTS, IN EXCESS OF \$50 000

3050. Mr BROWN to the Parliamentary Secretary to the Minister for Tourism:

- (1) How many contracts of \$50 000 or more (excluding employment contracts) has each department or agency under the Minister's control entered into between 1 January 1999 and 31 March 1999?
- (2) What was the amount of each contract?
- (3) What is the name of each person/entity with whom the contract has been entered into?
- (4) What is the nature of the work or services required by the contract?
- (5) What is the completion date of each contract?

Mr BRADSHAW replied:

WESTERN AUSTRALIAN TOURISM COMMISSION

- (1) One.
 (2) \$123 700.
 (3) Market Equity Pty Ltd.
 (4) Facilitation of the "Partnership 21" Strategic Planning process.
 (5) December 1999.

ROTTNEST ISLAND AUTHORITY

- (1) Nil.
 (2)-(5) Not applicable.

GOVERNMENT CONTRACTS, IN EXCESS OF \$50 000

3052. Mr BROWN to the Parliamentary Secretary to the Minister for Sport and Recreation:

- (1) How many contracts of \$50 000 or more (excluding employment contracts) has each department or agency under the Minister's control entered into between 1 January 1999 and 31 March 1999?
- (2) What was the amount of each contract?
- (3) What is the name of each person/entity with whom the contract has been entered into?
- (4) What is the nature of the work or services required by the contract?
- (5) What is the completion date of each contract?

Mr MARSHALL replied:

MINISTRY OF SPORT AND RECREATION

- (1) Nil.
- (2)-(5) Not applicable.

WESTERN AUSTRALIAN SPORTS CENTRE TRUST

- (1) Nil. It should be noted that the WA Sports Centre Trust is the client for the construction of the Aquatic Centre at Arena Joondalup. The Department of Contract and Management Services as Project Managers for the Trust entered into a contract with Cooper and Oxley to construct the Aquatic Centre in February 1999.
- (2) \$9 414 661.
- (3) Cooper and Oxley.
- (4) Construction of the Aquatic Centre at Arena Joondalup.
- (5) 15 December 1999.

WESTERN AUSTRALIAN INSTITUTE OF SPORT

- (1) Nil.
- (2)-(5) Not applicable.

COMMITTEES AND BOARDS, FORMER MEMBERS OF PARLIAMENT

3066. Mr BROWN to the Minister for Works; Services; Youth; Citizenship and Multicultural Interests:

- (1) Since February 1993, what Former Members of Parliament have been -
 - (a) appointed to a Government Board, Commission, Committee or other body; and/or
 - (b) appointed by the Government to any Board, Commission, Committee or other body; and/or
 - (c) employed or appointed within the Government in any capacity, paid or otherwise, under the Minister's control?
- (2) In each instance -
 - (a) what is the -
 - (i) name of the Former Member; and
 - (ii) the title of the position,to which they have been appointed;
 - (b) which organisation/department is responsible for the position; and
 - (c) what remuneration is paid for each position?

Mr BOARD replied:

I am advised that:

- (1)-(2) Contract and Management Services, State Supply Commission, Office of Youth Affairs and Office of Citizenship and Multicultural Interests have not appointed or employed any former members of Parliament to a Government Board, Commission, Committee or other body since February 1993.

COMMITTEES AND BOARDS, FORMER MEMBERS OF PARLIAMENT

3069. Mr BROWN to the Minister for Police; Emergency Services:

- (1) Since February 1993, what Former Members of Parliament have been -
 - (a) appointed to a Government Board, Commission, Committee or other body; and/or
 - (b) appointed by the Government to any Board, Commission, Committee or other body; and/or
 - (c) employed or appointed within the Government in any capacity, paid or otherwise, under the Minister's control?
- (2) In each instance -
 - (a) what is the -
 - (i) name of the Former Member; and
 - (ii) the title of the position,to which they have been appointed;
 - (b) which organisation/department is responsible for the position; and
 - (c) what remuneration is paid for each position?

Mr PRINCE replied:

Police

(1)-(2) Nil response.

Emergency Services

(1) (a)-(c) Barry MacKinnon, Ian Taylor.

(2) (a) (i) Barry MacKinnon.
(ii) Chairman, WA Fire Brigades Board.

(b) The Western Australian Fire Brigades Board was the responsible agency. However, this Board was dissolved with the proclamation of the Fire and Emergency Services Authority Act on 1 January 1999.

(c) \$25,000 pa.

(a) (i) Barry MacKinnon.
(ii) Chairman, Fire and Emergency Services Authority Board.

(b) The Fire and Emergency Services Authority is the responsible agency. This Board came into being with the proclamation of the FESA Act on 1 January 1999.

(c) \$19,600 pa (plus a special loading of \$10,400).

(a) (i) Ian Taylor.
(ii) Chairman, Fire and Rescue Service Centennial Taskforce.

(b) Fire and Emergency Services Authority.

(c) Nil.

