



WESTERN AUSTRALIA

# **Parliamentary Debates**

**(HANSARD)**

THIRTY-FIFTH PARLIAMENT  
SECOND SESSION  
1999

LEGISLATIVE ASSEMBLY ESTIMATES COMMITTEE A

Wednesday, 26 May 1999

# Legislative Assembly

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## ESTIMATES COMMITTEE A

The meeting commenced at 9.00 am.

The CHAIRMAN (Mr Barron-Sullivan): For the information of members, this Estimates Committee will be reported by Hansard and a proof document will be made available to the committee clerk progressively throughout the day. The daily *Hansard* will be available the following morning. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office; only supplementary information which the minister agrees to provide will be sought within one week.

It will also greatly Hansard if, when referring to the *Budget Statements* or the consolidated fund estimates, members give the page number, item, program and amount in preface to their question.

As has been the practice of previous Estimates Committees members should not raise questions about matters of general concern which do not have an item of expenditure in the consolidated fund. The Estimates Committee's consideration of the consolidated fund's estimates of expenditure will be restricted to discussions of those items for which a vote of money is proposed. We are dealing with estimates of expenditure and that should be the prime focus of this committee. While there is scope for members to examine many matters, they need to be clearly related to matters of expenditure. For example, members are free to pursue performance indicators which are included in the *Budget Statements* while there remains a clear link between the questions and the estimates.

It would assist in the committee's examination if questions and answers can be kept brief, without unnecessarily omitting material information. It is my intention to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. For the purpose of following up the provision of this information, would the minister clearly indicate to the committee which supplementary information he agrees to provide? Details in relation to supplementary information have been provided to both members and advisers, and accordingly I ask the minister to cooperate with those requirements.

### **Division 3: Premier and Cabinet, \$82 981 000 -**

[Mr Barron-Sullivan, Chairman.]

[Mr Court, Premier.]

[Mr M.C. Wauchope, Director General, Ministry of Premier and Cabinet.]

[Mr S. Wood, Deputy Director General, Ministry of the Premier and Cabinet.]

[Ms F. Roche, Assistant Director General, Ministry of the Premier and Cabinet.]

Mr RIPPER: On page 1126 of the *Budget Statements* it is noted that "The Ministry is providing the co-ordination role in the recovery from the damage caused by cyclones Elaine and Vance". The Leader of the Opposition wrote to the Premier to indicate that he would be asking a set of questions seeking the ministry's response to the cyclones. I will ask those questions on his behalf. How should we handle this matter?

Mr COURT: I will read the questions and provide the answers. The *Budget Statements* at page 1126 state -

The Ministry is providing the co-ordination role in the recovery from the damage caused by cyclones Elaine and Vance.

Support is being given in the three main areas of Onslow, Exmouth and Moora, although it extends beyond those areas. Normally when there are floods or cyclones, the government agencies must pay for the repairs to their infrastructure. This was declared a natural disaster and a special trust fund was established to provide assistance additional to that which would be provided normally. One key area was to provide support to businesses that had lost a great deal. There was a keenness to follow a similar model to that in Katherine in which businesses were given a \$10 000 advance. One of the main purposes was to ensure that there was liquidity again in those communities. Separate to the trust fund, the Federal Government assists with personal hardship payments. I will now go through the questions.

Mr RIPPER: Would it be helpful if I put the questions on the record?

Mr COURT: I do not mind putting the questions on the record. The answers just do not necessarily follow straight on. I will read both the questions and the answers.

What is the total value of the emergency assistance to the victims of Cyclone Vance that has been given by Family and Children's Services in fuel and food vouchers? Were these questions for Onslow and Exmouth?

[9.10 am]

Mr RIPPER: That is right.

Mr COURT: Fuel was \$6 867 and food was \$39 662. In addition, \$63 654 was spent on accommodation costs to relocate people from Onslow to Karratha and a further \$4 505 was spent on clothing.

Will the State Government provide assistance to help Onslow residents with costs associated with drainage realignment and other infrastructure repairs needed as a result of Cyclone Vance?

The main issue of drainage in Onslow concerns a seawall along the front of the town. Onslow is a low-lying town; it has a seawall along the front of it and many of the areas within the town are below sea level; it is a bit like Holland. As a result of the cyclone Onslow was flooded with sea water, not just rainwater. Two seawalls were breached in one area. There was a rock wall along the shoreline and another about 200 yards further back. It is believed that the second wall was broken when the infill sewerage pipes were installed and sand was replaced but not rock. The sea came over the first wall with sufficient force to knock boulders a metre high into peoples' front yards. The argument is that the sea then breached the second wall where the infill sewerage pipes had been installed and people believe that is the Water Corporation's responsibility. The Water Corporation has met people on site. I understand that it will have independent people look at the problem and if some liability is associated with it, the Water Corporation will face up to that responsibility. The flooding not only damaged homes but also destroyed gardens. The salt water killed the gardens at about 20 affected homes in Onslow. The trust fund committee considers applications for helping the shire with that sort of work. However, the main dispute of whether a liability is associated with the way the second wall was breached will need to be resolved through a process of assessment by independent engineers.

Mr RIPPER: Are you saying that there is a question of Water Corporation liability and that in the end the Water Corporation may pay for repairs to the seawall?

Mr COURT: That issue has been raised. No-one is arguing about who pays for the seawall; the issue is who pays for the damage caused by the breaching of the seawall.

Mr RIPPER: Is it possible the Water Corporation will pay for that?

Mr COURT: I will explain again.

Mr RIPPER: There are two issues: The possibility of a Water Corporation payment and the possibility of funding from the trust fund. Are those the only two sources of funding for drainage realignment and other infrastructure repairs?

Mr COURT: Yes. The damage was caused in a street called Third Avenue, the third street back from the ocean and the lowest lying street. Onslow is hit hard by cyclones; the jetty has been knocked out so many times in the past that eventually people decided not to rebuild it. The operators of the saltworks are building a new jetty now and undoubtedly it will be designed to handle cyclones. The problems are in Third Avenue. As the matter has been raised and the Water Corporation has visited the area, the proposal to have independent assessment is appropriate. I am sure that if some liability is attached to the Water Corporation, it will meet it.

Has the Premier given a guarantee to the Exmouth Shire Council that the cost of addressing the drainage issues in that town will be met in full from the trust fund?

The Government has never specified any programs which might be met from the trust fund. After all the business payments have been made from the trust fund, the Government will see what is left and any remaining moneys will be given to assist community facilities. It is unusual to think of flooding problems in Exmouth because a lack of water is usually the problem there. Exmouth experienced a serious fire last year which denuded all the vegetation around the town. With the cyclone and six inches of rain falling overnight a few weeks ago, the water came over the rock hills and formed gullies and rivers which people did not know were there. We visited some of the areas last week. Significant creek beds have developed through the middle of Exmouth. It is hard to explain without a map but the water flows off the hills, across the flats and through Exmouth but instead of draining straight to the sea it hits a sand dune. The water tends to build up in the area between the main road and the sand dune. Eventually it flows down towards the new marina. As part of the planning reviews it is conducting as a result of the cyclone, the council is looking at having plans drawn up to handle that flood damage. At the Government's meeting with the council last week, the Government made it clear that it wants to assist the council with that planning. The expertise to do some of the work associated with the cyclone damage will be in town. The beauty of it is that we have now had the experience of a cyclone and a heavy flood within months of each other. That will assist the experts in determining how to handle these matters.

Mr RIPPER: In the end who will pay to rectify these issues?

The CHAIRMAN (Mr Barron-Sullivan): Other members are at a bit of a disadvantage in not having these questions. This is an unusual way to proceed.

Mr COURT: I am reading the questions.

The CHAIRMAN: Yes; however, could we take a moment to get copies of the information the Premier has there, particularly the questions?

[9.20 am]

Mr COURT: I am just explaining the issue of the drainage. The drainage works in with the work being done for the future development of the marina. This flooding has shown that eventually the water coming through the town heads off in the direction of the marina. There were some major wash-outs at the marina, and the marina developments are being redesigned as a result. The Government has not yet sought expressions of interest for the further development of the marina. A good

thing about what has happened is that it has given us practical experience and the engineers will be redesigning the marina in conjunction with the council.

What level of funding will the State Government provide to the Shire of Ashburton to restore the beachfront and the shoreline infrastructure in Onslow damaged by the cyclone?

The costs associated with the restoration of the beachfront and the shoreline infrastructure are currently being considered by the trust fund committee and other relevant government agencies. Final decisions will be made on payments from the trust fund when all the payments have been made to businesses and the like. The beachfront was developed by the shire. It was basically a rock wall which was covered in sand, palm trees were planted and then the area was reticulated. For people who are familiar with Onslow, it was a reasonably attractive beachfront; that has all been washed away. It had two launching ramps, one in the town itself and one out in the creek; both have been destroyed. I attended meetings with the local people and the tour operators particularly were very critical that the shire did not have the launching ramps back in operation, because tourists are coming back into the town and need those facilities. We discussed those matters with the shire. However, the main issue on that shoreline, as I said, concerns the breach in the wall and the associated liabilities. The works to get the launching ramps and the beachfront back into order should be relatively inexpensive and I hope the council moves quickly to have that done.

Will the Premier table the guidelines that are used for cyclone relief assistance ex-gratia payments?

The criteria that were outlined in the heads of agreement between the State and the Commonwealth provide that payment would be made available to people whose principal place of residence was destroyed or severely damaged as a result of either cyclone. The assessments are being driven by local people who have been told to make a liberal interpretation of "severely damaged". They made the first round of payments to people who obviously had their homes blown away or destroyed; basically no questions were asked. The assessors have had to wait for a period for the flood damage to dry out in order to obtain better assessments; however, they have been giving a liberal interpretation to those words "severely damaged".

Have these guidelines been operative from the onset of the announcement of cyclone relief funding? If not, when did they begin?

Family and Children's Services has guidelines. The guidelines operated from the receipt of the first applications on 30 March. As I said, payments for businesses and personal hardship etc are assessed under the broad guideline of whether a person's principal place of residence was destroyed or severely damaged. However, Family and Children's Services has flexibility under its own operations to provide assistance to families where it is needed.

Mr RIPPER: Mr Chair, can I ask a question to clarify the Premier's answer on that?

The CHAIRMAN: The member is receiving a great deal of latitude on this way of questioning, but yes.

Mr COURT: Does the member want me to finish all the answers and he can seek clarification where he is not happy? I will do it as quickly as I can.

Mr RIPPER: Yes.

Mr COURT: Will the Premier include funding for flood relief in Exmouth?

Any applications for funding for flood relief from floods caused by the after-effects of Cyclone Vance are being considered.

What funds have been made available to the victims of Cyclone Vance in Onslow and Exmouth?

Funds have been made available in the form of ex gratia payments, personal hardship payments, business assistance grants and payment of temporary emergency accommodation. That does not include the funding that will come from the trust fund for community projects and restoration of community services etc. As I said, those decisions will be made after all the other payments have been made.

What is the level of funding which has been released so far to individuals, businesses and organisations?

In Onslow and Exmouth ex gratia payments of \$373 800 have been made to individuals and \$2.490m has been released to businesses in the form of business assistance grants.

How many individual grants have been allocated?

Individuals, 234 households; businesses, 249 business assistance grants; the total value of the grants to date is \$2 978 288. The figure changes daily because assessments are still being made. The business grant applications either closed at the end of last week or will close this week. Those applications will all be assessed. Our goal is to expend \$10m between Exmouth, Onslow and Moora, etc as quickly as we can and close off that trust fund; we are about halfway through that figure. The whole purpose of the trust fund was to give quick assistance and to get some liquidity flowing into the town, particularly in relation to the business payments, which is where most of the money has gone. There are some outstanding applications for personal hardship moneys in Onslow, Exmouth and Moora, which we hope to have assessed within a week or so; then within a month we should be able to make the allocations of the balance of those funds. After the individual and business payments have been made, the balance will go into the communities and, as I said, that will be done on the advice of the local committees on the projects they want funded.

In summary, I have been talking predominantly about the \$10m trust fund. The actual government costs associated with the

cyclones, which covers rebuilding roads, rail, schools, Homeswest housing etc, has been a very expensive exercise and we will not have the full sums available for some time. I have been giving answers to the questions on the trust fund and personal hardship funding.

Mr RIPPER: Mr Chair, I have some questions seeking clarification of those answers. I seek your guidance on when I should ask those questions.

The CHAIRMAN: We can do that now and then I will give the call to other members to proceed with questions on other lines.

Mr RIPPER: Has the Premier given a guarantee of full financial assistance to the Shire of Exmouth to tackle the Exmouth drainage issues? I interpret his answer to mean that it depends on the amount that is left in the trust fund; that is, if there is money in the trust fund, the shire may receive assistance for addressing the drainage issues but if there is not it might not. Does the shire have full government backing on this issue?

Mr COURT: No. I said we have not given any commitment that we will fully fund the shire's drainage works. The answer I have given is that a drainage issue has arisen as a result of the cyclone and the deluge the other day, the extent of which the shire was not aware. I have explained that the drainage issue relates to the creeks that have been running through the town.

[9.30 am]

Mr RIPPER: I do not need the drainage lecture again.

Mr COURT: This is important because the Government has just spent a lot of money building the marina. However, some of the creeks have contributed to major washouts. As a result of the flooding, we are now able to redesign the marina area. That redesign will incorporate a strategy to enable that problem to be addressed. While we have the experts designing the marina area, which is in the town site, we will probably be able to solve most of the problems.

One of the creeks goes through a light industrial area. As often occurs in these towns, people have built homes at the back of that area. In one case, the river has gone right through the middle of a house and a unit. I met the person concerned and arrangements were made immediately to ensure that all the landfill around that area was restored. The slab was sitting up with nothing underneath it.

We will not know the solution to the long-term drainage issue until the engineers have made a determination. As I said, we have not previously addressed that problem at Exmouth because normally the biggest problem is lack of water. This year we have had the cyclone and the rain. The six inches of rain caused unexpected problems. The roofs of many houses had been removed to be properly repaired and they were not properly tarped up when the rain came. All the ceilings and so on were repaired, but when the rain came the whole structure collapsed again causing additional expense. As a rule of thumb, the locals like to see rainfall in that area.

Mr BRADSHAW: Has the compensation process for homeowners been plain sailing or have there been problems? If so, have they been addressed?

Mr COURT: It is never plain sailing. Many people who own homes in the area do not live there, and they did not know about the damage until some time after the cyclone. There is also extensive rental accommodation. Some outstanding flood decisions will be addressed this week, but that involves relatively few cases. Most of the business people are happy. A couple of people have tried submitting claims not related to bona fide businesses. Again, the interpretation has been liberal. There was very strong support in Exmouth for what the \$10 000 grants achieved. Some people had two or three legitimate businesses and appropriately received \$20 000 or \$30 000 to assist them with those businesses. The intent was to get liquidity back into the community, and that happened.

The more serious issue does not relate to government activities but, rather, to the activities of insurance companies. Inspectors found that roofs looked okay on the outside, but in many places the structure had started to tear away from the house. When a house is built to cyclone standards, the structure must be tied down to strong footings. All government homes are being inspected to determine whether structural damage has occurred. The roof might look okay, but often during cyclones pressure builds up on the inside and results in walls being blown out and so on. Extensive work is being done to ensure that all structural damage to those homes has been detected.

I am most impressed at the speed with which the caravan parks have undertaken repairs. One of the caravan parks we visited is about two-thirds full again because it has been able to get temporary accommodation. Most of the transportable accommodation was blown away and destroyed because of difficulties with the footings and foundations. The transportable structures were of cyclone standard and were attached to a steel frame, which was chained to strong concrete footings. The chains broke! That caravan park has tidied up, provided new accommodation and is back in business. The other major caravan park owner has decided to build a four-star resort rather than rebuild the caravan park. That is well and truly under construction, and some of it will be open in a month or so. From a tourism point of view, the people of Exmouth are sending out a signal that they want the town back to normal, and that is to their credit.

Any assistance required by families, children, schools and so on was dealt with immediately. A few cases are outstanding, but, as I said, hopefully they will be sorted out this week.

The director of the State Emergency Service, Steve Fewster, is on site and he has about another two months' work to do. He is working with the local shire so that decisions can be made quickly. Typically he spends a couple of days a week in

Perth getting application approvals and then he goes to Exmouth to help coordinate activities on the ground. Given the extent of the damage, Exmouth and Onslow are to be complimented for getting back into business as quickly as they have.

Mr RIPPER: The question on notice asked the Premier to table the guidelines for cyclone relief assistance. Will he provide them in a written form? I understand from the Premier's answer that the guidelines have changed since the announcement of cyclone relief funding - they have been tightened - and I would like that clarified. The Premier mentioned the person whose house slab was left without support. I believe that that person may have been a victim of the flooding that occurred subsequent to the cyclone. Is relief funding available for people who were victims of that flooding rather than the cyclone itself?

Mr COURT: The case referred to involves a former union official who purchased these homes from Perth. When he arrived in Exmouth he found that the homes were at the back of a factory. It was very good accommodation but adjacent to a creek. At our meeting we made it very clear that whatever assistance could be made available to relieve personal hardship would be provided. Assistance would be provided to put the landfill back in place and for the cleanup of those two residential units.

[9.40 am]

Mr RIPPER: Is assistance available to victims of the subsequent flooding on the same basis as it is for the victims of the cyclone?

Mr COURT: I think this was the only case in Exmouth of water from a creek going through someone's house.

Mr RIPPER: You seem to be avoiding answering my question.

Mr COURT: Steve Fewster, the local person, is treating it as part of one incident and as part of the cyclone damage.

Mr RIPPER: My initial two questions were: Will you table the guidelines and have they changed?

The CHAIRMAN: Before the Premier answers, he cannot table the document. The Premier is welcome to distribute it for information if he wishes or to table it on another occasion.

Mr COURT: I have not got the heads of agreement with me but I will give the member a copy of it. That is not a problem. The document I have states the recitals to the agreement record the Prime Minister's announcement of ex-gratia payments to persons in Exmouth and surrounding areas whose principal place of residence was destroyed or severely damaged. It goes on to record that at a later date the Prime Minister agreed to extend similar payments to residents of Moora under the same guidelines. I have said that the main point is how local people who are making decisions interpret "severely damaged". Because Hugh Samson has been coordinating everything, all the local groups are using the same interpretation. The assessments of business and personal cases should finish within the next couple of weeks. There will be very few outstanding issues on that front. I will table the heads of agreement which sets out the detail.

Mr BRADSHAW: There are eight divisions. Will we split them up into certain time frames or just go through the rest of them?

The CHAIRMAN: It is up to the committee. If the committee wishes to spend a lot of time on any particular division, it is welcome to do so. Does the committee have any view about finishing this division in a set time, bearing in mind that we have quite a few divisions to get through?

Mr RIPPER: I have quite a few questions on this division.

Mr BRADSHAW: If the member has more questions, I am happy, but I would like to get on to other divisions eventually. One of the major achievements on page 1124 is an unprecedented two meetings with the Premier of China, Zhu Rongji, resulting in an invitation to Australia to submit a bid to become the first supplier of liquid natural gas to China. What is the present position? How effective have been the meetings that you have had? Are we selling any LNG to China? What is the future potential?

Mr COURT: When we first came into government, the major market for LNG from the North West Shelf project was Japan. We were keen to capitalise on some of the growing market opportunities, so we concentrated on Korea. Korea was going through a period of very strong growth. Working closely with the Department of Resources Development, I visited Korea on a number of occasions with Dr Kelly, who has since retired. We found the Korean LNG market was growing but the major international companies involved were not giving Western Australian LNG a priority. The markets were all filled with projects in Oman, Qatar, Malaysia and Indonesia. We were very disappointed. Then Korea became part of the Asian financial crisis. The good news is that Korea is again looking at LNG contracts for future requirements. We are in there with a vengeance. With regard to China, about two years ago the Government made a conscious decision, following the then Vice Premier Zhu Rongji's visit to Australia. He went to the Pilbara. We saw an opportunity to make a presentation to him about trying to open up the Chinese market. We had three meetings, two with him as Vice Premier and one with him as Premier. I have previously provided the details to this House. The end result is that his Government has made a decision to incorporate LNG into its energy options for coastal provinces. It is keen to have a major terminal built, initially to take three million tonnes of LNG, which is a major contract. The Minister for Resources Development, Hon Colin Barnett, returned a few days ago from a further visit, which also coincided with a visit by the Deputy Prime Minister, Tim Fischer. We are continuing to apply pressure. By the end of June or early July the Chinese Government hopes to have the project listed, as it calls it, by its state council. That will be a significant step forward. It will announce the joint venture operators who will build and operate the terminal, which will be built in Shenzhen Province. A decision will then be made, probably some time next year, on who the supplier of the LNG will be. We intend to put in as much effort as required to make sure

that the Australian companies have front running. I have been prepared to make regular visits. In addition to those meetings, I have also visited Guandong, Guangzhou and Shenzhen to build up a relationship with the officials on the ground. We have moved in conjunction with the Northern Territory at very short notice. The whole concept of promoting Australian LNG is now taking effect. No-one has a contract until it has been signed and delivered, but it is looking good.

Mr RIPPER: I ask again, because I think you forgot to answer last time: Have the criteria for the ex-gratia payments changed since Cyclone Vance? Was funding given out under one set of guidelines and the guidelines then tightened?

Mr COURT: I have said that the only changes that can take place are to the interpretation of "severely damaged". If that is called the guidelines, the guidelines have been loosened.

Mr TRENORDEN: I refer to the major achievements for this financial year on page 1126 and the fact that the ministry has made significant improvement in the administrative arrangements for the management and security of travel and other entitlements available to members of Parliament. It is curious that the average cost per member of Parliament will go down according to the forward estimates. All members will appreciate that our activities are far more enhanced by equipment than in the past. Those of us who have attempted to work a dual electronic diary system have found that the current systems do not work. One may have an efficient diary system which can be accessed by one person, but it needs to be accessed by numerous people. I am informed by a number of suppliers that such multiple-access diaries are not available. Is the Premier confident that we will have a diary system which will work?

[9.50 am]

Mr COURT: The average cost per member of Parliament to which the member referred is not the sort of figure one sees in the newspaper; that is, a decline from \$146 000 to \$138 000. That is because few fit-outs of members' offices occur at this stage of the political cycle. In the first couple of years of a term, expenses rise as new members move into offices and members change offices. I am not sure what the member means by a "dual diary".

Mr TRENORDEN: I do not want to labour a minor point, but the market has a problem in supplying a diary which can be accessed at more than one point. It is difficult to maintain continuity of the program. A major achievement outlined on page 1126 of the *Budget Statements* is the installation of a diary system. Is the Premier sure that the proposed system will work?

Mr COURT: The electronic diary system to which the member refers is one within the administration of Parliament which will ensure we do not have duplication of travel payments and such matters. It is not to do with the member's personal diary.

Mr TRENORDEN: It will not go into our office equipment?

Mr COURT: No. It is not to be the member's personal diary, which I realise is full as he is very busy.

Dr GALLOP: I refer to page 1140 of the *Budget Statements* and the reference to the bell tower. Can the Premier explain the increase in the cost of the Barrack Square development from \$18m previously announced in the media to \$19.2m as outlined in the budget papers for 1999-2000? What is the cost of the bell tower redesign, and when is this expected to be completed? Has the bell tower, in the design presented to the public last week, been tested in a wind tunnel? Regarding the Barrack Square redevelopment, what are the Government's current plans relating to the sinking of Riverside Drive, and when is it expected to commence? What will be the total cost of the bell tower and sinking Riverside Drive? Has any money been set aside for the sinking and, if so, where is it in the budget papers?

The CHAIRMAN: We will go through the questions individually. It is the second time today that the committee has had a number of questions provided on a piece of paper. The Chair must be fair to all members.

Dr GALLOP: What is the reason for the increase from \$18m to \$19.2m?

Mr COURT: The original estimate, made on 1 December 1998, was for \$18 155 000. The bell tower was originally estimated at \$4.5m, and it has become \$5.5m. The old design had a pre-tender estimate of \$4.76m. Additions are involved, with \$700 000 for design modification, \$30 000 for bell frame repairs, and \$20 000 for audio-video equipment. The fees were \$700 000 in the original budget, and are \$900 000 in this budget. The two jetty pavilions were estimated to cost \$3.75m, and are now \$4.115m. The landscaping is basically the same; that is, it was formerly \$1.25m and is now \$1.21m. The cost of the jetty structures was estimated at \$7.955m, and is now at \$7.272m. That outlines the differences in the estimates.

Dr GALLOP: Why was there a \$200 000 increase in fees from \$700 000 to \$900 000?

Mr COURT: It is a budget. These are fees across quite a large project, of which the bell tower is the smallest component. The biggest component is the jetties. A great deal of work is being done on new fuel systems and new sewerage pump-out facilities. The ferry business has expanded significantly and is operating out of ramshackle facilities. Anyone who uses the facility knows that to be the case. The main expense in this project is the jetty and the pavilions, and the main focal point is the bell tower.

Dr GALLOP: Has the private sector and/or the City of Perth contributed to the project?

Mr COURT: After these stages are completed on the Barrack Square redevelopment, we are keen to progress with the recreation of the baths and swimming pool facilities. Our initial informal talks with the council indicate that funding would be along similar lines to the situation with community sport and recreation funding; that is, a contribution will be made by the council and the Government for those facilities. When the bells project was first promoted, private sector assistance was sought for the casting of five new bells. Donations were received of materials that were used. I do not have the breakup of private sector involvement. Most of this project is government funded.

The Leader of the Opposition asked when is it expected to be completed. I understand that two months will be spent going through paperwork, tendering and such matters. The architects talk about completion in August or September, but we would like to see it completed within a 12-months time frame; that is, we would like to see it completed in the middle of the year.

Dr GALLOP: Is that just before or during the next election campaign?

Mr COURT: We would have a year to spare if that were the case. We would have a year for the numbers to build up and for the huge popularity of this project to sink in.

Dr GALLOP: That is what Mussolini said!

[10.00 am]

Mr COURT: The Leader of the Opposition asked whether the bell tower has been wind tested. I am advised the design of the bell tower is leading-edge technology. It will be the first glass spire of its type in the world in which the glass will be a major structural component. Internally it will have a very fine steel construction. It is not dissimilar to the work that has been done on the new Museum entrance, which has a huge glass wall. One looks at it and wonders how it stands up. Members should inspect it the next time they go to the Museum. It is subject to huge wind pressures.

Dr GALLOP: That is why I raise the issue. I have been contacted by people who saw the design in the newspaper. I am sure the Treasurer would appreciate that it appears to have a venturi effect. Therefore, it is important to have it tested in a wind tunnel, and one is available in Perth. Has the Government put it through a wind tunnel test?

Mr COURT: I am pleased that the Leader of the Opposition is taking an interest in the project.

Dr GALLOP: I do not want it to take off and fly away.

Mr COURT: It would be heading towards the river.

Dr GALLOP: Has it been wind tested?

Mr COURT: No. The design of the tower will be environmental, leading-edge technology.

Dr GALLOP: I would like to see it tested in a wind tunnel.

Mr COURT: The Leader of the Opposition should listen to what I am saying. The design will utilise prevailing breezes for airconditioning. The aim is to control the amount of air that comes into the lobby, and move the air up the spire. The vents at the top of the spire will control the movement of air. The outer parts of the building will be passively airconditioned as much as possible. The inner part, in which the bellringers will be, will have refrigerated airconditioning. The sails, basically, are the skin of the tower. However, at the top, where they are free standing, they are in cut-away form, which will take the wind pressure off the structure at that level where it is not supported.

I do not have advice in front of me about the spire, but a number of engineers have been working on the project. It is leading-edge technology, and will not be a simple structure to build. The whole purpose of the tower is that a millennium project will show off the ability of Western Australians to design and construct this type of building, which will be unique in the world. I cannot say specifically whether the wind tower has been wind tested, but I will find out for the Leader of the Opposition.

The Leader of the Opposition asks when the Barrack Square redevelopment is expected to be completed. The initial advice is that the construction of the bell tower will take about 12 months, and the construction involving the jetties and pavilions will take a further six months. The architects are trying to prepare a construction schedule, so that all of the construction can be undertaken at once. However, Barrack Square is a working ferry facility and we must try to incorporate the construction around the operations of the ferry operators.

The Leader of the Opposition asked whether the Government is still planning to sink Riverside Drive. That is the Government's plan. A report in the newspaper said that the Government had scrapped those proposals. The Government has not scrapped those proposals. It has always said that it would build the first stage of Barrack Square without the tunnel being in place. There is a perception that all of Riverside Drive will go underground. That was never the case. The tunnel would involve the area of Riverside Drive from Victoria Avenue along the front of the city to Barrack Square. However, people wanted to retain the view along Riverside Drive, so the revised option is an even shorter length of tunnel. That is part of the proposal on display at Council House. That project is not in the budget and never has been. A decision will be made after the first stage of the Barrack Square redevelopment has been completed. After the completion of the Northbridge tunnel and the road system in the city has been changed, the Government will be keen to progress with changes to the road system, so that it can proceed with the construction of baths. The proposed swimming facility has received strong support from the public. I cannot say when that will commence. We do not know the cost of the tunnel, as that will depend on its length. Obviously the shorter the tunnel, the cheaper it will be. The main costs associated with a tunnel in that location will be the entrances.

I have received further information on the design which says that wind loadings will be part of the analysis carried out by the structural engineer as part of the design development when the final design is selected.

Dr GALLOP: So the wind analysis has not been done yet?

Mr COURT: The Leader of the Opposition should let me finish. It is up to the engineering consultants being used by the architects to decide whether the design needs to be tested in a wind tunnel. The design codes specify that the tower must



be able to withstand certain wind speeds. A lot of engineering work has been done already on the design and if a wind tunnel test is required I am sure it will be done.

Mr BROWN: When one considers the allocation of money, the Government must consider this matter to be a high priority. Why is there money for a tower but no money to build a minimum security prison for women, and my constituents are being forced to accept a minimum security prison placed in their midst?

Mr COURT: Judging by the fact that the Opposition is spending so much time in the estimates debates on this project, it has an interest in the project. The Government announced its plans for the Barrack Square redevelopment and the city as a whole in 1994. Since the Government announced its plan "Perth - a City for People" it has been working through all of those projects in an orderly manner. The project has been a priority of the Government for five years.

Dr GALLOP: The Opposition has been arguing against that priority for five years.

Mr BROWN: I want the Treasurer to explain why this project has such a high priority, and it ignores the wishes of people in my electorate who do not want a minimum security prison right next door to them. I want the Treasurer's answer in the *Hansard* so that I can give it to them.

Mr COURT: A facility already exists on the Pyrtton site which is suitable for that application. The member knows a facility already exists there.

Mr BROWN: I do not know that. It is a hospital, not a prison.

Mr COURT: It can be used for that purpose and the member knows that.

The Leader of the Opposition says he has opposed these projects the whole way through. He has not opposed the entrance to the city. Some of it is in his electorate, and he thought that was a good part of the project. I have not heard any opposition to the upgrades in the city whether to Riverside Drive, King Street or whatever.

Dr GALLOP: I have been arguing for two years that the Government's priorities are with the central business district and not with the suburbs of Perth and I will continue to argue that.

[10.10 am]

The CHAIRMAN: This is a forum for questions, not debate.

Mr COURT: I have never heard so much nonsense. The New Living strategy has gone to the heart of the suburbs. Hundreds of millions of dollars are being spent -

Dr GALLOP: Not \$20m-worth.

Mr COURT: As I was saying, hundreds of millions of dollars have gone into the heart of the electorates of those opposite, into which in 10 years of office the then Labor Government refused to put money, to revitalise those suburbs.

Dr GALLOP: That is just not true.

Mr COURT: Those opposite are embarrassed about it. In this Estimates Committee they are picking on the Barrack Square redevelopment, but I think I can even see signs that they are starting to ask some constructive questions about that.

Dr GALLOP: I am very interested to make sure the taxpayers do not lose more money after the Global Dance fiasco. When the Premier takes control of things, he loses touch with reality.

Mr COURT: I am proud of what we are doing in the Homeswest areas throughout this State. We have no hope of being able to pick up these seats electorally in the heart of Labor areas, yet we have concentrated on putting a lot of time and effort into improving the quality of life of those who live there - areas that the previous Labor Government neglected. If the Leader of the Opposition wants to have an argument about what we are doing out in the suburbs, I am available any day of the week.

Mr RIPPER: About \$40m was spent in Belmont by the Lawrence Government.

Mr COURT: I have inspected the planned infill sewerage areas in the electorate of Belmont, where raw sewage was flowing through the streets into the river. Who fixed it? I went out there last week and inspected it. It is beautiful. People are rebuilding their homes and subdividing their blocks. This is not rhetoric; this has happened. If those opposite want to keep taking about the suburbs, I will keep telling them that we have done more to upgrade the Labor electorates than they would ever dream of doing.

Mr JOHNSON: I refer to the first dot point of the major achievements listed on page 1132 relating to the native title legislation. The Labor Party has taken a rigid stance on the native title legislation introduced by the Government, with no compromise being reached. Can the Premier outline the matters undertaken by the Government in the 1999-2000 budget to ease the economic tension and uncertainty created by this state of affairs?

Mr COURT: I thank the member for the question, although it is not so much what is in the budget -

Mr RIPPER: I do not know whether the Government has any interest in doing that.

Mr TRENORDEN: A few constituents have rung me worried about the Opposition, and about how their backyards are being claimed.

Mr JOHNSON: I intended to expand my question by asking what is the eventual cost to Western Australia from the Labor Party's stand on this issue?

Mr COURT: We are looking at between \$7m and \$8m a year being spent on native title matters. A large part of that is for legal fees.

Dr GALLOP: Whose fault is that?

Mr JOHNSON: It is yours.

Dr GALLOP: The Government is challenging two of the registrations. Why?

Mr JOHNSON: I did not ask the Leader of the Opposition the question; I asked the Premier.

Mr COURT: It has been proved that the legislation is largely unworkable, and that has led to the legal action.

Mr RIPPER: Is this the Howard legislation?

Mr BROWN: The Prime Minister claims he has fixed it.

Mr COURT: This is the legislation passed by the Labor Government. The 10-point plan that went through the Parliament enabled this State to set up a state native title tribunal. Within that tribunal, for leasehold properties we could replace a right to negotiate with a consultation process. Most problems occur in this area. The Miriwung-Gajerrong case is costing the people of this State, not just for the Government's bills that must be paid, but also the individuals involved in the case. The Federal Court said - the Leader of the Opposition knows this - that on leasehold lands Aboriginal people can have ownership of the minerals, share in those resources and control areas. When the original Mabo rulings were handed down, there was never any talk about owning minerals on leasehold properties, being able to share in royalties coming from them and controlling the access to those areas. We have appealed that decision.

Dr GALLOP: What about the registration tests? Why are you appealing those?

Mr COURT: As I understand it, in the Parliament even the Opposition said we should appeal the Federal Court decision.

Dr GALLOP: We said that a couple of points would be clarified in the process as time goes on. The Government has lodged a fully-fledged appeal on that, as well as on registration tests. Why is the Government appealing those registration decisions? It hates the commonwealth tribunal. It is motivated by prejudice.

Mr COURT: The Opposition will not say this in as many words, but it knows there had to be an appeal of the Federal Court decision in the Miriwung-Gajerrong case. As a result of the ruling in that decision, many of the native title claims are now being amended to put in claims for ownership of minerals, the sharing of resources and control of access to the areas etc. If the Government sat back and did not appeal those decisions -

Dr GALLOP: The trouble is that the Government appeals everything.

Mr COURT: The Leader of the Opposition is now saying it is okay to appeal some things, but not others.

Dr GALLOP: The Government is appealing everything. Why is it appealing the registration test decisions of the commonwealth tribunal?

Mr COURT: If the Government believes it is appropriate to appeal so it can get a proper explanation for why certain registrations have been agreed to, it will do that.

Dr GALLOP: Is that clogging up the system?

Mr COURT: No. The system is being clogged because thousands of applications have gone into a system - a fairyland - in which there is supposed to be a right to negotiate, which has boiled down to different groups asking, quite rightly under the law, for dollars or whatever. The law says they can do it, and they are. The small operators, in particular, cannot afford to go through that process. One of the fundamentals of a working democracy is to have a land and resource management system that provides certainty, in which people do not have to buy their way through the system, or need not be wealthy to get approvals for an exploration licence or permit. All people should be treated equally when going through that system.

Dr GALLOP: On farmland as well?

Mr COURT: I hope the Opposition, which seems to be taking some pride in the fact that it is blocking attempts to get some workability into the legislation -

Mr RIPPER: We are not blocking it. We amended the legislation.

Dr GALLOP: We have an upper House.

Mr COURT: Members opposite should come into the real world.

Dr GALLOP: The Premier is not in the real world. That is why he keeps losing these cases.

Mr COURT: We cannot put a dollar figure on what this is costing. Often when there is a downturn in commodity prices, the trend is for exploration activities in the mining industry to increase. Companies work on the principle that commodity prices are cyclical. When things are good they want to bring on production, not look for minerals. The exploration budgets of the mining companies have been growing during the periods of commodity price downturns. This time around it is so

hard to get access that some companies, which bought their way through the system in the early stages, are now giving up working through that process. I cannot believe the members opposite, having dug themselves into a ditch, do not want to come out of it by trying to get some practicality and workability in this legislation.

[10.20 am]

Mr RIPPER: I refer to the section entitled "Output 3: Support for the Premier as Minister for Public Sector Management" on page 1127 of volume 3 of the *Budget Statements*. The description note says that the Premier is responsible for a number of things, including work force management and change, involving redeployment and recruitment programs. I understand that you are proposing to devolve the case management of redeployees to agencies, but according to the budget papers you still have overall strategic responsibility. Last year's budget papers contained a note of the number of people who were expected to be redeployed or to have been made redundant. This year's budget papers omit that information. You are still responsible, but you do not have the same information that was in the last year's budget papers. Can you tell us how many people in the Public Service were made redundant in 1998-99, and how many people are expected to be made redundant in 1999-2000? I remind you that, according to last year's budget papers, your target for redundancies in 1998-99 was 550.

Mr COURT: The redeployment figure as at 24 May -

Mr RIPPER: I intend to ask about redeployment shortly, but I was actually asking about -

Mr COURT: I will give you these figures first. The total number of registered redeployees is 614, of which 294 are MetroBus redeployees. Was the question about how many redundancies have we made?

Mr RIPPER: Yes. You said in last year's budget papers that you expected -

Mr COURT: There are no involuntary redundancies so we do not use that terminology.

Mr RIPPER: I know, but in last year's budget papers you stated that you expected 550 redundancies in 1998-99. How many redundancies were there and how many do you expect in 1999-2000?

