



WESTERN AUSTRALIA

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Tuesday, 2 June 1998

Legislative Council

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STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

The meeting commenced at 10.00 am.

Division 72: Aboriginal Affairs, \$22 737 000 -

[Hon Mark Nevill, Chairman.]

[Hon E.J. Charlton, Minister for Transport.]

[Mr Curry, Director, Policy Planning and Programs.]

[Mr Gooda, Acting Chief Executive Officer.]

[Mr Bowen, Director, Strategic and Business Services.]

The CHAIRMAN: On behalf of the committee, I welcome you to today's hearings.

For the information of members, this Estimates Committee will be reported by Hansard. The daily *Hansard* will be available the following morning. Hansard will distribute documents for correction, which must be returned on the A4 documents sent to members. The cut-off date for corrections will be indicated on the bottom of each page.

For the benefit of members and Hansard I ask the Minister to introduce his advisers to the committee. It will also greatly assist Hansard if when referring to the Budget Statements volumes or the consolidated fund estimates, members give the page number, item, program, amount, and so on in preface to their questions.

If supplementary information is to be provided, I ask for the Minister's cooperation in ensuring that it is delivered to the committee's advisory research officer within three working days of receipt of the questions. An example of the required Hansard style for the documents has been provided to your advisers.

At this time, I ask each of the witnesses whether they have read, understood and completed the Committee Hearings Information for Witnesses form. Do all the witnesses fully understand the meaning and effect of the provisions of that document?

The WITNESSES: Yes.

The CHAIRMAN: What progress has been made with the demonstration projects at Oombulgurri and Jigalong? Could you make your answer fairly restricted, just putting forward the main points.

Mr GOODA: Significant progress has been made. One needs to understand the nature of the demonstration projects that are put into normalised services within those communities, which is also a means of attracting additional funds. AAD went to Oombulgurri with a demonstration project which attracted additional funds of \$1.5m from ATSIC with regard to their health infrastructure projects. The Aboriginal housing board of Homeswest brought forward a three year housing construction program this year. The projects which are funded by AAD are about to proceed. The nature of the projects is about normalising the communities to such an extent that once the construction phase finishes, something will be left behind for the communities to hold together in the way of - I hate to use these words - "community development", but that is basically what we have been doing; working with the community, getting the community to develop their priorities, and more importantly, how they address the manner in which they want those priorities addressed. It can be done in a couple of ways: We can let contracts and then people will come in and provide the services and the infrastructure in the shortest period of time, or we can have the community involved. They can get employment and training, and they can pick up the skills to sustain the community once the construction phase is finished. That has been the main focus to date at Oombulgurri and Jigalong.

The CHAIRMAN: What funding has been provided to sobering up centres and associated patrols in general terms?

Mr GOODA: It is in the vicinity of \$500 000 combined for warden patrols next year.

The CHAIRMAN: Have you received a request from those patrols for more funds? I have representations from the Kununurra patrol saying that it desperately needs more funds. Has there been any capacity to satisfy that?

[10.10 am]

Mr GOODA: There has not been in the coming year. We were embarking on a few programs, the main one being the regionalisation of our services to a greater extent. In the coming year we intend to do - I hesitate to say this - another review. We will be looking closely to see whether it is more appropriate for them to be in a different setting in another

agency or whether we are the most appropriate agency to deliver those services. In real terms the aim for next year is to have a hold on any expansion, to clarify where we are going with those two programs. They are very important.

Mr BOWEN: The total expenditure for 1997-98 is \$360 000 approximately. The \$500 000 for 1998-99 represents an increase overall in the current year funding.

The CHAIRMAN: I now refer to the process of transferring the Aboriginal Lands Trust land directly to Aboriginal control. How will community jurisdictions be ascertained when transferring such land to direct Aboriginal control? Let us take the example of where there are three or four communities in the Balgo area. If that land is transferred to them, how will the jurisdiction of each community over that land be determined?

Mr GOODA: Is the Chairman asking which community will control those lands?

The CHAIRMAN: Yes. Let us take the example of four communities on the Balgo reserve. When that land is transferred, no one body can hold it; there are four Aboriginal corporations there. How will the community jurisdictions for holding that land be determined?

Mr GOODA: That is one of the difficulties with which we are faced in handing over the lands. There has been a fairly slow process of handing over lands. If the land were handed over to inappropriate people, we can all imagine the drama that would cause within the community. Members of the Aboriginal Lands Trust are pretty widespread and it is expected that the members in those areas will lead negotiations about who will hold title to the land and how those four communities, in this case, will have input into what happens on those lands.

The CHAIRMAN: I suggest that will be a nightmare.

Mr GOODA: It is absolutely a nightmare. To make sure the right people have correct title to the land was always going to involve a fairly long period of consultation and negotiation.

The CHAIRMAN: Is the reality that we must have regional bodies, such as the Ngaanyatjarra Council, to hold that land, or some fairly precise board?

Mr GOODA: That is always an option, but it does not always fit in every circumstance across the State.

The CHAIRMAN: What controls are in place to ensure that grant moneys to Aboriginal persons and groups have been spent in accordance with grant conditions?

Mr BOWEN: We have a process involving a formal acquittal of all grants. Part of that acquittal process is for grants in excess of \$20 000 to have audited financial statements. We ensure the moneys are appropriately expended in accordance with grant terms and conditions. We also ensure, before those funds go out, the grant recipients specify the outputs and outcomes from those grants.

The CHAIRMAN: Is the department satisfied that proper procedures are now in place to ensure compliance with those controls?

Mr BOWEN: Proper procedures are now in place. The department has had a history of receiving comments from the Office of the Auditor General critical of previous practices. We are allocating significant additional resources to ensure all outstanding grants are acquitted.

The CHAIRMAN: There were 183 transactions which, according to the Auditor General, were unsupported or inadequately supported. Have any of these 183 transactions been provided with supporting documentation since the Auditor General reported?

Mr BOWEN: My understanding is that those 183 transactions relate to credit card transactions.

The CHAIRMAN: I am sorry; that is right. They did relate to credit card transactions. I have a number of questions in front of me about consultancies. Rather than read them out now, I will give them to the officers and ask that answers be provided to the committee. Those answers will involve a fair bit of work, but we will appreciate the information being provided.

With respect to the credit cards, what controls are in place to ensure corporate credit card expenditures are for approved departmental purposes only?

Mr BOWEN: We have recently revised our guidelines and issued new guidelines to all staff members on the issue of credit cards. We have also improved our quality assurance checking procedures within the finance and administration branch. Staff members have been advised that credit cards are to be used for only official purposes. Any breaches of that will possibly be subject to disciplinary action. When they are issued with a credit card, staff members are given a form to sign, which notes they are aware of the terms and conditions of the use of the credit card.

The CHAIRMAN: I welcome the Minister. I take it that the trains are not running on time, or perhaps there has been a traffic jam on the Narrows Bridge!