COMMITTEES AND BOARDS, FORMER MEMBERS OF PARLIAMENT

3074. Mr BROWN to the Parliamentary Secretary to the Minister for Sport and Recreation:

(1) Since February 1993, what Former Members of Parliament have been -

(a) appointed to a Government Board, Commission, Committee or other body; and/or

(b) appointed by the Government to any Board, Commission, Committee or other body; and/or

(c) employed or appointed within the Government in any capacity, paid or otherwise, under the Minister's control?

(2) In each instance -

(a) what is the -

(i) name of the Former Member; and
(ii) the title of the position,

to which they have been appointed;

(b) which organisation/department is responsible for the position; and

(c) what remuneration is paid for each position?

Mr MARSHALL replied:

MINISTRY OF SPORT AND RECREATION

(1) (a)-(c) Hon William Leonard Grayden.

(2) (a) (i) Hon William Leonard Grayden.
(ii) Chairman of the Boxing Commission.

(b) Ministry of Sport and Recreation.

(c) \$4 500 per annum.

WESTERN AUSTRALIAN SPORTS CENTRE TRUST

(1) (a)-(c) Mr Ian Laurance.

(2) (a) (i) Mr Ian Laurance.
(ii) Chairman of the WA Sports Centre Trust.

(b) WA Sports Centre Trust.

(c) \$16 856 per annum.

SCIENCE AND TECHNOLOGY AWARENESS CAMPAIGN, EXPENDITURE

3078. Mr BROWN to the Minister for Commerce and Trade:

(1) Will the Minister provide a breakdown of how much has been spent on the Science and Technology Awareness Campaign in the 1998-99 financial year?

- (2) How much has been allocated to the Science and Technology Awareness Campaign in the -
- (a) 1999-2000 financial year; and
- (b) 2000-2001 financial year?
- (3) What Science and Technology Awareness activities will be undertaken in the next twelve months?
- (4) What is the anticipated cost of each activity?

Mr COWAN replied:

- (1) The breakdown of how much has been spent on the Science and Technology Awareness Campaign in the 1998-99 financial year is as follows:

Advertising	\$31,063.78
Computer Software Purchase	\$170.00
Display Materials & Signage	\$167.94
Domestic Travel - Allowance	\$74.00
Grants & Subsidies to Public Enterprise	\$5,700.00
Grants & Subsidies to Private Enterprise	\$25,000.00
Hire - Facilities	\$2,500.00
Other Professional Services	\$74,032.84
Petty Cash Expenditure	\$41.00
Printing	\$1,333.00
Prizes Donations	\$3,548.00
Sundry Consumable Supplies	\$2,310.00
Temporary Staff Hire	\$74.25
TOTAL	\$146,014.81

- (2) (a) Allocation for financial year 1999-2000 is \$200,000
Allocation for financial year 2000-2001 is \$200,000.
- (3)-(4) An innovative science and technology campaign for young people will be delivered to school children in years 8, 9 and 10. The estimated cost is \$75,000. A new campaign to raise the awareness of the business community to science and technology will be developed and delivery commenced. The estimated cost is \$125,000.

TOURISM, DEVELOPMENT AND INVESTMENT ATTRACTION FUNDS

3091. Mr BROWN to the Parliamentary Secretary to the Minister for Tourism:

With respect to the 1999-2000 Budget Statements, Volume 3, page 1381, how much has been allocated in the 1999-2000 financial year to the -

- (a) Tourism Development Fund; and
- (b) Investment Attraction Fund?

Mr BRADSHAW replied:

- (a) \$1 million to be matched dollar for dollar.
- (b) \$320 000 for infrastructure development.

TOURISM, SINGAPORE OFFICE OVERHEAD COSTS

3092. Mr BROWN to the Parliamentary Secretary to the Minister for Tourism:

- (1) Will the Minister explain why the Western Australian Tourism Commission (WATC) in partnership with the Perth Convention Bureau has decided to decrease direct overhead costs in Singapore by servicing the market in Perth as outlined in the 1999-2000 Budget Statements, Volume 3 page 1382?
- (2) What were the overhead costs of the Singapore office?
- (3) Does, as the Budget Papers state, the WATC intend to maintain a strong market presence in Singapore through increased sales calls, direct mail and site inspections?
- (4) If so, how will this be done and what is the anticipated cost?

Mr BRADSHAW replied:

- (1) The Perth Convention Bureau and its industry members chose to redirect overhead costs into convention marketing activity. Given decreased Singaporean incentive travel activity and the advent of the proposed Perth Convention and Exhibition Centre, this remains a widely supported decision which was taken in consultation, and with the approval of the WATC.
- (2) Salaries \$209,157
Administration \$238,921
\$448,078
- (3) Yes, the WATC will undertake this activity via the Perth Convention Bureau.
- (4) In respect to the Singapore market, sales calls, direct mail, convention bidding support and site inspections will still be conducted by the PCB. It is anticipated the total cost of these activities will be \$65,700.

TOURISM COMMISSION AND PERTH CONVENTION BUREAU AGREEMENT

3097. Mr BROWN to the Parliamentary Secretary to the Minister for Tourism:

- (1) With respect to the 1999-2000 Budget Statements, Volume 3 at page 1398, what is the nature of the agreement between the Western Australian Tourism Commission and the Perth Convention Bureau referred to?
- (2) Is the agreement publicly available?
- (3) If not, why not?