Mr COURT: Are you talking about the severance applications?

Mr RIPPER: If you refer to page 941 of last year's budget papers, under performance measures for output 3, it states the number of redundancy packages: 1997-98 - 445; 1998-99 - target 550. I simply want the same information for this year.

Mr COURT: The same information is 680.

Mr RIPPER: Did you actually reach, exceed or fall short of your target of 550 for 1998-99?

Mr WAUCHOPE: The total number of severance applications approved in 1998-99 was 680.

Mr RIPPER: You approved 680 in 1998-99 and you expect another 680 in 1999-2000.

Mr WAUCHOPE: No, 500 for 1999-2000.

Mr RIPPER: You currently have 614 redeployees.

Mr WAUCHOPE: Yes.

Mr RIPPER: How many people would have been redeployed during the whole financial year? The current number of redeployees is 614, but have some people who were on redeployment at the beginning of the year or put on redeployment during the year since found jobs? What is the total number of people during any one financial year, particularly the last financial year, who were on redeployment status, and how many of that total number who were on redeployment status at some time during the whole year were found jobs?

Mr WAUCHOPE: I will answer that question slightly differently. The number of redeployees is not a constant group of the same individuals; it comprises people moving in and out. The number might remain much the same, but it is not the same people. The average monthly placements in 1998-99 was 29 and the average monthly new registrations, excluding MetroBus people, was 23.

Mr COURT: MetroBus has been a difficulty.

Mr WAUCHOPE: We have now redeployed 107 people since its closure and it is anticipated that another 40 cases will be resolved in the next three months.

Mr RIPPER: You will still have approximately half of that 294 MetroBus group to redeploy.

Mr WAUCHOPE: Currently 294 remain and we expect about 250 after those 40 cases are resolved in the next few months.

Mr RIPPER: Are they all expected to be redeployed this financial year?

Mr COURT: We would have great difficulty achieving that; that is the issue we are trying to negotiate with the union. As you know, under the federal award system that they are under, there is not a big incentive for them to shift.

Mr RIPPER: Do you expect at the end of this coming financial year 1999-2000 that a significant number of MetroBus redeployees will still be unplaced?

Mr COURT: We hope not because we are currently negotiating with the different parties. We certainly do not want that

to occur at all. We do not want to be employing people with a skill that is no longer required in government. As you know, under federal legislation, for example, different arrangements are in place whereby redundancy payments would be made and those people could remain on the payroll for a maximum of 12 months. These people are under different arrangements. It may be that we must go to the Federal Court to consider making some decisions in that regard.

Dr GALLOP: What do you mean by that - sacking them?

Mr COURT: No; but, as I said, to determine what would be a fair redundancy payment.

Mr RIPPER: This whole fiasco must have substantially increased the effective cost of the public transport privatisation program.

Mr COURT: What do you mean "the effect"?

Mr RIPPER: When you made the decision to privatise public transport services, did you take into account that you would have this long-running redeployment fiasco? If you did not, it must have substantially increased the cost.

Mr COURT: The Midland Workshops and the like -

Mr RIPPER: We are talking about public transport.

Mr COURT: We had much larger numbers in the Midland Workshops and we were able to work through the issues and end up with a relatively small number of redeployees with whom to work. However, the difficulty with the MetroBus people is their award provisions; they have a federal award and that is where we experience the difficulties and where we want to work through that situation. However, it is totally unacceptable to have people on the payroll who cannot be redeployed and who are not prepared to accept reasonable redundancy conditions.

Mr RIPPER: Has this fiasco substantially increased the cost to government of the privatisation of Perth public transport?

Mr COURT: I do not accept your terminology of it being a fiasco, but obviously the longer the period that people are redeployees and cannot find meaningful work in government, the more the cost increases. That is why we want the issue resolved. I would have thought it was in everyone's interest for that to occur. Governments change. We do not have the provisions in place. We have brought about major change in six years without resorting to involuntary redundancies. We would like to continue down that path.

Dr GALLOP: That is a major policy change that you are hinting at here today.

Mr COURT: What is the policy change - commonsense?

Dr GALLOP: That workers can be sacked.

Mr COURT: No. I have not said that. I have said that for six years we have brought about major change without having to go down that path.

Dr GALLOP: Now you are saying you must go down that path.

Mr COURT: No, I said that under the federal government provisions, which you people support, changes can be made in the structure of government. At the end of the day, a fair payout must be made if a redundancy is to occur. We do not have that provision in this State, and I hope we are able to reach agreement so that it is not necessary.

Dr GALLOP: When will the public sector employee statistics report be available? It was released in June last year.

Mr COURT: It has been released.

Dr GALLOP: When?

Mr WAUCHOPE: About March.

Dr GALLOP: In the same form as last year?

Mr TRENORDEN: I refer to one of the major initiatives set out on page 1129 referring to a new leadership development program. That is an interesting development. Will that be outsourced or developed in-house, and how far down the Public Service will it be available? Will it be just for the upper echelons of the public sector?

Mr COURT: This program is for the chief executive officers and it is outsourced. Apart from these sorts of programs, the Government is bringing together CEOs and outside speakers. We have just completed one session and, as much as possible, we want to expose CEOs to outside thinking. I do not know whether any members went to the World Masters of Business seminar.

Mr TRENORDEN: I would love to have gone, but I was in this place.

Mr COURT: I would like to have gone to that program to hear the different ideas.

Dr GALLOP: I heard Mick Malthouse speak at the West Coast Eagles yesterday, and it was much better.

Mr COURT: Obviously more effective. If the member wants more details of this program, I can provide them.

Mr TRENORDEN: I would like some details because I am interested to know what options they will have.

The CHAIRMAN: I refer to page 1126 and the table of output measures, specifically the average cost per member of Parliament. A footnote indicates that the figure includes the cost of administering and the value of entitlements. What exactly does that figure comprise?

Mr WAUCHOPE: I will take that question on notice and provide the answer as supplementary information.

The CHAIRMAN: Also, will you identify the components in the cost of administering?

Mr RIPPER: The Premier indicated that the average monthly registration of new redeployees is 23. Does he expect that rate of registration for new redeployees to continue throughout the financial year? How many redeployees does he expect across the public sector at the end of the financial year, given the rate of new registrations, the backlog and the rate at which the Government can redeploy people to other positions?

Mr COURT: It is not possible to make that projection because the figure can go up or down depending on what is happening in a particular agency.

Mr RIPPER: The context of the question is the Government's plans for agencies and the number of redeployees likely to result from the implementation of those plans.

Mr COURT: I cannot accurately tell the member the anticipated number of redeployees agency by agency.

Mr RIPPER: The Premier must have some idea. Given his problem with placing MetroBus redeployees, one would expect him to have some idea of the scope of the problem with which he might have to deal.

Mr COURT: All agencies are undergoing changes all the time, and changes are always being made to the way in which services are delivered. One of the issues in government is changing skill requirements, and that is part of the normal process of change in government. I have said we cannot give a projection for the average monthly figure. I do not expect it to be much different, but I cannot give an accurate projection.

Mr BRADSHAW: I refer to one of the significant issues and trends listed at page 1121, indicating that the ministry has implemented a range of strategies to reduce leave liability. What measures have been put in place? Are people required to take their annual and long service leave within a certain period, and is the policy also applied to CEOs?

Mr COURT: Issues such as leave liability can now be openly addressed in government and in these budget determinations. Previously they did not arise as an issue because under previous Governments the budgets were presented but there was no information on the consolidated fund. The Government could always produce a balanced budget by moving amounts from one area to another. With the accounting changes that have been introduced, all these areas are now transparent; therefore, superannuation and leave liability become issues that must be addressed. The Government is not happy with the level of leave liability and it was found, particularly for people in senior positions, that much of the build-up of leave liability went back 15 to 20 years. It is good management practice for people to take their leave every year. Leave is available so that people can have a break, refresh themselves and come back to their jobs. Leave was not designed to be built up and taken further down the track at higher rates of pay. Another basic lesson I was taught at university was to always make sure that the accountant took four weeks leave each year! There are a number of interesting case studies whereby frauds often were not disclosed until a company takeover occurred and the company shifted its head office. Often then companies were able to uncover many of the rorts.

The leave liability for the Ministry of the Premier and Cabinet at 30 April was \$7.358m, which represents a 13 per cent reduction from the estimated figure at 30 June of \$8.469m. All agencies have been told to reduce their leave liability. This liability goes back to the period before we came to government. There are a number of examples of senior public servants being told under the previous Government not to leave town because there was a crisis situation. For many years they needed all hands on deck as they worked through a number of the issues. However, we have been seeking to have the leave liability reduced, particularly in the past 18 months, and have advised the chief executive officers that it is part of their management responsibilities to ensure that leave is taken each year. That is the purpose of the leave.

Mr BRADSHAW: Is it mandatory for the chief executive officers to take their holidays as it is for everybody else?

Mr COURT: It applies to the chief executive officers and they are being asked to set an example.

Mr BROWN: They are not taking leave; they are taking the money. It is a bonus.

Mr COURT: In relation to the practice of buying out their leave, some of that -

Mr BROWN: Buying out their leave is occurring under the Treasurer's Government.

Mr COURT: Whether the member for Bassendean likes it or not the large part of the leave liability referred to in this instance accumulated under his Government.

Mr BROWN: It is undermining the annual leave structures; we know what the Premier's game is.

Mr COURT: I cannot believe the member's naivete. The leave liability has built up over long periods because policies were not in place requiring people to take their leave. We have told the chief executive officers that under their performance agreements it is part of their responsibilities to ensure these liability levels are reduced and that proper leave arrangements are in place.

Mr BROWN: Rubbish.

Mr RIPPER: I am trying to reconcile the Premier's arguments on leave liability with the figures at page 1135 under the statement of financial position. Under current liabilities are employee entitlements which increase through all of the financial years listed in the budget table? Under non-current liabilities and employee entitlements there is an increase for 1999-2000 from 1998-99 and increases projected through the forward estimates period. Although the Premier said that the leave liability in his department is reducing, the *Budget Statements* figures for current and non-current liabilities and the employment entitlements do not appear to support his assertion. What do these figures mean?

Mr COURT: The increases relate to salary increases flowing through the system and to officers with substantial entitlements who are promoted or transferred to the ministry.

Mr RIPPER: What is the distinction between current and non-current leave liabilities?

Mr WAUCHOPE: The non-current liability relates to the accruing of entitlement for long service leave. On the fourth year an accounting allocation is made for the long service leave. However, that cannot be accessed at that time. Unfortunately that non-current liability is basically inaccessible so it tends to overstate the amount that can be accessed at any one time.

Mr RIPPER: Is accumulated annual leave shown as a current liability?

Mr WAUCHOPE: Yes.

Dr GALLOP: I refer to output 3 at page 1127 with reference to contracting out. In earlier times the Ministry of the Premier and Cabinet collected statistics on the dollar value of contracting out and conducted surveys on it. Have any surveys of contracting out throughout the public sector been undertaken, for example, in the past year? If so, what is the total dollar value of contracting out undertaken by the public sector to date? When was the last survey on the effectiveness of contracting out undertaken?

Mr COURT: I am advised that we were undertaking Domberger surveys, but I do not believe they have been undertaken for two years. I will check that information.

Dr GALLOP: Do you have a dollar value of contracting out?

Mr COURT: Do you mean the new areas?

Dr GALLOP: Do we now have a dollar value of the total contracting out that has been undertaken in the public sector? Obviously Domberger did a study a couple of years ago which arrived at a figure. Have you updated those figures through a survey?

Mr COURT: As I said, those surveys have not been done for the past two years. Most of the contracting out was done in the earlier years. If you want an estimate prepared on an annual basis, we could provide a current figure of the contracting out as supplementary information.

Mr RIPPER: Under outcomes, outputs and performance information at page 1123 of the *Budget Statements* the outcome is that the Premier's requirements and those of Cabinet are met. Output 1 is support for the Premier as head of government. I see that the estimated cost of that output has increased from \$8.3m in 1997-98 to \$11.198m for 1999-2000. What is the reason for that increase over those two financial years?

Mr COURT: The movement between 1997-98 and 1998-99 is \$1.8m. Savings have been made in the overseas offices of \$500 000 as a result of favourable exchange rates. Expenditure of \$300 000 has occurred in the communications areas on CD-ROMs and other initiatives. The amount of \$500 000 has been spent on some non-recurring initiatives including the students' trip to NASA for the John Glenn launch. A promotion is being undertaken in Japan in the Hyogo Prefecture and some retirement payments will be incurred during that year. The amount of \$800 000 is for the centenary of federation community grants. I think the next round of those grants is about to be allocated. An increase of \$600 000 has been allocated in executive and corporate services overheads to fund some major new initiatives. We added another \$100 000 to the partnerships with the local authorities for the Graffiti Task Force.

Mr RIPPER: Is the Premier explaining the difference between 1997-98 and 1998-99 or the differences across the two financial years?

Mr COURT: I am referring to 1997-98 and 1998-99.

Mr RIPPER: What is the further increase for 1999-2000?

Mr COURT: The overseas offices will be affected by less favourable exchange rates and loss of rental income amounting to \$500 000. A \$300 000 savings will be made on communications and a \$350 000 savings on premier support from non-recurring retirement benefits. There will be a plus of \$1m for the centenary of federation community grants. That additional \$100 000 for the Graffiti Task Force does not come through this year, and the executive and corporate services overheads are less \$200 000. Therefore, that is a \$550 000 net difference.

[10.50 am]

Mr RIPPER: Will the Government Media Office receive additional funds in 1999-2000?

Mr COURT: We have made a mistake here. There is a reduction.

Mr RIPPER: How much is that reduction in the Government Media Office?

Mr COURT: In 1998-99, the reduction is from \$2 175 000 to \$2 012 000.

Mr RIPPER: How is that reduction being achieved?

Mr COURT: Through efficiencies. Basically, all the agencies have been told that they must take savings, and obviously they have worked out how to take their share of it.

Dr GALLOP: I refer to page 1140 of the *Budget Statements*. Can the Premier provide a breakdown of all the projects under the capital city development category - that is, refurbishment and documentation, special projects funding and streetscape projects - including the estimated total cost, estimated expenditure in 1998-99, and estimated expenditure in 1999-2000 for all the projects?

Mr COURT: The broader breakup for the capital city projects is set out in the *Budget Statements*. However, going through that in more detail, there is an allocation of \$500 000 for the central government buildings. This relates to the professional, legal and real estate fees for procuring a developer-lessee, ongoing facilities management, preventive maintenance, vermin control, etc, cost of consumables, electricity, and repairs to ensure public safety. Hopefully, we are getting closer to a decision being made on the redevelopment of the central government buildings, and we are keen to have that coordinated with the Perth City Council and the restoration of Perth Town Hall. There is an allocation of \$400 000 for special projects. I have provided the breakup for the streetscapes, landscapes, etc, to the Opposition each year, but I do not have that here with me. Could the Leader of the Opposition put that question on notice?

Dr GALLOP: Perhaps I will treat the question as a supplementary one. I will provide the Premier with a copy of it.

Mr COURT: I have given the breakups in the past. I make a general comment: With respect to the capital city development, we have now moved away from working on all the individual streetscapes, landscapes, etc. We have made it clear to the council that we want to finish off that component and we will concentrate on doing a more major project, such as a Barrack Square redevelopment, and we will do that in conjunction with the council. It was getting to the stage at which we were getting inter-involved with the council's normal capital works program for streetscaping, landscaping, etc. Therefore, we are now tending to concentrate on a more major project. However, I will provide that information.

*Sitting suspended from 10.55 to 11.06 am*

Mr BRADSHAW: Page 1124 of the *Budget Statements* states that major initiatives planned for 1999-2000 include a "one-call centre" for all graffiti reports. Is that just for graffiti on local government and government property, or is it also for graffiti on private property? I believe graffiti is a community problem and not an individual problem, and that graffiti on private property should be dealt with by local or State Governments.

Mr COURT: Part of our graffiti strategy is to try to have graffiti removed as quickly as possible. A number of programs have been in place over the years, but we revitalised the program a number of years ago when we entered into an arrangement with Stirling City Council and some other councils which, to their credit, were prepared to put in place quick response equipment. We encourage people to phone in to report graffiti. We can move quickly to remove graffiti on government property. However, we had a difficulty with graffiti on private property. The example that we use was a housing estate at the back of Tuart Hill-Mirrabooka which was of good quality but was surrounded by large brick walls that were completely plastered with graffiti. When we told all the home owners that their property was covered in graffiti, we found that some people did not know how to remove it. One of the initiatives that we undertook with the City of Stirling was to tell all the owners that we would clean off the graffiti, but they then had to put an anti-graffiti coating on their walls so that any new graffiti could be cleaned off more quickly in the future. Stirling City Council, along with other councils, now makes it compulsory for walls to be coated with that material so that graffiti can be cleaned off quickly. Special equipment is needed to remove graffiti on face brickwork. We have used prisoners who are on the prisoner release program to help remove graffiti on Super 6 fences and the like. Our role was to provide some redeployees to work on those quick response teams.

The document that I have about the Graffiti Task Force states that -

The Graffiti Program has been examining methods of improving mechanisms by which graffiti is reported to individuals, organisations and agencies responsible for its removal from particular assets. Most state agencies and indeed local authorities respond quickly to remove graffiti when the damaged asset is brought to their attention, unfortunately graffiti often goes unreported.

A further impediment to rapid removal of graffiti is reporting the damaged asset to the appropriate owner, eg Steel light poles on the new cycle way in the rail reserve at West Leederville are owned by Main Roads, a fact little known by the community. Reports to Westrail or to the local authority on the above asset will only serve to frustrate the reporter as the graffiti remains.

Further, graffiti reports to some agencies are associated with their faults/emergency lines, the public generally do not perceive graffiti vandalism to be an emergency and hence do not use these lines to report graffiti.

The Graffiti Program through a "one call centre" will provide a mechanism to easily report graffiti vandalism and provide direct advice on graffiti removal throughout the Metropolitan area.

One of the reasons this program has been introduced is that if a person is driving around and sees graffiti, he can report it. I drive around a lot and I report a lot of graffiti. When it is followed through, now that we are more experienced, we can identify quickly whether it is government land and what agency is involved and then have it removed. It is another initiative to expedite the removal of graffiti by the right party. We can act quickly within government, but we have a lot of problems on private property. If it is a plastic telephone booth, we can ring Telstra and its team will come out quickly and fix it.

[11.10 am]

**Division 5: Government Projects Office, \$22 200 000 -**

[Mr Barron-Sullivan, Chairman.]

[Mr Court, Premier.]

[Mr I.K. Johnston, Chief Executive, Government Projects Office.]

Dr GALLOP: Why have some projects been placed under this heading, such as the maritime museum, while others remain under Premier and Cabinet, such as the Barrack Square redevelopment? What is the reason for this and does it not just create confusion and duplication?

Mr COURT: This is the renamed Government Property Office. We then had a number of projects that did not fit into a particular category; for example, the Heathcote redevelopment, because the Health Department no longer required the site; the Sunset development; the hospital at Swanbourne; and the Midland Workshops. When we must go across a number of government agencies, and they have not fitted in, this office has done that work. In relation to Fremantle, the museum component is an Arts expenditure. The planning that we have been doing is part of a bigger planning process for the redevelopment of that end of Fremantle. That is how this office has developed in taking on the projects that have not fitted in elsewhere.

Dr GALLOP: In respect of the redevelopment of the Fremantle waterfront, have all the concerns regarding the safety of port users been adequately addressed; and, if so, how?

Mr JOHNSTON: In relation to the location of the museum, in the past 12 months engineering and risk consultants have been looking at the setback from the wharf, and ship collision is one issue that has been raised. A study is being finalised to confirm that the location is not a risk. In terms of societal risk of issues at the port, we have done studies and believe that the development is within the appropriate risk parameters. The individual risk from various things in the port has also been covered; for example, the sight line between the entrance to the harbour and the port control tower is not blocked by the design of the building. All of that work has been done.

Dr GALLOP: When is the museum expected to be completed?

Mr COURT: We want the designs to be put out for public comment within the next month. The construction will take about 12 months and the fit out will take about six months. If we start in November this year, it will be ready by early 2001.

[11.20 am]

Mr JOHNSON: Have any surveys been carried out to determine the acceptance of the redevelopment or are they still to come?

Mr COURT: We released the master plan for public comment. A number of seminars have been held for different interest groups and some modifications will be made. The difficulty is the traffic flow, parking et cetera. That end of Fremantle comes to a point and under the current arrangements a lot of traffic goes up to the Round House and back to park. The developers have been working on making changes particularly around the railway station to cut all that out. People will be able to go straight to where they want to go; there will be ample parking. Most of the changes will be made using Westrail land which is sitting idle.

Mr RIPPER: At page 629, the *Budget Statements* read -

The program also includes an allocation of \$700,000 for the planning of significant asset rationalisation projects.

What projects and which assets are involved in this rationalisation program?

Mr COURT: It is the funds used for the planning of projects such as the Heathcote, Sunset and Swanbourne hospital sites and the Midland Workshops site. Those expenditures come under this area.

Mr RIPPER: What asset rationalisation is expected to proceed in this coming year?

Mr COURT: As members know we have started Heathcote, we are close to Sunset and we will establish the Midland development authority and liaise with it about the Midland Workshops site. We are in a bit of a dilemma with Swanbourne. We have the beautiful Montgomery Hall and other buildings but we have not been able to reach agreement with the local council about who takes on what in that facility. The asset is sitting there not doing anything and we are keen to reach agreement. If we cannot reach agreement with the local authority, we will put the project out to the private sector.

Mr RIPPER: What about the Sunset Hospital land?

Mr COURT: Our hands are tied with Sunset in the sense that it is nearly all heritage buildings - old stone buildings. Our goal is the same as Heathcote; that is, we want to return as much of it to public open space as possible, particularly the waterfront areas.

Mr RIPPER: It is a pity that Bassendean does not get the same consideration.

Mr COURT: What is the issue there?

Mr RIPPER: Pyron.



Mr COURT: Pyrtton is being upgraded. About 60 per cent of the Sunset site will become open space and parkland. It will be similar to what has been done at Heathcote. It is proposed that the existing buildings be used for retirement accommodation. Initially some of the site such as the matron's house will be sold freehold. Most of the site will become open space but the proposal is different to Heathcote because Heathcote is on freehold land and Sunset is an A class reserve. The Government wants to develop an income structure with a retirement village whereby any surplus funds must be spent on health or aged facilities elsewhere in the metropolitan area. The profits which come from that site - and it is a unique site - will probably flow into the member for Belmont's electorate.

Dr GALLOP: Who will manage the Sunset land?

Mr COURT: The Government is looking at a proposal to establish a trust. Heathcote is freehold land and has basically been given to the council.

Dr GALLOP: Why will the Government not do that in East Victoria Park with the Hillview Hospital. I have written letters to the Premier about that site. The Government wants the council to buy it for the full market value. The Premier will do that in his electorate but not in others.

Mr COURT: The Leader of the Opposition did not listen to what I had to say. I said that to get the maximum return from that site there will be long-term cash flows which will be of significant benefit to the State. The Government of the day will be able to expend that cash flow on health and aged services in different parts of the State. We are taking the economic benefit out of the area and putting it elsewhere. Does the Leader of the Opposition have an objection to that?

Dr GALLOP: You seem to be able to find the will within Government to create real public assets for people on that side of the river and in Applecross, but when it comes to some other parts of the metropolitan area it is a constant battle.

Mr RIPPER: They get a prison.

Mr COURT: Or a new hospital in Armadale.

Ms MacTIERNAN: When? It has been deferred and put on the backburner again.

Mr COURT: The member for Armadale will be at the opening.

Dr GALLOP: Has the matter of live sheep exports been discussed by the committee overseeing the Fremantle development?

Mr COURT: The committee has been given a brief that the operations of the port must always be the first priority in any proposals put forward. The port authority is on the committee and the end of the port we are referring to, the heritage end, will eventually complement the port's commercial operations, particularly if we can get the ferry terminals and the like designed. I am not aware of whether the issue of live sheep exports has been addressed at committee meetings but I can find out.

Dr GALLOP: Is there a government agenda to move live sheep exports to Bunbury?

Mr COURT: No. If live sheep exports go anywhere, they will probably go to a new port at Kwinana.

The CHAIRMAN (Mr Barron-Sullivan): The capital works program on page 629 contains a significant item titled "Contribution to Rockingham - Landscaping and Engineering Services" and \$500 000 has been allocated to it. Will the Premier provide the committee with an update on what stage that program has reached? I presume we will see the end of it this year. Who is in control of the program? Who determines what happens in the carrying out of that project? I assume it is the council.

Mr COURT: I will ask Mr Johnston to answer.

Dr GALLOP: As a supplementary, could the Government Projects Office provide a breakdown of the expenditure of an estimated \$20.6m on the Fremantle waterfront?

Mr JOHNSTON: The Rockingham project has been in place for three years. It is a joint project between the State and the City of Rockingham whereby roadworks around the town centre have been jointly funded by the city and the State. The City of Rockingham approves the engineering works which they present to us. When we are satisfied that the program matches the original agreed program and agree to the funds being spent, they then recoup up to \$500 000 a year, a total of \$2m.

[11.30 am]

The CHAIRMAN: When you say "roadworks", is that streetscaping and that type of thing?

Mr JOHNSTON: And also some of the connecting roads around the town centre and the shopping centre.

The CHAIRMAN: Who initiated that program?

Mr COURT: It was an arrangement between the Ministry of the Premier and Cabinet and the City of Rockingham. We have been considering a whole range of initiatives in Rockingham including educational facilities, public transport and marinas. There is a long shopping list there and this has been part of that program.

Ms MacTIERNAN: I understand a Mr Shields is engaged in the Maritime Museum special projects office. What is the nature of Mr Shields' engagement? Was he an employee? Is he a contractor? What processes were implemented for his selection?

Mr COURT: Is the member seriously asking this question? The Opposition has asked about every minute detail in this

Parliament, all on record, of every last dollar and cent of his employment and under what terms he is employed. We have had to table the contract - the whole box and dice. If the member wants all of that information again, we will provide it, but it has already been provided in detail.

Ms MacTIERNAN: I am sorry, perhaps the Premier did not hear the question. I was not asking about how much he was paid. I was seeking to get to the nature of his engagement.

Mr COURT: I heard the question.

Dr GALLOP: It is a specific question; you are not listening.

Mr COURT: I heard the question and I have given the answer in this Chamber on many occasions.

Ms MacTIERNAN: It is an interesting answer that the Premier has given us because I note he talks about Mr Shields' employment. I want to confirm that he was actually employed.

Mr COURT: All of the information sought by the member for Armadale has been provided to this Parliament. He was engaged as a consultant.

Ms MacTIERNAN: But you said "employment" earlier on.

Mr COURT: Stop being stupid.

Dr GALLOP: This is not being silly.

Mr COURT: It is being silly.

Ms MacTIERNAN: Why is that?

Mr COURT: The Opposition is wasting the time of this Parliament because for months and months the Opposition has asked for all of this information and all of it has been provided in absolute detail. It has all been reported, correctly and incorrectly, in newspapers. When it has been incorrect, it has been corrected. Nobody's contractual arrangements with the Government have been provided in more detail. If the member wants the information again and wants to spend the next half hour on it, I will give it to her.

Ms MacTIERNAN: No, I do not. I have a couple of simple questions and I will explain the nature of the issue. The Public Sector Management Act does not apply to a person who is a contractor; it applies only to a person who is an employee. We have been unable to get any answers through the Commissioner for Public Sector Standards because the Premier is now saying that this person is not an employee; he is in fact a contractor. Can the Premier explain to me what the difference is between Mr Shields being a contract employee and Mr Shields being a contractor? It is a key issue because the Premier's basic tool of accountability in this area is the Public Sector Management Act and by a process of relabelling he removes people entirely out of the purview of that Act. It is therefore proper for us to ask the question as to the difference between an employee under contract and a contractor.

Mr COURT: If the Opposition wants to talk about accountability, we provide all the information it wants.

Ms MacTIERNAN: No, I want the Premier to explain to me the difference between engaging Mr Shields as an employee under contract -

Mr COURT: The difference in accountability is that the Opposition when in government never provided contractual details of what was being paid to consultants; we provide all of that information.

Ms MacTIERNAN: The Government does not provide all the details. The list provided by the Government is a disgrace.

Mr COURT: We have provided every single bit of information asked for about Mr Shields.

Ms MacTIERNAN: You have not.

Dr GALLOP: No, you have not. You have not provided the key part; that is, why you appointed him.

The CHAIRMAN: Order!

Mr COURT: Opposition members set out to personally denigrate Mr Shields and once again it has backfired on them. He is doing a superb job. The Opposition has all the information.

Dr GALLOP: No, it has not. There are very poor processes within Government and they are exposed.

Ms MacTIERNAN: Mr Chairman, can I say to the Premier through you that this issue has nothing to do with Mr Shields personally. This has to do with accountability processes of the Government. It could be Mr Shields or it could be anyone else.

Mr COURT: The accountability process is the Opposition asks for the information and it gets it. It has already got the information and it has all been presented to this Parliament. That is what accountability is.

Ms MacTIERNAN: I want the Premier to explain to us why Mr Shields is not considered to be an employee under contract but, rather, a contractor, because that is being used by the Commissioner for Public Sector Standards to say that he cannot scrutinise his appointment.

Mr COURT: What else is a consultant? He is not an employee.

Ms MacTIERNAN: He is not an employee? He is a consultant?

Mr COURT: Mr Chairman, all the information has been provided to this Chamber and that is what accountability is.

Mr RIPPER: Why does the Premier not answer the question?

Ms MacTIERNAN: I can see that the Premier is very embarrassed by this question.

The CHAIRMAN: The member for Armadale was not in the Chamber at the time when I mentioned that this is not a forum for debate; it is a forum for questions and answers. A number of the points raised by the member do not exactly fit the format of a normal question. If she has a firm supplementary question on this topic, she should ask it, otherwise I will move on to the next member.

Ms MacTIERNAN: Thank you, I appreciate that. Perhaps I went overboard in my question because it was difficult to get an answer. Is it the case that Mr Shields has undertaken international travel pursuing the projects for the Government Property Office.

Mr COURT: That information was provided to this Chamber in relation to travel which was undertaken by Mr Shields and Mr Johnston. Why does the member again want to know that information? Does she want a description of it? I can give her a video run-through of it.

Ms MacTIERNAN: The Premier is confident that he has provided us with all of the details of Mr Shields' trips.

Mr COURT: I will get Mr Johnston to reply.

Ms MacTIERNAN: No, I am just asking. I do not want to take up time.

Mr COURT: As I said, we have provided the information but I will get Mr Johnston to repeat the information.

Mr JOHNSTON: Mr Shields has been on one trip with me to South Africa, Europe and the United States. That information has been provided. He has also been on another trip with some other project consultants and me to the Maritime Museum and the new museum in New Zealand. I think that information has also been provided.

Mr COURT: Does the member want more detail about the trips?

Ms MacTIERNAN: That is it.

Mr COURT: It has been provided in the Parliament.

Mr JOHNSON: What major exhibits will be the centrepiece features at the Western Australian Maritime Museum? When is it expected that *Australia II* will be returned to Western Australia for display at the Maritime Museum?

Mr COURT: The arrangement that we have negotiated with the Federal Government is that *Australia II* will be returned after the Sydney Olympics which will coincide with the completion of the building. The museum is just a part of the overall master plan for that heritage precinct. It will incorporate the A shed as well as the new facility. The museum is developing displays obviously of the modern yachting component with *Australia II*, *Parry Endeavour*, *Perie Banou*, etc; it has a defence component of which the centrepiece will be a submarine which will be up on the slips; and also the other defence history of Fremantle as a port. It includes the history of the commercial port, the commercial shipping industry - much of which has already been put in place by the port authority - and the Fremantle fishing fleet. It will deal particularly with the heady involvement of the Portuguese, the Italians and so on. The Dutch history component will be maintained in the existing facilities.

[11.40 am]

**Division 7: Office of the Auditor General, \$6 939 000 -**

[Mr Barron-Sullivan, Chairman.]

[Mr Court, Premier.]

[Mr D.D.R. Pearson, Auditor General.]

[Mr R. Turnbull, Manager, Finance and Budgets.]

Mr RIPPER: What is the cut in recurrent funding to the Office of the Auditor General in this forthcoming budget year?

Mr PEARSON: That is the effect of a carry forward of money from the 1996-97 financial year into the 1997-98 year that artificially inflated the figure that year. In 1999-2000, the budget will be back to the more normal level. That was associated with the capital purchase of a telephone system.

Mr RIPPER: Is there a cut in staff or operational funding for 1999-2000?

Mr PEARSON: No.

Mr RIPPER: What percentage of the work undertaken by the Office of the Auditor General has been contracted out, and is that percentage likely to change in the next budget year?

Mr PEARSON: The main area of contracting out is in the production of the annual financial statement and performance indicators - attest audit cycle. The proportion of contracting out is about 30 to 35 per cent, and that has remained relatively constant over the years. About \$1.6m or \$1.7m is paid to about 16 to 18 firms.

Mr BRADSHAW: The independent auditor's opinion of the Office of the Auditor General dated 4 November 1998 gave a qualified opinion by indicating a departure from paragraph 11.4 of Australian accounting standard No 29. It further indicated that the Auditor General's operating statement disclosed a net cost of services of \$7.207m. If the provisions of the standard had been followed, the net cost of service would be recorded in the operating statement as \$9.906m. Please explain the departure from AAS No 29.

Mr PEARSON: That was the consequence of complying with the Treasurer's Instructions issued pursuant to the Financial Administration and Audit Act. The decision was made in Western Australia to depart from that standard. It is a technical interpretation of controlled and administered revenue. There are different accounting definitions for those two areas of revenue. It basically comes down to the fees we charge non-budget dependent agencies and whether they are netted off against the expenditure of the office, which is required under the Treasurer's Instructions. The accounting standards state that because that revenue is not owned by the office - it is revenue of the Crown - it should be forwarded to Treasury.

Mr BRADSHAW: If it is different for the Office of the Auditor General, why has the office provided a qualified audit to a number of government agencies over the past few years?

Mr PEARSON: About 11 agencies fit into the same category. Because of that different view between standards and the Treasurer's Instructions, as Auditor General of Western Australia, I have obeyed the delegated legislation under the FAAA.

Mr RIPPER: What projects or reports does the Office of the Auditor General expect to be working on in 1999-2000? Perhaps the Auditor General will give the committee a general indication now and a list can be provided as supplementary information.

Mr PEARSON: I am happy to do that. Five significant projects are currently at an advanced stage. One is a review of the procurement of office and other equipment. The office is reviewing the exercise of the option of buying equipment or leasing it, and the relative cost effectiveness of both. It is also doing a comprehensive review of developments with performance indicators in hospitals. That follows a 1994 general report on performance indicators and a 1996 report specifically on the health sector. The office is aware that significant work has been undertaken in relation to hospitals and it is reviewing that. It is also reviewing the provision of surgical services in non-teaching hospitals, primarily in the metropolitan area. That process involves investigating the utilisation of facilities and the manner of providing those services, whether by salaried or sessional doctors. The office is also reviewing the making of grants and payments to non-profit organisations. That involves looking at the effect of the move from the traditional grant, with funded inputs that are acquitted, to the purchasing of outputs and reviewing that operation. A review of the management of fisheries in Western Australia is also being conducted. Last year the office produced a report on the management of two specific fisheries, and it is following on from that to the broader administration of fisheries.

The CHAIRMAN: Does the member also want the supplementary information?

Mr RIPPER: A full list would be useful.

Mr PEARSON: It will be provided.

Mr BRADSHAW: Following the report on controls, compliance and accountability audits undertaken in 1998 by the Office of the Auditor General, a recommendation was made that agencies should develop and implement formal policies to manage effectively the clearance of annual and long service leave entitlements. Has the Office of the Auditor General effectively managed the clearance of annual and long service leave entitlements and achieved the public sector-wide objective of decreasing leave liabilities by 10 per cent, and has that occurred from the CEO down?

[11.50 am]

Mr PEARSON: The office has effectively done that. The leave liability is relatively stable and is effectively at the irreducible minimum. It is a constant balance. Of the leave liability recorded in the financial statements, 70 per cent has been accrued but is not yet on leave cards, so it is not available to be taken. It is pro rata leave; for instance, long service leave that is accrued after four years of service. No officers have accrued a second entitlement of long service leave. I think four officers are outside the three-year term for taking leave. I accrued long service leave in July of last year, which I have not taken, and I probably have about a month's recreation leave on my card.

Mr BLOFFWITCH: Someone in the Ministry of the Premier and Cabinet is addressing the Y2K problem. Is the Auditor General addressing it? He has looked at passwords and security but this will be a major event. Although the Premier is handling it, it would be great to have an independent view on how we are doing with the problem.

Mr PEARSON: We are looking at the problem in two respects. One is in a preventive mode in which my officers have been actively involved in individual agencies, steering committees and internal audit committees that are addressing the issue. I am represented on the sector-wide year 2000 steering committee. At the operational level, we have specifically addressed it in our audit program over the past couple of years. I have made reference to the stage that has been reached in three reports to Parliament. It is a very difficult problem on which to give an absolute assurance but indications are that agencies are generally on track in addressing it. As an auditor, I am somewhat concerned that some of the agencies' programs will not be finished until September or October 1999, which does not leave much time for remedial action if problems are

identified at a late point. We have taken two specific actions to try to reinforce the importance of the issue. A normal audit procedure is to get representations from management because an audit is a testing process and we do not have the resources to check everything. The year 2000 preparedness has been specifically addressed this year in representation letters. For the past 12 months, in my reports to the Parliament and management letters to agencies, we have been pushing hard that not only do agencies need to do specific identification and take remedial action but, even if they are confident that they have it covered, they also need to be serious about contingency planning, because the problem we are looking for is very much a needle in a haystack. Despite the best process and approach, the facts of human nature are that something unforeseen could arise. It is critical therefore to have adequate contingency plans in place.

Mr BLOFFWITCH: How happy are you with the response to date?

Mr PEARSON: Reasonably happy. Clearly, agencies that will not finish their programs until September or October are of concern.

Mr RIPPER: Is the Auditor General concerned about the implementation of major new accounting and payroll software packages in government departments? Yesterday when dealing with the primary industry estimates committee process we dealt with the problems of the Smartstream package. There has been a bit of publicity about the problems with the Education Department's new payroll system. I understand that a major new system will be going into the Police Department with perhaps some difficulties. Is this an area where the Auditor General's Office has conducted an investigation or might perhaps in the future conduct an investigation?