Hon E.J. CHARLTON: I apologise for my delay in arriving at the committee. I have been delayed at the Executive Council. The Governor is a very astute person. He has a tendency to ask many questions, so I am late.

The CHAIRMAN: I will go to my question: Of the 183 transactions which were not supported or were inadequately supported, has documentation been received for them and is that documentation being followed up?

Mr BOWEN: Yes; we are following up on the documentation. We have not received documentation for all those 183 transactions. In many cases it has been very difficult to obtain.

The CHAIRMAN: Which officers of the department were issued with credit cards which involved these transactions?

Mr BOWEN: I must take that question on notice.

The CHAIRMAN: I will also ask this question on notice. I do not believe the officer can answer it, given his previous answer. What procedures or instructions were in place to govern the use of these cards during the period covered by the Auditor General's report?

Mr BOWEN: Instructions were in place. Again, officers who were issued with cards were required to sign a document noting that they were aware of the guidelines and the purpose for which those credit cards could be used. As I noted in an earlier answer, we have reissued and strengthened the guidelines to staff just recently.

The CHAIRMAN: Can the committee be given a copy of the previous guidelines as well as the procedures that are now in place governing the use of those corporate credit cards?

Mr BOWEN: I will provide those to the committee.

The CHAIRMAN: What action was taken when it became apparent that documentation in support of these payments was not available?

Mr BOWEN: I did not work with the department at the time. I will have to take that question on notice. I am quite happy to provide the information to the committee.

The CHAIRMAN: Mr Bowen is a relatively new appointment to the Aboriginal Affairs Department. In his capacity as director of finance, we hope that area will be improved dramatically.

Mr BOWEN: I assure the committee it will be.

The CHAIRMAN: I will give these questions to the Minister, and the advisers can respond to the committee in due course. I refer to grant controls. Have the 142 grants for which confirmation was lacking been followed up?

[10.20 am]

Mr BOWEN: All outstanding grants identified in the Auditor General's report are being followed up.

The CHAIRMAN: I am aware that the Federal Government and the Queensland Government have standardised their application procedure for Aboriginal groups and communities so that it is less confusing. Has this State made any attempt to standardise the application procedure to make it easier, particularly for Aboriginal communities, to apply for and acquit grants?

Mr GOODA: Queensland has a slightly different situation in that the standardised procedure relates to funding for Aboriginal councils, which are subject to the Queensland Auditor General's report and controls by Parliament in the formation of their budgets. In a previous occupation I worked in Queensland for an extended period and was aware of those arrangements. Although this State does not have a legislative base similar to that in Queensland, its grant conditions are similar to those of the Commonwealth; that is, the acquittal processes and the provision of quarterly reports are the same.

The CHAIRMAN: Are you saying that the Federal Government has devolved some of that control to the Queensland Parliament?

Mr GOODA: There has been a standardisation of funding arrangements and grant procedures between the Commonwealth Government and the Aboriginal and Torres Strait Islander Commission. The councils are set up under Queensland legislation and they have in-depth guidelines setting out how they will operate.

The CHAIRMAN: That sounds like a wonderful system. At the moment none of that information is scrutinised by our state members of Parliament.

Mr GOODA: The same structures do not apply here. The Queensland Government has a structured form of local government for all the old missions in Queensland.

The CHAIRMAN: I will provide the rest of my questions to the Minister.

Hon TOM STEPHENS: I understand that the department currently employs 106 staff and 12 contractors?

Mr BOWEN: That is the current status.

Hon TOM STEPHENS: What distinguishes the 12 contractors?

Mr BOWEN: The contract staff have specialist skills that we have not been able to obtain through the normal recruitment processes. For example, we have a financial management systems specialist and an officer working on grant acquittals, following the adverse comments by the Office of the Auditor General. The department has also made a decision to use contractors for certain positions, such as personal assistants.

Mr GOODA: The department also has contractors in its regional offices to which it has been unable to attract staff through normal recruiting processes.

Mr BOWEN: The restructure, which will be effective from 1 July, envisages no contract positions other than specialist positions of the type I have mentioned.

Hon TOM STEPHENS: How many officers will be employed in the 23 regional offices following the restructure?

Mr BOWEN: I will need to work out the figure.

Hon TOM STEPHENS: I will put the question on notice. Have the vacant positions in the strategic and business services area been filled?

Mr BOWEN: No. We advertised the manager, finance and administration position several weeks ago. We also advertised a number of positions in last weekend's newspaper, some of which are in that area. However, the selection processes have not been completed for any positions.

Hon TOM STEPHENS: What number of high level positions will be abolished as a result of the restructure and which positions are involved?

Mr BOWEN: I will take that question on notice.

Hon TOM STEPHENS: How many people are employed in the media and marketing section?

Mr BOWEN: The existing structure has two officers and the new structure will have one.

Hon TOM STEPHENS: At what level are the officers currently occupying those positions?

Mr BOWEN: The positions are levels 7 and 5. The new structure will include only a level 7 officer.

Hon TOM STEPHENS: Does the AAD involve itself in purchasing any other media monitoring services outside government?

Mr BOWEN: Not that I am aware of.

Hon TOM STEPHENS: What consultancies does AAD currently engage?

Mr BOWEN: I will take that question on notice.

Hon TOM STEPHENS: What is the proposed level and number of consultancies scheduled for next financial year?

Mr BOWEN: I will take that question on notice.

Hon TOM STEPHENS: How many of the 23 new regional offices do not have specified premises?

Mr GOODA: All 23 offices.

Hon TOM STEPHENS: Even though the towns have been designated, there are no precise premises?

Mr GOODA: Currently we have seven regional offices. With the restructure, six of the offices will remain in their existing locations. In the Kimberley, there will be an office in both Derby and Kununurra, but we have yet to find premises for the regional manager's office in Broome.

Hon HELEN HODGSON: I return to the issue of the Aboriginal Lands Trust review recommendations. Is there a proposed timetable for the return of land to the direct control of Aboriginal people?

Mr GOODA: As far as I know, the legislation setting up the lands trust also winds it up in 2002. That is the deadline.

Hon HELEN HODGSON: Under what form of title will the land be transferred?

Mr GOODA: I will take that question on notice.

Hon HELEN HODGSON: Will AAD be managing this process?

Mr GOODA: The lands trust will be within the Department of Land Administration from 1 July 1998.

Hon HELEN HODGSON: What public access is granted to the Aboriginal sites register through AAD?

[10.30 am]

Mr BOWEN: There is complete access to the sites register.

Hon HELEN HODGSON: Can any member of the public walk in off the street and ask for access?

Mr BOWEN: Yes, we make that information available to anyone who has a legitimate purpose.

Hon HELEN HODGSON: Are there terms or conditions?

Mr BOWEN: There are terms and conditions in the form of a disclaimer that this information has been collated over a number of years. We cannot verify the accuracy of some of that information.