Mr BRADSHAW replied:

- (1) The agreement is a fee for service contract between the Western Australian Tourism Commission and the Perth Convention Bureau to market Western Australia as a convention and incentive travel destination.
- (2) Yes.
- (3) Not applicable.

NEWMAN SCHOOLS, BEFORE SCHOOL PROGRAM

3107. Mr RIPPER to the Minister for Education:

- (1) Did Newman once have a Before School Program designed to encourage Aboriginal children to attend school regularly?
- (2) When was this Program abandoned?
- (3) Why was it abandoned?
- (4) Does the State Government have any plans to restore a similar Program to encourage Aboriginal students attendance at Newman schools?

Mr BARNETT replied:

- (1) Yes. The Before School Program conducted at Newman Senior High School and at the Newman Primary Schools enabled students to shower, have some breakfast, access school uniforms and prepare their equipment for the school day prior to the commencement of school. The Newman Senior High School program was funded by the Department of Education, Training and Youth Affairs (DETYA) and the primary schools' program were supported by Aboriginal Student Support and Parent Awareness (ASSPA) groups.
- (2) The primary schools' program was disbanded in 1996. The Newman Senior High School program has not been disbanded. DETYA funding for this program ceased at the end of 1998. The school itself has allocated resources to continue a similar program to assist students requiring this support.
- (3) The primary schools' program was disbanded in 1996 due to a decision by ASSPA to fund other initiatives. Attempts to engage the support and assistance of other agencies were unsuccessful. Newman Senior High School's program has not been disbanded. It is now funded by the school. Some elements of the program have been modified for 1999.
- (4) Early in 1999, the primary schools in Newman through ASSPA approached the Shire to provide a bus to transport students to school. Community volunteers have been identified to drive the bus and recently the Shire has given its approval for the schools to use the community personnel carrier. Together with Retention and Participation (RAP) funded programs established to improve attendance and participation and the use of the bus, some of the services previously offered under the Before School Program will be restored. Newman Senior High School will continue to provide a school-funded program for its students.

PILBARA HIGH SCHOOLS, PROMOTIONAL POSITIONS

3115. Mr RIPPER to the Minister for Education:

- (1) How many promotional positions are allocated at each of Principal, Deputy Principal and Head of Department levels in Government secondary schools in the Pilbara?
- (2) For each of these levels in how many cases are the duties of these positions not being performed by substantively appointed occupants?

Mr BARNETT replied:

- (1) There are 34 promotional positions in Government secondary schools in the Pilbara District. These comprise four Principals, nine Deputy Principals and twenty-one Heads of Department.
- (2) There are no acting Principals, however, there are four acting Deputy Principals and seven acting Heads of Department in the Pilbara.

POLICE CLEARANCES FOR TEACHERS AND SPORTS COACHES AND VOLUNTEERS

3141. Mr McGOWAN to the Parliamentary Secretary to the Minister for Sport and Recreation:

- (1) Does the Education Department require police clearances for teachers?

- (2) What is the Government doing about child protection in Western Australian sport?
- (3) Do sports require police clearances for coaches and volunteers?
- (4) If not, why not?

Mr MARSHALL replied:

- (1) This question should be directed to the Minister for Education.
- (2) The Ministry of Sport and Recreation has identified the need to address the issue of child protection in Western Australian sport and has achieved the following -
 - . consultation, in the form of a meeting held at the Ministry of Sport and Recreation (MSR) on 8 March 1999, with the following key agencies; Family and Children's Services, Police Department, Association of Independent Schools, Volunteering WA, and Womensport West. Actioned from this meeting was the necessity for MSR to develop a resource kit, which would outline the issues faced by State Sporting Associations and their constituent clubs.
 - . communication has been established with the New South Wales child protection project officer, Peta Lucas. This dialogue is aimed at examining resources that have already been developed.
 - . the MSR resource kit is due for completion by August 1999. To ensure that the kit will address the needs of sporting clubs, a working group is currently being assembled, which will have representatives from the following sports - yachting, cricket, football, netball and tennis. It is hoped that the Coaching Foundation (WA) will also be represented on this working party.
- (3) No, sports do not require police clearances for coaches and volunteers. The Education Department does require that if persons are undertaking sporting activities whereby the 'duty of care' no longer rests with the teacher (ie coaching activities conducted after school and the teacher is not present) then the school may, as part of state policy, request a police clearance from those persons.
- (4) Traditionally, the State Government has not enforced policy requirements upon sporting organisations. Rather, the government has employed and implemented an education strategy. In this case, the resource kit will highlight the issues surrounding child protection, produce best practice examples and, include a policy pro forma which may be utilised.