Mr PEARSON: To varying degrees we have done reviews. As you have indicated, in reports to date we have highlighted deficiencies within systems. I anticipate continuing to do so in the foreseeable future. This is clearly a difficult and complex area. To the extent we are able to assist, we encourage agencies to contact us at the planning and development stage. I am reasonably comfortable that they are large and complex systems and difficulties will emerge. My judgment is that the main difficulty comes with implementation. If implementation is not carried out effectively with adequate resources applied, problems will emerge. Certainly the reports of the Education Department and Agriculture Western Australia, which are on the record, are good cases in point. Broadly speaking, the implementation plans were flawed.

Mr COURT: The changes are long overdue, particularly in the Education Department with its large number of employees and an incredibly inefficient system for handling promotions, holiday leave entitlements and so on. There are some implementation problems, but the changes are long overdue and should have been done a long time ago.

Mr BRADSHAW: From the travel reports tabled in Parliament I have noticed that staff in the Auditor General's Office are regular attendees at interstate seminars and conventions. Further examination shows that two or three members of his staff attended a specific conference or seminar. Will the Auditor General advise why it is necessary for more than one member of staff to attend a specific conference and how the taxpayers of Western Australia have benefited from such attendance?

Mr PEARSON: There are two reasons for more than one staff member attending. Some of the courses and seminars are combinations, which I would broadly call workshops. They are run by the Council of Auditors General, so they are very much concerned with development. In those cases with a range of agenda items, we want a critical mass of people with the knowledge to come back and implement it within the office. With the more general conferences, such as the recent biennial public sector accountants conference which has six component streams, to get adequate coverage but not full coverage of the issues of primary interest, more than one or two people are needed to canvas those issues. In respect of the third part of your question on getting benefit back into the office, it is very much a multiplier effect. The audit has a very limited resource and is very much a testing of systems and procedures. Putting it bluntly, it is a matter of intelligence gathering and learning from others how they have done it and being able to apply that in my relatively small office. I have a firm conviction that that is far more cost-effective and efficient than trying to reinvent the wheel, which would take far more resources and would not be anywhere near as effective.

Mr RIPPER: On page 130 an output measure is related to hours of advice provided. In 1998-99 it was estimated that 10 500 hours of advice were provided by the Auditor General's Office. The target for 1999-2000 is 9 900. Why has there been that significant drop in the number of hours of advice expected to be provided?

Mr PEARSON: It is a fine tuning of the estimating process and very much a quantification of the hours of advice to me and my executive on the issues and options which the office should address. I think I am correct in saying that 1998-99 was the first time we quantified that figure. We made our best estimate of it, but with a year's experience, using a resource management information system in the office through which we collect our hours, we have refined the estimate.

Mr RIPPER: Are these hours internal to the office?

Mr PEARSON: It is the item of advice to the Auditor General; effectively how we are developing our strategic and operational plan and setting priorities between issues to be addressed.

Mr BRADSHAW: A recent report of activities by the Public Accounts and Expenditure Review Committee stated that \$10 540 was collected by the committee in relation to the ACPAC fifth biannual conference. It indicated that the Office of the Auditor General contributed to that amount a sum for gifts for delegates including Auditors General. How much was spent on the guests and under which guidelines or procedures of protocol were these gifts given approval to be purchased? Who provided the necessary authority to purchase these gifts?

[12 noon]

Mr PEARSON: To address the questions in reverse order, I authorised expenditure on a gift. I must obtain the detail to be

specific. Essentially, the Australasian Council of Public Accounts Committees meeting was attended by representatives from a number of Canadian jurisdictions. An Australasian Council of Auditors General conference ran concurrently with ACPAC's; that is, it participated in the ACPAC conference, and then carried on its own meeting for a further two days. I will confirm the detail. Five Auditors General from Canada, the Auditor General of South Africa and a representative from the National Audit Office of the United Kingdom attended the meeting. Six or eight international delegates attended, and two bottles of Western Australian wine were provided as a gift to delegates.

Mr RIPPER: Was this arrangement for the gifts requested by the Western Australian Public Accounts and Expenditure Review Committee, which would have been the principal attendee at that conference from this State?

Mr PEARSON: No. I and my office were consulted in the planning of the conference, and we endeavoured to have complementary programs to maximise attendees' benefit. My recollection is that it emerged as an appropriate thing to do.

Mr RIPPER: Are you saying that that action emerged from discussions between your office and the Public Accounts and Expenditure Review Committee of this Parliament?

Mr PEARSON: Specifically, discussions were between the Chairman of the Public Accounts and Expenditure Review Committee and me, with some staff in attendance. The split, I recollect, was that my office picked up the component which related to the Auditors General, and the PAERC picked up the parliamentary component.

Mr RIPPER: Therefore, the Public Accounts and Expenditure Review Committee also provided gifts to foreign visitors.

Mr PEARSON: I know that I contributed to gifts for visiting Auditors General.

#### **Division 8: Salaries and Allowances Tribunal, \$271 000 -**

[Mr Barron-Sullivan, Chairman.]

[Mr Court, Treasurer.]

[Mr B.J. Moore, Executive Officer.]

Dr GALLOP: Page 1251 of the *Budget Statements* outlines that a major review of parliamentary remuneration will be completed this year. When will this occur, and what will be the breadth of the recommendations made?

Mr MOORE: I anticipate that the review will be completed around August of this year. Initially, it was hoped to be completed by June, but it was a larger task than the tribunal initially envisaged. The tribunal has interviewed in excess of 30 members of Parliament in the research stage, and we are now into the second stage. As members are aware, the review was conducted as a result of the parliamentary and judicial superannuation review recommendation that a remuneration package be determined for members of Parliament. The tribunal determined that the remuneration package review should include all other benefits provided by the tribunal to members of Parliament; that is, the electorate allowances, associated provisions and cash benefits.

Mr RIPPER: Did the review also include other entitlements provided through parliamentary authorities, and every entitlement which members of Parliament can receive?

Mr MOORE: In the course of interviews with members of Parliament, the tribunal became very aware, as stated in the past, that confusion is evident among members about their entitlements. Some entitlements are determined through the tribunal and some under the Salaries and Allowances Act by the Treasurer; some are provided by Parliament and some through the Ministry of the Premier and Cabinet. General confusion has arisen which may result, in the final assessment, in the review indicating that the tribunal should provide the wherewithal for the provision of all entitlements for members of Parliament.

Mr BRADSHAW: Is that proposal then put forward to the Treasurer, or whoever changes such things?

Mr MOORE: The tribunal has not reached that stage. The purpose of the review is to look at what would happen if the current parliamentary superannuation scheme were closed. It may be that the tribunal would issue a report which would have no effect until the next election. If so, the recommendations in the report would have plenty of time to be aired between the various parties to determine whether those actions should occur.

Mr BLOFFWITCH: Are you aware that under the complexity of the electorate allowance as it presently stands, if members do not spend all that allowance, they end up paying provisional tax on the unspent portion? It is a major hurdle to people. If one leaves oneself \$4 000 or \$5 000 short in expenditure of what one has received, as one has paid no tax on that amount, one is assessed as having extra earning. Therefore, extra tax is assessed. This is a major problem to members who are not aware that they must acquit all their funds by the end of the year.

Mr COURT: Members are given an electorate allowance for expenses. If it is not expended, it is taxable as income - that is, as salary.

Mr BLOFFWITCH: As tax is not paid on that amount, it goes into the provisional tax column.

Mr COURT: If it is not needed, just tell us and we will change the electorate allowance!

Mr BLOFFWITCH: I am not saying that it happened to me. I have heard complaints from other members about that problem.

**Division 9: Treasury, \$71 028 000 -**

[Mr Barron-Sullivan, Chairman.]

[Mr Court, Treasurer.]

[Mr J.L. Langoulant, Under Treasurer.]

[Ms A. Nolan, Assistant Under Treasurer.]

[Mr D. Imber, Acting Assistant Under Treasurer (Resources).]

[Mr G. Hay, Assistant Under Treasurer (Finance).]

[Mr A. Chuk, Director.]

[Mr G. Doyle, Acting Director, Fiscal Policy.]

Dr GALLOP: I refer to page 52 of the *Economic and Fiscal Overview*, which is part of Treasury's contribution to the budget. This deals with the Government of Western Australia's consolidated statement, and indicates that the operating surplus after normal and extraordinary items was \$171m. Will the Treasurer confirm that the accrual surplus of \$171m for 1999-2000 contains the net surpluses from all government agencies, including all of those outside the general government sector? Is it true that the Commonwealth Government's accrual bottom line, which is a \$5.4b surplus, reflects only the general government sector, not the total government sector like the Western Australian accounts? Why does Western Australia not provide a general government accrual accounting bottom line, as is done at the commonwealth level?

[12.10 pm]

Mr COURT: The accrual surplus covers all of the Public Service.

Dr GALLOP: Does it include those net surpluses?

Mr COURT: It covers the whole of the public sector, which is appropriate.

Dr GALLOP: Is it true that the Commonwealth Government accrual budget bottom line that everyone has been talking about of \$5.4b is in fact the general government sector and not the total public sector? If that is the case why does the Western Australian Government not provide a general government sector accrual accounting bottom line?

Mr COURT: The figure quoted by the Leader of the Opposition is correct, but the Commonwealth also publishes a total public sector figure.

Dr GALLOP: Why do we not produce a general government sector accrual accounting bottom line?

Mr COURT: We have gone from the system that was in place during the time of Labor Governments to a consolidated fund and then to an accrual system of accounting that covers all of government. I would have thought that would be appropriate. If the Leader of the Opposition wants to pick up on different sectors he can.

Dr GALLOP: It is not that I want to; it is done.

Mr COURT: We are talking about an across-government budget.

Dr GALLOP: I refer to the consolidated operating statement on page 52 of the *Economic and Fiscal Overview*. Could the Treasurer respond to the logic that if we wanted an approximate figure for the general government accrual bottom line similar to that which is done by the Commonwealth, we could add back to the consolidated fund deficit of \$337.7m the net surplus from the general government sector which is \$130m and conclude that Western Australia has a general government net deficit for accrual accounting purposes of about \$200m?

Mr COURT: No. Why does the Leader of the Opposition want only one component of government? We bring down a budget for all of government. Why does the Leader of the Opposition keep asking questions about the general government?

Dr GALLOP: There are two reasons: First, that is exactly what the Treasurer does in his own budget report in the chapter headed "Uniform Reporting of Public Sector Finances". The Treasurer has listed categories such as the total public sector, the general government sector, public trading enterprises, the total non-financial public sector, the public financial enterprises, and the total non-financial public sector outlays by government purpose. The Treasurer makes that differential in his own papers on a cash basis. The second reason is that on an accrual basis when we talk about these things it is nice to be able to compare like with like. That is what is good about the figures at the back of that document: We can compare them with other States and the Commonwealth. It would be nice to be able to compare the figure that everyone talks about at the commonwealth level with the Western Australian figure. The only reason the Treasurer does not want to talk about it is that the only way he can create a surplus in the way he defines the budget is to include the accrual definition of total public sector. All other methods show a deficit, including general government sector accrual accounting.

Mr COURT: No. The figures that the Leader of the Opposition refers to at the back of budget paper No 3 will be in accrual presentation form.

Dr GALLOP: That is good. Why did the Treasurer not do it this year?

Mr COURT: I will run through the history of this. Former Labor Governments used to -

Dr GALLOP: I am not interested in that, Treasurer. The world has moved on a lot from then. I like the way the budget is presented. I do not have a problem with that.

Mr COURT: Hooray! This is the first year the Leader of the Opposition has said that he likes the way the budget is presented. He has finally woken up to the fact that he is being presented with a completely transparent set of numbers

Mr RIPPER: It has been improved a bit.

Dr GALLOP: Life goes on. It is the way the Treasurer interprets the figures that bothers me.

Mr COURT: Former Labor Governments operated with two funds - the consolidated revenue fund for recurrent activities and a general loan and capital works fund for capital works.

Dr GALLOP: We know all this.

Mr COURT: The Leader of the Opposition should listen. Western Australia was the only State that persevered with that two-fund approach. Former Labor Governments would say they had a balanced budget. They would pull money out of one fund and put it in the other. They were using borrowed money.

Dr GALLOP: That sounds a bit like what the Treasurer is doing.

Mr COURT: Former Labor Governments borrowed money for things like voluntary severance schemes.

Dr GALLOP: That is exactly what the Treasurer is doing.

Mr COURT: My Government made a conscious step towards full accrual accounting for the total government sector. The Leader of the Opposition seems to be pretty excited about what Dr Mike Nahan had to say, so I will quote him. He states -

WA governments have a long history of putting a positive shine on their bottom line. During the 1980s, despite State debt more than doubling, Budgets were always "officially" balanced. The trick was that successive governments simply redefined borrowing as revenue, shifted expenditure on and off-Budget and adjusted the timing of expenditure to "balance the books". It was a process that would have made Alan Bond green with envy.

Since then the accounting standards and the information provided in Budget papers have greatly improved and reduced the scope of governments to "cook-the-books". To give credit where it is due, the Court Government has been at the forefront of this reform process. The first major set of accounting reforms came in the early 1990s with the adoption of a uniform national accounting system. This was a cash-based accounting system - as was the tradition in governments around the world - and included such things as forward estimates and separate accounts for the Budget and the public trading enterprises sectors.

This national accounting system has been the standard for all government, until this year when they are shifting over to an accrual-based system. To avoid confusion, governments - including the WA Government - continue to publish results following this old national standard.

The Leader of the Opposition wants to go back to the old standard.

Dr GALLOP: I do not.

Mr COURT: The Leader of the Opposition said that under all measures the Government has a deficit.

Dr GALLOP: I did not say that. I said that under total public sector accrual the Government has a surplus.

Mr COURT: If the Leader of the Opposition uses the measure that he was not prepared to support - the consolidated fund - we have a surplus. If he uses the measure of the total public sector, which would be the most appropriate measure, we have a surplus of \$171m.

Dr GALLOP: It is not the most appropriate measure and I will tell the Treasurer why. The distinction between the general government sector and the total public sector is this: The total public sector includes a lot of agencies that the Treasurer does not directly control. They are statutory authorities such as AlintaGas and all of the commercial trading enterprises.

Mr COURT: Is the Leader of the Opposition saying they are not owned by taxpayers?

Dr GALLOP: They are owned by the taxpayers but they were corporatised under the Treasurer's policies. The general government sector, which has a deficit on accrual accounting - that is on cash accounting - which has blown out under the last two years of this Government is under the Treasurer's control. That is why the Opposition makes the distinction. We have a deficit Treasurer. The deficit has blown out in the general government sector on accrual accounting; it has blown out in the general government sector under cash based accounting. The fact that the Treasurer will not acknowledge that indicates the Treasurer is not willing to tell the truth to the people. I will quote from -

The CHAIRMAN: This is not a forum for debate but for questions and answers. Can the Leader of the Opposition at least frame the quote as a question.

Dr GALLOP: Is it the case that the general government sector considered on an accrual accounting basis will have a deficit in 1999-2000?

Mr COURT: The measure we have published and used is for the total public sector.



Dr GALLOP: I know that.

Mr COURT: Would BHP say that it will not count its iron ore business this year? The general government sector includes Main Roads and parts of Homeswest. Why would it not be more appropriate to bring down a budget to include all of government. The Leader of the Opposition wants to go back to the old days where the Government had a limited set of accounts in which there was no transparency. We get it all now - superannuation entitlements, leave entitlements, and debt levels in all of the different agencies. The Government must explain where the funding comes from for all of the different agencies. Now the Leader of the Opposition is trying to be smart and say, "Let's include Main Roads and a bit of Homeswest but we will not include Western Power and other trading enterprises." What a stupid approach.

[12.20 pm]

Dr GALLOP: It is not a stupid approach. We are doing that, firstly, for comparative purposes - to compare the Government's record of management with that of others - and, secondly and importantly, because there is a logic to it. The general government sector is distinguished for reasons that have some validity in the way government is assessed. I refer to a recent report by the Parliamentary Library of the Commonwealth of Australia, which compares different States. It looks at the whole question of the underlying general government balances. It can compare the States. It shows that in 1997-98 the underlying general government budget balance deficit per head of population was significantly greater in Western Australia than in all the other states. That trend got worse last year and will be worse in 1999-2000. Will the Premier admit that under the general government sector accrual accounting basis, there is a deficit? Perhaps the Under Treasurer can be asked to answer that question.

Mr COURT: The Leader of the Opposition thinks it is clever to pick out a certain sector. When in government, those opposite were quite prepared to tell us nothing, to keep us in the dark. Now that we are telling everybody everything across government, those opposite are saying that they do not want all of that, that they want to come back to the particular sector.

Dr GALLOP: We do want all of it.

Mr RIPPER: We want the piece of information that has been left out.

Mr COURT: The general government sector runs recurrent surpluses.

Dr GALLOP: What about the total general government sector?

Mr COURT: It does not matter what measure is used, the general government sector runs a recurrent surplus. It takes in Main Roads Western Australia and some parts of Homeswest and, therefore, has record levels of capital works. It boils down to this: Those opposite do not know the difference between capital works programs and recurrent expenditure. They do not know that simple difference.

Mr RIPPER: The Treasurer should get a better argument than that.

Mr COURT: Of the past 30 years, only about five years would have had a surplus of the kind those opposite refer to, and three of those have been in this term of government. We have never used those comparisons. Until recently we used the consolidated fund, which those opposite did not have. They did not bother to bring recurrent expenditure and capital works programs together. We have gone to accrual accounting and are talking about all-of-government expenditure. Suddenly those opposite say the Government might own something, but that it should not be included in the figures. They cannot have it both ways.

Dr GALLOP: I refer to chapter 6 on page 224 of the *Economic and Fiscal Overview* entitled "Uniform Reporting of Public Sector Finances". It is cash-based accounting, but can be used to compare Western Australia with the other states. For the total sector, table 1 on page 225, can the Treasurer confirm that there is a total deficit of \$665m shown for 1999-2000? In the general government sector, table 2 on page 226, is there a budget estimate deficit of \$638m for the 1999-2000 year?

Mr COURT: The Leader of the Opposition is quoting from the budget figures.

Dr GALLOP: Is there a deficit?

Mr COURT: We can have two comparisons. We have used a consolidated fund figure. In government, those opposite were not prepared to do that. They had a separate revenue figure and a separate capital works figure and were not prepared to put them into a consolidated fund. We have led this country by developing the accounts with the full accrual presentation, and those opposite cannot accept that we run a surplus across government.

Dr GALLOP: Can the Treasurer provide, by supplementary information, a list of the net surplus or deficit, outside the consolidated fund, of every agency; in other words, the contributions of all agencies to the net surplus on the consolidated accrual basis?

Mr COURT: Is that a break-up -

Dr GALLOP: I am seeking a list of the net surplus or deficit of every agency outside the consolidated fund.

Mr COURT: Those opposite already have it, but we will provide it.

Mr PENDAL: From page 1465 onwards a number of references are made to improving the financial accountability measures. I will quickly give some background and then ask a question: The Financial Accountability Bill, a private member's Bill, was introduced to this place in September 1997, and was defeated by the Government on 27 November in

that year. At the time, one reason given privately for that defeat was that the Government would bring about its own financial accountability Bill. The Government Financial Responsibility Bill was introduced to the Legislative Council in mid-October of last year. The problem is that in almost eight months that Bill has not advanced. I have received some information that the Government will not proceed with that Bill. Can the Treasurer confirm that?

Mr COURT: That Bill is being proceeded with. I cannot comment on what is happening in the other place, except to say that we do not know what happens in the Legislative Council!

Mr PENDAL: I am pleased to get confirmation that the Government has not abandoned that Bill. I assume the Treasurer is aware that Bill contains a provision for a midyear financial projection on 15 February in every year. Given that 15 February 2000 will probably be the last one prior to the next State election, can the Treasurer give any assurances that that legislation will be in place before 15 February next?

Mr COURT: It does not matter what is in the legislation; we must do that anyway under the national uniform reporting standard with which we are complying. That midyear review information must come out, and in a format that is requested.

Mr PENDAL: I thank the Treasurer for that answer. Another crucial provision is that in the pre-election period the Under Treasurer has certain obligations in costing the election promises of both the Government and the Opposition, if a request is made by the Leader of the Opposition. Given that the Treasurer has said that it does not matter what is in the legislation regarding the midyear financial projections, it does matter in the pre-election period. Will the Treasurer give the assurance that that Bill will be passed through all stages and given royal assent before the next State election?

Mr COURT: That Bill does not have the second provision in it. Opposition amendments have been put forward, which are seeking that the Opposition's promises be costed in that way. That amendment has been proposed by the Opposition. At the last election Treasury put out the state of the accounts when the election was called. That is similar to a midyear provision. With the budgets these days, because we have the forward systems, we are talking about a four-year picture. The Treasury would have to report on the state of the accounts. When parties want to make commitments, they must either explain what areas they will pull out of or how they will fund those commitments.

Mr PENDAL: The provision exists for the Opposition, without the Opposition's amendments. Clause 16(1) refers to the Government's commitment and states -

The Treasurer may request the Under Treasurer to prepare costings of policies that have been publicly announced by the Government in a pre-election period.

In the Government's Bill - this is not an Opposition amendment - part 2 states -

The leader of the party in opposition that was represented in the Legislative Assembly when the Legislative Assembly was dissolved or expired may ask the Treasurer for a costing of the policy . . .

Mr COURT: The amendment seeks that the Treasurer be bypassed.

Mr PENDAL: As a final question, is the Treasurer giving a commitment that the Bill will be in operation prior to the next election?

[12.30 pm]

Mr COURT: We want the legislation to go through. We have introduced it. I cannot give you any commitments on what happens with legislation in the Legislative Council.

Mr BRADSHAW: Since 1993, what negative effect have federal grants had per capita on Western Australia?

Mr COURT: We produce a graph that displays the grants that have been going to the States, and Western Australia's share of the grants. The way the Grants Commission formula works, the more successful the Western Australian economy has been, particularly with royalty collections and the like, the lesser the share we receive. We have had two arguments, one of which has been about the size of the cake, which is an issue that is very much tied up with the current tax reform proposals before the Federal Parliament. We have said to the Federal Government that we want access to major growth revenue. We have said that our preferred position is to get access to a share of income tax and a share of a consumption tax. After the rulings of the High Court affecting liquor, alcohol, fuel etc, the States have basically now been ruled out of collecting consumption taxes. One of the attractions of the proposal currently being debated is that the States would be locked in to receiving all of the revenues from this growth tax. That is the reason that the Labor States were so quick to sign up on the intergovernmental agreement, particularly Queensland, because it will be a major beneficiary from it. Because Queensland does not collect financial institutions duty and fuel taxes, it will be receiving a share as if it were already using those taxes. The Queensland Government woke up to it in about four seconds that it would receive a major revenue bonanza, and it should, because it has not imposed those taxes. It can use that increased revenue to cut some of its existing taxes; for example, it could cut payroll taxes or increase its expenditures. We cannot have it both ways. We cannot say we want access to growth revenues. We want the cake to get bigger, and the Labor Party wants to sabotage those proposals. You do not want to support a tax reform package that -

Dr GALLOP: It is a commonwealth tax.

Mr COURT: All of the revenues go to the States.

Dr GALLOP: That is what they said in 1900.

Mr COURT: The Labor States signed the agreement.

Dr GALLOP: They did not have much choice.

Mr COURT: Of course they did. They did not have to sign the agreement. I said they could not sign it quickly enough. It was not as if a long debate took place about it. The total grants - that is, both the general and specific purpose grants - in 1999-2000 are expected to be 11.4 per cent lower in real per capita terms than they were in 1993-94. By contrast, grants to all States are expected to be virtually unchanged in real per capita terms. If Western Australia's total grants had been maintained in real per capita terms since 1993-94, we would have received an extra \$370m in 1999-2000. That is basically the situation. The other issue that we have been trying to argue is that the formula being used does not properly take into account some of the capital works requirements that we have in a growing State as large as Western Australia. We do not believe that is properly taken into account. We have been fighting to achieve some modifications to the formulas on those lines.

Mr RIPPER: I return to the Premier's evasion of the Leader of the Opposition's questions on the general government accrual bottom line position. Does the Premier think it is a good idea that Peter Costello has produced a general government accrual figure of a \$5.4b surplus, or does he think that the federal Treasurer is misleading the public by producing that figure? If he does think that it is a good idea that Peter Costello has produced that figure and it is a credible figure, why will he not provide the same figure in the state budget for comparative purposes?

Mr COURT: The Federal Government is about two years behind us in how its accounts are presented. We produced this format last year and we were lauded for being the first Government for having all of that information available and for having an operating surplus available across government.

Mr RIPPER: Are you saying that Peter Costello's figure is misleading? Are you critical of Peter Costello's figures?

Mr COURT: No, I am saying that we have now done it for the second year, and I have no doubt that in a couple of years' time the federal accounts will be presented in the same way.

Mr RIPPER: Why is it a good thing for Peter Costello and a bad thing for the State Government?

Mr COURT: I am telling you what we have done. I do not care what the Federal Government has done. We have led the reform in the presentation of accounts and because of that you have something to talk about.

Dr Gallop interjected.

The CHAIRMAN: Order!

Mr COURT: Mr Chairman, is that a question, because if it is I will give an answer to it? We have seen debt under a Labor Government triple.

Dr GALLOP: You just flogged off assets. Anyone can do that; I could do that tomorrow.

Mr COURT: The Labor Government had to borrow from consolidated funds every year for its capital works program.

Dr GALLOP: What are you doing this year?

Mr COURT: We have progressed seven years without borrowing, except for the first year.

Dr GALLOP: You borrowed last year.

Mr COURT: No, we did not; not from the consolidated fund. Every year, the Labor Government could not even fund its capital works program from the consolidated fund.

Dr GALLOP: Your great financial ring is that you flog off everything and say what a great thing it is; now you lurch into debt after you have flogged it all off; that is a great record. Just as we are going into a downturn, you are launching into a massive deficit program. That is brilliant government management!

*Point of Order*

Mr BRADSHAW: Mr Chairman, I think you should learn to keep some of these people under control.

The CHAIRMAN (Mr Barron-Sullivan): The committee is running fairly smoothly. I keep a very close record of the number of questions that are asked by government and opposition members and independents. I assure the member that things are flowing very smoothly.

*Debate Resumed*

Mr JOHNSON: What processes are in place to manage the State's superannuation liability?

Mr COURT: I have mentioned two areas: Superannuation liability and leave liability, all of which now show up in the budget papers. We made a commitment last year that, firstly, we would fund all of the superannuation surcharge and, secondly, that we would start working back on the other scheme. The Government now fully funds the West State super scheme, which is the only government-operated scheme open to its employees. Fully funding for all the departments is estimated to cost \$127.5m in 1999-2000. This will increase each year as salaries rise and the superannuation guarantee charge increases. The Government also meets the emerging liability of pensions under the old pensions scheme, which closed in 1987, and the Gold State Superannuation scheme, which is also now closed to new members. The consolidated

statement of financial position indicates that the liability is about \$4.5m. This is a significant amount in anyone's language and it needs to be properly managed. The Government's funding policy will see the West State super scheme liability eliminated in about nine years and the Gold State liability and the pension liability will be eliminated in about 30 years. The reason that the two members are currently quietly talking to themselves is that they were not prepared to take on the responsibility of funding those superannuation liabilities. We are now prepared to face up to that responsibility in our budgets and that is a major achievement.

[12.40 pm]

Mr BRADSHAW: The Treasurer's loan liabilities are shown in the budget papers as \$1.2b in 1999-2000 and are decreasing. What is the reason for that decrease?

Mr COURT: The Government has been able to make a schedule of repayments and accelerated repayments, which comes about with good financial management not the other way around. Over a number of years the Government has had this schedule for repayments. Basically, it has also used the proceeds of asset sales, to which the Leader of the Opposition referred. It has used the proceeds to reduce the debt figures. When this Government came to office, it was told that it needed to quickly go overseas to brief the banks. I asked why and was told that WA was borrowing more and more money and issuing more and more paper. The first round overseas involved visiting banks, getting them all on side, and saying what a terrific job the Government was doing, in order to borrow more money. We had to go to Japan, Europe and the United States, and they provided terrific lunches and the whole show. Now, when we travel overseas none of the banks wants to talk to us because we are not borrowing more money but are repaying it. Therefore, we miss out on the free lunches. That is the big difference between the two Governments, this Government has been repaying debt and not asking for more loans.

Dr GALLOP: At page 226 of the *Economic and Fiscal Overview* the table on the general government sector indicates that net debt will increase in 1999-2000 by \$509m, while at the same time capital outlays will increase by only \$156.9m. What has caused the increase in net debt for the general government sector when total capital outlays have not increased by as much? Why did net debt increase from \$400m in 1997-98 to \$449m in 1998-99?

Mr COURT: There are three reasons for that. The Government has put the increased funds into the Health and Education areas.

Dr GALLOP: Recurrent?

Mr COURT: Yes. It has reduced the current surplus and at the same time has put capital works up to very high levels. When all those things are done, that is the net result. The Leader of the Opposition must understand that the borrowings taking place are against assets that will help earn revenue for the State.

Dr GALLOP: If capital outlays have increased by only \$156m and net debt has increased by \$509m, where has the net debt gone?

Mr COURT: What do you mean?

Dr GALLOP: Is it going into current outlays?

Mr COURT: The net debt figures have declined by \$3b.

Dr GALLOP: I am talking about the general government sector and the table at page 226.

Mr COURT: That is net debt.

Dr GALLOP: The figure is increasing. It was \$400m in 1997-98, \$449m in 1998-99 and is estimated to be \$958.3m in 1999-2000.

Mr COURT: We have explained in the budget that it will go up this year.

Dr GALLOP: It will increase in 2000-01 to \$1 153m and slightly down in 2001-02.

Mr COURT: In relation to the debt, all that money applies to capital.

Dr GALLOP: The rate of increase in net debt is faster than the rate of increase in capital outlays.

Mr COURT: No.

Dr GALLOP: Yes it is.

Mr COURT: People follow two measures. The debt figures projected for four years can be seen as a share of the gross state product and over that period it will continue to decline, bearing in mind that it was more than 20 per cent when this Government came to office. It is now down to about 8.5 per cent. The net interest cost, as a share of the own-source revenues, declines over the four years. That is not a bad achievement when, under the Labor Government those measures kept rising. Debt is down to that level and the net debt increases are associated with increases in capital works.

Dr GALLOP: They are not. Net debt has increased by \$509m in 1999-2000, but capital outlays have increased by only \$156m. I am sorry but the rate of increase in net debt is faster than the rate of increase in capital outlays in the general government sector.

Mr COURT: We are funding capital from either debt or recurrent surplus.

Dr GALLOP: So the Government is taking it from recurrent funds?

Mr COURT: We are talking about across government.

Dr GALLOP: The recurrent sector is being funded partly by the debt.

Mr COURT: I have said that all the capital works finance in the consolidated fund is borrowed from surpluses, and there are no borrowings. Does the Leader of the Opposition understand that?

Dr GALLOP: I have asked a simple question which the Treasurer will not answer.

Mr COURT: I have given a simple answer. Across the rest of government for five years this Government has been able to fund a large part of the capital works program from recurrent surpluses and not from debt. The longer the Leader of the Opposition stays on this subject, the more opportunity he gives me to explain that his Government could not even fund the consolidated fund component.

Dr GALLOP: Why did net debt increase by \$49m this year?

Mr COURT: I have explained that.

Dr GALLOP: It went from \$400m in 1997-98 to \$449m in 1998-99.

Mr COURT: I have explained that.

Dr GALLOP: The Treasurer has not explained it.

Mr BRADSHAW: There has been much discussion about net debt increasing in this budget, and I would like to know how the current net debt compares with that in recent years.

Mr COURT: I have mentioned the shift taken on two measures which are important; that is, the net debt as a share of GSP and interest cost as a share of the own-source revenues. They will both decline over four years. The net debt figure peaked in 1992-93 at 20.6 per cent of GSP. That figure is now down to 8 per cent. It will go up slightly as a percentage this year and then will continue to decline. In the fourth year it will be 6.5 per cent. It will reduce from 20 per cent to 6.5 per cent in 2003. It may be possible in the years ahead to get rid of all government debt. Peter Costello is saying that with the sale of Telstra, government debt could be eliminated. It is not a bad way to start the next millennium for the country to be debt-free. This Government takes the position that debt figures between 8 and 9 per cent of GSP are respectable and, if we can keep tight control on recurrent expenditure, we are prepared to use some of the proceeds of asset sales to fund other essential capital works. When an asset is sold the debt associated with the asset must be eliminated. If surplus funds exist thereafter, as in our case, there is flexibility. That is why we put up the proposal in relation to the railway line south.

[12.50 pm]

Mr JOHNSON: Is it true that the uniform reporting of public sector finances will be presented on an accrual basis in future years?

Mr COURT: Last year we used this format and we are ahead of the other States. Queensland is deferring its budget until about October. It is returning to an old time slot because it is having trouble preparing it under this new format. The uniform reporting of state finances resulted from an agreement between all the States, the Territories and the Commonwealth Government to report our finances in accordance with the Australian Bureau of Statistics measures. Those measures, referred to as the government financial statistics, are reported in volume 3 of the *Budget Statements*. They are based on cash measures of financial transactions and they record capital investments as expenditures in the year that they occur. That is done on a cash format basis. From 1999-2000 these measures will be moved to an accrual basis and that is the basis on which we are reporting.

One of the biggest problems for us is that we must identify our assets under an accrual basis. When we came to office we were given a commitment that there was a full register of all the Government's property assets. It was referred to as an achievement of the Labor Government. However, it did not exist. We started off with a crude measure and worked between the Department of Land Administration and the Valuer General. We have gradually upgraded the assets register so now we are comfortable in the knowledge that we have an accurate list of all the assets. We must also assess what are reasonable depreciation provisions for those assets. It gets down to what is the value of Parliament House, for example. This process is much more time consuming but allows the real picture to come through.

Our net asset value is approximately \$36b and increasing. The Federal Government has a negative net asset of approximately \$60b because of the blowout in debt figures during the 12 years of the Labor Government.

Mr RIPPER: Who owns the land? We own it.

Dr GALLOP: I refer to the risk statement at page 95 of the *Economic and Fiscal Overview*. I also refer to the risk statement in the Federal Government Budget Paper No 1, which, among other things, refers to native title cost sharing. It reads -

The Commonwealth has previously offered to assist States and Territories (hereafter States) in meeting compensation costs associated with their validation of past acts under legislation complementary to the *Native Title Act 1993*. Following the High Court's *Wik* decision, the Commonwealth's offer has been extended to cover intermediate period acts and certain specified future acts.

The Commonwealth has offered to assist, but it does not say whether it has offered to assist by 100 per cent. That being the

case, why is there no mention of this in the state risk statement? Is the Treasurer saying that there is no risk to state money in respect of the validation of past acts or is he saying that all the moneys will be met from the Commonwealth and therefore there is no risk?

Mr COURT: I did not think the Leader of the Opposition would be silly enough to ask that question.

Dr GALLOP: Why is it a silly question?

Mr COURT: Of course risks are involved.

Dr GALLOP: Why is it not in the *Budget Statements*?

Mr COURT: As a result of the arrangements negotiated with the Federal Government on compensation, we have eliminated a large part of the risk that was on our books. The Keating Government was not prepared to provide the compensation that we have been able to negotiate. We are now able to take out a large part of the risk by the Commonwealth Government's being prepared to provide that compensation.

Mr RIPPER: We took out some of the risk by not extinguishing native title.

Mr COURT: The second dot point at page 95 of the *Economic and Fiscal Overview* refers to changes in government policies. One of the significant changes was the commitment by the Federal Government to meet a significant part of that compensation

Dr GALLOP: The Commonwealth is not meeting 100 per cent of the compensation, is it?

Mr COURT: No. Previously we were meeting 100 per cent of the compensation. Now in some cases the Commonwealth will pay the compensation and in other cases we have a sharing arrangement.

Dr GALLOP: The Treasurer should get his *Budget Statements* up to scratch by including that element.

Mr BRADSHAW: When did Western Australia first receive a diminished cut of federal government grants?

Mr COURT: Our relative per capita share of the overall grants peaked in 1949-50. Although lower, the funding share remained fairly stable until 1965-66. Since then it has fairly consistently declined, which has been made worse by a decline in the size of the overall "cake", as I mentioned, demonstrated by the share of commonwealth taxes received by the States.

Dr GALLOP: The rot set in with the Menzies Government by the sound of it.

Mr COURT: I do not have the figures on the size of the cake. However, the graph shows that when the Labor Government took office, the Commonwealth Government's own purpose outlays went through the roof, the cake diminished and our share of the cake dropped.

Dr GALLOP: The growth forecast at page 20 of the *Economic and Fiscal Overview* is 4.5 per cent. What would be the impact on state government revenue if the economic growth were not achieved in 1999-2000? What would be the impact on payroll tax if the employment growth rate of 2 per cent were not achieved in 1999-2000?

Mr COURT: Our revenues are not sensitive to the overall growth figure because these days our funding base is very narrow.

Dr GALLOP: What do you mean by "not sensitive"?

Mr COURT: Our revenues are sensitive to employment growth and wages growth. That is because payroll tax is one of the last revenue sources left to us.

Mr RIPPER: Are not employment and wages growth related to overall economic growth?

Mr COURT: The Leader of the Opposition asked about revenue growth and I said that it was not sensitive to the overall growth figure because we are not locked into growth taxes such as company and income tax. However, we are sensitive to payroll tax and to commodity prices. I think the Leader of the Opposition is asking what would be the effect on revenue if our growth forecasts were not met. The growth forecast would have little effect but employment growth, wages movements and commodity prices would have an effect. That is why the \$100m for oil and gas royalties is shown.

*Sitting suspended from 1.00 to 2.00 pm*

Dr GALLOP: I previously asked the Treasurer a question about net debt. I have a supplementary question: Could Treasury provide a table showing changes in gross debt and assets for the period 1997-98 to 2002-2003 similar to what is produced in the analytical information supporting the Treasury statements document?

Mr COURT: Yes, we can do that. We can go back further, if the Leader of the Opposition would like that information.

Dr GALLOP: Yes, I am happy to get the figures. Why have interest payments decreased in 1999-2000 even though net debt has doubled from \$449m in 1998-99 to \$958m in 1999-2000?

Mr COURT: The main reason is that if there is an increase in debt, from a timing point of view there is a lag effect on the interest payments. The interest payments come through basically in the following year. Debt does not go up straight away. It depends on the final figures. However, the impact is felt in the following year.

Dr GALLOP: I return to the question of the goods and services tax package. Page 1470 of the *Budget Statements* refers to the intergovernmental agreement between the Commonwealth and the States. Is that intergovernmental agreement dead

if a compromise is reached between the Australian Democrats and the coalition on the question of the goods and services tax? If the Democrats and the Government reach some sort of compromise agreement, which state taxes are most likely to be kept by the State and which are most likely to be abolished?