Hon HELEN HODGSON: Is the location of the actual site identifiable from the manner in which it is recorded in the register?

Mr BOWEN: Some of the information is recorded textually. The department has undertaken a project to put that on a map. Various techniques have been used in the collection of that data over the years, but, generally speaking, a site is contained within an area of about one to 100 square kilometres.

Hon HELEN HODGSON: Is there no way that a person looking at the register would know where the site is, within that area of one to 100 square kilometres?

Mr BOWEN: In some cases that is possible and in others it is not.

Hon HELEN HODGSON: Page 88 of the budget documents refers to the implementation of the report of the Royal Commission into Aboriginal Deaths in Custody. What is the department's role in implementing these recommendations?

Mr CURRY: The department has a responsibility to coordinate across other government departments directly affected by the recommendations and is required to produce a report annually which consolidates the progress being made. That report has been completed and will be presented to the justice coordinating committee tomorrow to note, and the report will be tabled in Parliament.

Hon HELEN HODGSON: The principles of the Commonwealth-State Housing Agreement are based on establishing an independent aboriginal housing authority. Is the department taking a role in assisting the establishment of the aboriginal housing directorate as an independent authority?

Mr CURRY: We must take that on notice as I do not know the answer.

Hon HELEN HODGSON: The budget documents indicate that federal, state and local governments are cooperating in joint strategies. However, the documents tabled do not identify the extent to which specific programs are funded by the State Government compared with federal and local funding sources. Will the department provide a list of the programs currently funded, either fully or partly, by the State Government and can the department identify on this list the extent to which the programs are funded by government sources?

Mr BOWEN: We will take that question on notice.

Hon HELEN HODGSON: At least two groups have been involved in discussions to establish a link-up organisation in this State and an issue has developed regarding state and federal funding of these programs. Where is the funding coming from and who will be administering it?

Mr CURRY: There is a process in place to decide how a link-up or several link-up agencies would be best placed in this State. The commonwealth view is that there should be one service. The general consensus across those departments involved and the general view of the Aboriginal community is that one service would be inadequate for the geographical size of this State. The Commonwealth has indicated that \$63m will be available over the next five years. The exact nature of that funding is imprecise at the moment. The Commonwealth has not revealed the amount,

nor how it will be allocated. However, an amount has been allocated for link-up services and counselling services. We are making representations to the Commonwealth about the model that will best suit the State and we will see how the commonwealth money will accommodate that particular model.

Hon HELEN HODGSON: Does the Aboriginal Affairs Department play any role in monitoring the use of funds allocated to the local government by the grants commission for providing services to Aboriginal communities?

Hon E.J. CHARLTON: There are a number of answers to that question. It is a very complex issue and relies on one's appreciation of the operations of various communities. An overall need exists to ensure that the funding of a whole gamut of organisations, whether it be directly associated with Aboriginal Affairs or in the example the member has given of local government, is monitored by more than Aboriginal Affairs. It needs to be a whole of government approach; that is, to determine whether the money allocated is achieving the result.

Hon HELEN HODGSON: Is the department taking any specific steps to ensure that those funds actually provide services to Aboriginal communities?

Hon E.J. CHARLTON: We will take that on notice as I cannot answer that question.

Hon CHRISTINE SHARP: As stated on page 98 of the Budget Statements, nearly \$500 000 is to be spent on new computers. Will that replace old equipment or expand the range of equipment?

Mr BOWEN: It is a little of both. A need for additional computers will result from the expansion of the regional offices. The amount also covers our ongoing computer replacement program.

Hon CHRISTINE SHARP: One of your major initiatives is organising intergovernmental agency forums to discuss policies, of which there has been a reduction. How will you be effective in that area with a slight reduction in the budget?

Mr CURRY: The Aboriginal Affairs Department supports a number of official forums such as the Commission of Elders and the Cultural Material Committee. The primary responsibility is to ensure that those committees act efficiently and within their brief. The department also has a responsibility to coordinate across government and will, in this financial year, establish an Aboriginal affairs coordinating committee, which will comprise the chief executive officers of those agencies directly involved with Aboriginal Affairs. The Aboriginal affairs coordinating committee will have a regional counterpart and that committee will be responsible for coordinating activity at the regional level. The reduction is to confine our brief to those agencies which should be supportive and have an endorsed mandate in terms of the operations of the Aboriginal Affairs Department and government generally.

Mr GOODA: The response must be taken in the context of the expansion of the 23 offices. While project dollars are not allocated to that particular activity, the expansion of the regional network plays a key role, and probably a lead role, in that interagency liaison and coordination.

Hon CHRISTINE SHARP: Will there be a specific drop in the budget for the Commission of Elders?

Mr GOODA: We have allowed the same amount of funds for meetings of the Commission of Elders and that is basically the only cost to the department. We have costed it out for each Commission of Elders group to meet four times a year.

Hon CHRISTINE SHARP: How do you advise the elders of that sort of budgetary announcement? Last year the Mandurah newspapers carried an announcement that an extra \$40 000 would be granted to the local elders. They were pretty excited about it, but they only read it in the newspaper. When I investigated this matter, I discovered there was no extra grant. Do you have an official way of notifying those involved of annual budgets? The elders seem pretty confused about how much money they are to receive.

[10.40 am]

Mr GOODA: This year we have undertaken an in-depth consultation phase with the regional offices. We hope that this year, either on 1 July or close to that date, we will articulate fairly close to the dollar what sort of funds will be spent in each region. As I understand it, that has not happened in the past.

Hon CHRISTINE SHARP: Mr Curry mentioned the Aboriginal Affairs coordinating committee. Is this a new initiative? Will you explain it? Is it a major way of coordinating policies towards Aboriginal people across government agencies?

Mr CURRY: The Aboriginal Affairs Department is required by legislation to maintain the AACC. That has not been done for the last two to three years. An important function of the committee is to focus on the higher order outcome agendas for government and ensure that they are translated through to the regional level in effective outcomes for Aboriginal people. The committee is comprised only of the chief executive officers. The committee seeks the

endorsement and the imprimatur of that group to ensure that the outcomes the respective departments are required to achieve are achieved and reported through their annual reporting processes.

Hon CHRISTINE SHARP: Why has that committee not been working for two or three years?

Mr CURRY: I am relatively new to the department and I cannot account for that.

The CHAIRMAN: Would you like to take that on notice?

Hon E.J. CHARLTON: That will be taken on notice.

Hon CHRISTINE SHARP: The department also mentioned the transfer of land titles held by the department in its major initiatives. Is the department anticipating transferring any land titles in the forthcoming financial year? If so, which land titles?

Mr GOODA: I refer to my response to the previous question from the Chairman about the difficulty of trying to identify the actual landholders. I said we need to get it right. That is the approach the Aboriginal Lands Trust has taken. It is hard to give a definite indication of when land will be transferred and the amount of land that will be transferred in the coming year. I understand that the ALT is required to provide a strategy to government in the coming year about the transfer of the land and how it intends to meet the deadline of 2002.