POLICE, HEAVY TRANSPORT THROUGH NORTHAM TOWNSITE

3168. Mrs ROBERTS to the Minister for Police:

- (1) Will the Minister advise the number of police officers committed to traffic and the policing of heavy transport through the Northam townsite after midnight for each week during the past six months?
- (2) What are the statistics regarding heavy vehicle contacts during this time?
- (3) How many cautions have been issued to drivers of heavy transport vehicles during this time?
- (4) How many vehicle licence checks have been undertaken on heavy transport vehicles during this time?
- (5) How many infringements have been issued to heavy vehicle drivers after midnight during the past six months?
- (6) What is the average number of police officers on duty at the Northam Police Station after midnight for each of the past six weeks?

Mr PRINCE replied:

- (1) Northam Police Station have run a rotating roster for the last six months. Sunday, Monday, Tuesday, Wednesday and Thursday nights four officers are rostered to commence work at 2100 hours completing their shift at 0700 hours. This means two officers, one vehicle are available to conduct traffic duties after midnight. On Friday and Saturday nights four officers are rostered to commence at 2300 hours plus two officers from afternoon shift to complete duties at 0200 hours. This effectively places four officers on duty until 0200 hours and two officers after this time until 0700 hours.
- (2)-(5) The information required for questions (2)-(5) is not available electronically. Due to the resources and time required to enable a response to the member's question, I am unwilling to commit the resources required.
- (6) The average number of Police officers on duty after midnight at Northam Police Station for the past six weeks has been four officers. Two of these officers are required to remain at the station leaving the other two officers available for patrol.

GAMBLING, SERVICES FOR ADDICTS

3203. Ms WARNOCK to the Minister representing the Minister for Racing and Gaming:

- (1) Is the Minister aware of any service directed particularly towards women with a gambling addiction or problem?

- (2) What services are provided in this State for people addicted to gambling?
- (3) What percentage of those who gamble in this State are addicted to gambling?
- (4) Is there any preventive work done in this State to prevent people becoming addicted to gambling?

Mr COWAN replied:

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

- (1) No.
- (2) A "Breakeven" counselling service for gamblers and their families is provided through Centrecare Marriage and Family Services. A toll-free 24 hour telephone crisis and referral service, "G-Line", is also available.
- (3) Based on the South Oaks Gambling Screen for problem gamblers, the latest assessment for Western Australia showed that 0.32 per cent of the adult population may be at risk of gambling related problems. This is significantly less than the 1.5 per cent prevalence reported for Victoria, and 1.25 per cent for New South Wales.
- (4) No, because of the low prevalence of problem gambling in Western Australia.

QUESTIONS WITHOUT NOTICE

REGIONAL FOREST AGREEMENT, SCIENTIFIC PROCESS

923. Dr GALLOP to the Minister for the Environment:

I refer to the minister's oft-stated claim that the Regional Forest Agreement is the product of a scientific process and ask - Given the discussions now taking place within the coalition, which scientific process will be used this time -

- (i) will it be the science of saving marginal coalition seats;
- (ii) will it be the science of preserving coalition unity; or
- (iii) will it be the science of political backflips?

Mrs EDWARDES replied:

- (i)-(iii) I am pleased to have the opportunity to reiterate that over the past three years an extensive scientific process has occurred. That process cannot be overturned overnight. More than 500 scientists and experts addressed the economic, social, environmental and cultural issues of the ecosystems in the south west forest region. I remind members opposite that the RFA was signed on 4 May this year.

REGIONAL FOREST AGREEMENT, RESERVATION SYSTEM

924. Dr GALLOP to the Minister for the Environment:

I have a supplementary question. Is the minister telling us that the reservation system laid down by the RFA will not be changed?

Mrs EDWARDES replied:

I reiterate that the RFA, which was signed on 4 May this year, set down a sustained yield figure for areas of logging and those areas that would be reserved. Seventy-one per cent of old-growth forest was reserved. One hundred per cent of forest was reserved in a number of ecosystems. As identified in the RFA, a further scientific panel will be established which will take approximately 12 months. It will review the system according to ecologically sustainable forest management principles. The Leader of the Opposition may not be aware of that, but it is nothing new; it is an attachment to the RFA. From there, it becomes a draft forest management plan, which goes out for public consultation and which is also subject to environmental assessment by the Environmental Protection Authority.

SCHOOL CHARGES

925. Mrs HOLMES to the Minister for Education:

Will the minister provide an update on the progress of the School Education Bill in relation to school charges; specifically, how the Government might try to maintain some sense of equity for our schools should the amendments agreed to by the Labor Party to make all charges voluntary be passed in the upper House.

Mr BARNETT replied:

I thank the member for some notice of this question. This is probably the last major outstanding issue in the School Education Bill, which will replace the current 1928 legislation. There has been a great deal of confusion about this issue. It has suited the Labor Party to go around in a populist way and say that it believes in free education and that there will be no charges. Charges have always been incurred in government schools. I will not revisit the items for which they are used, but they are essentially used for consumable items and things for specific children. It has not been recognised in this debate

that since the early 1980s a secondary assistance scheme has been available to provide assistance for the genuinely low-income families in this State. The secondary assistance scheme - which, for example, pays \$180 out of a maximum charge of \$225 for children in years 8 to 10 - covers 22 600 students in government schools and 4 300 students in non-government schools, a total of 27 000 students. The cost of that scheme is \$8m a year - \$4.8m for book allowances and \$3.12m for clothing allowances. If school charges are made voluntary - in other words, if the status quo is upset - we will have a crisis in many of our schools. We need to make a decision on this Bill. At the end of the day, politics is about voting. If the Labor Party votes against mandatory charges and denies probably up to \$10m or \$15m for secondary schools, let it vote that way, because the Liberal Party will go to its members' electorates and work with their parents and citizens groups and their schools to correct the situation. The Government is looking at doing a few things such as that. However, let me make this clear: This Government has increased education spending by an average 8 per cent in each of the past five years.