Mr COURT: First, I have no idea what agreement, if any, will come out of the negotiations. I have had discussions with the federal Treasurer, Peter Costello, and he has made it clear that there would need to be a renegotiation with the States if there were significant changes to the original proposals. One of the fundamentals of the intergovernmental agreement was that the base could not be changed unless there was the agreement of the States and the Federal Government. These negotiations, of course, are changing the base upon which the intergovernmental agreement was signed. Therefore, all the Premiers and the Territories would have to get together again to renegotiate an agreement.

Dr GALLOP: I suppose that proves the point we are making: It really is a commonwealth tax, and if the Western Australian Government agrees to a commonwealth tax -

Mr COURT: No, it does not prove any point the Opposition is making. The Government does not have any difficulty at all with that sort of negotiation. If I am called to go to Canberra tomorrow for a meeting, I will go there tomorrow for a meeting. This is a significant point. The Leader of the Opposition asked what state taxes would not be abolished if a compromise agreement were reached. It is a hypothetical question. As I said, I have no idea what the outcome of the negotiations will be. If there are changes that affect the States' long-term ability to get access to a meaningful growth tax, I suggest there will not be any support from the States and Territories, and the Federal Government is cognisant of that.

Dr GALLOP: What is the Western Australian Government's bottom line on these negotiations?

Mr COURT: I cannot comment on the negotiations. I have no idea what the outcome might be.

Dr GALLOP: In other words, the Treasurer is not saying he will agree to any outcome.

Mr COURT: No, of course I am not, until I see an outcome. I will then ascertain how it affects the State and make a judgment accordingly. One does not have a crystal ball in these matters. This is a serious issue. What worries me is that I do not think the Democrats have a strong interest in the position of commonwealth-state financial arrangements. However, we do, and we see this as an opportunity to move away from the centralisation of power. Our Constitution does not allow us to collect those taxes. However, all States and Territories, a mix of coalition and Labor Governments, have signed an agreement whereby we will get access to all those revenues - a major growth revenue source. Therefore, the Leader of the Opposition should not come crying a few years down the track saying that we need to get access to a growth revenue or whatever, because we have been given that opportunity and the Labor Party has done everything in its power to sabotage these attempts to get a tax reform package in place which for the first time incorporates the opportunity for the State to get access to a growth revenue.

I add a further comment on the GST because I do not think the Opposition has fully thought this exercise through. There are substantial economic benefits from the reduction in costs for our exporters. Western Australia is a great exporting State. It is far more export oriented than the other States, contributing more than 25 per cent of the nation's export income. The agricultural and mining sectors are the big gainers, and the mining sector alone in this State comprises around 17 per cent of our economy. What benefits those industries tends to flow through the State. We will also be the beneficiaries of income tax cuts and the abolition of a range of narrowly based state taxes.

With respect to income taxes, last week the Labor Party saw itself being left right out of the tax debate because it decided to take a negative position. In the federal election campaign, the Labor Party came up with some ludicrous capital gains tax proposals and taxes on four-wheel drive vehicles, etc. Last week the Labor Party finally tried to get back into the debate. What was its contribution? Basically, it wants to give income tax cuts out of the surplus that the coalition Government has been able to generate. The coalition Government has been tough, it has controlled expenditure, it has significant surpluses coming through, and now the Labor Party comes in and says that it will use those surpluses to give income tax cuts.

Mr RIPPER: The Federal Government has allowed bracket creep.

Mr COURT: I will talk about bracket creep. In the last election, the Labor Party was running around crying for all the low-income families and saying that its tax package was helping those low-income families earning around \$25 000 to \$30 000 a year. Interestingly, last week Simon Crean brought out his new tax cuts, and low-income families have now gone up to \$80 000 a year. Someone has whispered in his ear saying that perhaps in New South Wales the Labor Party got the tax package wrong and perhaps people need income tax relief. Talk about bracket creep! The Labor Party has now gone from \$30 000 to income tax cuts for people on \$80 000. Quite frankly, the Labor Party does not know where it is on this whole taxation question. In a matter of months it has had a complete change, a complete turnaround. The best contribution the Labor Party can make is to provide income tax cuts out of surpluses generated by the coalition Government. When it comes to giving the States access to a growth revenue, the Labor Party is saying that it does not want to know about it.

[2.10 pm]

Dr GALLOP: Page 1470 of the *Budget Statements* states that one of the major achievements for 1998-99 is to provide advice on the impact of the Commonwealth Government's tax reform package on Western Australia's finances and on state government agencies. The Government put out a document entitled "Commonwealth Government's Tax Reform Package - Implications for Government Finances". Was another document prepared on government agencies; and, if so, why was that other document not produced?

Mr COURT: That was the only document that was prepared and put out.

Dr GALLOP: Did the Premier's Office have any involvement in developing the Treasury's GST analysis that was made public? How many drafts of that analysis were sent to the Premier's Office? Which areas of Treasury were involved in developing that analysis?

Mr LANGOULANT: The analysis which was published was the Treasury analysis. It was prepared across several areas of the department, primarily in the commonwealth-state area and in our revenue forecasting group.

Dr GALLOP: Why does that Treasury analysis not mention the implications of the Commonwealth's tax package on vertical fiscal imbalance, when that issue has been raised consistently in other government publications?

Mr COURT: Our preferred tax reform package, which was submitted and made public, was that we wanted the States to gain access to a component of income tax, as well as to a component of a consumption tax. However, that was not to be. The problem with the States gaining access to some of the consumption tax is that under the Constitution and the High Court rulings, the States cannot levy a GST. The Federal Government has said that it will give all of the revenue from a GST to the States. The Leader of the Opposition can argue as much as he likes about definitions, but we have treated that as state revenue, and the Commonwealth in its papers treats it as state revenue. The Leader of the Opposition can argue that, in its purest form, it is commonwealth revenue, but because all of the moneys will come to the States, and because constitutionally we do not have the power to raise it -

Dr GALLOP: It is a commonwealth tax, in other words.

Mr COURT: The Leader of the Opposition can argue what he likes -

Dr GALLOP: You have given up a large component of the revenue base of the State in exchange for what is a commonwealth tax, and your own Treasury documents on the history of federalism point to the dangers that are involved in that strategy, yet your Treasury analysis does not mention it.

Mr COURT: We give up a range of inefficient taxes, we give up no growth in financial assistance grants, and we lock into a growth revenue whereby all of the revenue comes to the States -

Dr GALLOP: You have not locked in. It is a commonwealth tax. It can change very easily.

Mr COURT: If that is the level of your analysis -

Dr GALLOP: It is not the level of my analysis. It is the level of your Treasury's analysis of vertical fiscal imbalance in federalism, as published in a very good document put out only 18 months ago.

Mr COURT: If the Federal Government did not have a GST and the States had the power under the Constitution to collect a GST, how would you treat it?

Dr GALLOP: We are against a GST. It is fairly clear where we are coming from.

Mr COURT: I did not ask whether you are for or against it.

Dr GALLOP: We are against the GST principle.

Mr COURT: Okay. I will ask the question another way. If the States collected consumption taxes on fuel, liquor, tobacco, etc, and the Federal Government did not, how would you treat that?

Dr GALLOP: I cannot see the point of the question.

Mr COURT: The point of the question is it does not matter who is raising it. If all the money comes to the State, it is state revenue.

Dr GALLOP: The very document that you used to defend your submission to the Commonwealth had a section on vertical fiscal imbalance that pointed out that you cannot rely on the Commonwealth on a long-term basis to give back that revenue if it is a commonwealth tax. That is why you need to ensure that the potential to raise revenue exists at the state level. That is what your package sacrifices, and that is what this Treasury analysis does not even mention.

Mr COURT: The Leader of the Opposition will look back on this year with some regret when it comes to the question of commonwealth-state financial arrangements, because it is not very often in the history of a federation that this sort of deal is available.

Dr GALLOP: What sort of deal? In 2006 we may get a benefit! That is two elections away! At this crucial time in our State's history, when we are facing one of the biggest global challenges ever, you have sacrificed our revenue base.

Mr COURT: The way things are going, you will probably get your way. We will end up with an inefficient tax system, and the consumption taxes on fuel, alcohol, tobacco, etc, will all be collected by the Federal Government and will all be locked into an arrangement whereby bits and pieces will come back to the States. Your argument is about as meaningful as criticising us for spending \$5.5m on a belltower, when in government you spent \$20m on building an Underwater World in Singapore! I place much greater priority on building an attraction in Perth than I do on spending money in Singapore, but that is where you put your priorities. You have forgotten those matters.

Dr GALLOP: The Treasurer does not deal with any issues of substance. He does not deal with the questions that we ask about the deficit. All he does is play politics.

Mr COURT: The commonwealth-state financial arrangements are matters of substance.



Dr GALLOP: You have descended to that level. You are no longer capable of conducting an argument.

The CHAIRMAN: Order! This is not a forum for debate. It is a forum for questions and answers.

Dr GALLOP: How did the Treasury analysis calculate the level of business conveyances? Why did Treasury assume that only 20 per cent of all conveyance duty related to business?

Mr COURT: I am advised that Treasury made an estimate of 20 per cent of the total collections, and it has since revised that estimate.

Dr GALLOP: Has it been revised upwards or downwards?

Mr COURT: Upwards.

Dr GALLOP: The Labor Party was closer than was Treasury in its original analysis.

Mr COURT: I am advised that no information source is available, so it is an estimate.

Dr GALLOP: Of course. Why did the Treasury analysis claim that stamp duty revenue, which is in the future projections for the next 12 years, will not increase, when other Treasury budget papers show an increase?

Mr LANGOULANT: The analysis that was done on stamp duty reflected the trends as we read them at the time that analysis was done. Since we have completed that analysis, there have been some revisions; your previous question dealt with that matter. The critical point about the analysis is that while some of the estimates have increased and some have declined, the net outcome from the state position - and this was the critical point in what the analysis was seeking to identify - is broadly unchanged.

Dr GALLOP: Is it realistic to assume that stamp duty will not increase over 12 years?

Mr LANGOULANT: Some of the stamp duties are going backwards in nominal terms. Some of the revenues which are in that analysis are declining. We thought, given the uncertainties about a few of those figures, particularly when making an analysis over a period of time, that the forecasting assumptions that sat behind them were reasonable.

[2.20 pm]

Dr GALLOP: I just asked you the question. Given that you are claiming in this analysis that in 2005 we will get a benefit, is the whole analysis a little shaky, because 2005 is a long way away in terms of predictions?

Mr COURT: You are right. There is also the possibility on the revenue side that the projections on the goods and services tax may be conservative. We must look at both sides of the argument. I would prefer to take a punt on access to that growth revenue.

Mr TRENORDEN: I would like to be positive and congratulate the Premier, but more particularly the people sitting around him, on the presentation of this year's papers over last year's papers. The alterations and presentation and consultation with members have improved the papers. From listening to the questions that have been asked and the way that we are moving through the papers, I can see members are better able to move over the documents. That is a credit to the Treasury people who put it out after a difficult and concentrated effort for 12 months.

Dr GALLOP: I also refer to the Treasury summary and assessment of the package of the Australian Labor Party which came out. I note that it was not mentioned in the budget papers, but it did occur, so we can talk about it. On whose request was such an analysis made? Which areas of Treasury were involved in preparing the analysis? Why was it not mentioned as a major achievement in the budget papers?

Mr COURT: I requested that information. The same areas were involved. It was not seen as a major achievement.

Dr GALLOP: We might agree with that assessment because that document argues that the ALP package contained no particular benefits for Western Australia. I would have thought that any analysis at least would have looked at the research and development concessions of 150 per cent and the new tax deductions on investment expenditure as having some benefit to the economy of Western Australia. I take it then that, from your point of view, the ALP assessment did not add up to very much. It was not mentioned in the budget papers. Who produced it? Was it the same people from Treasury who produced the other one?

Mr COURT: Yes.

Dr GALLOP: Was the Premier's office in any way involved in it?

Mr COURT: No. I read it.

Dr GALLOP: Page 98 of the *Economic and Fiscal Overview* states that, even under the Howard Government's proposed GST package, there is still potential for specific purpose payments to be eroded over time. Does the Premier endorse that view?

Mr COURT: Yes. That is one of the points we have made on all occasions when discussing the package. That is why we sought assurances that the SPPs would not be used as a balancing mechanism.

Dr GALLOP: Obviously the assurance does not add up to much.

Mr COURT: If you want to go back to assurances from Federal Governments, putting it bluntly, we had an appalling performance when the Labor Party was in Government. We have now seen a reversal of that situation.

Dr GALLOP: Not according to the Treasury papers.

Mr COURT: Things have plateaued out for us. We have gone from a Federal Government going berserk with its expenditure to now plateauing out.

Dr GALLOP: At our expense.

Mr COURT: What do you mean "at our expense"?

Dr GALLOP: At the expense of the States.

Mr COURT: No, expenditure is plateauing; that is why we have a \$5b surplus. Do you understand that little bit of it?

Dr GALLOP: How was it created?

Mr COURT: By having a tight control on expenditure.

Dr GALLOP: On whose expenditure?

Mr COURT: All expenditure.

Dr GALLOP: On the State's expenditure; that is exactly how it was done. If page 98 states -

Mr COURT: Can I finish on the SPPs? At the last Premiers Conference we asked for a much better breakdown and an analysis of the SPPs so we can have a better mechanism for tracking what is taking place in the different areas. It has always been an area on which we have kept a close watch.

Dr GALLOP: Is it your view, and that of the Government, that the reassurances given by the Government on the specific purpose payments do not add up to anything because you believe they can be eroded over time?

Mr COURT: Except John Howard stuck by his word.

Dr GALLOP: What was his word on the GST: Never, ever?

Mr COURT: Would you have the courage to go to an election on a complete overhaul of our tax system?

Dr GALLOP: Courage!

Mr COURT: You would not have the nerve.

Mr RIPPER: We will see whether he has the courage to go to a double dissolution on a complete overhaul.

Mr COURT: Why should he go to a double dissolution? He has just gone to an election.

Dr GALLOP: You have double standards.

Mr RIPPER: I bet he will not go to a double dissolution; he will do a deal.

The CHAIRMAN: Order, members! Are there any more questions?

Dr GALLOP: Page 1471 deals with major initiatives for this year. It states -

Identifying measures and policies to reduce the cost of government operations through:

- identifying and progressing further opportunities for privatisation, major asset rationalisation and asset financing . . .

What research or analysis is Treasury undertaking on the possible privatisation of any government assets, excluding Westrail freight and AlintaGas? Which departments or agencies have been earmarked?

Mr COURT: The only other one it is working on - I mentioned it during this discussion last year - is Supply West, which is a relatively small operation. Our efforts are concentrating on Westrail freight and AlintaGas.

Dr GALLOP: In respect of the proposed sale of AlintaGas and Westrail, has Treasury done an analysis of the expected return on those sales, and if so, would it be willing to say what it is?

Mr COURT: It would be inappropriate to publish estimates of what might be received for an asset.

Dr GALLOP: Has it done it?

Mr COURT: The working group involved in the sale has done work in that area, but it has not been made available to me. The experience we have had with our two major sales is that we must run a very tight process. We must hope that there is competition between a number of parties, and if we start giving estimates of what we think an asset will be worth, it will hobble us before we start the process.

Dr GALLOP: Given that the Government's preferred option for funding the Perth-Mandurah railway line is the proceeds from the sale of AlintaGas - that is dependent on what happens in Parliament - what discussions has Treasury had with the Department of Transport on alternative arrangements for funding that railway? Do those alternative measures include such things as selling land adjacent to the railway or incurring more debt?

Mr COURT: The easy one is incurring debt. The whole project could be debt funded if we wanted to spend \$1b on it. The discussions have looked at timing options for doing a stage development. Our preferred option has been to try to complete the project in one hit as there are economies related to that. The value of land near a railway can be increased when a railway goes through. I am not sure what component of the land has been zoned for development. I cannot tell you what component of the land is private and what component is public. If you think that selling the land will pay for the railroad, I have been advised that that is not the case.

[2.30 pm]

Mr RIPPER: Page 55 of the *Economic and Fiscal Overview* lists the liabilities of the Government Insurance Fund as \$57.7m. Does this figure cover third party motor vehicle insurance and workers compensation for government employees? What are the components of this figure?

Mr DOYLE: That figure relates to the workers compensation scheme which was in place before RiskCover commenced in July 1997.

Mr RIPPER: Is that all it is?

Mr DOYLE: Yes, that is all it is.

Mr RIPPER: Page 1485 makes provision for unfunded liabilities in the Government Insurance Fund and the allocation for 1999-2000 is \$36 440 000. Why is it necessary to commit this amount in 1999-2000? Why is that allocation projected to fall significantly in the out years?

Mr DOYLE: That is paying out the liability which existed at the close of the scheme. The amount decreases because the claims are paid out over time. That figure is the cash flow of the claims we expect to pay out over the next few years.

Mr RIPPER: I understand from those answers that these two items relate to the liabilities of the old insurance arrangements. These figures may not deal with the full extent of the unfunded liabilities of government insurance through the Insurance Commission of Western Australia. Are there any other unfunded liabilities of which members should be aware?

Mr LANGOULANT: I understand the RiskCover scheme is fully funded. The third party insurance arrangements are also fully funded at this time. As the member correctly identified, these are old liabilities which would always have been budget sector liabilities.

Mr RIPPER: There is nothing else the Government needs to fund in the insurance area.

Mr LANGOULANT: That is my understanding.

Dr GALLOP: I refer to page 133 of the *Economic and Fiscal Overview* which looks at estimated revenue for the year ended 30 June 2000 compared with estimated actuals for the year ended 30 June 1999. It contains a section entitled "loan repayments" which shows that the consolidated fund will receive \$275m worth of early repayments in 1999-2000. Could the Treasurer provide a complete breakdown of the \$275m figure? Which agencies are expected to repay their loans early? Why are these repayments being made early?

Mr COURT: We can make that information available. The answer to the last question is to take advantage of low interest rates.

Mr RIPPER: Page 1489 of the *Budget Statements* contains a table of tax equivalent receipts from government enterprises, including the Insurance Commission of Western Australia. There is a significant increase in receipts for sales tax equivalent payments for that agency. Could the Treasurer explain that increase?

Ms NOLAN: I am not completely sure of the underlying reason but it will probably reflect what the commission is spending its money on at the moment. I believe it is upgrading its computer system and presumably it will be paying some sales tax equivalent on the purchase of computing systems.

Mr COURT: Does the member for Belmont want us to find out the answer?

Mr RIPPER: I would appreciate that.

Dr GALLOP: This question may also require a supplementary answer. Page 1485 of the *Budget Statements* deals with the "Administered Transactions Expenditure" and item 13 under recurrent is the Electricity Corporation; item 14 the Water Corporation of Western Australia; item 15 Government Railways; and item 16 Western Australia Land Authority. Could the Treasurer provide a breakdown of which payments are for community service obligations and which are for other reasons? I assume that some of this expenditure is on CSOs.

Mr COURT: I am advised that, apart from Westrail, it is all CSO expenditure. The Westrail figures include land sales, the proceeds of which come into Treasury and go back to Westrail.

Dr GALLOP: Do we know what they are?

Mr COURT: We will provide that information.

Mr RIPPER: Is the Westrail CSO entirely due to the operation of the metropolitan rail system?

Mr COURT: No, just country passengers.

Dr GALLOP: Can the Treasurer explain the significant increase in AlintaGas' income tax equivalents from \$12.511m to \$17.148m as listed on page 1489 of the *Budget Statements*? Can the Treasurer explain the decrease in income tax equivalents from Western Power from \$70.763m to \$40.707m?

Mr LANGOULANT: They are both simply straight tax assessment issues. If you are dealing only with the AlintaGas line, not including the pipeline sale effect, they both deal with profitability and the treatment of various deductions which the two entities can claim in the calculation of their tax. They are technical calculations of the tax.

Dr GALLOP: Will the Treasurer confirm that the Government is expecting nearly \$14.9m in dividends from AlintaGas in 1999-2000? Can the Treasurer explain why there is such a significant fall in the level of dividends from 1998-99 to 1999-2000? Can he explain why the Bunbury Water Board is not expected to pay dividends in 1999-2000 and why it has not paid any dividends in 1998-99 when it paid dividends in 1997-98?

[2.40 pm]

Mr COURT: I will put the AlintaGas question on notice as we do not have an explanation.

Ms NOLAN: A number of years ago the Bunbury Water Board paid a statutory contribution levy of 5 per cent which was classified as a dividend. When we moved to the income tax equivalent regime we ceased the application of that levy. The Bunbury and Busselton water authorities now pay an income tax equivalent; however, there is no provision under their Act for them to pay dividends.

Dr GALLOP: I refer to the global provision for salary and wage increases at page 1485 of the *Budget Statements*. We remember last year that the *Budget Statements* showed that \$5.2m was set aside as a global provision for salary and wage increases. Does this item appear anywhere in this year's budget papers. How much of the \$5.2m is expected to be spent in 1998-99? Have any funds been put aside for the same reason next year?

Mr LANGOULANT: We have not made a global provision for salary increases in 1999-2000 or the other years. We have allocated the provisions to agencies rather than had a global provision. I will have to come back with information on the \$5m balance in 1998-99. My understanding is that moneys will be spent.

Dr GALLOP: Also on page 1485 there is a global provision for incentive payments to agencies for 1999-2000 estimated at \$8m. What is that for?

Mr LANGOULANT: As part of last year's budget we provided an incentive to agencies to meet their budget estimates. If they operated inside their budget estimates, they would receive 1 per cent of their budgets. It is a one year allocation.

The CHAIRMAN: The Under Treasurer indicated a moment ago that he would be providing further information. Is that by way of supplementary information?

Mr COURT: Yes, that was on the AlintaGas question and the wage provision.

Mr RIPPER: Pages 99 and 100 of the *Economic and Fiscal Overview* show the contingent liabilities for the Government of Western Australia. There are two items on which I would like further explanation. The first item is contingent liabilities under guarantees, indemnities and sureties of \$227m; the second item is other contingent liabilities of agencies at \$118m. Could we have a breakdown of those contingent liabilities?

Mr COURT: We do not have that to hand but we will provide that breakdown as supplementary information.

Mr RIPPER: I refer to page 1485 of the *Budget Statements* and also to page 1247 of last year's budget papers. Last year's budget papers show that the Government expected to pay the Government Employees Superannuation Board \$143m in 1998-99 for the Westate super scheme; however, according to this year's budget papers the estimated actual for 1998-99 is only \$117.6m which is an underspend of almost \$26m. Can the Treasurer explain the difference between those two figures?

Mr IMBER: As the year has progressed we have recognised that the cash payments that need to be made to people who are actually retiring are more than originally estimated.

Mr RIPPER: Is that because of fewer people retiring or those who are retiring are doing so on lower salaries than expected?

Mr IMBER: I will have to get back to you on that.

Mr LANGOULANT: I think it is just that the estimate has been revised.

Dr GALLOP: What progress has the Government made in retrieving the \$430 000 it provided for the failed Global Dance Foundation congress.

Mr COURT: The Tourism Commission was going through a legal process. I cannot say where that is or what the Tourism Commission will do but I will provide an update on that matter as supplementary information.

#### **Division 10: Office of the Public Sector Standards Commissioner, \$2 495 000 -**

[Mr Barron-Sullivan, Chairman.]

[Mr Court, Minister for Public Sector Management.]

[Mr D.W. Saunders, Commissioner for Public Sector Standards.]

Mr RIPPER: It states on page 1162 of the *Budget Statements* that a new initiative aimed at improving the representation

of women in senior management in the WA public sector was established in February 1999. What does this initiative involve? What is the current percentage of senior executive service officers who are women?

Mr COURT: Your job!

Mr RIPPER: I agree with that in the general rather than in the particular!

Mr SAUNDERS: The proportion of women in the senior executive service is, from memory, 11 per cent. The initiatives were introduced by the Minister for Public Sector Management. A group of senior women meet regularly to encourage others to apply for senior positions. I get involved personally in the chief executive officer positions that go through my office by encouraging the consultants that assist panels to cast the net widely in encouraging women to apply for jobs that perhaps they might not otherwise apply for.

Mr RIPPER: On page 1169 there is an output measure on the positions for which advice was provided to the minister. In 1998-99 it was 12 and the target for 1999-2000 is expected to be 13. Do ministers have to seek your advice through the Minister for Public Sector Management on the appointment of all new CEOs? If not, how many CEOs were appointed to the public sector in 1999-2000? Which departments or agencies did not seek your advice?

Mr SAUNDERS: The provisions of the Act come into operation when I get a letter from the Minister for Public Sector Management to conduct that selection process. I provide him with advice on all of them. It is my practice to also interview the responsible minister to obtain any information that he or she considers pertinent to the position. I do that in formulating my advice.

[2.50 pm]

Mr RIPPER: Were only 12 new CEO appointments made in the public sector in 1998-99?

Mr SAUNDERS: It was about that number.

Mr RIPPER: It is expected that the number and complexity of complaints and breach applications dealt with by the office will continue to increase as awareness of codes of ethics and agency-specific codes of conduct grows across the public sector. How many such breach applications does the office deal with each financial year?

Mr SAUNDERS: This year the office will deal with approximately 270 breach applications. I predict a comparable number of complaints; that is, cases not relating to a breach of standards.

Mr RIPPER: The combined figure is over 500 matters.

Mr SAUNDERS: It is of that order, yes.

Mr RIPPER: On how many occasions are the office's recommendations with regard to breach of standard matters rejected by the agencies concerned?

Mr SAUNDERS: That is very rare. Off the top of my head, the figure would be under 1 per cent.

Mr RIPPER: My recollection is that the Education Department rejected a number of recommendations with regard to the level 3 teaching appointments. Was that an unusual action for an agency?

Mr SAUNDERS: Yes. The member should bear in mind that that department has a very large number of human resources management transactions. Those rejections accounted for a very small proportion of the total. Those level 3 teaching appointments were difficult in that an attempt was made to use the recruitment selection and appointment standard as the criteria. In fact, it was more a criteria progression situation. It might be necessary eventually to seek the Premier's authorisation to develop a standard for criteria progression. This case fell between the two, and that led to some distortion of the results.

Mr TRENORDEN: I refer to page 1165 and the output measures, which refer to surveying parliamentarians as a key issue in providing assessment of effectiveness. Has there been a decrease in the number of parliamentarians prepared to respond to those surveys?

Mr SAUNDERS: There has been a distinct expression of reluctance on the part of members of Parliament to answer questionnaires. The argument is that they receive so many.

Mr RIPPER: It was stated that the figure for rejection by agencies of the office's recommendations in breach of standard cases was about 1 per cent.

Mr SAUNDERS: I would like to confirm the actual figure as supplementary information.

Mr RIPPER: That would be interesting.

Mr SAUNDERS: I am happy to do that.

Mr RIPPER: When an agency does not take disciplinary action against someone the office has said was involved in a breach of standard, is that seen as a rejection of the recommendation?

Mr SAUNDERS: I do not make recommendations about disciplinary proceedings; I make findings.

Mr RIPPER: In some cases a finding has been made that there should be an investigation of whether disciplinary action

should be taken and the Minister for Public Sector Management has decided that that action will not be taken. Is that regarded as a rejection of the office's recommendation or finding?

Mr SAUNDERS: I have no opinion about that, and it is fundamentally important that I do not have an opinion. It is a separation of responsibilities. My job is to make the finding, and the question of what then happens is a matter for Parliament.

Mr RIPPER: I have in mind the case of the staff of the Minister for Primary Industry, who according to the findings had breached a section of the Public Sector Management Act. However, the minister determined that there would be no disciplinary action.

Mr COURT: That was after getting advice from the director general, who ensured that all the proper steps were taken. That was the recommendation that came to me and it was accepted.

Mr RIPPER: Do the public sector standards cover issues of equity in service delivery? I refer to the situation in country schools. The Education Department is finding real difficulty in supplying the teachers required at those schools. Do country parents or students have any recourse on the question of public sector standards if the Education Department is offering a much reduced service in Dalwallinu compared to that offered in Nedlands?

Mr BRADSHAW: You are saying that some teachers are less capable than others.

Mr RIPPER: No, I am saying that if there is no teacher there is no service.

Mr SAUNDERS: The public sector standards do not address that issue. Questions of equity and fairness in conduct and behaviour are wrapped up in the code of ethics. Section 7 of the Act is one of the three sections dealing with principles. It covers questions of responsiveness of the public sector, customer focus and so on. That section is not part of my function.

Mr TRENORDEN: I refer to page 1172 and the cash flow from operating activities. In 1989-90 there was a substantial jump in receipts when normally there is very little income. What was that income?

Mr SAUNDERS: That is an artefact of the move to accrual accounting, which involves a carry-over effect. I did not get a cheque or anything like that.

Mr TRENORDEN: If I were to average the next figure, it would be close to it.

Mr SAUNDERS: Yes.

Mr RIPPER: Page 1163 contains a note that planned amendments to the Public Sector Management Act may affect the responsibilities and current processes applied by the commissioner. How is it proposed to amend the Act? The Government has criticised certain sections of the Act as being cumbersome and unworkable, but we have not yet had an indication of how it proposes to amend the Act.

Mr COURT: Commissioner Fielding produced a report and Des Kelly and a group inside government assessed it. As a result, we have started drafting amendments to the legislation. Some areas might be more controversial than others. One of the areas of concern is this question of employment in ministerial offices and so on. When that drafting is completed, the legislation will be introduced. The legislation has been in operation for five years, and this redrafting will be done as part of the normal process. The amendments pick up the Fielding recommendations.

Mr RIPPER: Is there any document that you can give to us which outlines what sort of changes will be made to the Act?

Mr COURT: You have the Fielding report. The only document would be the draft legislation itself and that is not yet ready.

Mr RIPPER: Are you saying that the Government has accepted all of the recommendations of the Fielding report?

Mr COURT: Not all, but the majority will be incorporated in the legislation.

[3.00 pm]

#### **Division 50: State Revenue, \$209 639 000 -**

[Mr Barron-Sullivan, Chairman.]

[Mr Court, Treasurer.]

[Mr N.P. Mills, Acting Commissioner of State Revenue.]

[Mr R. Kernahan, Manager, Financial Services.]

[Mr R. Williams, Valuer General.]

Dr GALLOP: I refer to page 1333 of the *Budget Statements* and to the collection of land and financial taxes. The output measures show that the number of determinations will increase from 166 500 to 171 000. Does this mean that the department expects another 4 500 persons to pay financial and land taxes in 1999-2000? I also refer to the next output measure, the number of amendments which goes from an estimated 25 000 in 1998-99 to 23 000 in 1999-2000. Does that mean that 23 000 out of all determinations are amended subsequently? What is the reason for those amendments?

Mr MILLS: An annual growth in assessment numbers has been a basic trend. This is under the heading of land and financial taxes, so it also takes into account any increase in financial tax matters. Turning to the number of amendments, the amendments can either change the liability by an increase or decrease or they can extinguish the assessment. The reasons

for the amendments can be that people have a change of land holdings which has not come to our notice via the titles office; for example, a contract of sale. Land might be subsequently entitled to an exemption because at the time of the assessment the assessment was correct but, by the end of the assessment year, a person could gain an exemption. An example is a person building a new home on a previously vacant piece of land. It is assessable to start with but by the end of the assessment year it can be entitled to an exemption.

Dr GALLOP: What is the basis for the expected big increase in land tax revenue from \$177.6m 1998-99 to \$194m in 1999-2000, shown on page 1346?

Mr COURT: Land values go up. We are bringing in legislation next week which will bring the rates down. Without that legislation the collections would be significantly more than shown.

Mr MILLS: The overall increase is in the order of 7 per cent. As the Treasurer advised, if nothing were done to the scale, the collections would be in the order of over \$200m. The estimate for next year includes the Western Australian Land Authority for the first time for land tax assessment purposes.

Mr TRENORDEN: Several items in the estimates relate to new systems for enabling individuals to pay. On page 1335 a major achievement is the introduction of electronic funds transfer as a method of payment. On page 1337 another major initiative is to review and implement, as appropriate, alternative payment methods for paying assessments. Are we moving to a situation where people will be able to make a full range of electronic payments for their assessments through computers, phones and, in the American context, stand-alone machines in supermarkets and other methods?

[3.10 pm]

Mr MILLS: We are considering extending the payment facility to the credit card environment, which is leading to a pay-by-phone arrangement. The payment of accounts by Internet technology is certainly being considered. We have a plan to take advantage of all technology. Electronic funds transfer was one method installed this year as a step to improving payment facilities for taxpayers.

Mr TRENORDEN: A few points were made today about compliance costs for small business. If these improvements can be made, it will dramatically reduce compliance difficulties for small businesses.

Mr JOHNSON: What will be the effect on WA landowners of the new land tax scales to be introduced in the 1999-2000 budget? Also, I have read that the New South Wales Government will introduce legislation under which owner-occupiers of residences over a certain value will be obliged to pay land tax. Does the WA Government have a plan to introduce such legislation in this State?

Mr COURT: The Acting Commissioner of State Revenue has answered the first question on collections. Legislation will be introduced next week to lower land tax rates; therefore, the total collection will be less than would otherwise have been the case. The collections would have gone over \$200m without this change. LandCorp is being incorporated into the process this year for the first time. This is the fifth successive budget in which the Government has lowered land tax because of valuation increases. As the member for Hillarys knows, the good work of the Valuer General and others has led to the introduction of annual valuations. If land values keep increasing, as they probably will, further changes will be made to land tax rates.

The New South Wales Labor Government introduced land tax on homes valued at over \$1m, and it was thought that the change would catch only wealthy people with homes worth \$1m. However, people in New South Wales are finding that even those on relatively low incomes have property, which they may have inherited or bought, which is worth more than \$1m. These people are falling into that tax net. Land tax has become a growing issue in New South Wales. I do not know precisely the commitments made at the last NSW election; however, this tax is becoming a tremendous growth revenue source for that Government. More people are moving into the over-\$1m category. In a relatively short time, most homes in that State will move into that category.

Mr JOHNSON: Is the WA Government looking to introduce a growth tax?

Mr COURT: No way.

Mrs van de KLASHORST: The third dot point on page 1331 of the *Budget Statements* refers to allowance being made for year 2000 information technology considerations. What cost is involved? It has no line item. I imagine that a significant amount of money will be allocated to that end in the budget.

Mr MILLS: An actual cost is not available for that aspect. To put it into context, we must consider year 2000 compliance with not only our organisation's systems, but also those of the organisations with which we deal. For example, we receive information directly from the Office of Titles, which is electronically interfaced with our system. If the date mechanism in that system is not year 2000 compatible, it will jeopardise the accuracy of our systems. Unfortunately, we do not have a costing on that aspect across our organisation. Our departmental computing systems have been redeveloped over the past seven years. This process was finalised as recently as signing off earlier this month. It was specifically to address the year 2000 issue at the State Revenue Department.

Mrs van de KLASHORST: The department is completely ready for year 2000 then.

Mr MILLS: Our system has been geared towards it. However, we must ensure that feeders from other systems are compliant as well.

Mr GRILL: This division covers a range of taxes. Which taxes will go by the board in the event that the full goods and services tax is implemented under the Federal Government's tax reform package?

Mr COURT: I have tabled the list in recent times but I will read them out again. The reform will lead to the abolition of the diesel fuel subsidy scheme, financial institutions duty, debits tax, stamp duty on business conveyances, stamp duty on marketable securities, cheque duty, lease duty, mortgage duty and rental business duty.

Mr GRILL: The abolition of all those taxes will have a substantial impact on the duties gathered by the state collection agencies. What sort of impact is that likely to involve?

Mr MILLS: An impact will certainly be felt. However, we must firstly ensure that the existing taxes are tidied up with an audit to ensure that taxpayers liable under the current regime will correctly pay their liability once the system is abolished.

Mr GRILL: Will there be a carryover period?

Mr MILLS: Yes. For example, the stamp duty regime at the moment is that a person has three months in which to lodge his or her instrument following it being executed, and a further three months in which duty is required to be paid. The execution of a document prior to 1 July 2001 would carry through with a further period of up to six months if a person were to execute a document at the end of that period before payment is required. The recovery period will then also be involved. An immediate cut-out of liability will not occur. Also, the proposed GST involves a proposed first home owner scheme rebate for which this department will undertake administration. This will shift resources from current activities. Also, we are undertaking a project to administer the Perth parking levy on behalf of the Department of Transport. Resources are being redirected to maximise resources within the department. These matters will be taken into account as the abolition date draws nearer and its further impact on our organisation will be known.

Mr GRILL: In summary, what will be its overall effect on the collection agencies in terms of FTEs and the cost of collection?

Mr MILLS: Without a reduction in the organisation the cost of collection would marginally increase. The effect on the organisation will be phased in. By July 2001 the aspect of what other issues the department will be involved in will need to be taken into account. I do not have a definitive answer.

Mr GRILL: You cannot tell us exactly?

Mr MILLS: I cannot.

Mr GRILL: Under the state-commonwealth agreement for the new tax reform package, I presume that the Commonwealth Government will collect the GST?

Mr COURT: Yes.

Mr GRILL: What arrangement is there for the State Government as a recipient of that tax to recoup the Federal Government for the cost of collection?

Mr COURT: That is spelt out in the agreement.

Mr MILLS: The State is responsible for paying a fee for administering the GST. That is uniform across Australia.

Mr GRILL: The Government will have no direct control over those costs?

Mr MILLS: We will not be involved in the administration of the GST at this stage.

Mr GRILL: The Western Australian Government will be at the mercy of the Federal Government for the cost of collection?

Mr COURT: The guidelines are set out in the agreement. I have tabled that in the Parliament, but I do not have a copy with me.

Dr GALLOP: The Treasurer's analysis of the package says that the States will be required to compensate the Commonwealth for the cost of administering the GST. The first payment in 2000-01 will cover administration costs in 1999, 2000 and 2001 which are predicted to total \$700m. Costs after that are expected to stay at around \$300m per annum. Western Australia is assumed to contribute on an equal per capita basis in each year. It is usually about 10 per cent.

Mr COURT: The question was: What control does the Government have over those costs?

Mr GRILL: What effective control does the Western Australian Government have over the possible ballooning out of those costs as time goes on?

Mr COURT: Arrangements have been put in place in relation to those costs. I will get that information for the member.

Mr TRENORDEN: On page 1346 reference is made to the program for a revenue collection information system. Could the Treasurer provide an overview of the capabilities of the scheme? What are the parameters of the scheme? We are paying \$14m for new hardware and a program. What will be achieved by the program?