Hon CHRISTINE SHARP: What about the transfer of land to other government agencies? Are you anticipating transferring any titles to other government agencies in the next 12 months?

Mr GOODA: I am not aware of any plans in the pipeline.

The CHAIRMAN: You may take that on notice.

Hon CHRISTINE SHARP: It is mentioned in your list of major initiatives.

Mr GOODA: I will take that on notice.

The CHAIRMAN: There is a distinct lack of cross-referencing in your program statements about other programs for Aboriginal people whether they be health, education, roads or Aboriginal housing. Next year it would be good to see those incorporated in your financial statements. I will raise the matter with the Treasury officers when they come before the committee on Wednesday. This statement is a narrow description of what is happening in Aboriginal Affairs. Even though these other programs are not in the department's budget statements, if people cross-referenced them they would see what is being put into the Aboriginal area.

Mr BOWEN: We are quite happy to take that on board and discuss that with Treasury.

The CHAIRMAN: How far has the proposed provision of services to remote communities by private providers progressed?

Mr GOODA: The program managers' contracts have been let. They have been devolved down to the regional level. The State has been divided into three areas; the Kimberley, the Pilbara and the goldfields central lands. Those contracts have now been let. Ngaanyatjarra Council has been the recipient of one. As far as I am aware, the other two are either wholly owned by Aboriginal people or Aboriginal people are involved. The contracts on the ground are being negotiated through those project managers.

The CHAIRMAN: What guarantees of service continuity will the consumers of these services have?

Mr GOODA: We cannot give any iron clad guarantees. In the contracts we have allowed for an approximately 40 per cent loading on the original tender costs for breakdowns. However, we believe that the new arrangements put in place processes and procedures to respond to those breakdowns in a more efficient manner than in the past.

The CHAIRMAN: To whom should these people complain if the services are not provided or are provided inadequately?

Mr GOODA: The agency is part of a joint arrangement with the Aboriginal and Torres Strait Islander Commission and people can complain to the ATSIC state office or, ultimately, to our office.

The CHAIRMAN: What complaints handling mechanism will the service providers be required to implement?

Mr GOODA: I will have to take that on notice.

The CHAIRMAN: Will the Ombudsman have jurisdiction if consumers are dissatisfied with the services provided?

Mr GOODA: I have to take that on notice.

The CHAIRMAN: What emergency resources will be available if a private service provider is unable to deliver a service to a community?

Mr GOODA: We believe the private service provider has a responsibility to provide those resources. That provision of suitable procedures to handle those breakdowns is part of the contracts. We have put a costing of 40 per cent of the total on those contracts.

The CHAIRMAN: What emergency resources would be available if the private provider went into administration or liquidation?

Mr GOODA: I will have to take that on notice.

Hon TOM STEPHENS: The contracts for services relate to what were previously known as the 48 communities on the list. Has that list now expanded to 55 or 56 communities?

Mr GOODA: We must consult government to expand the list of 48 because it arose out of an agreement in the early 1980s between the Commonwealth and the State.

Hon TOM STEPHENS: Are another seven, eight or nine communities on the list now or about to go on the list?

Mr GOODA: We will be approaching government to increase the number on the list. However, I understand that the number of communities being serviced by this community is greater than 48.

Hon TOM STEPHENS: The agreement for services basically covers essential services defined by virtue of the agreement as being power, water and sewerage. Is that the limit of the agreement?

Mr GOODA: That is right.

Hon TOM STEPHENS: Is there a list of communities in Western Australia for which the AAD or the State Government does not accept responsibility for the provision of those services?

Mr GOODA: I will have to take that on notice.

Hon TOM STEPHENS: Will you provide a list of the communities which are not provided with those services?

The CHAIRMAN: He is taking that on notice.

Mr GOODA: We will need to know what definition of "a community" the member is using. Certain outstations consist of one house.

Hon TOM STEPHENS: If there are 48 communities on a list, what do you know about the Aboriginal community beyond that list of 48?

Mr GOODA: We will provide that list.

[10.50 am]

The CHAIRMAN: Do you want a list of every outstation in the State with one house?

Hon TOM STEPHENS: I believe the Aboriginal Affairs Department is as well placed as anyone to indicate what a community is. I guess there is a register through the Commonwealth Registration of Aboriginal Corporations that will show the community structure.

Mr GOODA: We can provide a list.

Hon TOM STEPHENS: I want a list on who is not provided with essential services. Can I have a list of those communities, over and above the 48, proposed to be added to that list?

Mr GOODA: Yes, we can provide that.

Hon TOM STEPHENS: In reference to housing, policing and health services for those major communities, is the AAD saying that the State Government does not accept responsibility for those services in those communities, and only accepts responsibility for water, power and electricity?

Mr GOODA: I think the State accepts the responsibility because houses have been provided by the Aboriginal Housing Board. In the bilateral agreement between the Aboriginal and Torres Strait Islander Commission and the AHB, there is a definition of community and some criteria for the provision of services. I think they relate to a form of land tenure and the availability of water. We do not want a situation of starting communities with no water, for instance. I am aware of a community with five or six houses and the cost of providing water to that community can be in the vicinity of \$1.5m to \$2m. There is a certain amount of work done on that.

Hon TOM STEPHENS: In reference to the provision of housing, how does a community know whether the State will accept responsibility through Homeswest or through ATSIC? How does the community know to which entity it has to apply to get that housing funding?

Mr GOODA: I am aware of the bilateral agreement because in my previous occupation with ATSIC, I helped negotiate and finalise the bilateral agreement.

Hon TOM STEPHENS: So, it is through the bilateral agreement?

Mr GOODA: Yes, it is through the bilateral agreement. The AHB has redrawn its boundaries to coincide with ATSIC. The process is driven at the community level to a certain extent through the ATSIC process of application and also through the AHB members who provide input into the priorities for housing in that particular region.

Hon TOM STEPHENS: In reference to the implementation of the Bringing Them Home report, how is it proposed that the \$200 000 retained by AAD will be utilised?

Mr CURRY: The \$200 000 is state money, part of that \$1m allocated by the Government to the Bringing Them Home report. The amount of \$160 000 recurrently will be applied to support the additional 16 regional offices that will be established; the reason being that those offices will have a primary function as an initial contact point for Aboriginal people seeking to trace their families. The amount of \$40 000 is a nonrecurrent allocation and will be used to train and assist staff in those offices to deal with the many issues that Aboriginal people will have, in addition to the paper exercise of tracking down their families.

Hon HELEN HODGSON: I have one question left in respect of sanitary services for the community of Madiwah Loop. Has the issue of the number of toilets at that particular community been resolved?

Mr GOODA: Can we take that on notice?

Hon HELEN HODGSON: Yes. I actually have four parts to the question, so I will tell you the things I am interested in.