In trying to moderate some of the consequences of the Labor Party's action, the Government is looking at providing a top up, increasing the amount of the subsidy of low-income families perhaps above the \$180 level, and developing a discretionary fund so that, at the request of school principals, extra funding can be provided to low-income schools or schools serving low-income family groups. We are looking at reducing charges for the second or third child of a family at a school. The problem we will face is that the assistance of \$8m is allocated according to health card status. It is a simple, equitable system. Once the charges are made voluntary, there will need to be a second criterion, and that is the proportion of parents voluntarily paying. What will happen as an inevitable consequence of that - I have no extra money to put into this and I guess we will discuss that in government - is that there will now be two criteria: Health card status and the proportion of parents paying. That will redirect money away from many of the lower socioeconomic schools in this State; it will be the consequence of actions not of the Greens or the Democrats, but of the Labor Party.

REGIONAL FOREST AGREEMENT, REMOVAL FROM POLITICAL AGENDA

926. Dr GALLOP to the Deputy Premier:

I refer to the Deputy Premier's claim that he is seeking to get the Regional Forest Agreement off the political agenda before the National Party's state conference in August. Is the Deputy Premier pushing for an end to logging in old-growth forests because that is the only way that he will get this issue off the agenda before his state conference?

Mr COWAN replied:

I did not say I was seeking to get the Regional Forest Agreement off the agenda; I said I will have the Regional Forest Agreement off the agenda by the August conference. I am confident that we will. We will do that by addressing some of the issues raised by those people who have concerns about the forests, and that includes the timber industry. I find it somewhat interesting that the Labor Party, which chose, somewhat like the Greens, to withdraw from this debate in its very early stages, has suddenly become active in this issue. As on so many other occasions with so many things, the Leader of the Opposition is too late.

REGIONAL FOREST AGREEMENT, NATIONAL PARTY CONCERNS

927. Dr GALLOP to the Deputy Premier:

Will the Leader of the National Party indicate to the House which areas of concern the National Party has about the Regional Forest Agreement?

Mr COWAN replied:

The National Party regards the Regional Forest Agreement as a major advance. It does all those things that were contained within the issues paper.

Dr Gallop: Why are you having secret meetings at the moment?

Mr COWAN: We are not having secret meetings. Even the Leader of the Opposition knows there is nothing secret in this place. We hold parliamentary party meetings every Tuesday, and that is the end of it. We met this morning.

Dr Gallop: Will you answer the question?

Mr COWAN: I will answer the question, but it will be an answer the Leader of the Opposition will not like. The issues paper, in which we sought to raise discussion about forestry matters, indicated that there had to be sustainable resource management in the forest. The agreement achieves that. There had to be reservation of areas of high conservation value, and the agreement achieves that 60 per cent level. After all, the RFA is a reservation process. Those are the two major issues that must be dealt with. A number of people will not be satisfied with everything achieved, but we are very satisfied with what has been achieved. That does not prevent us from continuing discussions with our cabinet colleagues, including the Minister for the Environment.

MINISTER FOR LANDS, CHINA VISIT

928. Mr MacLEAN to the Minister for Lands:

The minister recently undertook a visit to China. What benefits to Western Australia resulted from this trip?

Mr SHAVE replied:

I thank the member for some notice of this question. Discussions took place in China with officials of Perth's sister city,

Hangzhou. I also met with officials of the Zhejiang province Land Administration Bureau. They were very keen to develop a land information project similar to the \$5m project funded by AusAID, and implemented by the Department of Land Administration and its partner in the Hainan Island province between 1995 and 1998. Further correspondence with Wang Songlin, the director of the bureau, has offered the potential for DOLA's assistance in developing this project to a point where it may also be considered for donor funding. I am pleased to advise the Parliament of that occurrence. During my visit to China, I was impressed by the high regard in which DOLA and DOLA International are held by the people from those areas.

INTERIM FOREST INDUSTRY ADVISORY COMMITTEE, MEMBERSHIP

929. Dr EDWARDS to the Minister for the Environment:

I refer to the interim forest industry advisory committee announcement last week, and ask -

- (1) Who selected and appointed the members of that committee?
- (2) Why were no representatives of timber workers, local government or the tourism industry appointed?
- (3) Does the minister concede that the timber companies she has appointed have a potential conflict of interest, particularly when determining financial assistance of which they themselves will be the main beneficiaries?