Mr MILLS: We redeveloped all of our previously separate computer systems. We had three distinctly separate and maintainable systems developed at various times since 1986. This brings together one common system with a generic basis. It brings together the efficiencies that will enable changes to subsequent taxing schemes to minimise the amount of work that needs to be done. That redevelopment cost included planning, the development and implementation, including hardware.



Mr TRENORDEN: Will it give you more timely figures; for instance, monthly figures on your revenue? Will it give you a broader definition of your revenue?

Mr MILLS: The system is designed to incorporate more timely reporting. It can collect more data than the previous systems in certain areas. That enables more analyses to be done.

Mr TRENORDEN: For example, would the new software enable you to pick up a downturn in stamp duty quicker than previously?

Mr MILLS: Probably. Our previous system was able to deal with variations in that sort of instance. This system can accommodate certain data requirements which are required to indicate the nature of the basis of assessment. That will be more readily at our fingertips.

Mr RIPPER: On page 153 of the *Economic and Fiscal Overview* reference is made to the cost of concessions on financial institutions duty. It is good that the Government is now publishing this information on tax and royalty expenditures. I notice two concessions on financial institutions duty. One is a concession for depositors who make a deposit above \$2m, so that no FID is payable on the portion of the deposit that is above \$2m. The other is a concession for the direct crediting of social security payments to recipients' accounts. However, I note that social security recipients pay FID on any additional income beyond the commonwealth payment. How can the Government justify a concession to people who are in a position to deposit more than \$2m in an account when that concession costs State Revenue \$21.5m and it will not offer a concession to exempt social security recipients from FID altogether? I reckon the Treasurer should answer that.

Mr MILLS: The first part of the question relates to capping and is standard across Australian jurisdictions, otherwise significant amounts of money would be deposited and possibly taxed on multiple occasions above that capped limit on the day. That is where the \$1 200 is incorporated.

Mr RIPPER: I understand there are separate concessions for short-term money market transactions.

Mr MILLS: That is correct. This is distinct from that. The standardisation across all jurisdictions is that the capping provisions have been a feature of the system since its inception.

Mr RIPPER: If there is a case for doing that, is there not a case for also exempting pensioners from paying FID on the small amount of money they might earn, for example, as part-time school crosswalk attendants? They get an exemption on their pension but not on the small amounts of extra money that many of them earn.

Mr MILLS: The pension is required to be paid into a bank account and hence there is no option but to impose FID if that credit were to be subject to the imposition of the FID. The banking of other payments or moneys into an account is an optional matter.

Mr RIPPER: They can stick it under the bed!

Mr MILLS: The basis for the exemption is that it is a forced mechanism of crediting to the account.

Mr RIPPER: The first exemption costs us \$21.5m and the exemption for all social security payments is worth \$2.5m.

Mr COURT: The commissioner cannot answer that. That has been a policy issue since a Labor Government introduced FID.

Mr RIPPER: Do you agree with it?

Mr COURT: At the time I did not agree with the FID legislation. There were practical reasons for the upper limit. I remember the debate well. The Treasury officer supporting then Premier Burke was Kerry Sanderson, who was eight months pregnant at the time. We were debating that at four o'clock in the morning. What a memory I have!

Mr RIPPER: That is because we had a bloody-minded opposition at that time.

Mrs van de KLASHORST: The Treasurer might recall that I often write to him about the pensioner rebate scheme. On page 1338 a major achievement for 1998-99 is improved identification of eligible persons in respect of the pensioner rebate scheme. Could you tell me what was found and whether it increased the number of people who were eligible for the pensioner rebate scheme? For quite some time I have been pushing for that for some of my constituents.

[3.30 pm]

Mr KERNAHAN: The system we use to identify the eligible pensioners has been enhanced and information has been obtained from other areas. We are now better able to identify those who are eligible.

Mrs van de KLASHORST: How was it enhanced? Can I be provided with some specifics?

Mr KERNAHAN: I believe it identified pension cardholders. I am not able to be more specific.

Mrs van de KLASHORST: Did this lead to any increase in the number of people who obtained rebates?

Mr KERNAHAN: No; it was probably a decrease.

Mrs van de KLASHORST: Could I have that answer provided as supplementary information.

Mr COURT: I will provide that information.

Ms MacTIERNAN: This question spans three portfolio areas. I was unsuccessful in getting an answer when the committee dealt with Transport yesterday. I am hoping that as this item appears in this area also, I might be able to get the information I am seeking here. It relates to the 8.1¢ fuel levy collected by the Commonwealth on behalf of the State. I am looking at page 1345 where the Fuel Suppliers Licensing Act is listed. I understand that is commonly known as the diesel fuel rebate which is paid out of the 8.1¢ that is collected.

Mr MILLS: The 8.1¢ is made up of two amounts: 7.45¢ and -

Ms MacTIERNAN: What is that for?

Mr MILLS: The state levy is 7.547¢. The balance, about 0.659¢, is payable by all diesel fuel users. The rebate comprises two things: The 7.547¢ state levy which used to exist, which is payable by offroad users; and an amount of 0.659¢ which is payable by all diesel users. In other words, the 8.1¢ figure comprises two things: First, 7.547¢ in respect of diesel used by offroad users; and, second, an amount of 0.659¢ which is rebatable for all diesel fuel users.

Ms MacTIERNAN: I am trying to find out where the money goes. We anticipate collecting \$475m. These figures suggest that we will get back \$163.7m in the diesel fuel rebate. The Department of Transport has been given \$250m. I cannot see where the difference of about \$40m has gone. Where might we find that \$40m?

Mr COURT: We cannot verify the figures. Can the member explain them again?

Ms MacTIERNAN: The difficulty is that this item has three entries, which means we must go through each of those three sections in the budget. On page 1491 there is an entry for projected income of \$457m from the fuel levy. The entry on page 1345 shows the diesel fuel rebate as \$163m. The first page of the Transport estimates, page 1434, has a heading of "Contribution to Transport Trust Fund". Yesterday it was confirmed that that amount of \$250m was made up entirely from the contributions from the fuel levy. I am looking for the extra \$40m. I want to work out where that comes from.

Mr COURT: The member will have to be provided with that by way of supplementary information. She has given three different parts of the budget and is seeking a reconciliation of the different components of it.

Ms MacTIERNAN: Yes.

Mr COURT: We can provide that supplementary information.

Ms MacTIERNAN: I am puzzled by the growth in the diesel fuel rebate. Between 1997 and this year, the rebate increased by almost 300 per cent; however, the fuel levy has grown by only about 35 per cent. Why is there this disproportionate growth in the rebate vis-a-vis -

Mr COURT: Is the member saying it jumped from 1997 onwards?

Ms MacTIERNAN: I am looking at it over those three years.

Mr COURT: The first year was a part year.

Mr KERNAHAN: The diesel fuel scheme that previously operated got knocked out by a decision of the High Court of Australia during that year. The following year was a full-year cost of operation.

Ms MacTIERNAN: That is the \$156m.

Mr KERNAHAN: That is correct.

Ms MacTIERNAN: Does that mean that previously we did not have the diesel fuel rebate, or did that appear differently?

Mr KERNAHAN: It appeared differently.

Ms MacTIERNAN: Where did it appear?

Mr MILLS: It was part of the collections automatically allowed; that is, they were part of the collections coming from the oil companies.

Ms MacTIERNAN: If that is correct, would the entry in the Treasury figures be for only a part year, too?

Mr MILLS: In what part of the program statements is that?

Ms MacTIERNAN: I am looking at the fuel levy. We are talking about the levies collected by the Commonwealth.

Mr KERNAHAN: I think the \$56m was a part-year cost collected by the Government. Collections were undertaken by the Treasury prior to 1997-98.

Ms MacTIERNAN: Does that mean there has been no major change in the availability of the diesel fuel rebate?

Mr KERNAHAN: That is right.

Mr GRILL: I refer to land tax. My understanding is that the land tax assessments are all computer generated. Where a person owns more than one residential property, I understand the computer picks the assessment that is most attractive to the Government and least attractive to the payer, without any further inquiry being made. It is up to the person who receives the assessment to appeal. Is that correct?

[3.40 pm]

Mr MILLS: No. In straightforward terms, that is not the assessment process. We issue them automatically, but also -

Mr GRILL: So they are generated by the computer.

Mr MILLS: They are generated automatically by the computer; however, in that process we are using other data matching in the background to establish a person's principal place of residence based on other information sources that we maintain. In some instances we may get that wrong. I accept that instances have occurred whereby the wrong residential property out of two or more that have been owned has been incorrectly exempted, but it is not by choice that the most highly valued one is subjected to tax; that is not how the system works.

Mr GRILL: Officers within the department told me that the computer selects the model which is most attractive to the collector.

Mr COURT: No, it selects the Mount Street property, not the Kalgoorlie property!

Mr GRILL: My wife and I live in Kalgoorlie rather than Mount Street, but the computer spits out the option which taxes the much more valuable Mount Street property.

Mr MILLS: I assure you that it is not programmed to work in that manner.

Mr GRILL: That is not the advice I received from officers within the department, but I take your assurance on that.

Mr RIPPER: I refer to page 1335 of the *Budget Statements Volume 3* which lists the number of payroll tax determinations in 1999-2000 as 78 000. This is the same as the number of determinations in 1998-99. I assume that signifies there will be no new or additional payers of payroll tax in 1999-2000. Are any changes being considered to the payroll tax scale? The collections increase substantially from \$780m to \$833.5m. Can we have an explanation for that substantial increase in payroll tax collections?

Mr MILLS: Firstly, considering the number of determinations, there is probably a change over time; some come in and some come out, but the numbers remain the same. The extent of an increase in payroll tax revenue is determined by the projected wage increase and employment level increase that have been provided through the Treasury system. The extent of the increase in revenue is similar to the previous increase from 1997-98 year in dollar terms.

Mr RIPPER: Can that answer be elaborated? We would usually expect this increase in payroll tax collections. Are you saying that this is a standard increase?

Mr MILLS: Based on the movement in payroll tax collections for the previous year between 1997-98 and the projected 1998-99 out turn, the extent of the increase is of a similar magnitude based on wage increase levels and employment level increases.

Mrs van de KLASHORST: I refer to page 1336, output 3, stamp duties assessment and collections. I notice that the equivalent FTEs increase from 96 to 113 in this budget. I also notice on the next page that the major initiatives for next year include the conduct of structured staff training. How many staff will be trained? Are they new people? Why do they need this training?

Mr MILLS: The allocation of increased staff is a reflection that the department received additional staff resources for 1999-2000 and beyond; initially on a two-year contract appointment. Twenty additional staff are spread across the department which attributes part of the increase to the stamp duty area. We are trying to multi-task state revenue officers. We will not necessarily end up with a person who is solely a stamp duty expert; he may also be interchangeable as a land tax or payroll tax person and that is the aim of the training programs. The complexity of certain instruments lodged for stamping makes them more difficult to assess. We must improve the skill level in that area because the complex instruments take more time to assess than do the routine ones which we predominantly encounter at the front counter.

Mr GRILL: I return to the goods and services tax. Will a considerable number of jobs be created in the collection of this new tax and where will those jobs reside? Does the state-commonwealth agreement contain a provision whereby you can insist, as the Premier of the State that will be paying the collection costs, that those employees be resident within Western Australia? Which department will be collecting that tax?

Mr COURT: We have said that it will be collected by the Federal Government - that is, the Australian Tax Office - but I cannot tell you how many employees would be involved in Western Australia. I am prepared to seek that advice from the Federal Government. I admire your optimism for the tax.

Mr GRILL: I must admit I have a slightly different view on the tax than some of my colleagues. Can you insist that those GST collectors be resident in Western Australia given that we will be paying those collection costs?

Mr COURT: As I said, I do not know the numbers involved. I am prepared to obtain an understanding of how many people would be involved and where they would be based. I will seek that information from the Federal Government and forward it to you.

The CHAIRMAN: Will that be by way of supplementary information?

Mr COURT: Yes.

Mrs van de KLASHORST: What percentage of the increase in the FTEs will be women, and how many of the FTEs in that department are at the upper level of the Public Service?

Mr MILLS: The increase in the FTE level is for staffing that will be applicable from 1 July. An advertisement was placed in *The West Australian* on Saturday, 22 May seeking applications. At this stage no appointments have been made. The advertisement encouraged both men and women to apply. I understand a significant number of calls have been made for the application kit. I do not know the break-up of those calls. The positions that have been created are mid-level positions within the organisation.

Mrs van de KLASHORST: What are the numbers in the upper level of your organisation?

Mr MILLS: I do not have the exact percentage other than to say it is a very small number up to our assistant commissioner level.

Mrs van de KLASHORST: Is it a small number of men or women?

Mr MILLS: No women are currently at assistant commissioner level in the organisation.

Mrs van de KLASHORST: Are there any plans to rectify that?

Mr MILLS: Speaking on behalf of the commissioner, I can assure you he is very proactive in wanting to improve the makeup of our gender mix, certainly with respect to the upper levels of the organisation, which is not uncommon across the public sector.

[3.50 pm]

Mr COURT: If the member wants the split throughout the agency at different levels, that can be provided as supplementary information.

Mr RIPPER: At page 1343 of the *Budget Statements* is an operating statement which indicates that revenue from taxes, regulatory fees and fines will increase from \$2 211m in 1998-99 to \$2 337m in 1999-2000, which I understand is a growth rate of 5.7 per cent. Is my understanding of these figures correct, and is this a normal rate of growth for this type of revenue for the State Government or below average?

Mr COURT: Are you talking specifically about revenue from taxes, regulatory fees and fines?

Mr RIPPER: Yes. The figures I quoted were the total administered revenues set out at the bottom of the table, but most of that figure relates to taxes, regulatory fees and fines.

Mr COURT: Are you asking whether it is normal growth?

Mr RIPPER: Is the Opposition right to say that it represents revenue growth of 5.7 per cent, and is that a normal rate of growth?

Mr COURT: I do not have a calculator with me but it appears consistent with the growth from 1997-98 to 1998-99.

Mr RIPPER: Has the Government been operating on the basis of a 5 or 6 per cent growth in revenue?

Mr COURT: I do not have a calculator so I cannot confirm the percentage, but it looks like a pretty consistent growth.

Mr RIPPER: That means the Government is getting real growth in these revenues after inflation is taken into account.

Mr COURT: Just.

Mr RIPPER: The rate of inflation is a long way from 5.7 per cent. Although the Treasurer has raised the question of cuts in commonwealth grants to the States, and Western Australia in particular, he has tended to gloss over the fact that state own-source revenues have grown at a pretty healthy rate during the period of this Government.

Mr COURT: As the Deputy Leader of the Opposition knows, Western Australia has a very narrow revenue base. If payroll tax and royalties are taken out, not much is left.

Mr RIPPER: It has grown pretty well since this Government has been in office.

Mr COURT: Yes, but it is not a big part of the budget.

Mr RIPPER: It is \$2b.

Mr GRILL: I refer to taxes such as the fuel franchise fees which have been declared unconstitutional by the High Court. How are the activities of officers in issuing tickets under the diesel fuel scheme and things of that nature legitimised, in view of the fact that the High Court has declared that WA's status in collecting that tax is unconstitutional?

Mr MILLS: The Commonwealth is now collecting the levy.

Mr GRILL: I understand that.

Mr MILLS: Our office issues all the exemption certificates for off-road diesel users and we then conduct audits in respect of those. Examples of off-road diesel users are farmers, fishermen and miners.

Mr GRILL: Given that the State has no constitutional right to collect those taxes, how can it carry on the other activities which are ancillary, and in some cases central, to that tax collection ability?

Mr MILLS: We are not administering the collection.

Mr GRILL: The department is issuing certificates and giving rebates, which is certainly ancillary to that.

Mr COURT: I do not think the constitutional ruling says that the State cannot hand money back, if the money is collected by the Commonwealth.

Mr GRILL: Is the Treasurer saying that our regulations for giving the rebates are probably quite valid?

Mr COURT: Yes, we can give money back but not collect it.

Mr MILLS: Also it comes under a separate Act - the Fuel Suppliers Licensing Act.

Mr GRILL: Has the Fuel Suppliers Licensing Act not been declared unconstitutional? I understand fees are payable under it.

Mr COURT: I understand, although I may be corrected, that the High Court ruling was on the Business Franchise (Tobacco) Act, but it was then assumed that the State would not be able to raise the other taxes. That has never been tested.

Mr GRILL: But the Government is not using those laws to collect fees.

Mr MILLS: No, but it is giving the rebate back under the Fuel Suppliers Licensing Act which was formerly the Fuel Suppliers Licensing and Diesel Subsidies Act.

Mr GRILL: It looks complicated but I will take your word for it.

My next question is about land valuation, especially as it applies in places such as the goldfields. I believe the goldfields has a very artificial market which depends on commodity prices and the extent to which the Native Title Act affects the availability of land. So far the Native Title Act has adversely affected the availability of land, so a combination of factors has pushed land values to a high level, probably temporarily. We may now be heading into a situation where, because of the commodity price swings, valuations may go in the opposite direction. Is there a way of endeavouring to equalise some of these valuations to avoid some of the silly outcomes seen at the moment, whereby rental on residential leasehold properties has gone through the roof? People at the bottom end of the social and economic spectrum are now paying very high prices for rental of crown land. It is causing some discontent, as is evident from the newspaper.

Mr COURT: This is not to do with land taxes.

Mr GRILL: I have thrown that in.

Mr COURT: If it is a person's principal place of residence, no land tax is payable.

Mr GRILL: These valuations are used for a range of purposes. If someone wants the freehold of a piece of leasehold land, they must pay whatever the price is, as assessed under the current market conditions which are artificially high.

Mr TRENORDEN: Would annual valuations, which are currently happening, help that situation?

[4. 00 pm]

Mr COURT: If I understand the member for Eyre correctly, on a number of these residential leases, which can have native title claims -

Mr GRILL: They all have native title claims on them.

Mr COURT: I thought an arrangement was in place that claims on those residential areas would be withdrawn.

Mr GRILL: I have written to the Goldfields Land Council and it has not been able to confirm that the claims have been withdrawn.

Mr COURT: Are you saying that many of the people with these residential leases are in retirement and on relatively low incomes and as a result of increasing surrounding land values their cost structure is lifting and that is putting pressure on their budgets?

Mr GRILL: Yes.

Mr COURT: Similar situations occur in a number of places. In my electorate, for example, many low income people who bought land in Dalkeith when it was opened up, which was only about 60 years ago, now find themselves owners of a valuable asset but on which they are unable to pay their council rates. People say that the answer is to capitalise their asset, but they have lived there for 60 years and do not want to sell their homes. Arrangements have been made for a backlog of their rates to be paid out of their estate.

Mr GRILL: I have no doubt that is difficult for your constituents. What is doubly difficult for my constituents is that next year or the year after that asset may be worth a very small proportion of what it is worth today. That has occurred in Kalgoorlie previously on several occasions.

Mr COURT: That is quite right. One of the reasons we do annual valuations is to eliminate the fluctuations of three-yearly valuations. In a number of regional centres like Kalgoorlie the prices have been pushed up because of a scarcity of land. Normally we like to release land ahead of the market so that more land is available than demand and so that we can keep prices down. However, we all know the reasons for the problems in Kalgoorlie where even the old airstrip is being developed. I do not know what is the solution to the problem you have raised.

Mr GRILL: I wonder whether the Valuer General must take what are inflated artificial prices as the basis for his valuation when historic prices might be more realistic.

Mr WILLIAMS: I am required to determine valuations based on the market at the date a person wants to freehold the land, and use the evidence that is available at the time. At times, as has occurred in Kalgoorlie, values rise significantly. If we provide a value for freeholding at, say, half its market value, the purchaser of that interest could sell it the next day and make a significant profit. Any land sold by the Crown should be sold at its fair market value at the date of valuation or the date the valuation is to be determined. That is a general principle in the valuation of any land. Conventions must be changed based on a political decision, not by adjusting the valuation to a given artificial outcome.

Mr GRILL: These people are caught between the devil and the deep blue sea. They are on leasehold land, and owing to the Valuer General's valuations the rent has increased quite dramatically in some cases. If they wanted to escape that they could apply to have the land freeholded. However, because of the valuations in this artificial situation and because almost invariably they are at the bottom of the socioeconomic scale they cannot afford that.

Mr COURT: They must also get a native title clearance.

Mr GRILL: Yes. Although it is anomalous, a significant group of people in that area are badly disadvantaged by the system. I have had some informal discussions with the Minister for Lands, but as the Valuer General is here I signal the fact that I would like to find some way out of that situation because it is grossly unfair to that group of 100 or so leasehold owners.

Mr COURT: That will be more a policy decision for the Government. I am aware of the issue and I will address it further with the Minister for Lands.

Mr GRILL: Thank you very much.

Mr RIPPER: A table at page 1346 showing stamp duties lists the revenue expected from various taxes. I am interested in the assumptions that have been used to generate these projections. For example, no increase is expected from stamp duties on conveyances and transfers or marketable securities. Apart from that, there are increases in all other forms of stamp duty. I seek an explanation for the way in which these projections have been reached and the assumptions underlying them.

Mr COURT: The Under Treasurer said that in some stamp duties we are expecting falls and in others we are expecting increases. The value of property market activity and associated stamp duty revenue is forecast to remain at around 1998-99 levels for the next two years before picking up again in 2001-02. There will be no growth in stamp duty on share transactions in 1999-2000, reflecting the high base in 1998-99, but we expect a gradual return to growth in line with that in the state economy thereafter. Stamp duty on mortgages is broadly in line with property conveyance duty. Stamp duty on insurance policies is expected to be around three-quarters of the rate of general growth in the state economy. In 1999-2000 the full-year revenue benefit from last year's stamp duty rate increase is broadly offset by the cost of fire service funding.

Mr RIPPER: That is not true any more is it?

Mr COURT: No. It is about three-quarters of the rate of the general growth in the state economy.

Mr RIPPER: You referred to fire service funding. Will these figures change as a result of the party room rejection of that legislation?

Mr COURT: It will grow at around three-quarters of the rate of general growth in the state economy. No growth is anticipated in stamp duty on cheques, which is a reflection of a declining use of cheques relative to other payment mechanisms.

Mr RIPPER: What is the general history of stamp duty collections over a decade or so? Can you expect a steady growth in stamp duty collections? The impression we get is that stamp duty collections fluctuate strongly with fluctuations in economic growth. Is there another pattern of steady growth beyond those fluctuations?

[4.10 pm]

Mr COURT: Do you want me to provide the total stamp duty collections for the past decade?

Mr RIPPER: That would be interesting.

Mr COURT: That will be provided as supplementary information.

Mr RIPPER: Is it correct that under the current system, State Revenue cannot separately identify the stamp duty paid on business and on residential property transactions? What percentage of the total stamp duty collected on property transfers is for business properties?

Mr MILLS: We do not have a collection mechanism to differentiate between residential and business properties. I can approach Treasury to see whether it has an estimate of that breakdown.

Mr RIPPER: That would be of interest. Perhaps that question could be answered by way of supplementary information, even if that information was that an estimate is not available.

Mr COURT: We will provide as supplementary information an estimate of the split between residential and business property under conveyances.

Mr RIPPER: Earlier, we had some debate about the New South Wales Government's application of land tax to houses valued at over \$1m.

Mr COURT: Is that your policy?

Mr RIPPER: No. I was interested in how that might translate into the Western Australian circumstance. I notice that the principal place of residence exemption saves owner occupiers \$196.5m each financial year. Does State Revenue have any idea how much of that principal place of residence exemption is attributable to houses and land valued at over \$1m? Has State Revenue ever done a breakdown of the types of properties that attract this \$196.5m exemption?

Mr COURT: We know what the valuations are, so I suppose it is just a matter of finding out how many properties that are valued at over \$1m are currently exempt from land tax.

Mr RIPPER: Has State Revenue ever done any work on this? When New South Wales adopted its scheme, did Western Australian State Revenue say, "This is interesting. Let us analyse how it would work in Western Australia"?

Mr MILLS: That has not been done by the department.

Mr COURT: If you want that information for future Labor Party policy preparation, we will break it down for you.

Mr RIPPER: Has the department thought about doing that for future coalition Government policy preparation?

Mr COURT: It will hit most of your members hard!

Mr RIPPER: The Treasurer should check with the Valuer General about the value of houses in Rivervale. It would not apply to me, but it might apply to someone else.

There has been some debate about the way in which a GST would be applied to casino and betting activities, and about the different taxation levels that would result from the replacement of the current state gambling taxes with a 10 per cent GST. What would be the impact of replacing current state gambling taxes with a 10 per cent GST, and how would that be dealt with?

Mr COURT: You are asking the wrong department. State Revenue collects Totalisator Agency Board taxes but not gambling taxes. I understand that we have been given an assurance that our revenue from gambling taxes will not be reduced because of the change.

Mr RIPPER: Two forms of assurance might be sought. One is an assurance for the Government that it will not lose revenue. The other is an assurance for punters and operators of gambling enterprises that taxation rates will not increase.

Mr COURT: A special arrangement has been agreed on gambling taxes. I will provide that as supplementary information.

Mr RIPPER: Can you also provide as supplementary information how the GST will impact on the Lotteries Commission, and what remedial measures will be undertaken with regard to the Lotteries Commission?

Mr COURT: Yes.

Mr RIPPER: Assuming that there was a GST of some form and the consequent abolition of state government taxes, what would be the impact on the staff of the State Revenue Department? Would we still have a State Revenue Department of any size?

Mr COURT: That was the first question that was asked by the member for Eyre.

Mr RIPPER: I must have been looking at something else when he asked that question.

Mr MILLS: Financial institutions duty and debits tax are collected by means of a self-assessed return system, which has minimal staffing requirements. In dollar terms, it may appear significant, but few staff are involved in the maintenance of the scheme. That should be read in context with the answer I gave to the member for Eyre.

Mr RIPPER: Perhaps he was looking over my shoulder when he asked the question! The budget papers refer to avoidance activity. What is State Revenue's estimate of state tax avoidance activity by taxpayers? What resources are you devoting to combating this avoidance activity? Have you increased the resources that are devoted to anti-avoidance measures in recent years; and, if so, with what result?

Mr MILLS: We do not know the total size of the cake with regard to how much we are collecting as opposed to what is totally out there.

[4.20 pm]

Mr RIPPER: You do not know what you do not know.

Mr MILLS: That is right. It is interesting that this question was asked last year. It is a question that all jurisdictions have difficulty answering. If the investigation-compliance people went out and found nobody doing the wrong thing and everybody paying the correct amount we would have the ideal system.

Mr RIPPER: But they are all busy at the moment.

Mr MILLS: We have about 40 compliance officers and we have just received approval to recruit another 20 people for compliance activities to bolster that area, which has a lot of work to do. In answer to how much of an inroad they will make

on the total cake, something will be achieved. I can provide the committee with figures of how much money was raised through compliance activity in the current year to date and the last financial year. Suffice to say, we still detect an element of revenue. The ideal will be achieved the day our people go out and find there is nothing further to collect.

Mr RIPPER: I would be interested in the figures of the return on compliance activities if they can be provided, either now or as supplementary information.

Mr MILLS: In round figures to 30 April our compliance activity had rendered \$8.1m from 371 assessments compared with \$11.8m from 482 assessments last year. This equates to about \$2 687 collected per investigator day compared with \$3 775 last year; that is the return on a day's work.

Mr RIPPER: Do you target particular taxes in your anti-avoidance activities? Which taxes will you target this financial year?

Mr MILLS: We conduct audit programs on our registered taxpayer return-taxpayer base. We also have projects when areas of possible noncompliance are identified. Our work is a combination of checking the existing database and identifying areas of possible noncompliance.

Mr RIPPER: Is it possible for you to advise the committee what projects you will be undertaking in the anti-avoidance area this year or would you rather keep that to yourself?

Mr MILLS: I will bring only one area to members' attention. It is something which was brought to notice in the Auditor General's report and concerns stamp duty on motor vehicles. Some discrepancies were identified where market value was not as it should have been for the purposes of calculating the duty. In response to the Auditor General's identification of this the department will conduct an exercise to tidy up this calculation, which is based on external providers doing the calculation and the information coming to us. It appears some understatements have been made.

Mr BLOFFWITCH: You will get that problem whenever you are dealing with second-hand cars.

Mr COURT: But not from reputable dealers.

#### **Division 51: Valuer General's Office, \$7 586 000 -**

[Mr Barron-Sullivan, Chairman.]

[Mr Court, Treasurer.]

[Mr R. Williams, Valuer General.]

Mrs van de KLASHORST: The second dot point on page 1501 of the *Budget Statements* refers to an increase in the use of Internet technology and the delivery of services. As someone who lives in the outer metropolitan area with many friends living in the country, I would like to know when this will be implemented. What will it cost? Will people be able to pay their accounts with the Valuer General's Office over the Internet? How will it benefit us? Is it going right throughout Western Australia? How will it benefit outback country people?

Mr WILLIAMS: The Valuer General's Office sells a lot of sales evidence of properties which have sold throughout the State. Until now that service has been available in Perth and in some country towns by sending orders through the post. We want to expand that throughout the State so that any real estate agent or individual can obtain that information in order to better assess the value of his property. We have begun to initiate this; we have entered into an agreement with a private sector Internet provider who will make all the valuations and sales evidence we have available over the Internet after payment of a commission. That will not cost us anything because the Internet provider will provide it and we will gain extra revenue because this fund is generated from internal net appropriation revenue. We have been developing this area over the past four and a half years; we have been ensuring that this information is available. As the Minister for Finance says, "You can always buy a book on what a car sells for but you can't get solid information on what properties are selling for." That is what we are trying to achieve. We attend many shows and demonstrations to advertise this service, not only to the real estate industry but to all people who want it to gain better information on what properties are selling for in their suburbs and throughout the State.

Mr TRENORDEN: It seems that the Valuer General's Office looks like going fully online and using e-commerce. Is that a fair comment?

Mr WILLIAMS: We are certainly moving in the direction of e-commerce. At the moment we are developing a management plan for the area to take us through the next five years. For the past three years we have been concentrating fully on redeveloping the valuation system to make it year 2000 compliant. We are also redeveloping the geographic information system so we can provide sales maps both for the people who want such information and for internal use. That has been generated from surpluses following the sale of that information.

Mr TRENORDEN: That is all good news. Can I infer from the *Budget Statements* that the Valuer General's Office is looking to have some internal partnership or one source information alongside private enterprise?

Mr WILLIAMS: We are working with private enterprise to provide this type of information. All the sales evidence software was developed by the private sector. The systems the valuers use on their personal computers and in their cars was developed by the private sector. The Internet contract is with the private sector. It is not our business to develop this sort of software.



Mr RIPPER: I notice that a major part of the Valuer General's Office's work now is valuing public sector assets and local government property to support accrual accounting. Does that mean it is necessary for the Valuer General's Office to value things like the Shannon River or Stirling Range National Parks?

Mr WILLIAMS: They are state government assets which should be recorded in the government property register as assets and have values placed against them. In any balance sheet we have assets on one side and liabilities on the other. If the assets exceed the liabilities, the balance sheet looks pretty healthy. All assets should be recorded and a valuation should be provided and kept up-to-date.

[4.30 pm]

Mr RIPPER: On what basis is a national park valued for inclusion in accounts?

Mr WILLIAMS: National parks are valued based on limited evidence of the likely sale price of reserves and parks. In many areas it is a relatively nominal value. We do not value them at full agricultural potential because they cannot be used for agriculture.

Mr RIPPER: Accordingly they would not be valued for timber potential because it cannot be harvested.

Mr WILLIAMS: For the same reason we would not value Kings Park as a multi-residential site. It is an amenity and we value it as out-of-Perth rural land.

Mr RIPPER: Where would one find the valuation of Kings Park?

Mr WILLIAMS: Its valuation is recorded in the government property register maintained by the Department of Land Administration. The detailed information is maintained on our internal office system.

Mr COURT: The register was established by this Government.

Mr RIPPER: Are government property asset valuations publicly available in any form? Who has access to that register? Is it accessible through freedom of information avenues, or is it published in some form?

Mr COURT: I do not know. We have spent six years building it. I think the information is available.

Mr WILLIAMS: It is managed by the Government Property Office, which manages all land, and the information is available on the DOLA system. Obviously it is available if it is required.

Mr TRENORDEN: From time to time in my electorate Homeswest has decided to sell houses that are no longer required. Three houses in Pingelly were valued at \$21 000 by the Valuer General's office and they did not sell for two years. Every time I requested a revaluation on behalf of the local council, the new valuation was the same. The value placed on those properties was well above what the market was prepared to pay. Is there a skill problem in the Valuer General's office in this area of rural or limited appeal properties?

Mr WILLIAMS: One always has difficulties in those areas, because there is limited sales evidence and that is the only guide available. We must determine the value to the best of our ability. The difficulty with a town like Pingelly when three properties are placed on the market at the same time is that that has a tendency to flood the market. That does not mean that individually those properties are not worth \$21 000. They took so long to sell because three properties were available and those involved tried to reduce the price of each property by playing one against the others.

Mr COURT: The Government is doing extensive work in revitalising some areas of Perth through the New Living strategy. A wreck of a house might be valued at \$40 000. After the New Living strategy has been implemented and the area has been revitalised, that upgraded house might easily sell for \$90 000. There will be strong movement in prices. I have not seen the evidence yet, but one area in which prices will move significantly is Balga. The properties there are very well located and there are good quality houses on large blocks. Now that we are knocking down the problem three-storey units, I will not be surprised when property values in those areas jump 50 per cent in the next couple of years. That is exactly what has happened in Kwinana. Areas like that will go through significant change. Their voting patterns will also change.

Mr TRENORDEN: Hopefully.

Mr RIPPER: There was some hope that would happen in Belmont on a couple of occasions, but those involved have retired in confusion.

Mr COURT: We are getting there. I would not mind living in Ascot Waters. The quality of life there for young families is exceptional.

Mr RIPPER: They also have a great local member.

Mr BLOFFWITCH: That can always change.

Mrs van de KLASHORST: The Darling Range Regional Park and Bushplan have a significant impact on my electorate. How does the Valuer General work out the value of those sections of land that the Government wishes to acquire? One of my constituents owns a property affected by a Bushplan. He is currently running cattle on that property and will lose the river flats on which the cattle graze. This gentleman is seeking compensation for the next 10 or 15 years during which he would otherwise have been earning an income. How do we overcome this? I get many calls from people who are worried that valuations are based on current value and not potential income.

Mr WILLIAMS: Any land is valued based on its current value. That takes into account the current market price and the potential income of that property, if it has a potential income. Any valuation we do for acquisition is based on sales evidence. If it has a cash flow, we take that into account. The income produced by rural land in the metropolitan area is usually well below the real return based on its alternative use, which is often urban or deferred urban. We would value it based on its potential use.

Mrs van de KLASHORST: In many cases that has been completely inequitable for people in my electorate, because they see the land as being taken from them. They will be given only a monetary value. They may not get a major income, but it is an income. The acquisition reduces the income-earning power of the entire property.

Mr WILLIAMS: If it has a potential income, that is taken into account. We look at sales and potential cash flows.

Mrs van de KLASHORST: A constituent has lost about 25 orange trees on a river flat to the Darling Range Regional Park. That makes the entire property less viable. Is that taken into account?

Mr WILLIAMS: The Act provides that we take into account not only the land lost but also any injurious effect to the adjoining land. The basis of compensation and valuations is laid out in the new Land Administration Act, which covers land taken, injurious effect and so on.

Mr RIPPER: I note that on page 1501 initiatives for 1999-2000 include establishing new private sector partnership arrangements for the sale of data. On what basis does the office select private sector partners?

Mr WILLIAMS: We draw up a proper contract and that is endorsed by Crown Law. We must ensure by due diligence that the provider is capable of providing the service.

Mr RIPPER: Are expressions of interest invited or are tenders called?

[4.40 pm]

Mr WILLIAMS: We are not talking about large sums of money. None of these providers has exclusive rights to that information. We are also talking with banks to obtain that information across the Internet. We are not providing an exclusive licence to any provider. If we can get the 10 providers to provide the information to different areas, well and good.

Mr RIPPER: I suppose the analogy would be placing a booklet in a number of different book stores.

Mr WILLIAMS: Yes.

*Sitting suspended from 4.42 to 5.00 pm*

**Division 57: Fire and Emergency Services Authority of Western Australia, \$23 396 000 -**

[Mr Sweetman, Chairman.]

[Mr Prince, Minister for Emergency Services.]

[Mr J.M. Burnett, Director, Operations Support.]

[Mr W.N.N. Forbes, Executive Director, Fire Services.]

[Mr R.J. Mitchell, Chief Executive Officer, Fire and Emergency Services Authority.]

[Ms S. Rooney, Executive Director, State Emergency Service.]

Mrs ROBERTS: I note that one of the significant issues and trends listed at page 549 of the *Budget Statements* is the introduction of a new funding mechanism for the Fire and Emergency Services Authority, through the Fire Brigades Amendment Bill. It seems that this budget was predicated on this new funding arrangement being established. What are the implications for this budget of the new funding arrangement not being in place for this financial year?

Mr PRINCE: The budget was certainly predicated on the basis that the fire service levy would have been introduced and in place to operate from 1 July. There are a number of reasons it has not happened, and members will no doubt recall that about two weeks ago I made an announcement in this place to that effect. A number of consequential matters flow from that. It would probably be appropriate to ask Mr Mitchell to explain the reasons for the delay and what follows from the fire service levy not proceeding at this time.

Mr MITCHELL: The fire service levy is not proceeding for a number of reasons, but the main reason is the length of time it has taken to prepare the legislation and go through the extensive consultative process necessary in such a significant change. This budget is predicated on the introduction of the levy, and the implication for this budget is that there will be a requirement for a slight adjustment to the different funding sources. This part of the budget before the committee relates to the State Government's contribution to the Fire and Emergency Services Authority. Under the arrangements that would have come into place, the State Government would have contributed 10 per cent of the Fire and Rescue Service component of this budget. The Government must now contribute 12.5 per cent of the Fire and Rescue Service component of the budget. That is being negotiated with Treasury, and will be treated as supplementary to the budget process.

Mr PRINCE: A number of arrangements are in the process of being made with local government. Local government was significantly reimbursed for the out-of-pocket expenses which were part and parcel of the new billing system. That work and money are not lost because the software packages are in place, and I hope we shall come up with an emergency services levy in due course to which the software will relate. However, there are some minor matters in respect of which local

government has to rejig slightly. That is the subject of some negotiations that are going on now. There was a meeting last week, I think, with one of the senior officers from the Western Australian Municipal Association, Mr Scheggia, on that subject, and there may be small amounts that are paid as a result.