The CHAIRMAN: Can you give them a copy of that question and then they will respond to that, as other members have given them questions, and they can take that on notice?

Hon HELEN HODGSON: Yes.

Hon GIZ WATSON: Are there any initiatives in terms of keeping young offenders out of gaol? Does that come within your responsibility? Is there anything in that area on young Aboriginal offenders?

Mr GOODA: We see the patrols and wardens playing a fairly big part in keeping young offenders out of contact with the criminal justice system and we have continued the funding of those at the moment. Also, I am aware of a project called the cyclic offenders in Geraldton which tries to break the cycle of offending that occurs. That has been set up under the regional Aboriginal justice advisory committee in the Geraldton region.

Hon E.J. CHARLTON: It will be extended into the Midland area now as well.

Hon GIZ WATSON: In relation to the resolution of land title issues, particularly future Acts, how much of the Aboriginal Affairs Department resources and funding goes into assisting those resolutions?

Mr BOWEN: The Aboriginal Affairs Department does not deal with native title issues. That is handled by the native title unit of the Ministry of the Premier and Cabinet.

Hon GIZ WATSON: So, none at all?

Mr BOWEN: None at all.

Hon TOM STEPHENS: Would it be possible to obtain the list of the 15 patrols that were funded in 1997-98 and those proposed to be funded in 1998-99; and the funding for those patrols?

The CHAIRMAN: Do you want to take that question on notice?

Mr BOWEN: Yes, we can.

Hon TOM STEPHENS: Was the cost of essential services that Western Power and the Water Corporation provided, up until the recent letting of the current contract, on a full cost recovery basis; or did Western Power and the Water Corporation accept responsibility for community service obligations for the provision of essential services to those 48 communities?

Mr GOODA: I am not sure whether there was full cost recovery but I am aware no community service obligation was filled in.

Hon TOM STEPHENS: What was Western Power and the Water Corporation's estimate of the provision of those essential services to those 48 communities across the State?

Mr GOODA: They did not estimate but they basically worked within a budget provided to them by AAD and ATSIC.

Hon TOM STEPHENS: What is the figure for the budget that has now been provided for the new contracts?

Mr GOODA: Our estimate for 1998-99 is \$4.5m.

Hon TOM STEPHENS: That is the value of the three contracts that have been let?

Mr GOODA: That is the value of the program manager's contract that has been let.

Hon TOM STEPHENS: Does that \$4.5m equate to what Western Power and the Water Corporation previously spent on provision of essential services to those 48 communities; or is it more or less?

Mr GOODA: It is approximately \$500 000 more.

Hon M.J. CRIDDLE: Mention was made earlier of the cost of supplying water to communities. Are you aware of the situation at Barrel Well and is there any indication as to how much expenditure will be placed in supplying water there?

Mr GOODA: That was the community I referred to when I gave an example earlier. I understand, from my previous position, that ATSIC has indicated it will be included in the health infrastructure priority project program.

Hon CHRISTINE SHARP: I want to clarify my understanding of the previous question I put to you about the transfer of land titles. You said that your department has no business in Aboriginal policy and implementation of native title. Is the advisory group that you have told us about, which will provide advice to government on the transfer of land titles over the next 12 months, limited to reserves vested in Aboriginal people and giving out freehold title? What does that refer to?

Mr GOODA: The Aboriginal Lands Trust. The group I referred to in my previous response is made up of 10 members and it will be that group which recommends to the Minister about the transfer of land.

[11.00 am]

Hon CHRISTINE SHARP: To which land are you referring?

Mr GOODA: The land held by the Aboriginal Lands Trust.

Hon CHRISTINE SHARP: I asked about transfer to other government agencies for the next financial year, and you said you would take that on notice. Can you also include any transfer to other government agencies for the current financial year?

Mr GOODA: Yes.

The CHAIRMAN: That will also be on notice.

Hon TOM STEPHENS: Mr Chairman, I indicated that I had a series of questions that would take about 20 minutes, and I managed to ask about five.

The CHAIRMAN: You can put them on notice.

Hon TOM STEPHENS: I have them in electronic format. Do you want them printed out and tabled before the committee adjourns this evening?

The CHAIRMAN: You should print them out and give them to the gentlemen before they leave.

Hon TOM STEPHENS: Is it correct to say that the Aboriginal Lands Trust is in disarray?

Mr GOODA: That would be a matter of opinion. The chairperson of the lands trust resigned several months ago. The position of chair was advertised several weeks ago, and we are in the process of going through the applications to provide them to the Minister so that he can select the next chair. In the meantime, the Minister has appointed me the interim chairman of the lands trust, and I have not seen any evidence that the lands trust is in disarray.

Division 28: Agriculture, \$100 296 000 -

[Hon Muriel Patterson, Chairman.]

Hon E.J. Charlton, Minister for Transport.]

[Dr G. Robertson, Chief Executive Officer.]

[Mr M. Marsh, Executive Director, Corporate Services.]

[Mr I. Longson, Executive Director, Program Coordinator.]

[Mr M. Glugge, Senior Policy Officer.]

[Ms K. Lynch, Principal Policy Officer.]

[Mr R. Delane, Executive Director, Industry Resource Protection Program.]

[Mr K.F. Goss, Executive Director, Sustainable Rural Development.]

[Mr B. Annen, Senior Trust Administrator.]

[Mr J. Murgia, Senior Budgeting Officer.]

[Mr H. Steingresser, Program Manager.]

[Mrs J. Cole, Media Secretary.]

[Ms C. Cornwell, Manager, Policy and Legislation.]

The Chairman read the opening statement. [See start of day.]

The CHAIRMAN: On behalf of the Committee, I welcome you to today's hearings. I ask each of the witnesses whether they have read, understood and completed the Committee Hearings Information for Witnesses form. Do all the witnesses fully understand the meaning and effect of the provisions of that document?

The WITNESSES: Yes.

The CHAIRMAN: As you would be aware, the 1996-97 audit of Agriculture Western Australia identified significant weaknesses in the controls over the financial administration and management information systems, particularly in the area of fixed assets, receipting and banking accounts receivable, expenditure, payroll and trust accounts. These weaknesses supposedly resulted in incomplete and inaccurate accounting records and financial statements. What action is being taken to resolve the issues identified in the 1996-97 audit?

Mr MARSH: A plan has been put in place to address 40 different issues that were identified as needing attention. All of those items have been virtually completed, but some staffing and training issues are outstanding. The control environment, the registers, the reconciliations and the procedures required by the Auditor General have been put in place, and we expect that in this year's audit, the issues that the Auditor General will raise will be associated with the control environment of 1996-97 as opposed to the environment of 1997-98.

[11.10 am]

Hon KIM CHANCE: Madam Chair, I seek leave to make a short statement about the state of the budget presentation. I know you will stop me if I go over the top. I firstly want to raise a question with the committee with regard to the presentation of the accounts in the new form. I believe this presentation is so unsatisfactory as to be nearly worthless for the purposes of parliamentary scrutiny. I address you in the first instance, Madam Chair, rather than the Minister for Transport, because I have already made my point to the Minister for Primary Industry by proxy during the Assembly estimates hearings.