Mrs EDWARDES replied:

It is a good question, because it gives me the opportunity to explain the proposed administrative changes that will be introduced into the Parliament in the spring session to remove forest production issues from the Department of Conservation and Land Management and place them with the new Forest Production Commission. The member has identified issues such as the potential conflict of interest that will need to be addressed. The interim committee will essentially provide a conduit to broad-based industries. It has representatives from large, medium and small timber production companies and involvement with areas other than milling. It will be independently chaired by Ian Mackenzie. Its membership will include former judge Ivan Gunning, who will provide legal assistance, and representatives from the Department of Commerce and Trade and Treasury. Its primary role is not the same as that of the Forest Production Commission; it is to assist me and to provide a conduit for the implementation of the Regional Forest Agreement, in particular, the implementation of the federal-state agreement on restructuring funds. Wilson Tuckey and I are the two ministers responsible. We will sign off on the details on the implementation of that package. This is an advisory committee, but primarily a conduit for implementation of the RFA.

INTERIM FOREST INDUSTRY ADVISORY COMMITTEE, MEMBERSHIP

930. Dr EDWARDS to the Minister for the Environment:

Is not the membership of the committee simply confirming that the minister's main interest is the timber companies and not the workers and their families?

Mrs EDWARDES replied:

It is hypocritical of members opposite to talk about workers, because under their policy there would be no workers. The Labor Party policy is directed towards relocation, retraining and redundancy.

MANDURAH TO PERTH BUS SYSTEM

931. Mr MARSHALL to the minister representing the Minister for Transport:

The Mandurah to Perth bus transport system has proved so successful that demand has exceeded the number of buses that service the route. Will new buses be added to the Southern Coast Transit fleet, and what plans are envisaged to keep pace with the growing population and transport demands of the area?

Mr OMODEI replied:

The Minister for Transport has provided a response. The member did not remind us that Dawesville and Mandurah are the fastest growing electorates in the State.

A year ago the Government introduced a service to the city from Mandurah comprising two double-decker buses. The member for Dawesville reminded me that they are worth \$300 000 each. A new low-floor Mercedes Benz bus will be made available to the Transperth operator, Southern Coast Transit, to provide additional capacity to route 107 from next week. The additional service includes a new Transperth bus with a low floor and airconditioning. It kneels at the front - it should probably genuflect to the member for Dawesville - and has a clean Euro II engine. From 21 June the 6.50 am service to Perth will be double-banked, and an additional 3.00 pm service from Perth to Mandurah will commence. From 28 June an additional service from Perth to Mandurah will leave at 10.00 am, and an additional 1.35 pm service from Mandurah to Perth will also commence. On 19 July a new timetable will be introduced to incorporate an additional four trips and to rationalise the increase in frequency, particularly during the peak periods. This action will produce a consistent time gap between the services. In the short to medium term additional buses will be added to the route 107 bus service to meet the demand. In the longer term the south west metropolitan rail project will provide a link between Mandurah and Perth. In accordance with the master plan for this project a rail service will be established to Mandurah six and a half years after the project implementation commencement date.

GOODS AND SERVICES TAX, IMPACT ON PUBLIC HOUSING

932. Dr GALLOP to the Minister for Housing:

I refer to the minister's claim in Parliament last week that Western Australia will be fully compensated for the impact of the goods and services tax on public housing.

- (1) Does the minister stand by his claim that \$25m or \$26m in compensation will be enough given the terms and conditions laid down by Homeswest rents by the Howard-Lees agreement?
- (2) Will the minister table the correspondence on this matter?

Dr HAMES replied:

(1)-(2) The \$26m about which I spoke last week as part of the compensation package -

Dr Gallop: No. You said last week that it was the compensation in full!

Dr HAMES: If the Leader of the Opposition will let me finish the sentence, before getting carried away, as he usually does, the \$26m which was part of the agreement for compensation was arrived at prior to the agreement being made between Howard and Lees on the distribution of the 4 per cent increase for pensioners. If the agreement is put in place, and an amount is subsequently required in addition to that figure, that matter has not been resolved.

GOODS AND SERVICES TAX, IMPACT ON PUBLIC HOUSING

933. Dr GALLOP to the Minister for Housing:

As a supplementary question, has the minister not acknowledged in his answer that he was prepared to sacrifice the interests of pensioners in Western Australia, rather than take up the battle of the consequences of the GST in Western Australia? The minister has just confirmed exactly that point!

Dr HAMES replied:

That is an absolute load of nonsense! The Leader of the Opposition may recall that in debate in Parliament last year on a GST -

Dr Gallop: You misled the Parliament last week.

Dr HAMES: I did no such thing.

Dr Gallop: You are covering up on your sell out of pensioners!

Dr HAMES: The Leader of the Opposition should point his finger in some other direction.

Dr Gallop interjected.

The SPEAKER: Order! I can understand the emotion around the Chamber, but we cannot have too much of it. That is the problem.

Dr HAMES: It would nice to complete an answer without the uncontrolled behaviour of the Leader of the Opposition.

Dr Gallop interjected.

The SPEAKER: Order!