[5.10 pm]

Mrs HOLMES: I refer to major achievements on pages 553 and 554 of the *Budget Statements*. My question concerns the point that the Fire and Emergency Service Authority of WA now has the lead combat authority responsibility for fire suppression, etc. On page 554, it says that one of the major achievements of FESA is to upgrade protective clothing to permanent and volunteer personnel to ensure their safety at all types of incidents. Presumably, there must be a budget item that includes money to upgrade this protective clothing. There are a number of bushfire brigades in my electorate, and the personnel from those brigades are required to maintain their protective clothing at all times so that it is at a high level of presentation. Obviously, when these personnel attend a bushfire, they do not come back smelling very nice and their clothes always need to be cleaned.

There is a conflict in my mind because FESA is supposed to be responsible for fire suppression in all areas. The *Budget Statements* state that a major achievement is to upgrade protective clothing to permanent and volunteer personnel. The volunteer bushfire brigades come under the auspices of local government. Therefore, I am confused about where FESA sits with local government and the bushfire brigades. The brigade personnel in my area have raised the question of whether there is anything in the budgetary process to cover the cost of cleaning and maintaining their protective clothing.

Mr PRINCE: I understand the question. At one end, the career firefighters, of course, have all their equipment supplied, including protective clothing, which is changed and upgraded from time to time. At the other end, the 16 500 volunteers in bushfire brigades in the past have largely equipped themselves. That is changing. I will ask Mr Mitchell and perhaps Mr Forbes to amplify on what is happening now and will continue to happen into the future with regard to clothing particularly, but equipment generally, for not only all the volunteers in bushfire brigades, but also the volunteer Fire and Rescue Service of WA people, of whom there are about 2 500.

Mr MITCHELL: There has been a major review of standards of protective clothing to be worn by volunteers. The member is correct that there are the two different arrangements. The permanent Fire and Rescue Service firefighters and the volunteer firefighters of Fire and Rescue are funded through the State Government and the insurance arrangements that exist. The bushfire brigade units are supported by local government and themselves. What the Government has done is to issue \$2.5m a year for equipment upgrades, and some of that money is being channelled into protective clothing for bushfire brigades. The latest bushfire grants committee allocated a degree of money for brigades that wanted protective clothing. It is on a fifty-fifty basis; that is, the State Government pays 50 per cent and the local authority pays the other 50 per cent. There is no provision in this budget for the cleaning of protective clothing for bushfire fighters, but there is money for a fifty-fifty arrangement with local government to purchase new and improved clothing for bushfire fighters.

Mrs HOLMES: As a supplementary question on this subject, where is the line between the roles that FESA, local government and the bushfire brigades play, because they are in the middle? They are answerable to local government. What is the jurisdiction of FESA over them?

Mr MITCHELL: The role of the bushfire section of FESA is to provide support, training and advice to the volunteers who are primarily the responsibility of local government. In addition to that, the Government provides, as I said, \$2.5m a year for the upgrade of equipment, clothing and so on on a fifty-fifty grants scheme to local government and to brigades. Therefore, the bushfire brigades are the responsibility of local government directly at this point, receiving support from the Fire and Emergency Services Authority.

Mr PRINCE: In the area of equipment particularly, a number of new tankers are going out to the bushfire brigades, mostly all-wheel drive, 2 000 and 3 000 litre units, very well equipped, and in many respects vastly better than anything the bushfire people have had in the past, together with new radios and so on.

Mrs ROBERTS: What was the budget estimate for capital works in 1998-99? How does that compare with the estimated actual for 1998-99 for capital works for the Fire and Emergency Services Authority? What is the reason for any difference between those two figures? How does that compare with the budget estimate for 1999-2000 for capital works? Page 558 covers the capital appropriations. Presumably, based on that, the minister can tell me the figure for capital works. Appendix 14, at pages 142 to 149 of the *Economic and Fiscal Overview*, deals with the capital works program summary of expenditure and funding. I have a list here which says that the budget estimate for 1998-99 was \$6 822 000 and the estimated actual was \$9 512 000, which would seem to be quite a difference between the estimate and the actual. The figure goes down again by about \$887 000 to \$8 625 000 for 1999-2000.

Mr MITCHELL: The capital works program is reasonably explained on page 562 of the *Budget Statements*. The difference in expenditure is whether we actually proceed as planned; that is, whether we expend that capital expenditure or whether it is a program that is deferred and will be carried over to the following year. However, our capital works program is based primarily on a replacement program, and new fire stations and new facilities. On page 562 the progress can be seen, whether it be works in progress or whether it be planned to be expended in the following year. I am not sure whether that answers the question.

Mrs ROBERTS: It would seem that the budget estimate for capital works in 1998-99 was \$6 822 000, yet the actual expenditure was \$9 512 000, which is in excess of that. I seek clarification whether that is in fact the case and how the authority managed to exceed the capital works budget quite dramatically. If that is the case, where did that money come from? I notice that this year the projection is \$8.625m. Was the money taken from other areas, and if so, which areas?

Mr PRINCE: I am advised that it would seem that the difference has come from some sales and disposals. However, the officers here with me are not able to precisely answer the question at this time. They tell me they should be able to do so by way of supplementary information.

[5.20 pm]

Mrs HOLMES: I have one question. On page 555, under major initiatives, the first dot point states -

To continue the use of aerial fire suppression to combat major fire outbreaks.

This is a magnificent addition to the groundwork that has been done by the bush fire brigades. What is the budget allocation to cover the use of aerial fire suppression? For how long is that money allocated? If it is allocated for the dates that are specified as the major bushfire periods, and not outside that, it will cause problems as bushfires are unpredictable. They break out when dates claim they are not supposed to and, as such, the use of the aerial combat is not available outside the designated fire season. Does the money in the budget go outside that period? Are these planes in use all year, and if so, can they be called in again to be used for a bushfire that starts outside the dates we believe it should start?

Mr PRINCE: The budget allocation is for the total financial year and can be used at any time during it, particularly in relation to aerial fire suppression.

Mr FORBES: With the minister's indulgence, we have twice increased the duration of the most recent summer fire season that was predicted and the use of water bombing aircraft. That latitude has always been permitted. The season may differ dramatically from one year to another. There has not been any difficulty regarding the approval or the use of it out of the window of time that was predicted in good faith for the summer fire season and the commitment of one or more water bombing aircraft.

Mrs HOLMES: What happens to the aircraft outside the fire season? Where is it located if a fire breaks out? Is there some latitude to call it into service?

Mr FORBES: The aircraft we are using at the moment are based at Perth Airport. In their absence from Perth Airport for any other function for which the contractor uses them, the fire services are advised, including CALM - we have a mutual commitment with the use of the aircraft for the fire services of the Fire and Emergency Services Authority of Western Australia or CALM - and stand-by considerations are made with other aircraft. Aircraft are available at times when it may be predicted they will be required.

Mrs HOLMES: If there is an emergency, a telephone call could be made saying that the aircraft was required because water bombers were needed, and that aircraft would be provided.

Mr FORBES: We believe so.

Mr PRINCE: So far the system has worked well. Whenever we have needed the aircraft, they have been available. The envelope of time has been expanded on advice, and so far it has worked extremely well.

Mr GRAHAM: On page 553, under the major initiatives for the coming year, one dot point states -

To continue to produce Community Safety Programs . . .

I am interested in the fact that it states "to continue to produce". I am speaking specifically about cyclones. The safety awareness program in the north west has been loudly condemned as inadequate, by not only me, but local authorities and officers of the State Emergency Service. What money is in the budget to renew, replace and reinvigorate that safety program?

Mr BURNETT: In previous years, the State Emergency Service, in conjunction with the Bureau of Meteorology, has conducted pre-cyclone season awareness campaigns throughout the north west. They invariably consist of officers from the State Emergency Service and the Bureau of Meteorology, in conjunction with local government, conducting public meetings and distributing public information material. Last season, the attendance at public meetings dropped. There is a need to look at other strategies for public awareness in the north west. We conducted a major campaign for the mid west region from Exmouth to Geraldton, known as "cyclone ready" in the previous cyclone season, which was successful. We intend to repeat a public campaign along that line before the next cyclone season. Detailed costs for that are not known, but are estimated to be about \$20 000.

Mr GRAHAM: Is that \$20 000 for the mid west region or for the entire north west?

Mr BURNETT: We will not repeat the campaign in the mid west region. We will be conducting it in the Pilbara and Kimberley regions. That will cover the cost of the production of materials.

Mr GRAHAM: Is \$20 000 the total budget for that?

Mr PRINCE: That is the estimate at the moment, but it could be more. It is not a fixed sum; it will depend on what is decided to be done and what will be the cost.

Ms ANWYL: The responses to emergencies is on page 555. The performance assessment systems under output measures are still being developed. When can we expect to see those developed and what format will they take?

Mr MITCHELL: FESA has been going for about five months and is in the early stages of its development. We have not yet finalised the performance measures for the budget outcomes. They are being developed and will be available in the next budget process. It will be a key to convincing the Government to continue to fund our organisation.

Ms ANWYL: Presumably, that includes issues such as timeliness and cost.

Mr MITCHELL: Yes, timeliness, cost, per capita and so on.

Mr PRINCE: FESA started on 1 January and the budget was brought down in April. We have not managed to do it yet, but it will be done.

Ms ANWYL: The last dot point on page 555 refers to the continuation of regionalisation. Can you be specific about which country regions will see some expansion? Tied to that, I know there is an increase in the amount budgeted for salaries and related costs. Is there a direct correlation between that expansion and the increase?

Mr MITCHELL: The Fire and Rescue Service of Western Australia embarked on a regionalisation program a little while ago, as has the SES and the Bush Fire Service component of the organisation. We have enforced that and people have recently been put into Narrogin. A regional officer from the Bush Fire Service has been put into Narrogin, as well as an FRS officer. An officer from the BFS has been put into Karratha and we will also put in an SES regional director, where they have not been before. We are considering a fire person in Esperance. They are the sorts of places which will be expanded. The Fire and Rescue Service has people in places like Merredin and Northam, as does the Bush Fire Service. We are continuing the regionalisation program and getting people into areas where they will service their volunteers and their local governments.

Ms ANWYL: On page 556, under "Cost of Services", the amount for salaries and allowances has increased by about \$1.35m. Does that represent an increased number of full time equivalents? That looks fairly static. Will there be an increased number of FTEs statewide? This information would probably need to be supplied by way of supplementary information, but can I have a breakdown of the overtime for each of the stations as a component of that?

[5.30 pm]

Mr PRINCE: I doubt that we can answer the overtime question.

Mr MITCHELL: I can provide the information later.

Mr PRINCE: I will take the question about overtime on notice because it will take some time to collect that information. I cannot guarantee that it will be provided as supplementary information. There is no increase in FTEs at salary increments.

Mr MITCHELL: The increase in salaries relates to current enterprise bargaining agreements and workplace agreements. There is a real increase in FTEs in the operations area of the organisation. One of benefits that FESA has been able to deliver to date is a reduction in the number of corporate support staff. The number of bushfire service officers in the field has increased by four. The restructure currently taking place in the State Emergency Service will result in an additional 10 positions across the State in the operations arm and a reduction in the corporate arm of FESA.

Ms ANWYL: I referred to the regionalisation. Does that involve the 10 positions?

Mr MITCHELL: Some are based in regions and some are based in training roles in the metropolitan area.

Mr PRINCE: There is no increase in FTEs, but there is movement, particularly in the operations arm.

Mr GRAHAM: On page 553 reference is made to the provision and maintenance of suitable infrastructure, equipment, skilled personnel and plans to enable effective response to emergencies. What does that mean, with particular reference to the plans?

Mr PRINCE: I have seen a number of plans. They are reviewed, updated and rehearsed on a regular basis. In a sense, it is more finetuning than a radical overhaul, although that happens from time to time. Those plans exist and have done for some time. They are updated to deal with emergencies. They obviously involve significant numbers of agencies, not only the SES.

Mr GRAHAM: Are they state plans?

Mr PRINCE: Some are state, some are regional and some are local. They work at all those different levels.

Mr FORBES: They are also based on a risk management process, including risk analysis. That has been done town by town, city by city and then region by region throughout Western Australia. FESA intends to provide a snapshot of what it believes are the local risks in a community and will address those risks with the community. The SES is following the same line.

Mr GRAHAM: Both agencies are working on that basis.

Mr PRINCE: FESA is an umbrella organisation for the Fire and Rescue Service, the Bush Fires Board and the State Emergency Service. Mr Forbes was talking from the Fire and Rescue Service point of view. The SES is doing the same thing, but the Fire and Rescue Service is more advanced.

Mr GRAHAM: In respect of the SES, are they state plans, local plans or regional plans?

Mr BURNETT: They are state, district and local plans. The state plan has been produced since August 1996. It has been internally reviewed after each cyclone season to establish whether major amendments are required. None has been identified thus far. The plans are scheduled for review in 2000. District emergency management plans have been produced for the Pilbara, the Kimberley and the other emergency management districts. A number of local emergency management plans have also been prepared or are in draft form. Those plans are subject to more frequent amendment. The state-level

arrangements are obviously generally in place. Some changes are made to district-level arrangements and, as the times and communities change, the local-level arrangements are updated.

Mr PRINCE: An extensive system of debriefing is being conducted following the completion of the cyclone season. At my request, the member for Pilbara will be contacted and asked for his input on what issues he thinks should be addressed. The member for Ningaloo will also be contacted.

Mr GRAHAM: Are the local plans worked out using the same process of risk analysis?

Mr BURNETT: They are based on risk analysis. The single risk we are looking at as a hazard management agency is cyclones. We are looking at the effects of cyclones; that is, wind-borne damage and flooding. Some communities have already been the subject of study in relation to storm surge. Other identified communities will be the subject of scientific studies if funding is available.

Mr GRAHAM: Who has conducted the risk analysis town by town?

Mr BURNETT: The risk analysis is conducted by the local emergency management advisory committee. As the hazard management agency, the SES naturally leads the way. However, the analysis is a committee responsibility. The committee assesses the threats to the community.

Mr GRAHAM: Is it a statutory requirement that that be done?

Mr PRINCE: No. There is no statute dealing with emergency services in this State in this context. I have said in this place that it is something we should have. I have directed FESA to prepare an analysis and it is in hand at the present time. I have a paper on it. I can assure the member that it is my intention that legislation be introduced in this House.

Mr GRAHAM: Is the minister planning to table that paper or pass it on?

Mr PRINCE: No, I am not.

Mr GRAHAM: That is a surprise.

Mr PRINCE: I normally do, but there is no point in tabling it at this time. Of course, the member will be asked for his input at this stage of the process.

Mr GRAHAM: How much of the output cost referred to on page 553 is allocated to effective emergency planning?

Mr BURNETT: It would be difficult to put a figure on it. It involves community meetings. The cost of publication and printing of a plan is relatively well known; it is about \$5 000. However, much time is spent in the preparation, and that varies from location to location depending on the size of the community and the nature of the threat.

Mr PRINCE: If the member really wants an answer to the question, it will have to be put on notice because I will not be able to supply the data as supplementary information.

Ms ANWYL: Concerns have been expressed in the goldfields following the cyclones. There was a lack of knowledge in the community about what the wind risk would be in the wake of Cyclone Vance. Is the same plan being developed for the goldfields?

Mr PRINCE: Yes. It is very difficult to get people who are not subjected to cyclone damage on an annual basis to accept that there is a real probability this year. It has not happened for years and people's memories fail.

Ms ANWYL: We have had significant flooding for several years.

Mr PRINCE: The personnel in the area will change, particularly in the goldfields and parts of the north west as contract workers come and go. That planning is obviously necessary. The difficulty is persuading people to take notice, to take it seriously and to do the appropriate things for themselves to safeguard their homes, businesses and so on. On one hand, it is a sad fact of life that the less frequently people experience that sort of cyclonic wind and flood damage, the less likely they are to take note of it. On the other hand, in the Kimberley and Pilbara there is a heightened awareness because people know it will happen every year. Even then, people do not do the right thing for one reason or another. A good deal of effort will still be put into that area. However, it will be almost the case that if another disaster does not occur for five years in the goldfields, it will be difficult to ensure that people of the area make the necessary preparations for such disasters.

[5.40 pm]

Ms ANWYL: The difficulty was that people in the community, particularly business owners, felt information was not available when they looked for it. There is a tracking problem when cyclones move across pastoral areas without monitoring stations, for the want of a better expression. I ask the question in the context of risk management. The last round of flooding caused the community concern; for example, school children were out in the cyclone. It came through at 12.30 pm, rather than 3.30 pm as predicted. Fortunately, there was no wind to speak of, so no damage to life or property was caused through wind. Nevertheless, there seems to be a scarcity of risk management systems in place outlining procedures to be followed. This is different from the situation in the north west.

Mr PRINCE: It is very difficult in inland areas, as I know from a number of talks I have had with the head of the Bureau of Meteorology, to predict where a cyclone will cross the coast, and if and when it does cross, to know where it will go. We still wait to read the anemometers on the North West Cape radio masts regarding Cyclone Vance, but we suspect that the wind will register at well over 300 kilometres an hour. Notwithstanding, it was still the strongest cyclone ever recorded with a monumental amount of water dropped, as was the case with Cyclone Elaine.

Mr BURNETT: The same problem occurred with Cyclone Alby. Not a great deal of warning was given to the south west of the State, and the bureau was roundly criticised following Alby. This time Kalgoorlie was mentioned in a cyclone watch message and the cyclone went inland. There was a significant reaction in Kalgoorlie. What should we do? We need to develop some form of public awareness campaign specifically for the far inland communities which is somewhat different from the campaigns used for cyclone-prone communities. However, we should make them aware of the watches, warnings and procedures.

**Division 56: Police Service, \$410 300 000 -**

[Mr Sweetman, Chairman.]

[Mr Prince, Minister for Police.]

[Mr B.J. Brennan, Deputy Commissioner, Operations.]

[Mr G Crannage, Superintendent, Major Projects.]

[Mr J.P. Frame, Director, Human Resources.]

[Mr S.W. Jones, Director, Asset Management.]

[Mr D.H. McCaffery, Assistant Commissioner, Policy, Planning and Evaluation.]

[Mr R McDonald, Director of Finance.]

[Mr K.J. Porter, Deputy Commissioner, Administration.]

Mr PRINCE: The Commissioner of Police, Mr Falconer, is not present because he is at the Police Commissioner's conference in Darwin.

Mrs ROBERTS: Recurrent funding in the budget papers is \$379 060 000, which represents an increase of only 3 per cent or \$11 718 000 over the previous year's budget. When adjusted for the consumer price index, this is only a 1 per cent increase of \$3 377 000. Again, adjusting for population growth, this represents a budget decrease of 1.6 per cent, or \$4 248 000. Given the decrease in allocation from last year of 1.6 per cent, or \$4.248m, combined with the new police enterprise bargaining agreement, which involves a 3.5 per cent salary increase from March 1999, and another 3.5 per cent increase on 27 July 1999, which has a projected cost for 1999-2000 of \$20.5m, is that not a budget shortfall of nearly \$25m on last year's allocation? Will that not result in cuts to police spending, and from where will the minister make those cuts?

Mr PRINCE: No. It is not a budget shortfall. That is creative accounting. The details are as follows: The increases have been in the Delta communications and information technology project, with an increase in recurrent funding of \$8.8m. Also, provision is made for salary increases of \$5.5m. I will ask Mr McDonald to amplify on that point in a moment. Funds made available in 1997-98 and 1998-99 for salary increases but not taken up were carried forward into the next years. There was a cost escalation and general activity increase of \$2.73m. Net appropriation adjustment of revenue estimates increased by \$242 000, and other increases were \$124 000.

The decreases are the transfer of the vehicle immobiliser subsidy to the Department of Transport, which was just over \$3m; the government productivity budget reduction of \$1.771m, with which the member for Midland is familiar as it has been in place for a while; the transfer of sea search and rescue grants to the Fire and Emergency Services Authority of \$305 000; the transfer of emergency management unit to the Fire and Emergency Services Authority of \$345 000; and a net adjustment of some commonwealth funding for programs of \$228 000. The total is an increase of \$11 718 000, taking into account decreases and increases.

Mrs ROBERTS: Does that \$11m include the money which was carried forward, or is that in addition to that sum?

Mr PRINCE: I will get Mr McDonald to outline the detail.

Other factors were salary increments, cost escalations, commonwealth funding for recruit traineeship programs, some extra money for DNA sampling, net adjustment to some other commonwealth funding programs - some went up, some down - and a decrease in the introduction of global net appropriations. For example, the firearms buyback ceased; therefore, about \$5m allocated to that scheme does not exist any more. There is removal of carryover funding for RMIS. Also, the transfer of the vehicle immobiliser subsidy and other grants took place. A net increase occurred. I will ask Mr McDonald to amplify.

Mrs ROBERTS: It is interesting that in the past couple of years, money for the firearms buyback scheme was part of the Police budget increase. However, now it is to be taken away, the minister has the opposite view.

Mr PRINCE: It must be accounted for in some form or other. It must be accounted for in the budget as an increase. It is money which previously did not exist. The buyback finishes, so clearly the money is not there.

Mrs ROBERTS: Previous ministers reckoned that represented an increase in police funding.

Mr PRINCE: It was.

Mrs ROBERTS: It was not. It was money provided by the Commonwealth for the gun buyback scheme.

Mr PRINCE: It was an increase in police funding to do a particular job which is related to core police activities. The gun buyback is now finished and that is the end of the funding.

Mr McDONALD: The minister has run through the reasons for the increase from the estimated actual for 1998-1999 compared with next year. The member might not be aware that the estimated actual of \$367m for 1998-99 includes funding for the enterprise bargaining agreement. The current policy within government is that agencies are allowed to carry that funding forward. The funding provision for the second EBA for the Police Service kicked off in 1997-98. The fact that it has only recently been put into place has meant that the Police Service has been able to carry funding forward. That is why the net funding requirement in 1999-2000 is only \$5.5m. For example, the funding carryover from 1998-1999 into the next year is around \$6.5m. The continuation of funding of unused appropriation, which is the appropriation that we have been provided that is already incorporated in the base funding that we have carried over, is around \$3.5m. Our calculations show that the cost of the EBA in net terms, considering that part of it has already been paid out in the current financial year, will be around \$15m. The Police Service was required to find some savings as part of the EBA process.

Mrs ROBERTS: You have not said how much was carried forward from 1997-98, and \$6.5m was carried forward from 1998-99.

Mr PRINCE: That is because the EBA came into effect in March with a 3.5 per cent rise. There will be further increments of 3.5 per cent and 2 per cent. I think the next one is due 27 July. That was balanced against some productivity improvements. The productivity improvements related to clearance rates and other issues. I have the latest figures in draft form, and I will provide that as supplementary information. In other words, police officers have all but achieved what was required of them in order to get those increases by apprehending more people - that is, to clear more offences. That speaks volumes for the way in which they operate.

Mrs ROBERTS: Could you clarify the carryover figure from the EBA for 1997-98?

Mr McDONALD: I do not have the information here. The \$6.5m I referred to was the accumulation from 1997-98 and 1998-99, so the figure will be around \$3m or so and is included in that \$6.5m.

Mr PRINCE: I am happy to provide that as supplementary information.

Mrs HOLMES: A significant issue and trend on page 1090 refers to the Government's commitment to safety and security as demonstrated by the Safer WA program. Is there any allocation from the Police budget for grants to the Safer WA local youth committees? If so, what accountability requirements are attached to that?

Mr PRINCE: Safer WA absorbed what were previously known as community policing crime prevention councils. In a budgetary sense the program operates outside the Police portfolio because it has a separate allocation. It has received increased funding. The cabinet committee, the committee that is chaired by the Commissioner of Police on which members sit, and then the executive committee which Mr John Hudson chairs have presided over two funding rounds. A number of worthwhile but relatively small individual projects have been funded, including the juvenile action group in Albany. That is not accounted for in the Police budget but in Premier and Cabinet.

Mrs HOLMES: I thought it might be allocated under the prevention of crime program?

Mr PRINCE: No. Part of the concept of Safer WA is the coordination of portfolios in combined action, and that is occurring. However, from the point of view of small grants that are made to individual Safer WA councils throughout the State, that money is coming through Premier and Cabinet on the recommendation of the council chaired by Mr Hudson and the committee chaired by the Commissioner of Police.

Mrs ROBERTS: How much money has been taken out of the Police budget and allocated to local government for security patrols?

Mr PRINCE: None to my knowledge. The funding that is made available for the audits carried out by local government flows through the Local Government budget. That money goes to local authorities to carry out safety audits, which many are in the process of doing or have completed. This represents relatively modest amounts of \$10 000, \$30 000 or thereabouts. It is not the sort of amount that would pay for security patrols. It is basically to employ people to assess the urban or rural area in an environmental sense and identify the problems that are capable of being fixed by the local authority and so on.

Mrs ROBERTS: Is the minister confident that no money has been allocated out of the Police budget to local government towards security services?

Mr McDONALD: As far as I am aware, none has been allocated. We have some funds for community policing activities. We can make minor payments across a range of activities. I am not aware of any being made for that purpose. However, large numbers of payments for minor amounts are made and there might be one or two there.

Ms ANWYL: On page 1 095 a measure of output is hours of patrols and the estimate for the current year is 982 000. The next output measure says it will be greater than 982 000 and there is a corresponding increase in FTEs. My question relates to the number of police officers available to do patrols, particularly in regional areas. I understand a ceiling has been placed on the number of patrol hours. Can the minister confirm that more hours are available to individual officers in the north west than in Kalgoorlie?

Mr BRENNAN: We have an output mix which is like a pie chart. That pie chart sets out where we put our services. It is divided into seven segments ranging from community support, crime prevention and public order, response to offences, investigation of offences, traffic management and road safety, emergency management and support, services to the judicial process and regulatory and information services.



[6.00 pm]

Mr GRAHAM: Where is that?

Mr BRENNAN: On page 1091.

Mr PRINCE: I do not think the pie chart is in the papers. I am happy to provide that by way of supplementary information and/or have it photocopied. It is in colour so it will probably not photocopy well, so it may be better to provide it by way of supplementary information.

Mr BRENNAN: At the beginning of our planning year when we are organising where we will put our endeavour, effort and resources, we go through a process of consultation and tap into our district officers, which again tap into their people in the police stations and various other parts of the organisation to see how much effort they believe we should put into certain areas. For example, I notice this year's chart shows that 23 per cent of our effort goes into investigation of offences. Last year, the effort that went into investigation of offences was more than the 23 per cent that we are putting in this year. However, the real essence is that we have achieved a better result this year with less effort there and more effort in the community support crime prevention and public order area where we have committed 34 per cent of our effort; and I am happy to say that we are getting better results.

I will return to the question asked by the member for Kalgoorlie. The mix in the central district and the northern region, for example, may be slightly different because they may want to do more work with traffic management, emergency management and support or whatever. It is up to the district officer, under the auspices of the regional commander, to decide exactly how he will allocate the mix of effort, the mix of hours and so on. If we dictated that from Perth, we might say we want them to put 10 per cent of their effort into stolen motor vehicles and the crime that is generated therefrom, whereas in Broome, that may not be a huge problem. However, we know in the metropolitan area, particularly in some districts, it is a huge problem.

*Sitting suspended from 6.03 to 7.00 pm*

Mrs ROBERTS: I refer to the capital appropriations on page 1110, and some matters to do with the source of funds for capital works on page 1116. The budget estimate is \$56.24m yet the capital appropriation is only \$31.24m. That leaves a \$25m shortfall. This can be clearly identified on page 1116 towards the bottom of the page where it lists the total cost of the capital works program at \$56.24m less the asset sales of \$25m which gives a total capital appropriation of \$31.24m. I note the listing with the statement of cash flows on the earlier page. What asset sales are intended? Where is the \$25m to come from? Is it predicated on the sale of the Maylands Police Academy and other properties? If so, will you itemise all those properties to be sold and indicate how much you expect to realise from the sales? If you fail to realise that money from asset sales, will you be taking that money from other areas of the police budget, or will you be cutting back on the capital works as listed in the budget papers?

Mr PRINCE: The situation as the member for Midland has quite rightly deduced is that it is anticipated that some asset sales will take place in the financial year which will in part fund the capital works program for this coming financial year. In the past five years, 26 new police stations have been built which has never been done before in the history of this State. Page 115 clearly sets out the works in progress and the new works which are anticipated. I will come to the Delta communications and information technology project in a moment.

Mrs ROBERTS: I am not asking what the capital works are; you have told me many times about the 26 new police stations which have been built over the past few years. I want to know what that \$25m will comprise; whether we can realistically see it in the budget from the sale of properties that you can identify and quantify the amounts that will be realised, or whether it is illusionary.

Mr PRINCE: The sale of the Maylands site is the obvious one and the sale of what is known as the old girls' school, which is the high school site, that the police moved into during 1968 or thereabouts temporarily for three years, and where they have remained ever since. That, of course, comes under the footprint of the East Perth Redevelopment Authority. It is intended that that will also be disposed of.

Mr JONES: We are currently negotiating with people on both sites. We are comfortable and certain that we will get close to that figure for those two properties this financial year.

Mrs ROBERTS: Do you anticipate realising the \$25m from those two properties only and from no other properties?

Mr JONES: Not at this stage.

Mrs ROBERTS: You would expect to recoup all of that money within this financial year.

Mr JONES: That is what we are proposing.

Mr PRINCE: It is a reasonable expectation. The girls' school site is large, notwithstanding the building on it, and the East Perth Redevelopment Authority's work to date has been superb. Therefore, I expect that the value is there without over-exaggerating at all. As far as the Maylands site is concerned, I appreciate that the local residents have raised some issues. The development immediately alongside, which is the old brickworks clay pits and so on, clearly increases the value of the Maylands Police Academy site. It is a reasonable expectation that \$25m will be realised.

Mr GRAHAM: I refer to page 1099, output measures, timeliness, percentage of investigations for property offences finalised within 90 days. The notes state that the information systems will be in place to measure that in the next year. Why is no target set?

Mr McCAFFERY: You are right. An Australian model is being used across all other States of Australia. The Australian Bureau of Statistics report on this line. The WA Police Service will bring itself into line with the rest of Australia in this reporting methodology. As such, we have not set any performance measures for it this year because we have not measured it in the past or recorded it in the past.

Mr GRAHAM: Why is no target set for the future?

Mr McCAFFERY: We cannot set a target until we establish a base line.

Mr GRAHAM: Is it the same answer for page 1097 under output measures and the average time taken to respond to urgent calls for police assistance?

Mr McCAFFERY: No, we record that now through our communications branch which measures the time from when the call was received to when the call was passed to a responding unit.

Mr PRINCE: The point that is being made is that there is no specification of 90 per cent or 79 per cent, whatever the case may be. Mr McCaffery may be able to provide further information about that.

[7.10 pm]

Mr McCAFFERY: Yes, it is the same answer that I gave to the previous question.

Mr GRAHAM: I refer to the output measures set out on page 1103 of the *Budget Statements*. The number of state emergency management plans in place and current, where the Police Service is the designated hazard management authority, was five in 1998-99, and that has increased to six in 1999-2000. I assume that is the same five with another one added. What are the designated hazards in which the police become the management authority?

Mr McCAFFERY: In all emergency management the police are the lead combat authority. As such, we have all our plans in place and take the lead role. We might not necessarily be the responding authority for emergency services but, for example, we will respond to fires and events such as earthquakes. The relevant emergency services then attend to their areas of expertise.

Mr BRENNAN: The Police Service is the coordinating authority for every emergency, as the member recognises. The hazard management authority can be a range of different government agencies. In the case of cyclones it is the State Emergency Service, and for bushfires it is the Bush Fires Board. We are always the coordinating authority but not necessarily the hazard management authority. The member's question relates to the number of state emergency management plans in place that are current where the Police Service is the designated hazard management authority. I think the extra designated authority might relate to rockfall, following the event at Gracetown. The additional category was added because the police identified in their strategic planning that an additional hazard needed to be managed and they picked that up.

Mr GRAHAM: Will you provide the details of the six categories as supplementary information?

Mr PRINCE: Yes, that will be provided as supplementary information.

Mrs HOLMES: I refer to one of the significant issues listed on page 1090. It is indicated that improved clearance rates for offences have been a significant trend, as has a decrease in crime rates. The media has portrayed an increase in crime rates, particularly violent crime. Will the minister expand on this statement in the budget papers, in light of this difference?

Mr PRINCE: I have already answered that by providing the tables and graphs. In the past nine months the number of reported offences of assault, robbery, burglary, motor vehicle theft and damage has decreased and the number of drug offences has increased. Of those six offence categories where a large number of offences occur - I am not talking about categories in which a relatively small number occur - in five there has been a significant decrease in the past nine months and in one a fair increase. In the case of assault, robbery, burglary, motor vehicle theft and damage, there have been significant increases in clearance rates. In five categories there has been a decrease in the incidence of reported crime and an increase in the number of people apprehended. However, with drug offences the opposite has happened and there has been an increase in the number of drug-related offences but not the same increase in clearance rates. Success in five out of six categories is cause for positive evaluation of the way in which things are being done, and to some extent cause for some pride. In relation to the drug offences, clearly things need to be improved because the number of offences reported is going up and the clearance rate is not. This is dealt with month-by-month by operational command at the district level, as Deputy Commissioner Brennan will amplify in a moment. For example, in the Joondalup area where the police, in conjunction with others, have formed a burglary task force, the rate for clearance of burglary has increased dramatically. Deputy Commissioner Brennan has the figures at his fingertips, and that situation has been replicated elsewhere. People are trying local solutions for local problems, and where they work well, those solutions are moved elsewhere. We have changed the way we are doing business in relation to the investigation and targeting of crime at a local level. Prior to our much-vaunted investigative practices review, all power was divested from Rome - Curtin House - as it then was under the crime command. Following the investigative practices review, one of the many recommendations was to move many of the people from Curtin House and put them in the districts in which the crime was occurring. To that end, we formed tactical investigative groups and developed a crime desk, which is a concept in which there is a crime manager who coordinates and tasks, in accordance with available intelligence, all the local level offending and so on. In short, we are more focused and intelligence driven, and more locally switched on to the actual issues in a particular patch.

In Joondalup the problem was house burglary which was occurring at an astronomical rate. In the past six months the trend has been turned around by almost 30 per cent, which is outstanding, and also the clearance rate has increased. The rate of

offending has gone down, the clearance rate has gone up, and the gap in the middle has narrowed. That requires a significant amount of work and it is a credit to the team at Joondalup that it has been able to achieve that. That has been achieved around the State with varying degrees of success in other districts and places. Kalgoorlie has done particularly well and Albany, parts of the Pilbara and the Kimberley have also done well with various matters. When it is all shaken down and we examine our overall success rates we believe we have turned the corner. It is still early days; nine months is nothing to crow about. However, it gives us an indication that some of the things we are doing are working for us. Naturally, we thought long and hard before we dismantled or repositioned people within the squads. We had a squad for many things and a squad for everything. We have sent much of that expertise to the districts, yet maintained a core specialist capacity at the major crime divisions which monitor the overall state trends, coordinate local activity, etc. We now have something that seems to be working for us. We are keen for those positive trends to continue. I hope they do.

[7.20 pm]

Mrs ROBERTS: I refer to new capital works at page 1116 and the police operation support facility in Midland which is estimated to cost a total of \$42m. Nothing is shown in the columns headed "Estimated Expenditure to 30-6-99" and "Estimated Expenditure 1998-99". The amount of \$1m is allocated for 1999-2000. Is it correct that in 1998-99 no money was spent out of the Police Service budget towards this project? Is Mr Jones aware of any money coming from the Government Property Office for an urban planning study or for any other preparational planning for 1998-99; if so how much? Has a project manager or writer of briefs been appointed? If so, who has been appointed to each position and when?

Mr JONES: I refer to completed works at that page which shows "Central Facilities Relocation - Operational Support Facility - Planning" on which \$400 000 was spent this financial year for planning relative to that facility. The \$1m proposed in 1999-2000 relates specifically to architectural work. The brief has almost been completed. We anticipate that it will be completed before the end of this financial year. In the very short term we have called for requests for tenders for architectural services. We have a short list of six and have invited them to make a further submission.

I do not have any details of the amount of money spent by the Government Property Office relative to the Midland site. However, I am aware that a commitment has been given that it will make the site available for us to commence construction in March or April of next year. That will enable us to at least have the CADCOM facility towards the end of 2000, which is critical. At this stage we perceive that we are fairly well on target. In terms of the master planning for the site I understand some issues remain to be resolved. However, we have identified the site relative to the operational support facility. Steps are now in place for all the remediation and the service provision to the site.

Mr PRINCE: Some discussion is taking place about from whose budget the cost of clean-up of that part of the Midland Workshops site will come. It has not yet been completely resolved. Obviously it must be done. We may have had this discussion a week or so ago. It is all very well to say that the polluter pays, but it is difficult when the polluter, Westrail, was there for such a long period. It probably does not have a budgetary ability to be able to pay for the total clean-up of the site. These are threshold questions being thrashed out at the moment. I do not want to pay to clean up the site.

Mrs ROBERTS: Where will the horses and the dogs be located?

Mr PRINCE: They will go to Midland. We have been able to secure sufficient area to relocate them there.

Mrs ROBERTS: Will they be located on the workshop site?

Mr JONES: Yes, particularly on the river frontage which is not useable for residential purposes.

Mr PRINCE: They are part of operations so they will go with the operations centre. It is a matter of convenience that they are at Maylands.

Mr JONES: The proposed Midland Redevelopment Authority, announced some months ago, will substantially increase the capacity for the operations support facility to proceed on time.

Mrs ROBERTS: I am aware of that and of the statement by the Minister for Planning that the proposed redevelopment authority is subject to a financial feasibility study.

Mr PRINCE: No doubt you will pursue him with questions. We want our operations centre at that location for good reasons. The location and the ground are ideal, apart from the pollution that must be dealt with. Locating all the operations in the one place, particularly with CADCOM, makes sense. I imagine it will be the site for the next 20 to 25 years.

Mr TUBBY: I refer to page 1091 where it indicates that the target of 10 per cent for the reduction of leave liability was not met during this year. Was the leave taken that was supposed to have been taken during the last financial year? In other words is the liability for leave in the Police Service neutral? How is it intended to reduce it in the future? I believe that if police who were entitled to leave took it, we probably would not have a Police Force for some time.

Mr PRINCE: We have a Police Service.

Mr FRAME: The Police Service has examined a number of options for progressing reduction of our leave. The options include buyback leave, compaction whereby officers take six weeks leave and get paid for 12 weeks, taking small amounts and active management and rostering of leave. The first two options are not financially practical to the organisation. We will progress the option to take leave in small amounts and consider more active management and rostering. We have been able to progress reforms through our enterprise agreement. In 1996 sworn officers were able to take annual leave in one-day entitlements. Previously they could take it only in fortnightly or 14-day entitlements. That gives both the officers and management greater flexibility. In our most recent EBA we have achieved agreement to taking long service leave in weekly entitlements rather than in monthly amounts. That provides greater flexibility. Another significant achievement from the

1996 EBA was the buyback of accrued time off. The organisation had significant liability in that area. In the period from 1996 to the current time the Police Service cleared about 3 300 weeks of accrued time-off liability. The challenge is now for us to go forward and see how we can ensure officers take their annual leave entitlements and cut back on their long service leave accrued entitlements.