I understand that the Minister for Transport might be able to make available in a separate document more detailed information about the agency's revenue and expenditure. My difficulty is with the presentation of the operating statements on pages 118 and 133 relating to the APB and the ridiculous overuse of the line item "other". The other two types of account, statements of financial position and cash flows, are fine. However, the operating statements tell us nothing of value. This is not an issue which is confined to this agency. I raise it at this stage only because it is my first opportunity. The problem seems common to most but not all agencies. In Health, for example, the "other" line and operating expenses is almost half a billion dollars. I question the value of a line item of that kind to the Parliament.

On page 118 the total cost of services is \$165m and the "other" line item represents \$55m of that. On page 133, the APB shows an "other" line item of \$15.2m out of a total of \$15.5m. Therefore, more than 98 per cent of the whole amount is represented in a catchall line item. Having viewed the Treasury's compact disk and having heard about the so-called vast improvement in the budget statements, I can respond only by saying that these are the worst and least informative budget papers I have seen. Madam Chair, I would be grateful if you would convey my thoughts on that matter to the Treasurer and I further recommend that the Treasury adopt the same style of budget presentation as is used by the Commonwealth, which is brief, informative and in a form which can allow year to year comparison. That is something we cannot do with this ever-changing format system.

Hon E.J. CHARLTON: The move by the Government and Treasury to accrual accounting is an attempt to present the Budget in a different way; therefore, changes have been made. I cannot comment on Agriculture Western Australia. However, I have concerns about the ways things are presented, which do not give the true picture of a situation in an agency. It is positive to review these things as we go, and to make the necessary procedural changes to ensure transparency in the allocation of funds.

Hon CHRISTINE SHARP: An article in the *New Scientist* of 14 February is titled "Seeds of Wrath" and refers to genetic rights to two varieties of chickpea that come from the Urdu people. The article states that the department is applying for plant variety rights on these two chickpea strains. How many applications does the department have in place for plant variety rights and how many are from imported gene stock?

Dr ROBERTSON: I do not have here the number of applications for plant variety rights that we have in place at the moment. We routinely apply for plant variety rights of all new material coming out of our breeding programs. In regard to the two chickpea varieties that the member spoke about, in partnership with the Centre for Legumes in Mediterranean Agriculture, the agency applied for plant breeder rights. It is our view that under Australian legislation we were entitled to that. However, after discussions with the providers of that material and in the absence of international agreements between us and the international research centres that are the custodians of that seed, we have withdrawn applications for that material. They were withdrawn some months ago, probably before the time of that article in the *New Scientist*. It is a policy at the moment in the absence of a concluding agreement between the international research centres and agencies in Australia not to apply for plant breeders rights of material from those sources until that is clarified.

Hon CHRISTINE SHARP: What will that process be for putting legislation in place?

Dr ROBERTSON: A number of international agreements exist for the exchange of germ plasma - in particular the International Crops Research Institute for the Semiarid Tropics in India and the International Centre for Agricultural Research in Dry Areas in Syria - in which we are continually and freely exchanging genetic material on the basis that both the recipients and the donors are able to use that material if they select it further. At the moment, because of the issue to which the member refers, it is not completely clear under international agreements what the rights of ownership are, so the international community is currently debating that issue. There is an FAO convention proceeding on that issue. We hope that will be resolved in 12 months or so. That will make clear what individual and national rights might be in this area.

Hon W.N. STRETCH: Page 114 refers to industry resource protection with regard to disease control. There is no mention of ovine Johne's disease. Members will be aware that is becoming an important worry to WA animal producers. Coupled with that, and also the adherence to the footrot eradication program, which appears to be an ongoing project, what consideration has been given to closing the borders of Western Australia to live animal importation? Given the source of genetic material which can now be obtained by other processes it would seem that we are opening ourselves to more problems in this area. It is probably a question of policy but it is also an underlying issue of what the Johne's disease is.

Dr ROBERTSON: The indicators on page 114 are a small selection of indicators regarding a number of programs that we are carrying out. Certainly ovine Johne's disease is a program on which we expect to spend \$98 000 on monitoring and surveillance in Western Australia this financial year. The issue that the member raised regarding the border is one of considerable sensitivity. As part of the accession by Australia to the General Agreement on Trade and Tariffs - that has been extended by the Commonwealth to the States of Australia - it is incumbent on members to scientifically justify any exclusion to interstate or international trade. Therefore, we must be able to demonstrate a clear threat to Western Australia before we stop the movement of any agricultural products across the border. In many areas we are able to do that. The position we have taken with ovine Johne's disease at the moment is that although the testing is not 100 per cent accurate, and we can get false negatives in that process, the protocols is that animals cannot come from any areas in the eastern States that have ovine Johne's disease and two tests are required before animals are moved to Western Australia, and a follow up test is conducted in Western Australia afterwards. That provides a high level of security to prevent the disease from coming to Western Australia. That is the priority. The issue is to improve the testing so that we can be 100 per cent sure that there is no possibility of the disease coming to Western Australia

[11.20 am]

Hon HELEN HODGSON: I refer to information technology network upgrade, and the problems that the department has encountered with its computer system over the previous financial year. The figure is \$525 000. What proportion of that figure is dedicated to correcting the problems with the previous computer system? What is the estimated cost of correcting the computer system? Is it covered by warranties and guarantees? Has action been taken to recover the cost from the vendor of the previous system? Does the new system have a full audit trail feature? Is an asset register compiled by Agriculture Western Australia?

Mr MARSH: An asset register has been compiled and completed, other than the valuation process. Valuations are being undertaken by the Valuer General's Office. It is approximately halfway through the process, and it is expected now that it will be completed by mid-July. Therefore, the expectation is that we will have a full assets register completed with all the valuations in place. The valuations are based on 1 July 1997. Therefore, we will be able to set the valuation on the basis of those done at the appropriate level of integrity.

As to an audit trail, version 4 has been implemented and is operating. Version 4 has been running in parallel since the beginning of the year and is in place for various locations. Version 4 contains all the appropriate audit trails and approval processes. We expect that will satisfy any requirement of the Auditor General.

We have made no attempt to recover from the vendor the cost associated with the corrections. The arrangement is that the vendor is participating with us in the corrective actions which are necessary to ensure that the system works. We had legal advice that indicated that we could seek recovery, but if we went into a recovery program the vendor would be under no obligation to continue providing support. We would then have limited capability in our financial system and would face some years in litigation. There would be downsides for everyone but no upsides in the process. Therefore, the vendor has come to the team and provided the upgrade and necessary consultancy to ensure that version 4 is operating effectively.