Dr HAMES: The \$26m was compensation to this State for the GST losses. The commonwealth-state agreement is for 25 per cent. If there is to be a deviation from that -

Dr Gallop: In other words, you will pass the rents on to the people, which is what I said! What a disgraceful minister. You sacrificed the pensioners because you support the GST. What a disgrace! We know where you stand on the GST, minister!

The SPEAKER: Order! I have perhaps been very soft, Leader of the Opposition. Equally, if the minister keeps standing there and letting the member interject, it creates a problem as I like to allow some interjection. Perhaps we can have less interjection and the minister can conclude his answer.

Dr HAMES: I am happy to let the Leader of the Opposition interject in such a manner as it embarrasses him more than it embarrasses me. If it does not, it should. His behaviour is a disgrace for a Leader of the Opposition. Perhaps in a quiet, rational way, I could provide an answer to which the Leader of the Opposition will listen.

When we debated the GST last year, the issue was whether Homeswest would take 25 per cent of the 4 per cent increase. It had not been decided at that time. The State Government had two options in managing the 25 per cent, remembering that the GST is to be paid to the State: First, to charge the 25 per cent, and for me then to discuss with the State Government getting the amount back so rents do not increase for pensioners. Another option was discussing alternative compensation methods with the Commonwealth Government. That issue had not been resolved when we debated it last year, nor was it resolved last week.

Dr Gallop interjected.

Dr HAMES: No, I did not.

Dr Gallop: Yes, you did. The minister should read *Hansard*.

Dr HAMES: The amount of 25 per cent was debated and we had a Housing Ministers conference on that issue. It was decided that that was our share of the total compensation package which was arranged for the goods and services tax prior to the agreement with the Australian Democrats and the Federal Government. If the Federal Government agreement goes ahead, we will not charge the full 25 per cent, and we will not receive compensation for that 4 per cent. Those arrangements have yet to be made.

Dr Gallop: Last week you said we had full compensation.

Dr HAMES: That has nothing to do with my answer last week. If the Leader of the Opposition reads *Hansard* again, he will find out.

Dr Gallop: You misled the Parliament deliberately.

SOUTHERN RIVER, GROUND WATER LEVEL

934. Mrs HOLMES to the Minister for Water Resources:

In view of the fact that the lower reaches of the Southern River dried up earlier this year, my constituents are concerned about the ecology and the all-time low level of the ground water. What actions are being taken to address this unacceptable situation?

Dr HAMES replied:

I thank the member for some notice of this question. The Southern River issue largely relates to rainfall. As the member knows, those areas have received a significant reduction in rainfall, which then decreases the amount of available ground water to feed into that river and keep it running. We have been conducting releases from the Wungong Dam, averaging about 3.3 megalitres a day during the summer months. We have been releasing the same amount every year, including this year. That amount of water equates to the drinking requirements of about 2 000 Perth households. It is a reasonably significant amount of water, and we do not have the available water to increase it. It is similar to any other wetland area that has experienced a prolonged dry spell or a significant reduction in rain. The same has been happening in members' electorates in the northern suburbs. Lakes which have not dried up for a long period are drying up. I anticipate that those releases will not change. We can keep going only with the releases that we have been conducting at present. We have held many meetings with local groups to manage that issue as best we can.

GRUBB FINANCE AND GLOBAL FINANCE, TRUST ACCOUNT AUDITS

935. Ms MacTIERNAN to the Minister for Fair Trading:

- (1) In respect of Grubb Finance and Global Finance, has the Finance Brokers Supervisory Board received in each year since 1993 the trust account audits as required under section 50 of the Finance Brokers Control Act from the auditors of the each of these brokers?
- (2) In respect of these finance brokers, were any of the trust account audits in any way qualified?
- (3) If so, will the minister provide details of those qualifications?
- (4) Who were the auditors who undertook each of the audits?
- (5) Will the minister table those trust account audit reports?
- (6) If not, why not?

The SPEAKER: Before I give the Minister for Fair Trading the call, I indicate that the member for Armadale has asked six questions. We allow many parts to a question, but if members subdivided their questions, more questions could be asked. The member for Pilbara had a desperate question to ask about teachers in one of his schools, and he is probably waiting to ask the question.

Mr SHAVE replied:

I thank the member for some notice of this question. It was a well thought out question.

Mr Brown: That is an interesting comment from the minister.

Mr SHAVE: I would vote for her instead of that educated dope.

Mr Brown: Don't talk about the Premier like that.

Mr SHAVE: At least the member for Armadale does not scream like that idiot.

The SPEAKER: Order!

Mr SHAVE: To continue -

- (1)-(2) The member for Armadale has already asked a similar question as a question on notice. In fact, questions 2890 and 3162, which repeat each other, ask for information for 1996, 1997 and 1998.

(3)-(5) I am advised that in preparing responses to questions on notice to date, the ministry has identified qualifications in three of these reports. In the time available, however, the ministry is not able to access all the reports and provide the details to this question without notice, which requires reports and other information going back to 1993.

Ms MacTiernan: You are a disgrace! Those questions on notice were not the same. You know perfectly well that the Finance Brokers Supervisory Board does not have these audits and that the audits it has are qualified. You know that that means that you are responsible.