The Police Service is in something of a dilemma because in many instances it is a frontline agency. For example, the police potentially have responsibilities associated with the upcoming year 2000 celebrations; therefore, officers may be denied the opportunity of taking leave. It is a balance really of operational requirements, as well as ensuring officers take their leave for both their own health and wellbeing and to reduce our liability as an organisation.

[7.30 pm]

Mr TUBBY: Is any extra funding being received from Government to get rid of the backlog, or is that being funded out of the annual budget?

Mr FRAME: No, we are not receiving additional funding. It is the responsibility of the agency to manage that, and that is why the options about considering buyback or compaction are ones that we considered. However, they were not seen as options that, as an organisation, we could fund at this time.

Mrs ROBERTS: I note on page 1091 of the *Budget Statements* it says the Government's leave liability reduction target of 10 per cent for 1998-99 was not met. What Mr Frame has outlined is that now, if not previously, strategies are in place to reduce that leave liability more effectively. When were these new initiatives introduced and how great a problem is the leave liability? What is the total liability of the Police Service in regard to leave that has not been taken? Is it correct that some very senior police officers have up to two years leave that they have not taken?

Mr PRINCE: As Mr Frame said, the most recent innovation which provides some flexibility is in the latest enterprise bargaining agreement, which provides for some flexible rostering and also, as Mr Frame said, some provisions with regard to the taking of leave in shorter periods and so on. However, I will leave Mr Frame to answer perhaps in more detail, hopefully without repeating himself. I cannot tell the member what the quantum is in monetary terms. Perhaps Mr McDonald or Mr Frame may be able to. If they cannot, I will ask that that be put on notice. Perhaps Mr Frame can answer with respect to senior officers' leave.

Mr FRAME: The actual liability is expressed on page 1109 of the *Budget Statements*. The current liability for employee entitlements for 1998-99 is \$47 924 000. The principal component of that liability would be annual leave. By comparison, the non-current liability, which is on the same page, is estimated at approximately \$40m. That liability would principally be long service leave.

Mr PRINCE: On page 1109, under current liabilities, the figure for employee entitlements is \$48 735 000 for 1999-2000.

Mr FRAME: That figure is principally for annual leave. I do not have the exact details, but approximately 80 per cent of that liability would be for annual leave and approximately 20 per cent would be for long service leave. However, the non-current liability, which is also shown on that page, is for long service leave.

Mr PRINCE: Our annual leave bill is \$48.75m. The accrued leave bill is about \$41m. Therefore, it is less than the bill for one total year. It has been accrued over a long period and spread over 4 698 sworn officers and 1 500 unsworn officers.

Mr FRAME: I do not have the details of senior officers specifically. Clearly, if an officer has been in the service for a longer period, the likelihood of his accruing long service leave is greater. It would also be influenced by the capacity for those officers to be released from their operational priorities and pressures. It is more likely that senior officers would have a greater entitlement than more junior officers for those reasons. How we can effectively manage that, as I indicated earlier, is part of the challenge of the organisation - the balance between ensuring operational requirements versus the government directive and also good practice to ensure officers receive appropriate recreational annual leave.

Mrs ROBERTS: In order that I might gain some idea of the length of leave that we are talking about, could that be provided by way of supplementary information?

Mr PRINCE: I am in a slight quandary over that question. In a general sense, we could provide that information. If we were to say that the accrued leave entitlement, say, at the rank of sergeant is whatever, that will not in any way prejudice or identify any individual. However, if we do that, for example, at the ranks where there are very few people - assistant commissioner and deputy commissioner are the logical ones - that is trespassing into the area of personal information which, with respect, should not be in the public sphere. As Mr Frame said, a senior officer who has been in the service for a long period may well have accumulated long service leave that has never been taken. Senior officers in the command structure, such as the gentlemen sitting around me today, are, by the very nature of the dedication they have and the duty they discharge, the sort of people who do not take leave very often, and consequently they accrue it. That simply comes with the high rank. I am unwilling, unless I am persuaded otherwise, to provide details that would identify a particular officer.

Mrs ROBERTS: We know that the current commissioner has been in office for five years, and based on answers to questions that the minister has given me he has managed to take all his leave during that time.

Mr PRINCE: Yes.

Mrs ROBERTS: It would be in the public interest to know if deputy commissioners or assistant commissioners have significant amounts of leave owing. I am seeking clarification of whether that is in the order of two years, or can the minister tell me that is not the case and that a significant amount of leave owing is six months or five years?

Mr PRINCE: I cannot tell the member. I ask her to put the question on notice because I will not be able to supply that by way of supplementary information.

Mrs ROBERTS: Surely it would not take any time at all. It is not a matter of a time frame. The difference between putting something on notice and getting something by way of supplementary information is generally whether the information is available to be collected within a short time. Surely that information could be obtained in half an hour.

Mr PRINCE: I accept the member's point that it is in the public interest. As I said, when individual people are not to be identified, I do not have a problem. However, when the information that the member is seeking, and the disclosure of it, will identify one of a small group of people, I am not altogether sure that that is in the public interest because these are matters that are personal to individuals, and the way in which they have discharged their duty and the reasons that they may or may not have taken leave over the years are personal to them. I will need to consider that matter. I am not in a position to do that and supply it by way of supplementary information. Therefore, I ask the member to put the question on notice.

Mrs ROBERTS: If the minister insists, I will put it on notice. However, I see an anomaly between providing the current commissioner's details and not being prepared to provide the details of other senior officers.

Mr PRINCE: I understand the point the member makes. She asked the question with respect to the commissioner, Mr Falconer. He discussed the matter with me, and he decided and determined that the information could be made public. Otherwise, the answer I would have given to your question was that this is a matter personal to the officer and I decline to answer. The commissioner determined that he had no objection at all; that is fine.

Mrs ROBERTS: These are people on the public payroll. Mr Falconer obviously made the right call. It is a shame the minister does not do the same.

Mr PRINCE: It is not for me to direct any of the people sitting here to reveal details of matters that are granted to some extent in the public interest, but matters which are also personal to them.

Mrs HOLMES: The capital works program on page 1115 of the *Budget Statements* refers to the new police stations and the capital works. The allocation in the budget for police stations and other police buildings is again substantial. Why is this allocation so high, considering that there has been such a large expenditure on buildings over the past six years? What are the key benefits from this part of the budget?

[7.40 pm]

Mr PRINCE: I would describe the Albany Police Station as hideous, and I have stated it publicly recently. It is the sort of place that no human should be asked to inhabit. The only good thing I can say about the Albany Police Station is that the one at Victoria Park is a lot worse. I have not seen all the police stations in the State yet, but I am familiar with a number of them. Many of the old ones, and not so old ones, are appalling. We have reason to be intensely proud of what we have done in the past five or six years. The priority for what is built and what is replaced is largely determined on an operational basis; where there is the need and where an expansion is required from the point of view of people and service. Bunbury is a classic case. The police station is reasonable, but it is not good. Unfortunately, it is slipping downhill because, when the building was built, the stabilisation was not appropriate to last long enough and the ground is giving way. That is part of the reason that a new Bunbury station is being built, but also because there is a need for one. In other instances, there are particular reasons for it.

Mr BRENNAN: Operationally it comes into play a lot. We talk to our asset people and we tap into the advisers to Mr Jones in that regard. It is on the basis of necessity. Although the minister does not have a high opinion of the Albany Police Station, others are worse and appear as a priority. We will get to Albany eventually.

Mr TUBBY: I congratulate the Government and the Police Service for the number of police stations that have been constructed over the past few years. What concerns me, however, is the architecture of some of the police stations; they are pretty ordinary. A large amount of money is spent on a building which is very functional and terrific inside, but which is not all that flash from the streetscape. I have only to look at the Gosnells Police Station. I do not think much of the Cannington Police Station either. Inside it is perfect, but we could do better with the outside design.

Mr PRINCE: I will endeavour to ensure that the architect who designed the Cannington Police Station does not find out where the member for Roleystone lives. The member for Geraldton's views on the first design are well known and the design has been slightly modified. It is in the eye of the beholder. We are talking about functional buildings. They have a hard life. I say that in the sense that most, but not all, of the stations are open 24 hours a day. A lot of people come and go for various reasons and there is a great deal of vehicle movement into and out of the surrounds. From an aesthetic point of view, we could have a different design; however we then run the risk of having a station that is fashionable, but which will date in a matter of years. I prefer police stations to be seen to be functional, yet comfortable. Some stations that have been built in the past are neither. The Police Service has spent many years developing a building code - which is about two inches thick - which specifies the sizes of rooms, the types of facilities and the mix and match; in other words, the internal layout. What is needed in a station by way of the functions is decided, then someone else decides what it looks like from the outside.

Mr JONES: We use the building code as the foundation stone for working out the internal design. The architects are then given a brief to design a facility that is empathetic with the local environment. That is why there is a significant variation in style by location. The Cannington police facility has been nominated for an architectural award. As the minister said, it is in the eye of the beholder. We have had some difficulties with some of our designs, but one cannot underestimate the contribution that has been made in the past four or five years in terms of trying to deal with totally inadequate stock for the Police Service. We have dealt with about 20 police facilities and we are on 168 sites across the State. A significant number

of facilities are not acceptable under normal occupational health and safety standards and we are keen to address those in a structured and planned way. We can demonstrate that the way in which we have designed these facilities meets the expectations of operational police officers, which is the key from our perspective.

Mr TUBBY: I have no problem with the fact that they are functional and inside they do everything we require them to do. However, when you look at them from the street, you think, "That is definitely a police station." We could do better with the outside designs of the stations.

Mr PRINCE: I understand what the member for Roleystone has said. We might appoint him as a one-man architectural veto committee. I can show him the latest sketches for the new police academy.

Mrs ROBERTS: Page 1091 indicates that there has been a 14.7 per cent increase in road fatalities in Western Australia from 197 in 1997 to 226 in 1998. It states that that is of concern. It used to be the case that there was a one year and one day rule similar to that in the Criminal Code. If someone died from injuries sustained in a traffic accident within one year and one day, he was counted in the road fatality statistics. Is that still the case or does a 30-day rule or some other rule appear to reduce the number of road fatality statistics? If people died from injuries sustained in a traffic accident beyond the 30 days, or whatever other rule is now applying, would they be excluded from those fatality statistics? Are those figures based on the one year and one day rule, and if not, on what rule are they based? If it has changed, when did it change?

Mr PRINCE: The consensus of opinion is that it is still one year and one day; however, if that is wrong, I will correct it later.

Mrs HOLMES: Page 1106 contains the major initiatives for 1999-2000. The first dot point relates to the continued focus on relieving police of non-core functions, particularly the opportunity to phase in the introduction of the police-justice core function project. As the wife of an ex-policeman, I can understand the reasons we would need to do this. Relieving them of non-core functions is a very good idea. What are the implications of that from a budgetary perspective?

[7.50 pm]

Mr PRINCE: We have debated the Court Security and Custodial Services Bill at great length in this Chamber, and I think there is general agreement that it is highly desirable that there be a third service responsible for court orderly services, for the custody of prisoners in court and court surrounds and in the cells associated with the courts, for transporting prisoners from court to jail or wherever they are being held on remand, for the management of the police lockups and, most particularly, for the movement of people who are for whatever reason in remand from one police facility to another or from a police facility to Canning Vale Remand Centre and so on. Those tasks are a monumental consumer of police resources - that is, time, vehicle hours and overtime - to very little effect in active policing other than in having a marked police vehicle on metropolitan and country roads. I concede that that has some effect, but the officers so occupied are unable to stop a speeding motorist when they have a couple of people in the back of the van. Therefore, I would be very keen to see a progressive movement of those functions to a third service.

The Opposition in this place has flagged that it agrees to the passage of the legislation in principle, but it disagrees that it should be something done by a private sector contractor. That is obviously the Government's policy because significant economies can be achieved by engaging a contractor to carry out these services. The member for Burrup and the member for Bassendean, who led the debate on behalf of the Labor Party, made it very clear that they agreed to the principle but stated that they would oppose the establishment of a third service unless it was a public sector service covered by awards and so on. So, we have yet to see whether the legislation will pass. If it does, the police will be relieved of a significant burden that they have had historically because there has been no-one else to do it. Society has long since got to the stage of sophistication and size whereby some other organisation should do that job.

Mr McCAFFERY: If the core functions project goes ahead it will do so in two phases. The first phase will primarily release police officers at the Central Law Courts. I refer to police resources because the plan is designed to release resources from both the Ministry of Justice and the Police Service. About 90 FTEs should be made available to go back into general policing, which is the primary focus of the process. Ultimately, 200 FTEs will be returned to duty. They are not "whole bodies". In the first phase, approximately 60 bodies will be released from the Central Law Courts to return to core police duties. The rest are made up of "arms and legs"; that is, police officers who on a daily basis convey prisoners in between performing their normal duties.

The member can rest assured that the police are pursuing this with some vigour; we want to see the end of it. Transporting prisoners around the State is not a core function. As the minister correctly points out, when a prisoner is in a van it makes it very difficult for officers to undertake any core duties.

Mrs HOLMES: In the event that the legislation is not passed, will there be any other way to achieve this goal? We have some redeployees working at the police station at Cannington. Perhaps some of those people could be trained on a one-to-one basis to do the driving. It is such a waste of our trained officers to have them doing these tasks. The officers tell me that they get frustrated, which is understandable. Is there some other way to pursue it operationally?

Mr PRINCE: I thank the member for the suggestion. It is not one that I will entertain until the Legislative Council sees fit not to pass this eminently sensible legislation.

Mrs HOLMES: I did not want the minister to entertain it now.

Mr PRINCE: Good.

Mr GRAHAM: Page 1094 refers to community support, crime prevention and public order. It is stated that the outcome,

output and financial information is the subject of a resource agreement signed by the minister and the CEO. Is that resource agreement a public document?

Mr PRINCE: I am not sure. I have signed a number as minister in a number of portfolios, but I cannot say whether they are public documents. A resource agreement is a Treasury document, which makes some sense, but whether that makes it a public document I do not know. The difficulty is that if I say I will supply it as supplementary information and I am required to seek advice from Crown Law, I will not be able to provide it within the supplementary information time frame. I undertake to provide the information, but if it is not available within that time frame, I ask the member to ask it as a question on notice.

Mr GRAHAM: I am seeking two pieces of information: First, advice from the minister on whether the resource agreement that he has signed is a public or private document; and, secondly, if it is public, whether it can be provided as supplementary information.

Mr PRINCE: If I can answer the first question by way of supplementary information, I shall do so. If I cannot, I will say in the supplementary information that I cannot answer the question in that time frame. The production of the documents will clearly depend on the answer to the question.

[8.00 pm]

Mr GRAHAM: The output description is thus -

A 24-hour police service that is responsive to the need of local communities and includes the activities of targeted and community patrols, . . .

Can one of the departmental officers or the minister please explain what is meant by community patrols?

Mr BRENNAN: A targeted patrol is simply a patrol targeted for a particular area or particular offence. For example, it might be targeting the Carousel Shopping Centre for motor vehicle theft. A community patrol is out and about in the community as a standard, general purpose community patrol. It is not patrolling with the community, but is out in the community performing a general patrol. It might be a general prowl around a specific area, but not for a specific purpose.

Mr GRAHAM: Cops on the beat, so to speak.

Mr BRENNAN: Cops on the beat.

Mr GRAHAM: At whose discretion are they carried out?

Mr BRENNAN: They are at the discretion of the district officer. He must produce his business plan in which he must describe what he intends to do in relation to our strategic action statement. Actions regarding burglary, robbery, assault, motor vehicle theft, graffiti, drugs, damage and so on are outlined in our strategic action statement. The mix he applies in his district or his police station depends very much on local need. Instead of our dictating what should happen from a central point, the mix is determined within the district and on advice from local sergeants.

Mr GRAHAM: How does the Police Service determine the needs of local communities?

Mr BRENNAN: We poll the local Police Service representatives at police station level. We find out what the community needs in the eyes of the local police officers in consultation with the community. The mix is generally applied after that consultation. We do not issue edicts from headquarters to Broome saying that officers must concentrate on motor vehicle theft because money may need to be spent on public order or alcohol offences up in that area.

Mr PRINCE: Safer WA committees come into this matter too. They are one of the organisations to which the police at a local level can turn to receive such response, advice and community feeling about local issues. That is in addition to the information officers collect out on the street.

Mr GRAHAM: If a community has a view that something is not happening with the Police Service that they wish to see happen, how does the community deal with that?

Mr PRINCE: It is more a case of the community having a view that a problem exists with regard to crime which is not being attended to.

Mr GRAHAM: I wish I had said that minister - it was very eloquently put! It was exactly the point I wanted to raise.

Mr PRINCE: I will send the member the bill tomorrow! Let us say that the police were not doing enough about motor vehicle theft in Hedland. One would expect to find, among others, the Safer WA committee saying so, and people making their views known to the local police as they meet them. Police will be responsive. Local authorities have a role. Local councillors pick up such information readily and pass it on both formally and informally - although mostly informally: An informal network may exist through Rotary or at T-ball on Saturdays, which, particularly in smaller communities, is largely the vehicle through which police perceive the general feeling of the community. Is vehicle theft a huge problem? The problem part is that for which district officers are paid: They must consider whether what they are told is truly a problem or only a perceived problem. Is it real or a perception. How does one deal with the reality or the perception? One may need to deal with both. If it is a perception not based on reality, it must be dealt with. Otherwise, one would not be doing one's task of protecting the community and trying to ensure that the community feels safer than it did in the past.

Mr GRAHAM: The same outcome on page 1095 outlines output measures. Under "quality", 49 per cent of survey

respondents are satisfied with the job police are doing in dealing with public order problems. I assume that that is not the same surveys spoken about earlier which surveyed the cops in the cop shop.

Mr BRENNAN: It is a different survey. The 49 per cent survey relates to the Council of Australian Governments survey. We have done similar surveys in which we were told that 49 per cent of respondents were satisfied with the WA Police Service. It was way less than that four years ago. We were running about the third lowest in Australia at that time, and we are currently second top along with another Police Service. We have risen considerably over a period during which the national trend is a decrease in satisfaction levels. The survey indicated that 78 per cent of respondents were satisfied with the job the Police Service is doing in supporting community programs. That is the statewide figure. Individually, results are better than that. Northam, for example, runs a very high survey satisfaction result of around 87 per cent, as does Joondalup. It varies from district to district. I refer to the overall figure.

Mr GRAHAM: Is this a good time for me to put in a bid for more money for my local police and citizens' youth club? Is this a bucks for a vote thing! I am only mucking around.

Mr PRINCE: If the member wants to ask about funding for his PCYC, please ask.

Mr GRAHAM: More money, please?

Mrs ROBERTS: The 14.7 per cent increase in road fatalities in Western Australia between 1997 and 1998 is noted as a matter of concern. Is the minister prepared to order a total review of the road safety program strategy; if not, why not? Does the minister have any new policies which might be effective in curbing road fatalities; if so, what are they? What is the minister's prognosis of the position we face in 1999?

Mr PRINCE: I will ask Mr Brennan to respond in a moment. First, I do not agree with the view of the former Minister for Transport Hon Eric Charlton that the police did not do a good job for the many years in which they had almost total control of road safety.

Mrs ROBERTS: You do not agree with Hon Eric Charlton or me?

Mr PRINCE: I do not agree with Hon Eric Charlton. He is recorded as stating that he did not think that police did a good job over a period on road safety.

Mrs ROBERTS: I made no reflection on the police's handling of that issue. I am talking about government policy.

Mr PRINCE: The establishment of the Office of Road Safety and the Ministerial Council on Road Safety with which I have been involved since I was Minister for Health and which includes the Minister for Police, the Minister for Transport, the Minister for Education, and the Minister for Local Government - they are the five core ministers, and others come and go - is probably one of the best initiatives put in place by the Government to deal with road safety as an issue that does not belong to one group within society, namely, the police. The police have an important function in enforcement of the traffic law. However, that is not the only way by which we achieve improvements in road safety. Clearly we do that by road design and driver training, which is something about which Hon Eric Charlton and I agree strongly. That has been lacking for a long time and we could do a lot better. Changes are under way, and there is better education coming through the schools with young people. Many of the initiatives that are in place, in which I have had a say through the ministerial council, and the police have had a say through the Office of Road Safety, have been successful. It takes a long time to change the culture and habits of drivers on the roads of Western Australia.

Mrs ROBERTS: What is the minister's explanation for things getting worse not better? I attended the launch of that road safety program as the Opposition's shadow spokesperson on transport. It is not that things have remained static and there has been no impact from that program; we have had a nearly 15 per cent increase in fatalities. I would have thought the minister would review what has taken place.

Mr PRINCE: It is cause for concern. Through the Office of Road Safety and the Ministerial Council on Road Safety all the initiatives are constantly being reviewed: Did this work? Was there a measurable positive result? If not, why not? Can we do something else? How can we do this? Many things are being done, all of which are aimed at making the roads safer. However, more people have died. Mr Brennan will be able to talk more about that from a purely policing point of view and also about the current figures.

Mr BRENNAN: The calendar year 1997 was one of the best years for road fatalities. We also measure serious injuries that are sustained by people and the number of serious crashes. Last year was not a particularly good year, as the member is probably well aware. This year the number of road deaths is currently 78. While that is concerning, it is seven fewer than for the corresponding period last year. Our critical injuries are running at 12 fewer than last year. If we can drive the number of critical injuries down, that, ipso facto, will pan out so that the overall fatal results will tend to be down. If we can reduce the number of serious crashes that result in critical injuries we usually finish up with a lower number of fatalities. Touch wood, we are heading in the right direction so far this year. We would like to think that some of the concentrated efforts we have made in road safety and road safety management are starting to work for us. The Road Safety Council and the Police Service are in constant contact and discuss strategies at length. We believe that we are starting to have some good effect on the overall road management safety issue. We are optimistic rather than pessimistic about where we are going.

Mrs ROBERTS: Even if the number is seven fewer than last year, we are still on track to exceed the 1997 level. Any comparison with 1997, which was before the current strategies were in place, would indicate that we are worse off two years down the track.



Mr BRENNAN: We are seven fewer than this time last year, and as 1997 was our best year ever I understand that we are on par or maybe one above that. It is sufficiently close to the result in 1997 for us to be optimistic about the outcome.

Mrs ROBERTS: There is a difference of 29 fatalities between those two years. Potentially more accidents occur in the later part of the year.

Mr BRENNAN: Traditionally October is one of our worst months, for whatever reason. The other point is that at one stage earlier this year we were 15 fatalities in front. However, due to a number of factors we have drawn that back. The number does fluctuate, but at the end of the day we look at the critical injuries. That is our litmus test. If critical injuries are running at fewer than in the previous years, we find our overall death toll will be down.

Mr PRINCE: A particular worry is what will happen at new year. New year tends to be party time. With the end of the millennium, the hysteria that is already beginning to build may well demonstrate itself on the roads. That is something we are working on, but largely it is in the hands of the motorists.

Mrs ROBERTS: The minister has stated that the strategy is a continuation of what has been in place for the past couple of years, with the Ministerial Council on Road Safety and the Road Safety Council. Are there any new policies or initiatives in place?

Mr PRINCE: The policy initiatives that we are convinced will have the greatest long-term effect are in education, particularly for children in upper primary school and secondary school. If we can get to children when they are young so that they are far better informed and educated before they become a licensed driver and also make driver training a great deal more rigorous than it is, in time we should have better qualified people on the road. All of that was part of the plan that Hon Eric Charlton announced two years ago. We know that the crash statistics for young people between 18 and 25 years of age are higher than any other measurable part of the population although the second highest group is people over the age of 65. That says something no doubt about the age of people but also about their competency. We will see a long-term benefit as the better education flows through to a higher percentage of the drivers on the road. That does not bring about an immediate change. I am sure the member will agree that is a good thing to do. It is difficult to change people's behaviours and mind set when they get on a motor bike or into a motor vehicle on roads in the metropolitan area and elsewhere. That is difficult to do quickly. It must be done incrementally and on a continuous basis. We will use shock advertisements and persuasive advertisements. We will use as many police officers as possible. We will use children. Children will sit in the back seat of a car with their seatbelts buckled and say to parents or grandparents, "Do up your seat belt". There are all sorts of different ways of doing this and that is an example. These things undoubtedly have an effect but it is not one about which we will immediately see a downward line on the graph.

Mrs ROBERTS: I remember that before seatbelts were compulsory, a lot of information was available and education was provided about how the wearing of a seatbelt could prevent injury. We did not see everybody wearing seatbelts until we made it compulsory. I moved a motion in the Assembly last year to ban the use of hand-held mobile phones in a motor vehicle, and also radar detectors. The argument from the Government was that it would embark on an education program. Whether it is seatbelts, hand-held mobile phones or something else, one can educate people over a long period and get very little result or, we could legislate to ban the use of hand-held phones and gain results in the same way that the compulsory wearing of seatbelts gained an immediate result. Will the Government undertake any legislative measures or new initiatives to turn this situation around more quickly?

[8.20 pm]

Mr PRINCE: The road toll will not be turned around by banning hand-held mobile phones or radar detectors. A very small incremental change might occur if that were done. What will happen is a mentality will emerge that says, "Big stick will change the way in which you drive"; it does not work in that sense across a vast number of people.

Mrs ROBERTS: It worked with seatbelts. You used the example yourself.

Mr PRINCE: It has worked for many people with the compulsory wearing of seatbelts. Some people still do not wear their seatbelts and go through the windscreen as a consequence or end up severely injured. It is 25 to 30 years ago since the compulsory wearing of seatbelts came into effect.

Mrs ROBERTS: We have the highest rate of people wearing seatbelts in Australia and as a result we have saved many lives.

Mr PRINCE: We have. The cause of many crashes is poor driving. The vehicles could be made as safe as possible; however, if a rotten driver is behind the wheel, crashes will still happen. Ultimately, what does one do - wrap people in helmets, use racing harnesses, roll cages and surround them with foam rubber? If the mind-set behind the eyes is not changed, people will still hit each other. We must deal with it on a number of different levels, one of which is the safety equipment side of things. I do not think people should use hand-held mobile phones in a moving vehicle; it is stupid and the police should prosecute them - I have said so. The police have a view that they could prosecute, but they would rather have a specific piece of legislation with which to do it. The member and I have debated the use of Multanovas many times. If people do not want to pay, they should not speed. The other argument is that Multanovas are revenue collectors and serve no other purpose. If people do not pay, they will not contribute anything to the revenue. Surely the two make sense, but the mind-set is, "I should be able to speed. It is unfair if I get caught." That is a very common mind-set that leads to the argument about Multanovas being nothing more than a revenue collector; they are not. It is the mind-set that we must change. The member for Pilbara is sitting smiling -

Mr GRAHAM: Because I am a naturally happy person.

Mr PRINCE: Because he knows what I am talking about and it is perhaps part of the psyche of people. People can be as larrikin as they like, but they should not do it with other people's lives, which is what they are doing on the road.

Mrs ROBERTS: You have countered your own argument because I am talking about putting penalties in place by way of legislation and you are suggesting that people will do the right thing with education.

Mr PRINCE: The point I make is that while that has a desirable effect, we are dealing with the effect, not the cause. The cause is lousy driving. Ultimately, the answer to that is better education, but in the medium term, it is to try to change people's attitudes. It is fine to be a larrikin on the sporting field within the laws; it is never fine to be a larrikin on the road.

Mr TUBBY: Do we have any statistics on people killed in the past 12 months as a result of an accident caused by somebody holding a mobile phone?

Mr PRINCE: No.

Mr TUBBY: Until we have those statistics, it is premature to say that we will solve the problem of deaths on our roads by banning mobile phones being held while driving.

Mr PRINCE: We do not have any statistics in this State.

Mrs ROBERTS: The Chairman of the Road Safety Council says information is available overseas.

Mr PRINCE: He is right.

Ms ANWYL: I return to the issue of deployment of existing police resources; namely, man and woman power in our communities. I refer to page 1095 which lists some output measures relating to the 24-hour police services. I appreciate that Deputy Commissioner Brennan was talking about the pie chart and different wedges and that police officers might have different duties. However, my questions are specific: Is a limit placed on the number of hours that a general duties officer can perform on a weekly basis?

Mr PRINCE: If a general duties officer arrests somebody towards the end of his shift, he keeps going. Can you be more specific?

Ms ANWYL: If an officer who is not engaged in an arrest, or some breach of the peace, is driving around and it is coming to the end of his shift, is a limit set on the number of hours that he can perform? The reason for my question is that in my own electorate, many officers are doing second and even third jobs. I wonder what sort of statistics are available for the number of officers who are employed in other types of employment. I wonder why those officers who want to work more hours a week cannot work more for the Police Service, rather than in the taxi industry or whatever other industry it might be.

Mr PRINCE: The mind boggles.

Mr BRENNAN: Firstly, the Commissioner of Police has first claim on the time of our officers. We hope that when they come to us they are fit, energetic and ready to perform their duties for a minimum of eight hours and whatever may occur after that. As the minister has indicated, if they perform an arrest or encounter a situation whereby they need to remain on duty, they can work up to 14 or 15 hours. However, as you would realise, after that performance can suffer and then they need to be relieved. We have a secondary employment policy. Some of our officers are able to engage in other employment, but that policy nominates the range and types of employment that they can become involved in. It is not something which we like or enjoy because, as I say, we demand first call on their energies and their enthusiasm. We do not expect our people to knock off from their secondary employment to come to work to sleep; we frown on that. It has tightened up considerably in recent times. In the past 10 years it has tightened up more so than it was.

Ms ANWYL: I am not suggesting anything is improper about the activities of the officers to whom I am referring. I am confident that they are professional police officers, number one, and whatever else, number two.

Mr PRINCE: Are you sure they obtained permission for the second and third jobs?

Ms ANWYL: I am sure they have. We hear much in the public arena about the need for police. I do not want to enter into that argument; it is a complicated one. It seems to me that existing police officers could be better utilised by enabling them to do as much overtime as were financially possible within the budget of the Police Service, but also within reason - I am not suggesting that people work double shifts and so on. Are you tracking the number of hours that officers are working in other types of employment and is something preventing those officers from taking on rostered overtime on their current shifts?

[8.30 pm]

Mr BRENNAN: No; we are not tracking the number of hours and times our officers spend in authorised secondary employment. It would be difficult to keep records of that. We can recall our officers to duty and we can ask that they continue with the duties they are undertaking if the need exists. Some years ago we used to do what was called "specials" as police officers. We went to the football and were paid for the time we spent there, and escorted payrolls and other sundry jobs of that nature. However, that became a little bit too much to handle in the sense that our officers were more focused on the secondary employment than on the primary employment. We ask that our officers devote their energies and attention to their police duties. From my experience, if they do their full eight hours or whatever is required on the police job and devote all their energies to it, they are more than happy to go home and have a rest.

Ms ANWYL: There may be other imperatives such as financial, particularly in remote areas where the cost of living is higher than in the metropolitan area. What is the average number of hours a week a general duties officer performs in say Kalgoorlie-Boulder?

Mr BRENNAN: Forty hours is the minimum we expect them to work. Our overtime bill each year is in the vicinity of \$8m. Spread over 4 698 police officers, it is a considerable boost to their base salary.

Ms ANWYL: Are the average number of hours worked above the 26th parallel by a general duties officer higher than elsewhere?

Mr BRENNAN: Yes, they have a 44-hour week up there.

Ms ANWYL: What is the reason for the difference?

Mr BRENNAN: I worked in the Pilbara for a few years in the mid-1960s. Apart from the zone A tax allowance, 44 hours a week was part of an incentive scheme for people to go there. It provided them with a little bit of extra income and the icing on the cake was that they were in a zone A tax area which had certain advantages. Since then it has much to do with productivity and availability. A slightly different equation applies in this modern day. People have asked us why they cannot work 44 hours at Geraldton, Kalgoorlie or Wiluna. We are not pursuing that at this time.

Ms ANWYL: Are certain regions classed as difficult to staff?

Mr BRENNAN: That is an interesting question. Yes; we have difficulties getting people to certain inland locations. However, we do not have much difficulty sending people to areas along the coast. We have a tenure policy to ensure we rotate people who have been inland to other coastal locations so that they can get relief from being landlocked. Not all inland locations are difficult. We have the most difficulty with places in the central and eastern wheat belts and the central region generally. People do not seem to want to go to those towns. We have no trouble getting people for the far north or the south.

Ms ANWYL: Would you consider increasing the number of hours to 44 rather than 40 for some of those difficult-to-staff places? Would that be an incentive to work there?

Mr BRENNAN: It probably would be. It is a case of necessity. When people join the service they join with their eyes open and on the understanding that they serve wherever the commissioner requires them to serve. They are accepted into the job on that basis; it is part of the contract when they join. If the commissioner told me to reopen Turkey Creek, I would be bound by that direction and I would have to do it, and enjoy it.

Ms ANWYL: I am aware that in the goldfields some fairly new initiatives are being used at the cadet stage of attracting local people into the service. Is that an overall policy?

Mr FRAME: It is an initiative that we will develop in a few places. It is a link to the concept of how we deploy our probationary constables. We have in place a mentoring scheme the principle of which is to attach a probationary constable for an 18-month period following 26 weeks at the Police Academy. During the probationary period they are attached to a station and work with a more senior, experienced officer. For some time we have had positive feedback that officers going to the country receive broad exposure and an opportunity to interact more with the community.

We have implemented a pilot program whereby we have sent between six and eight officers who were happy to go to locations under the mentoring scheme. That has proved to be successful. We are looking to extend that to encourage people from country locations to take on a career in policing. It will provide the opportunity should they wish to do their probationary period under a mentor in their country location. We piloted that in Kalgoorlie. In previous years we have run recruiting campaigns by sending recruiting teams to country locations. This is an extension of local recruiting with the aim of eventually deploying people through their probationary period to the location from which they came should they wish to go there. We are assessing that to see whether it is successful for both the officers and the agency. If it is, we will consider it to be another strategy to attract people from the entire State as we are required to provide police.

Mrs ROBERTS: The deputy commissioner indicated that overtime was in the order of \$8m. What has been the trend in overtime in recent years; for example, how much overtime was paid out last year compared with the year before and how much is anticipated this year? How many officers on average work night shift in Western Australia in any one week? How many officers on average work afternoon shift in any one week? How many officers on average work on weekends?

Mr PRINCE: I do not think Mr McDonald has the overtime figures with him so we will provide that answer by supplementary information.

Do you want a snapshot of the number of officers working night shift in any one week?

Mrs ROBERTS: Yes.

Mr PRINCE: Mr Frame says it is unlikely that he could provide current information, but he could probably provide it for a year or two ago. The deputy commissioners have conferred about whether it is desirable from an operational point of view that this information be made public in any event. I can see the member for Kalgoorlie nodding her head in agreement. I have no problem with finding out what it was in 1997-98, if the data is there, but it may take some time, so perhaps the question should be put on notice. With regard to what is happening in May 1999, for example, I would be guided by these gentlemen as to whether that should be made public.

[8.40 pm]

Mrs ROBERTS: If you would undertake to provide by way of supplementary information at least the 1997-98 information, I could put some questions on notice with regard to 1999 and you could choose whether to answer them. It is relevant to know what proportion of officers are on duty at a time when, for example, most crime is occurring.

Mr PRINCE: I appreciate the reason you are asking the question. I am not suggesting there is anything untoward in the question. Mr Frame has told me he is not sure whether we can even give you the historic information. I will not undertake to provide it as supplementary information, but if you put the question on notice and we can work it out for, say, 1997-98, we will answer it. With regard to current information, you should put that question on notice, and I will leave it to the command group to decide whether that information should be made public, simply for the reason that it may be misused - not by you, but by others.

Mrs HOLMES: The capital works program at page 1115 refers to quite large appropriations for the Delta Communications and Information Technology Project and the Emergency Services Call Taking, Dispatch and Communications Project. What are those projects, and how will they assist the Police Service to achieve its outcomes?

Mr PRINCE: Superintendent Crannage will be delighted to answer your question about DCAT and CADCOM, because he has been preparing all day, and I shall listen with interest.

Mr CRANNAGE: The DCAT and CADCOM projects have three components. The first component is about the Police Service staying in business and remediating a lot of our information systems from a year 2000 perspective. The second component is about enhancing frontline policing systems. The third component is about developing better electronic interfaces with the community - email into the Police Service. From a staying in business perspective, we have been focusing comprehensively over the past 18 months on remediating our mainframe computer systems so they are year 2000 compliant. Part of that has been to implement a resource management information system, and that has avoided the necessity of trying to remediate things like our accounting and supply systems. We have also spent a fair amount of time working on our network, which has computers that are five or six years old. I think we are the only agency in the State that still uses Windows 3.11. Part of this program is about updating what is essentially our backbone pipelines throughout the State to make sure we can move information around efficiently and effectively.

While the CADCOM project sits within DCAT, it is essentially the front end of DCAT. It is about putting a new digital trunk radio network across the metropolitan area. That will avoid some of the problems we have at the moment, where we are using an old 1970s-based radio network and where people like Brendan Abbott can get on a scanner and listen to everything that the police are doing and get going before the police get there. That is one aspect of CADCOM. The other is to put mobile data terminals into our operational vehicle fleet so that rather than use voice-over dispatch, we can send text messages into our operational vehicle fleet. That goes hand in hand with an automatic vehicle location system which is attached to each of our vehicles. The situation at the moment is essentially, "Calling all cars, calling all cars, can anyone go to a job?" We will be in a position to identify where an incident has occurred and where the nearest effectively resourced operational vehicle sits. That will enable us to respond much more rapidly than we can at the moment. It will also be a significant officer safety tool, because officers will have the capacity, which they do not have at the moment, to press a button to set off an alarm, which will be a clear signal to our command centre, although the vehicle may not be able to dispatch a radio voice message, that the officers are in trouble, and we can pinpoint their position to within about a five metre radius. Therefore, combined with the automatic vehicle location systems and the mobile data terminals, officers will be better equipped to respond quickly to community calls for service.