Hon MURRAY MONTGOMERY: I refer to the table of net appropriate determinations at page 31, specifically the revenue gained by Agriculture WA from the sale of intellectual or genetic property and rights. Does that involve joint ownership of the industry and Agriculture WA, or would those sales be made in Western Australia, Australia or overseas?

Dr ROBERTSON: The member is talking about intellectual and genetic material which is sold. The amount of \$700 000 this year is an estimate solely for revenue from plant variety rights and trademarks from Pink Lady and Sundowner apples. No new marketing arrangements will be put in place for those varieties. This is revenue accruing from contracts entered some time ago. In addition, we expect an income in the order of \$500 000 from the sale of crop and pasture plants under plant breeder rights.

Hon MURRAY MONTGOMERY: Is that owned by Agriculture WA or jointly owned by Agriculture WA and the industry?

Dr ROBERTSON: The intellectual property rights or plant breeders' rights for Sundowner and Pink Lady are 100 per cent owned by Agriculture WA. Agriculture WA is in the process of transferring, and probably has almost legally completed the transfer of, trademark variety rights for use in Australia and most of the export markets to the industry for its use in future.

Hon MURRAY MONTGOMERY: And what about cereal rights?

Dr ROBERTSON: The amount of \$500 000 that I referred to earlier was income to the agency from its part of the rights. However, with regard to cereals or pastures, it is seldom that the agency does not have a partner in the process. For example, it might be the Grains Research and Development Corporation, or in the case of barley some of the malting houses, the breweries or the Grain Pool.

Hon M.D. NIXON: At page 108 under agriculture protection, it is stated that further releases of rabbit calicivirus disease will be limited, with an increased focus on integrated rabbit control strategies. Has calicivirus been disappointing? If so, are there new methods which may make it more effective in future?

Mr DELANE: It is a matter of opinion whether calicivirus has been disappointing. Perhaps it is a disappointment for those people who were seeking a panacea. Nationally the assessment is that it has been effective in dryer areas, with up to 85 per cent control; but in higher rainfall areas the results are less successful, at around 45 per cent average performance. There is ongoing research under a national program, to which we contribute, to try to improve the efficacy of RCD. However, as with other measures, it appears that it will have its place and will interact with seasonal conditions, and with myxomatosis. The general consensus is that integrated techniques - the use of RCD, myxomatosis and baiting, warren control measures etc - is the most effective way to control rabbits.

Hon BOB THOMAS: I refer to the performance measures at pages 110 to 117, where there is no indication of any monitoring of client satisfaction. Given the rate of fundamental change in the agency's research, I thought it would be a priority to measure the elements of success of the agency. Has any monitoring of client satisfaction been undertaken or do you rely on the WA Farmers Federation farm poll?

[11.30 am]

Dr ROBERTSON: Performance measures featuring satisfaction of clients are shown at pages 112 and 117. The agency is in the process of completing a review of client reaction. A comprehensive contract has been carried out by

a private consultant at arm's length from the agency. The field work has finished, although the agency does not yet have a copy of the draft or the final report. We expect to receive it in three to four weeks. The key reason we did not include it more comprehensively as a performance indicator is that we required objective information for 1997-98 before we could set the targets for 1998-99. We did not have information on client satisfaction that we could confidently use as a baseline. The survey currently under way will set the base line for performance indicators across the whole program.

Hon BOB THOMAS: You said that you had contracted a consultant to undertake that survey. What is the name of the company? Have you used two companies?

Dr ROBERTSON: The successful company is The Marketing Centre Pty Ltd.

Hon BOB THOMAS: Is its chairman Mr Michael Smith?

Dr ROBERTSON: Yes.

Hon BOB THOMAS: Michael Smith was recently appointed to the Meat Marketing Corporation as well as the wool strategy group. Given those key appointments, how can you be confident he will give you an arm's length analysis without any conflict of interest?

Dr ROBERTSON: The company is a professional company whose bread and butter business is conducting client surveys. We have complete confidence that the survey will be conducted by professionals in the company at arm's length from the board of that company, let alone from the agency.

Hon B.K. DONALDSON: I refer to the first dot point at page 105 on joint research into lupins as aquaculture feed. Given that canola oil has been suggested as a possible inclusion in aquaculture feed, will the department be working on that, in line with the lupins?

I refer also to the first dot point at page 104 concerning the pig industry export development committee to capture the pig meat market in Taiwan. Given the serious difficulties in which the pig industry finds itself and the melt down in Asia, how will you achieve outcomes in the short term?

I refer to the fourth dot point at page 106 which refers to the potential for export growth in the dairy industry and Western Australia as a base for milk production. Given that Western Australia produces only 4 per cent of the total Australian milk product, how will we achieve outcomes for that investment in export when the eastern States are very much tuned into that issue?

Dr ROBERTSON: In the joint project established with TAFE, Fisheries WA and Agriculture WA will be examining aquacultural feeds across the board. As the member correctly pointed out, the rapidly increasing availability of canola meal provides a great opportunity for all animal feeding industries in Western Australia, including aquaculture. Some experiments overseas suggest it can be the basis of a very effective aquaculture feed.

Research by Agriculture WA indicates that an opportunity exists for WA to be world competitive in the production of high quality pork products. Our farmers are very efficient in how the product leaves the piggery. However, we are not competitive in off-farm processing, largely because of lack of capacity and throughput. If pork production in WA increased significantly and that resulted in off-farm efficiencies, we could competitively enter the premium pork product markets, particularly in Japan and to a lesser extent Taiwan. The problem in the pig industry caused by international oversupply is forcing us to re-evaluate our direction in the short term.

When members of the pig industry met recently at Northam they identified real problems with the high cost of processing off the farm in WA. The initiative to encourage new investment in Western Australia to increase pig production will probably result in the whole of the industry becoming more efficient. Overseas producers are at least talking about investment in the Western Australian pig industry. However, we must see what happens in Asia over the next 12 months before we can say how profitable this could be.

Quite a bit of work has been undertaken recently on the cost of production in the dairy industry in Western Australia. Through the Dairy Research and Development Corporation, the Agriculture WA dairy program and others the industry has commissioned some work by Bird Cameron Financial Services Ltd to examine the performance of the industry in Western Australia. That study has shown that the large producers in Western Australia producing for non-white markets are able to produce very close to the best in Australia at about 17¢ to 18¢ a litre. Those producers are able to compete on the international market. The report also indicated that the industry has a lot of excess capacity at present. The money invested in land and dairies could probably handle 30 per cent increased production without any additional capital investment.

Western Australia also has a significant export advantage into South East Asia with short shelf life products,

particularly fresh milk, yogurts, icecreams etc. Again, the Asian problem, particularly the problems in Indonesia, have caused some hiccups. I understand the Malaysian and Singaporean markets have held up well. All the pundits are suggesting that the demand for milk products in Asia can only grow rapidly once the current problem is resolved. We are confident that the industry has the opportunity to expand its export business. It is a profitable business at present with WA dominating the fresh milk supplies into Malaysia and Singapore, as it did to Indonesia before the problems there.