Mr SHAVE: Mr Speaker, I would be disappointed if the member for Armadale did not say that I was a disgrace because I would feel that she was losing her punch line if she went silent on that issue. Notwithstanding that, I will be happy to table the relevant information as soon as possible.

Ms MacTiernan: Could you give us a time frame?

Mr SHAVE: As soon as possible, as I have said. The answer to question (6) is, not applicable.

EMPLOYMENT RECORDS

936. Mr MASTERS to the Minister for Employment and Training:

During the budget debate the member for Nollamara suggested that a comparison be made between the employment record of the first six years of this Government and the first six years of the Burke and Dowding Governments. Can the minister inform the House if such a comparison has been made? If so, what are the results?

Mr KIERATH replied:

When the member for Nollamara asked that question in the Estimates Committee I thought he had found a snapshot of figures that showed the performance of his former Australian Labor Party Government in a positive light. Members will reflect on the fact that the early and mid-1980s were boom years in this State.

Mr Kobelke: Therefore I was correct; they were boom years.

Mr KIERATH: Perhaps they were boom years when the ALP had their four-on-the-floor entrepreneurs who were major figures in this State. When one looks at the number of jobs created, the former Government's figures are slightly ahead of ours, but it had much more favourable circumstances. We had to start creating jobs from the mess that it left us when we came into government. As the member for Nollamara said, it is true that the employment level was slightly higher. Our record is about 95 per cent of the actual number of jobs. However, that was the only positive light I could find in those figures from the time that the Australian Labor Party was in government. The average unemployment level for the time when it was in power was 8.3 per cent against our figure of 7.8 per cent. What is even better, though, is the participation rate, which I have heard the member for Nollamara quote from time to time. The ALP's participation rate was 64 per cent. Our rate is 66 per cent. That is probably understandable because most people expect us to do better than the ALP on the employment front and people are much more prepared to enter the job market.

Translating those participation rates into unemployment figures provides some fascinating results. If we had the ALP's participation rate now, we would have an unemployment rate of 4.6 per cent, and be the only State in the country to go under 5 per cent. Conversely, if the ALP had had our participation rate, its unemployment figure would have been around 11 per cent. Those are shocking figures indeed. Therefore, Mr Speaker, I am deeply indebted to the member for Nollamara for reminding us on this side of the House about comparing the performance of the two Governments because the comparison shows the people of this State how well we are doing. On the job front the coalition Government has been doing a sterling job, far better than the ALP did in its time of government when circumstances were working in its favour, and we had to come in and tidy up the mess that it left behind.

GOODS AND SERVICES TAX, VIEW OF MINISTER FOR HOUSING

937. Dr GALLOP to the Minister for Housing:

Was the Minister for Housing correctly reported in *The West Australian* on 19 June 1999? I quote from his comments in the Legislative Assembly -

The effect of the GST was worked out by this State to be in the order of \$25 million to \$26 million and this State's share comes to about what we are asking for.

He said further -

Where it relates to the GST, we will be getting back for this State exactly what the GST costs us.

Dr HAMES replied:

Those are correct comments with regard to GST funding. As I said previously, the amount that was worked out that was lost by us as a State less the income came to about \$25m to \$26m. The total available package is \$269m and our share of that -

Dr Gallop: The Howard-Lees agreement has a specific statement on rents and you know it. You misled the Parliament.

Dr HAMES: I am glad the member has given me another opportunity to speak because I failed to take advantage of the opportunity to talk about the proposed resolution of this issue which falls outside the arrangement in the goods and services

tax compensation package. There are two issues and the first is the compensation package for the increase in GST. The package had been determined and that was our share of it. The other issue is the question of 25 per cent. As members would be aware, as part of the commonwealth-state agreement, we charge 25 per cent of rent. If the income rises by 4 or 6 per cent or whatever, it would be normal for Homeswest to obtain 25 per cent of that. It has been recognised that that would disadvantage pensioners and is why, prior to the election, we were discussing whether to do that. At the time, the Commonwealth told us that the 4 per cent increase accounted for us receiving 1 per cent; that it had taken into account the increased cost of rents for pensioners when it determined that a pensioner should receive 4 per cent. However, that has changed because of the agreement.

Dr Gallop: You have a different answer this week from last week.

Dr HAMES: The amount I talked about last week did not relate to that agreement at all.

Dr Gallop: The question was about that agreement. That was what the question was about.

Dr HAMES: There is a way around that agreement. The extra benefits are allocated in a different way and the State can be compensated in a different way as a separate issue to the \$260m-odd compensation. That matter is still being negotiated and when it is decided, I will be pleased to inform the House.

GOODS AND SERVICES TAX, PUBLIC HOUSING COMPENSATION

938. Dr GALLOP to the Minister for Housing:

I have a supplementary question. Will the minister confirm that \$25m to \$26m is not adequate compensation for the effects of the goods and services tax on public housing in Western Australia?

Dr HAMES replied:

The \$25m compensation I discussed in answer to the last question related to the \$263m being provided as compensation. The issue of a new agreement covers further compensation payments which will totally compensate the State for the effects of the GST.