DCAT, or the back end of CADCOM, is about taking the various stacks of information that we have developed over a long time to policing in the information age. Our share of information has essentially been paper-based. Our systems have developed in such a way that all of the information sits in different stacks. DCAT is about putting some links together between those stacks of information so that it is at the fingertips of the officers on their mobile data terminals, so not only will they know where to go and what is the most direct route to get there, but also they will be able to look at an on-board system that says, "This is the person who lives there, and he has a criminal history", or, "Someone lives next door who has a criminal history", or, "There is a depot around the corner that contains explosive material". The information that police will have at their fingertips will enable them to do more effectively the jobs that they are trying to do at the moment but for which they cannot access all of the information that they need.

Mrs HOLMES: What is the time frame for the implementation of those projects?

Mr CRANNAGE: We are just finalising the procurement of the CADCOM services, the radio network and the dispatching capability which meshes in with the operational support facility at Midland. In October or November next year, that will be in place and will start to be bolted together. We anticipate the trials of the new radio network and the data terminals in operational vehicles will be in the first quarter of 2001. The time is drawing very close.

From a DCAT perspective, we are working concurrently on developing some of these new information systems. While we are rolling out the network, we are concurrently developing a new electronic court brief system, which will significantly reduce officer downtime. At the moment it takes a long time for officers to prepare court briefs and fill in paper-based forms of reports of crime. These streamlined systems will enable officers to not only take the report at the first point of contact but also enter it at the first point of contact; and when a person is apprehended, the officer will be able to complete an electronic court brief at the other end, which can be moved seamlessly across to the Ministry of Justice. Those projects are in train at the moment.

Another project that we are working on at present is a crime and incident pattern analysis system, so officers, not just crime

intelligence officers, but operational commanders, will be able to access not only historical information about what crimes have occurred but also some predictive analysis. The system that we are working on at the moment will enable us to draw on these separate databases of information. One good example is when a pattern of crime is starting to emerge. For example, an officer can ask the computer to tell him when more than three break and enters have occurred in a certain area in Mirrabooka over a six hour period. The system is configured so that if that does occur, an electronic mail message will be sent to all of the right people, who can then say, "A trend of break and enters is starting to occur; let us move our operational officers away from some community-based patrolling into a targeted environment and move as many people as we can into that area". That will enable us to respond rapidly to emerging crime trends and, hopefully, get on top of the crime before it starts to occur.

Mrs HOLMES: What sort of training will be provided to the officers who will be using that equipment?

Mr CRANNAGE: That is an important aspect of our entire approach to the DCAT project. We approach the DCAT project with two fundamental principles. The first is an approach towards benefits realisation to ensure that the investment we are making in the system has the capacity to reap tangible benefits. The second is the need for effective communication and training for every new application that we roll out. At the moment we are starting to configure training for our new network. That will roll out between August and December this year. The way we are structuring the training is that just for the moment, we will do training on the new standard operating environment on a new work station, but we are developing in such a way that when we roll out a new application - for example, the electronic brief system - we will be able to re-use the same model of training. It is essentially a caravan that travels around the country areas, and some more intensive localised training in the metropolitan area, conducted concurrently so that country officers do not miss out on having the same training opportunities as their metropolitan colleagues. They are very exciting times and as an operational officer I am very excited about being a part of the project.

[8.50 pm]

Mrs HOLMES: I would like to come and see it sometime.

Mr CRANNAGE: You are more than welcome. I am sure we would be happy to host you to see it.

Mr PRINCE: I extend that offer to any member of Parliament. It would be easier if we could do it with a group. Mr Crannage has spent only six or seven minutes talking about it but has been driving it for some years. If members really want to know in detail and in depth, please let me know and I will organise it.

Mrs ROBERTS: I am very pleased to hear the description of the delta communications and information technology project from Mr Crannage. He clearly outlined the need for the new system. He also described the huge problems with the antiquated existing system. In looking at pages 1115 and 1116 of the *Budget Statements* on the capital works program, under the heading of works in progress there is a description of the DCAT continuing into its second year with an estimated expenditure of \$16.7m and what that includes. Over the page, still under the heading of works in progress, there is a reference to the DCAT plan release 1 with an estimated total cost of \$34m, \$17m having been expended so far.

Mr PRINCE: That is to the end of this current financial year.

Mrs ROBERTS: There is an estimated expenditure for 1998-99 and then a further \$16.7m estimated expenditure for 1999-2000. Further down the page under the heading of new works the delta communications and information technology plan refers to release 2. There is a further \$16m listed there, only \$839 000 of which is allocated. The minister or Mr Crannage can correct me if this figure is not correct. However, I understand the whole project has been costed at \$120m. I ask why this communications equipment is being bought piecemeal for a system which, on Mr Crannage's description, is currently in crisis and would need comprehensive funding far more urgently in the program than that which seems to be provided here.

Mr PRINCE: I thank the member for raising the point. It is not something that comes off the shelf. Police services in Victoria, New Zealand, some jurisdictions in Canada and a few in the United Kingdom have similar systems in place. Ireland is working one up at the moment and in fact members of the Irish police service are coming to Western Australia to see what we are doing because they know that we are probably the best developed at the present time. I know from a recent visit to Singapore that the police service there has something similar; however, the geography there is different. It is something that nonetheless requires a staged implementation. It cannot just be bought off the shelf, put in and turned on. In general terms that is the reason why. Mr Crannage will no doubt be able to give a more detailed answer.

Mr CRANNAGE: Ostensibly the three packets of work that are broken down into the DCAT program, the staying in business, the frontline policing applications and community policing, drive the approach that has been taken on funding. There is, of course, a finite capacity of any agency to absorb only so much change, particularly technological change. If we were to try to spend in a meaningful way \$100m-odd in a 12-month or two-year period, it would be nigh on impossible. I am certain that we would not be able to pursue the projects with the same vigour from a benefits perspective without a gradual implementation and, in terms of the question from the member for Southern River, the capacity to absorb the amount of training necessary to effectively implement these systems would essentially be in jeopardy. There is also an issue of the recurrent funding and as far back as the McCarrey report it was identified that peaks in capital funding were a major problem for government departments in seeking to implement large capital projects every three or four years to rejuvenate systems.

The approach that we have taken with the DCAT project, the first significant one of which is our network roll-out, is that these should be recurrently funded items so that we do not get ourselves into the situation that we are in currently with computers that are five or six years old and software that is even older than that. Therefore, a proportion of the funding for DCAT commencing in the next fiscal year is recurrent funding that will maintain a fleet of workstations in a current standard

operating environment that can be rejuvenated over the first, second and third years so that we will not find ourselves locked into old technology. We want to buy a service that enables more effectively the business processes that we are implementing and it is very important that that recurrent funding is locked in in that manner so that we do not get ourselves into the situation in which we have been for the past few years.

Mrs ROBERTS: In summary, can I confirm that it is a \$120m project, that it is anticipated it will be finalised within three years and that that is the most desirable time frame?

Mr CRANNAGE: It was a five-year program from commencement and we are a little more than three and a half years away from conclusion. It is certainly our expectation that that figure is correct. The approach to try to condense that into a shorter period would be a disaster. Some other policing agencies around the world have attempted to do this in a big bang approach and they now find themselves substantially over budget and time and not necessarily having delivered a lot of the functionality that their officers are looking for. Our approach is to acknowledge that we do not need to reinvent the wheel; there have been many wheels invented all around the world. We want to select some of them and ensure that they plug together effectively. We believe that the solution we are looking for is available from packages in one form or another and the effort must be in redesigning the business process to ensure that these packages plug together appropriately. We can do that by starting with CADCOM - emergency services call taking, dispatch and communications project - and putting the data terminals in vehicles, putting the vehicle location systems in and concurrently developing the databases at the back end that will be able to be accessed from the mobile data terminals.

Mr PRINCE: There is also a flow on. I will finish off by saying that we intend to have the police data system compatible or able to interface directly to that of justice and prisons so that effectively when a constable makes an arrest, the file starts and it flows through the system into the prison, if that is ultimately where the person goes. We will then get around the problem that was so tragically illustrated last year of the person who had been released on parole, was then on bail and drove a vehicle up an off-ramp and killed a grandfather going home. In that situation the police did not know that the person was out of jail due to an information breakdown. If there are discrete computer data systems which interface so that there is no necessity to re-key things or rely upon fax machines and humans who can err, there will be the ability for the information to flow around in a loop. That is also part of what would be a significant enhancement to policing.

Mrs ROBERTS: Is it a long-term objective or otherwise of either the Government or the Police Service to privatise core policing activities such as patrolling and the response services of the Western Australia Police Service?

Mr PRINCE: There is absolutely no intention at all on the part of the Government to ever do that. I appreciate that it is something that has happened to some extent in some of the states of the United States. I understand that it is said to be happening in Queensland but it will not happen with this Government. I have no problem at all with what the various firms of security groups are doing around the State because in this State, unlike almost everywhere else in the western world today with which we can compare ourselves, the relationship between police and security firms is good. Ups and downs occur with particular groups from time to time. I believe there is absolutely no way in which this Government would ever contemplate some form of "private" police who are lesser trained than police and given greater powers than the average citizen. That is simply not on.

[9.00 pm]

Mrs ROBERTS: It happens already in parts of the railway system.

Mr PRINCE: That is not a private policing exercise; it is policing in a specific environment for specific functions.

Mrs ROBERTS: It is the same with the courts.

Mr PRINCE: The court function, the transport of prisoners and the management of lockups are not core police work. I cannot see how the Government, of which I am part, would ever contemplate any form of core police work being taken away from them.

Mrs ROBERTS: Many would refer to safety on railway stations and on trains as core police work.

Mr PRINCE: I suppose one could argue that. One could also say the same thing of a football match or any large event of that nature. Although they happen in a public sense, they are privately organised. I really do not see a problem in having crowd-control people who are not police officers. There is a boundary which is somewhat blurred.

Mrs ROBERTS: A further boundary exists with local government patrols.

Mr PRINCE: When I start talking about core policing, you start talking about patrols. I am talking about vehicles containing officers who are presumably armed and have the powers of arrest and so on. I cannot see this Government ever contemplating that sort of core work being done by a contracted private agency which has powers by legislation akin or close to those of police officers.

Mrs ROBERTS: I did refer to patrolling as a core activity in my original question.

Mr PRINCE: That is why I addressed it.

Mr BRENNAN: I suppose that when security guards and people performing that sort of function who are employed by local government and others first started to become an issue, we saw it as us and them. We felt that it was an encroachment on the traditional territory of the police and that somebody else was taking another slice of the pie and leaving us perhaps with the less palatable, dirty jobs. We were put off by that possibility. However, in recent years we have met with those people

and formed a strategic alliance with them. Our view is that it is better for us at least to have them out there on the ground as an extra set of ears and eyes, but not necessarily with police powers. They are tapped into us at a local level, where we are leading and directing the sorts of things they are doing. For example, they might report through to the local police and ask us if there is anywhere we would particularly like them to patrol and any thing to look out for. We might say that a prowler has been seen in Beckenham or Manning or a series of break-ins has occurred in Bayswater and could they look at such and such a street and if they see anything get straight back to us and tap into us. Usually with the mobile phone network we can tap into those people and they into us fairly rapidly. What we are getting is a degree of cooperation and control, albeit a quasi control, over what those people are doing.

The licensed security agents have formed an institute. They have a code of conduct and a degree of training. It is not comparable to the standard of training to which police officers are exposed but it is a start. As you know, we handle their licensing and registration. If anybody breaches any of our requirements, we revoke his licence, so we are in control. Other areas in Australia still seem to get into the demarcation disputes of telling them not to go onto their patch because it is policing and those people are doing security-type activities. In those places it is not working out so well. Other States have seen our model and some of our early successes. Indications are that they will try to adopt the same model. There are something like three times as many private security guards in Australia as there are sworn police officers. That is an interesting statistic and one we would like to continue to control as opposed to seeing them taking our jobs from us.

Mrs ROBERTS: That would include crowd control?

Mr PRINCE: Yes.

Mr BRENNAN: It includes crowd controllers but I do not include them in our alliance. As you know the Security and Related Activities (Control) Act sought to regulate the licences of bouncers and doormen, as they are called. That is slightly different, but again we still hold the whip hand, if I may use that expression, because they must license themselves through the commercial agents, which is a division of our Police Service. We hold quite a degree of sway over who gets a licence and who does not. They must meet certain criteria. They must be trained, pass tests and so on. We are positive in that. If we can coordinate and exercise some manner of control, at least we hold sway.

Mrs ROBERTS: Mr Brennan has described security agents as being, what has been colloquially described, the ears and eyes of the police, and communicating effectively so that the police role can be enhanced. Is the Police Service aware of any private security guards used by councils in Western Australia, who are equipping themselves with batons, handcuffs or pepper sprays; if so, in which local areas are they working, and does the Police Service find that acceptable?

Mr BRENNAN: I am aware of one group in the metropolitan area that is reputed to be using telescopic batons. Some of them have access to pepper spray. I am also aware that some of them have purchased handcuffs. All of those items are available for legitimate purposes. Unless they are used for unlawful purposes, it becomes very difficult for us to ban people from getting them. If somebody says that he uses a baton, for example, for self-protection if he were set upon when patrolling, the courts could hold that is a reasonable excuse under the circumstances. We know that people are carrying pepper spray. People can purchase pepper spray off the shelf in Perth. It is not unlawful or illegal at present, but when people use it for unlawful purposes, it becomes unlawful. If a pepper spray is used as a weapon, for example, to render somebody unconscious, or unable to go about their normal functions because their eyes are smarting and burning and they become dysfunctional, we would take action. That is the long answer to the member's question. I am aware of the situation, and we are monitoring it and will be watching carefully.

[9.10 pm]

Mrs ROBERTS: What level of training do these officers have? You stated that the Police Service is monitoring the situation with the security firm that is engaged by at least one local government authority and that uses as part of its equipment telescopic batons, handcuffs and pepper sprays. What is the Government's position on that policy? Does it support the police on that? Do these people have sufficient training to take that kind equipment on their security rounds?

Mr PRINCE: From the Government's point of view, as much as one might find their demeanour and advertising to be somewhat distasteful, these people are acting within the law. The Weapons Bill is at last before the Chamber and the member will be aware that some amendments were made in the upper House which would make the possession and carriage of a pepper spray lawful for defensive purposes. It is the view of the Police Service that pepper sprays should be banned entirely because like all other weapons they are capable of being used offensively and defensively. However, that is not the view of Parliament so far and the matter will be debated in this place.

Mrs ROBERTS: What I am getting at is the eyes and ears role versus the confrontational role.

Mr PRINCE: We have no problem with the eyes and ears role only with the confrontational role. People can fit themselves out with all sort of things perfectly legitimately and one might feel that is confrontational. However, until they break the law it is not. That is a problem. Carrying a telescopic baton openly in a woven leather pouch designed for the purpose on a belt that is designed to look like those worn by police officers - which can be bought from a number of stores in Perth - is not of itself offensive nor necessarily confrontational. It depends on how a person uses it. I have no doubt the police have considerable worries about the particular group we are talking about and the way in which they are marketing themselves. Apart from cautioning and providing advice of a "let's be careful" kind, we cannot do anything until they overstep the boundary.

Mrs ROBERTS: I would have thought the Government could communicate with local government authorities about the kinds of security services they employ, the equipment that is provided to the people doing the work, and the kind of role that

security service has. For example, they can remain in the car and have an eyes and ears role. It is a different matter if they are arming themselves with batons, handcuffs and pepper spray.

Mr BRENNAN: The person who is reputed to be using this type of equipment has been overseas and qualified himself with quasi-law enforcement agencies. He has come back here after carrying out an amount of training. This is anecdotal and I do not know whether it is factual. We caution those people against using that sort of equipment, and against using citizens' powers of arrest. Whether they realise it or not that is fraught with difficulty. It is all right if they catch the right person. However, if they get the wrong person they will find out how expensive it can be. We can do nothing while they say they have this equipment for their own protection and will use it only in extreme circumstances in their own defence or, in the case of handcuffs, in detaining people for the police. We will continue to monitor these people and if they go beyond the bounds and they transgress, we will act as we must.

Mrs ROBERTS: What is the legal liability for the local government authority if it engages this kind of a security outfit and it oversteps the mark and causes someone some grievous bodily harm?

Mr PRINCE: That would depend entirely upon the nature of the representations made by the firm to the local authority in response to the local authority's request for service. If the service that is sought is totally lawful and if the response is that the security service will provide what is within the parameters of a totally lawful service but an individual steps outside that, there will be some difficulty in a vicarious liability sense in sheeting home any problem to the local authority. However, the embarrassment will be significant and the potential legal costs involved in defending a claim could be something that the ratepayers would not be terribly happy about. Civil cases tend to get settled on the basis of economic imperative.

Mrs HOLMES: In view of the interesting information we just received on the Delta Communication and Information Technology Project with year 2000 compliance, could we have more detail about year 2000 compliance in the Police Service? Also on page 1104 a major initiative is the development of an emergency management year 2000 contingency plan, which falls in with the minister's comments about road safety and the possibility that people will go berserk at the start of the millennium. That would be particularly important if the police did not get rid of its antiquated computers in time.

Mr PRINCE: I will deal in a general sense with the emergency management side of things. The State Emergency Management Advisory Committee met the week before last with full representation not only from its members but also from people who are not normally there, including Telstra, Defence and others, to begin the task of preparation from an emergency point of view for what may or may not happen if computers crash as at midnight on 31 December. There are 17 dates on which something unfortunate could happen to computers. The first one is 9 September 1999. If a computer counts it as 9999 it might cause it to have minor fit, and the other dates go through to 31 December and into the year 2000. The leap year may be another problem.

The information that was shared was interesting. The agencies are not only dealing with their own hardware and software problems but also preparing the plans to put into place should there be some form of public disaster. Hopefully, that will not happen, but if we do not prepare for it, we might be caught unaware. The preparation is never wasted. From the point of view of good planning, preparation is always useful for something else that might happen in the future. We shall be watching what happens in Auckland and then in Sydney. If at a few minutes past midnight on 31 December 1999 we cannot talk to Sydney we will know we have a problem. You will not find me on an aircraft that night either.

[9.20 pm]

Mr McCAFFERY: We are well advanced with our Y2K planning, programming and remediation of our computer systems and all our other equipment which we have identified which may have some reason to be affected by the Y2K problem. We are well on the way with our contingency planning, which is not only concerned with our abilities to cover a disaster if it comes. Victoria had the recent gas explosion. We have emergency management plans in place, whether it be a Y2K problem, and hopefully we can always respond appropriately with the other emergency services. The major thing we are looking at in contingency planning is our ability to continue to do business when these problems arise through the year; that is, our ability to respond if the telephone system goes down or if the power fails. You will see in the not too distant future through our media section that we will be doing some form of advertising and saying to people that if all the traffic lights break down, remember that the general road rules apply. We are well on the way on the national front. South Australia is hosting a meeting of Y2K groups in July to ensure that we have a national approach for the way this is addressed. We are working very closely with other agencies that interlink their computer systems into ours - the Department of Transport and the Ministry of Justice - and that is a part of our compliance to ensure that no problems will occur come these dates. The short answer to the question is that we are well advanced down the line. It has taken considerable time and an enormous amount of work to get there as it would have with any other government agency. We are well on track and come New Year's Eve, we will be well prepared.

Mr CRANNAGE: I am a non-technical person so it would be best if I give a non-technical answer. We have gone through many different aspects of the Y2K remediation. Firstly, we started with the most important thing if it broke down. We did that and listed things from one to 100. We started with number one and we have progressed well through that. We have a mainframe computer system and not only were our core applications not Y2K compliant, but the operating system that it ran on was also not compliant; that was our first big problem. We have put a bigger line down the middle of our mainframe computer and kept half of it running as it is today so that all of our information is still being processed in the normal way that one would expect it to be processed. In the second half, we pulled out a copy of the code and sent it to a factory which specialises in making things Y2K compliant. It took all the two-day digits in the code and turned them into four-day digits. In the interim, we purchased a new operating software which is Y2K compliant. The weekend before last we successfully loaded that into our mainframe and reloaded the new code. Our core systems, our name systems, our drivers licence systems



and so on are back into operation on the Y2K compliant platform, so that is good news for the Police Service and for the community. The next step was to move into what are called mid-range systems; probably the numbers 10 to 20 on our list of priorities. The third aspect is the network project. Our role out of the network is based on the premise that it must be in and done by Christmas. The way we have moved forward so far gives us great comfort that we will be able to achieve that. We have a single main communication system within the Police Service call Netmail. When we roll out our new network, we will roll out a standard single email system so that every police officer in the State will have access to one single kind of electronic mail. In the interim, we have fixed our mainframe-based mail system as a contingency so that if we are not able to roll out the new mail system by Christmas, we will have a fall-back position of our old mainframe-based mail system. Therefore, one way or the other, we will not lose intra-agency communications as a result of the Y2K problem.

Mrs HOLMES: Therefore, the information should be okay as well.

Mr CRANNAGE: Certainly from the core applications, we believe that information will be safe. It has been remediated and tested and it is operating appropriately.

Ms ANWYL: I am curious to know whether it is possible to identify some potential for increased revenue from the confiscation of proceeds of crime down the track. I do not think there is any line item to which you can refer in this budget, but can you discuss that generally given that some legislative moves are afoot, and explain the Government's position of whether some of that could be tied back to the Police budget?

Mr PRINCE: We receive the odd bit of equipment, such as an aircraft, and one or two other things from the proceeds of crime that mostly come from the Commonwealth as a result of operations that we have been involved in. As a matter of principle, it is fundamentally wrong to have a hypothecation of fines or other revenue that flows to the State from the commission of crime passing to the police.

Ms ANWYL: I am talking more about organised crime in the context of what happens with the New South Wales Crime Commission. I am talking about that very organised crime rather than Multanovas.

Mr PRINCE: I accept that. I am talking as a matter of principle, whether it be outlawed motorcycle gang criminal activity or anybody else or the speeding motorist. As a matter of principle, the money that flows from apprehending that criminal activity should never be hypothecated to the police for one simple reason; notwithstanding the absolute integrity of the officers and the police, it would be very easy to make the charge that the only reason those people were targeted was because they had wealth that could be obtained.

Ms ANWYL: It does not seem to bother the gold stealing squad.

Mr PRINCE: It does not benefit in that sense.

Ms ANWYL: I think it receives some sort of commission arrangement from the Chamber of Minerals and Energy.

Mr PRINCE: Not to my knowledge; not unless it has privatised itself.

Ms ANWYL: No, it has been an unusual historical arrangement, but I suggest that you look into that rather than pursue it here.

Mr PRINCE: That may be a special exercise; I am making a general point. Historically what has happened - I can speak obviously only for the British system because I do not know very much about the European policing systems - is that 500-plus years ago the revenues derived from the courts, the apprehension of the criminals and the confiscation of property etc, went to the Crown. It did not go to the local sheriff. He received a share. As a matter of principle, we should not do that. Whether it be organised crime, disorganised crime or the speeding motorist, whatever money flows to the State should flow into the Treasury. That is a principle that I would strongly espouse. People derive a great deal of satisfaction from being able to deal with organised crime and being able to say, as Deputy Commissioner Brennan is about to say, what has been the result to date of Operation Gallipoli because it has been one of the ways of saying we have taken out of circulation this much from outlaw motorcycle gangs.

[9.30 pm]

Mr BRENNAN: Operation Gallipoli realised cash of \$102 749; 64 unlicensed firearms seized; 13 620 rounds of ammunition which is illegal; 18 licenced firearms seized; and 3 500 rounds of licensed ammunition seized, but that was seized for a purpose because people were using it for so-called pistol practice when that is not within the rules. We have confiscated those items and will be applying to the court for total legitimate confiscation. Total drugs seized - 335 ecstasy tablets, 600 cannabis plants, 226 grams of amphetamines, 19 866 grams of cannabis, 223 grams of cannabis seeds, 79 smoking implements and three hydroponic setups. There have been 202 total arrests to date, 85 summonses, 783 charges preferred, 2 601 vehicle stops and 146 work orders, traffic cautions and other matters. They are our achievements when we focus on classes of organised crime. We consider outlaw motorcycle gang activity to be organised crime. These are figures obtained since Operation Gallipoli began and are significant for the past eight months.

Ms ANWYL: I think some national moves are afoot to introduce - discussion at a state level has also taken place - non-conviction based forfeiture legislation to provide some avenue for the State to introduce that type of legislation. I take the minister's point; I understand we cannot tie revenue raised in that fashion to a police budget. I am curious to know whether that is desirable from a policing perspective. Police are at the front line in identifying assets accumulated through crime. If rhetorically it were known that large amounts of revenue were coming in, that would be a way of justifying an increase, particularly in the aspects of the Police budget that relate to undercover work and the more complex employment of accountants, specialists, lawyers, etc that we seem to lack in this State.

Mr PRINCE: I agree that in the light of the figures to which Deputy Commissioner Brennan referred in relation to one area that has been successful, not just the number of charges but the amount of cash, etc, there should be a good deal of recognition because in a sense it is a measure of success. The difficulty is in directly relating that to the police budget. It certainly helps me in my negotiations with the Under Treasurer and the Treasurer to be able to point that out as an achievement. We could reasonably expect a better return, particularly after talking to the economists in Treasury. However, there is a limit to that argument. I do not know that any State - by which I mean the Crown in any form - should ever be looking to deal with the apprehension of criminal behaviour because of the revenue it generates. It is a point to be taken into account but if it is a dominant, weighty argument it could lead to the criminalising of behaviour that perhaps should not be, simply because it is likely to raise revenue. Therein lies the problem. Having said that, as this agency runs well financially, we are on a promise of some benefit from Treasury.

Mr McDONALD: We have been taking seriously the need to remain within budget. It has caused us concern that there has been no recognised reward for that. We were therefore pleased when Mr Langoulant wrote to the chief executive officers in August 1998 and said that agencies that operate within their 1998-99 budget allocations will receive an automatic 1 per cent funding increase for next year. We will argue that, through the hard work of all officers within our agency, we will be in line to receive that 1 per cent incentive payment. We hope to find out about it at the end of this financial year. It will amount to about \$3.5m for the Police Service.

Mrs ROBERTS: Two of the areas about which the Government keeps making a commitment in terms of the Police Service are occupational health and safety and vicarious liability which obviously will have some cost implications. My perusal of the *Budget Statements* does not seem to indicate there is any money for the implementation of occupational health and safety for police officers. Police officers are among the only people in this State who are not covered by the Occupational Safety and Health Act. They do not have vicarious liability such as officers at the Anti-Corruption Commission and other Police Services. These are two outstanding areas that should have been addressed many years ago. My understanding is that the Government has made some positive noises in the past year or so; yet I cannot see any money in the budget for this year, nor any commitment to funding it in the near future through recurrent spending. We have already heard tonight about the benefits of spending on a recurrent annual basis. If we do not start the process in this financial year, it looks as though it will be yet another complete financial year before we address the provision of occupational safety and health coverage and vicarious liability coverage to the State's police officers.

Mr PRINCE: The Police Service has an extremely good system of dealing with those who are ill or injured in the sense that they have unlimited medical coverage.

Mrs ROBERTS: That is while they remain as police officers.

Mr PRINCE: It is unlimited and not related to any period and they have generous sick leave provisions. Those benefits should be remembered in this debate. As far back as we can establish, and in contemporary times, only one police officer, Glen Murray, has been completely, permanently incapacitated. In a sense it has never been a matter to be addressed.

Mrs ROBERTS: A huge number of people have been permanently partly incapacitated, some quite significantly.

Mr PRINCE: The member for Midland should let me finish. That it has been only one officer is fortuitous and something that must be addressed. It was dealt with appropriately by an ex gratia payment. Partial and total disability are matters that must be dealt with. Death cover must also be dealt with. I have discussed this matter at some length with the Police Union and of course the police command team have some views on it. We want to ensure that there is a good cover in the event of death - we are looking at what happens in the Fire Service - and that there is a good cover in the event of partial, permanent incapacity and of total capacity.

In the area of vicarious liability I have made it perfectly plain that I agree with the Bill introduced by the member for South Perth, although it is not complete - some areas are not covered by it. However, the substance of it is right; that is, there should be a statement in law that says that the State is liable for the actions in good faith of a police officer. They are on duty all the time - whether they are in uniform does not matter - and so long as they are acting in good faith, that is it, even if they make an error of judgment. However, if they are malicious or act outside the law, that is a different matter. That is the law anyway, and I am surprised this has ever been a question for debate. I agree entirely that we should have a statement like that in statute, and as far as I am concerned, it will be in the new Police Service Bill which is in preparation now.

Some reports have been done on occupational safety and health, and there has been discussion backwards and forwards between me and the Minister for Labour Relations, because she has the administrative responsibility for occupational safety and health and we are moving to deal with that matter.

[9.40 pm]

Mr FRAME: With regard to the issue raised by the member for Midland about an allocation within the budget for occupational safety and health, the main commitment of the Police Service will be for training. Issues may be associated with remedial action that is required for adjustments to facilities and the like, and that will be dealt with under minor works or adjustments. The main commitment with the implementation of the occupational safety and health legislation in the first instance will be the training of officers to ensure they can undertake their responsibilities as workplace representatives and the like. Our unsworn officers, who number about 1 000, are covered by the legislation, and we have provided training for them. That training will be extended, and over 200 officers, both sworn and unsworn, have already been provided with training. We envisage that with the introduction of occupational safety and health coverage for sworn officers, that will be embedded in our current training programs, and we will probably also need to embark upon an active program in the early period, but that training will be funded from within our existing budget allocation.

The minister highlighted the need for coverage for officers who are killed while on duty. They currently receive coverage under the workers compensation legislation. We are looking at a proposal to enhance that coverage to what is provided for officers under the fire and emergency services legislation, which would increase the amount to be paid to up to \$250 000. The current cover is just over \$100 000. The other part is to look at providing some coverage for officers who are permanently disabled, to the extent they cannot undertake their normal daily lives and require assistance, like the officer mentioned earlier who was tragically incapacitated. The quantum of that coverage will need to be considered, but in all likelihood it will equate to the death cover that is envisaged in these proposals.

Mrs HOLMES: I refer to the output measures that are shown on pages 1095, 1097, 1099 and 1101. I am pleased to see the percentages that have been achieved under the heading of "Quality" on those pages, particularly the high percentages for the police response to calls for assistance. How are these percentages arrived at, and why are no percentages shown on page 1099, because they are shown for the other output measures?

Mr GRAHAM: You must have nodded off when I asked that question about three hours ago!

Mr PRINCE: I think Mr McCaffery has answered that question in large part. I will request him to do it again.

Mr McCAFFERY: The reason is that these are new initiatives and we do not have a benchmark for them at this time, and it is difficult for us to set up a percentage for which we can aim if we do not have a benchmark. We are falling into line with the way other policing jurisdictions around Australia report this through the Australian Bureau of Statistics, which collects these figures for us. In answer to the question, our communications branch records the figures for the percentage of emergency calls for police assistance answered within 20 seconds, which is listed under the heading of "Timeliness" at page 1097. That branch records the time the call comes in, the time it takes to reach a responding patrol of some description, and the time it takes to attend the scene, so those figures are already recorded at this time.

Mrs HOLMES: I congratulate you on those percentages. They are excellent.

Mr McCAFFERY: Thank you. We hope to do better.

Ms ANWYL: I have some questions about the composition of police officers. What is the number of FTEs?

Mr PRINCE: It is 4 698 sworn officers.

Ms ANWYL: Can you quantify the number of Aboriginal officers?

Mr PRINCE: The number of Aboriginal police liaison officers is 105. The number of Aboriginal sworn police officers is 30.

Ms ANWYL: Are steps afoot to improve that rather low percentage?

Mr PRINCE: Anyone who wants to join the Police Force can join. You heard what Mr Frame said earlier about recruiting, particularly in your area. That does tend to have some effect. The Aboriginal police liaison officers are probably the way we manage to interest more Aboriginal people in policing, and they do a very good job.

Mr BRENNAN: We have a plan where we try to offer bridging courses through the various TAFE colleges around the State to Aboriginal people who are interested in joining the Police Service. At one stage we were looking at trying to vary the entry requirements for Aboriginal people; in other words, to make them more suitable so that they could achieve the entry standards. When we polled the Aboriginal people in general, they said they did not want us to relax or modify any standards to suit them. They said if they got in, they wanted to get in on the same basis as everyone else, whether they be Australian, Chinese, or whatever. We also entered into a positive campaign six years ago where we tried to get hold of Aboriginal people at school and take them in as police cadets and put them through a modified program and special courses which would put them in a better position to work their way through the police entrance exam. We met with some limited success there, but it was not the absolute answer. Our recruiting people are in regular discussions with prominent members of the Aboriginal community to try to find ways of getting more Aboriginal people on board. It is not due to any lack of desire to have them. This area is fraught with a range of difficulties, for a range of reasons. It is often the case that Aboriginal people have unacceptable criminal records by the time they reach the age of 19. That history makes them ineligible.

[9.50 pm]

Ms ANWYL: Are there any trends relating to people from non-English speaking backgrounds?

Mr FRAME: I do not have data here about trends, but it is our intention to continue to promote the Police Service as widely as possible. We are actively involved and liaise with ethnic advisory groups and our recruiting branch officers promote policing as a career on ethnic radio. We are looking to encourage and promote diversity in the work force and within the service. As the deputy commissioner has highlighted, we also have minimum entry criteria, and we see that as the starting point. We have been successful in increasing the number of female applicants who have gone on to become recruits and graduate from the academy, and we hope to continue to attract a cross-section of people.

Mr PRINCE: In the past five years the average age of recruits has increased; it is now just under 27. About one-fifth or one-quarter of the graduates are not Western Australians in the sense of people who have gone to school here. They are people from other States, and in some instances from other countries. The variety of life skills they have is extraordinary. That in itself will see a major change in policing in the future. Those people are becoming a larger percentage of the operating police officers and that is highly desirable.

Ms ANWYL: I had cause to ask the Police Commissioner recently when he thought we would have our first female commissioner. What percentage of officers is female?

Mr PRINCE: Does the member mean commissioned officers or in total?

Ms ANWYL: I would like the figures for all sworn officers, including Aboriginal liaison officers. Is there some tracking of where women enter the service, when they leave and what rank they achieve?

Mr PRINCE: The highest ranking woman in Australia is an assistant commissioner in New South Wales. As far as I am aware, there is only one woman at that rank in Australia. I would not hazard a guess when we might see a female commissioner. All commissioners around Australia these days are appointed after extensive advertising throughout Australasia and, in the case of New South Wales, throughout the world.

Mr FRAME: We should be able to provide the data as supplementary information. Currently 11.5 per cent of sworn officers are women. However, it is pleasing that at one stage our recruiting intake had a 30 per cent ratio of females to males.

Mr PRINCE: The member asked for a detailed breakdown of rank and entry and exit points. I am not sure how easily that can be produced. I will undertake to provide by supplementary information that which can be provided in the limited time frame. If the information the member has asked for cannot be provided, I will state that in the supplementary information. If the member still wants to pursue the issue, she can request the information in a question on notice.

Ms ANWYL: The minister can proceed beyond the time limit and I will happily await the response.

Mr PRINCE: How generous!

Ms ANWYL: It is a finite area.

Mr PRINCE: It is a matter of crunching the numbers.

Mrs ROBERTS: I understand that \$10.8m has been allocated in this budget to the police academy at Joondalup. When will the academy move to the Joondalup site?

Mr PRINCE: When the new facility is built.

Mrs ROBERTS: I do not want a Sir Humphrey answer; I want a time frame.

Mr JONES: We are anticipating completion of the facility in February 2001.

Mrs ROBERTS: When will it be occupied?

Mr JONES: Immediately after that. I can provide details of where we are now if that is of interest.

Mrs ROBERTS: How will the service realise the funds from the Maylands site before the academy moves out? Those funds are supposedly to be made available this financial year.

Mr JONES: By way of a pre-sale agreement.

Mrs ROBERTS: So, a pre-sale agreement will be put in place irrespective of whether that is the most financially beneficial arrangement once expressions of interest are invited or whatever.

Mr PRINCE: It is not like selling any other piece of land. It is an extraordinary piece of real estate in an extraordinary position. It is obviously being used for a particular purpose. Anyone who wishes to buy it will be required to take it on the basis that the current activity will remain there for some time. That will have some effect on the price, but not a great deal. We are confident that it will realise the amount we anticipate.

Mrs ROBERTS: Mr Jones said that he can advise at what stage it is at the moment. What has been put in train in terms of amendments to town planning schemes and so on for its future use?

Mr JONES: At this stage we are undertaking a series of due diligence reports on the heritage aspects of the site from both a European and an Aboriginal perspective. It was also the site of the first airport in Perth, so we must deal with some very critical and sympathetic aspects. Geotechnical issues also must be addressed. The site has been used for fill in the past and these issues must be more clearly understood. We are also undertaking a number of other studies relative to the implications for the site and the town planning component. We are working with LandCorp in identifying them. At this stage we are still not clear about all of those issues. Until we are, we will not be in a position to make a decision about what planning aspects must be addressed.

Mrs ROBERTS: Until those factors are known, the value of the site will be unclear.

Mr JONES: The Valuer General has valued the site with its current usage.

Mrs ROBERTS: Those other factors and future zoning and planning uses could result in massive variations in the value.

[10.00 pm]

Mr JONES: The quote outlined in the budget papers is not what might be fully anticipated in revenue from the site if it were sold for residential purposes.

Mr PRINCE: It could be more.

Mrs ROBERTS: Is it valued conservatively?

Mr PRINCE: It is a reasonable figure, although it could be more.

Mr GRAHAM: Has the Aboriginal wardens scheme been transferred to the police?

Mr PRINCE: Not yet.

Mr GRAHAM: Will it be?

Mr PRINCE: That is a matter for debate. This issue is fairly close to me as a former Minister for Aboriginal Affairs. The wardens scheme operates under the Aboriginal Communities Act under the Aboriginal Affairs portfolio. The police have some sympathy for taking some responsibility for wardens, some of whom they train anyway. A better and closer relationship is seen as a desirable step into the future. Little more has happened so far. It is the right thing to do, but we have not worked it any further than that as yet. The question then arises: How is that to be done in the legal sense as it relates to the Aboriginal Communities Act, which covers a plethora of things as well as the appointment of wardens? Discussion at the command level with the commissioner, deputies and others are that it would be a good idea. Obviously, it will not proceed if the Aboriginal communities do not want it to occur, but our advice is that they are supportive.

Mrs ROBERTS: What is the budget for the bureau of criminal intelligence and internal affairs unit for electronic surveillance equipment for this year?

Mr PRINCE: Mr Porter advises me that allocations to portfolios have not been advised yet.

Mrs ROBERTS: When will that happen?

Mr PRINCE: In the fullness of time, in due course and when all matters reach a happy conjunction.

Mrs ROBERTS: We knew last year by September. Is that how long we will wait this year?

Mr PRINCE: It probably will occur within the next month.

*Committee adjourned at 10.02 pm*

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