Hon B.K. DONALDSON: Given that Western Australia has the highest quality milk in Australia how will that be affected at a later date by the national competition policy? Although the review has not been completed, could problems arise in continuing this market chase?

[11.40 am]

Dr ROBERTSON: The national competition policy reviews into the dairy industry in all States, except Victoria and Tasmania, is really putting the spotlight on quotas, supply management and farm gate pricing. However, the critical issue with the future profitability of the Western Australian dairy industry is the Australian milk marketing arrangements which terminate in approximately 18 months. Basically, those arrangements resulted in the other States subsidising Victoria to a small extent if Victoria did not put fresh white milk across the border. Victoria has been exporting an increasing amount of UHT milk to all States, including Western Australia. It has not in the past exported fresh white milk to other States. The indications are that when the arrangements lapse in 18 months, Victoria will start to move towards fresh milk exports interstate. Clearly the Sydney and New South Wales markets would be the most opportune in the short term. I believe quite strongly that Victoria will look to Western Australia in the future. If we can put fresh white milk into Kuala Lumpur on a daily basis, it is not beyond Victoria to put it into Perth. They would be purchasing that milk from the farmers at an export parity price rather than, as is the situation in Western Australia, at a special price for fresh market milk sold within the State. That is a major threat the industry will face in the future. I can assure you it is occupying the industry at the moment.

Hon KIM CHANCE: I have 38 questions which I do not expect to get through. Is the Minister able to provide a detailed breakdown of what constitutes the "Other" line items on pages 118 to 133?

Hon E.J. CHARLTON: Dr Robertson has an update to the response to some of those requests to which you referred earlier.

Dr ROBERTSON: I can provide a very quick breakdown. We will be providing information to the Legislative Assembly and would be very pleased to provide here a more comprehensive breakdown.

Hon KIM CHANCE: May that be on notice?

The CHAIRMAN: Yes.

Dr ROBERTSON: The \$55.88m comprises operating funds from the Agriculture Protection Board and Rural Adjustment and Finance Corporation of \$18.8m; communications, \$3.5m; services and contracts, \$18.5m; maintenance, fuel and consumables, \$13.5m; doubtful debts, \$250 000; and reserves received free of charge, \$1.288m.

Hon KIM CHANCE: I cannot find any reference in the budget papers to the Making Better Use of Agriculture program, which I am sure is there because funds must be allocated to it somewhere. How many consultants are contracted to that program?

Dr ROBERTSON: The budget this year is \$300 000. Can we take the question on notice and provide details of consultants who might be involved?

Hon KIM CHANCE: Yes please. Have any consultants who are contracted to the program been permitted to claim living away from home allowances in respect of the delivery of services of that program or any other form of travel allowance?

Dr ROBERTSON: I will take that question on notice.

The CHAIRMAN: It is on notice.

Hon W.N. STRETCH: At the bottom of page 125 is a reference to the woolscour relocation in capital works. I welcome the relocation of the woolscouring works. Why is that in Agriculture's capital budget when it seems that, as an industrial relocation, it would sit better in the portfolio of the Minister for Regional Development? It gives a somewhat distorted picture of capital expenditure. Is there a special grant from Treasury to do that? If there is a social component of the relocation of the scouring works, it seems strange, and perhaps a bit unfair, that it sit in Agriculture's expenditure. If it is a special grant, perhaps it should be stated as a social cost.

Dr ROBERTSON: It certainly was a special grant and additional to the agency's budget. I understand there was some discussion as to which department it should be allocated. At the end of the day the decision was made by the Government that it related to agricultural issues. Certainly the attraction of downstream processing wool businesses to Western Australia has been a major issue within the Agriculture portfolio. The money was therefore added to the budget here. I stress that it has been a completely separate and additional allocation for that purpose.

Hon W.N. STRETCH: Do you have an overall figure for the total cost of the woolscouring plant up to its opening day as a turnkey cost?

Dr ROBERTSON: My recollection is such that I would be guessing. Can we provide that on notice?

The CHAIRMAN: The question is on notice.

Hon E.J. CHARLTON: I understand that it is this year.

Hon CHRISTINE SHARP: I was reading some months ago in the *Countryman* that departmental officers were working to rule. Has that situation changed and improved and, if so, how is the staffing situation?

Dr ROBERTSON: The union requested all staff in the organisation to work to rule. I understand that none of the staff in the organisation followed that advice or took it up. If they did, the proportion was imperceptible. After about 10 days that advice was countermanded by the union. It was really a non-issue. It was related to cross-government issues. I believe an attempt was made to put agriculture in the middle of it, but it was not successful.

The CHAIRMAN: What is the potential impact of the Asian crisis on the availability of funds for research?

Dr ROBERTSON: Any impact would be relatively indirect. If returns for the big research and development funds diminish as a result of reduced demand in the export markets, that may eventually flow back to funds being available to the agency. However, on the countside of that, the largest supplier of research funds is the Grains Research and Development Corporation, which has a very significant financial reserve at the moment which it would use to buffer any impact. Our judgment is that there should not be any significant impact.

Hon HELEN HODGSON: Is the department aware of any incident over the past year where Western Australian produce has been rejected on reaching an overseas market due to pesticide contamination, quarantine or disease control requirements or domestic inspection procedures?

Dr ROBERTSON: I am not aware of any.

Mr DELANE: I am not aware of any rejections because of chemical residues or fibre sanitary issues. The only issue which has had some public coverage is that of scabby mouth in sheep in the Middle Eastern market, but that is being addressed by Australian parties in the importing countries.

Hon E.J. CHARLTON: There was a bit of action by the Maritime Union of Australia.

[11.50 am]

Hon B.K. DONALDSON: My first question on agriculture protection is the "quara mobile" quarantine checkpoints and sniffer dogs. What does the department have in mind? With regard to the increasing number of travellers coming through the airport, will there be more use of dogs and quarantine procedures at the airport?

I refer to page 108 and the statement that a \$3.5m program of ministerial initiatives will be allocated to higher priority areas of protection and quarantine, as part of a five year commitment to increased resources for agricultural protection by the State Government. Can you expand on that also?

Mr DELANE: The sniffer dogs have been an extraordinarily successful program, both within Australian Quarantine and Inspection Services, the national body, and through the limited experience with the department. Our dogs are trained through the AQIS program, but because of the rapid proliferation in the use of that technique Australia wide under the National Review of Australian Quarantine initiatives, they have not been able to train all the dogs that are required. They indicate they will be able to do that before the end of this calendar year. We plan, with funding under the ministerial initiative, to implement a program to increase both the number of passive dogs, the small dogs which gently move through the crowds at the airport, and the use of active dogs, those that sniff through luggage and the like. We have been trialling those in use in the parcel centre, and AQIS has also been doing that.

A wide range of initiatives exist in the \$3.5m ministerial initiatives continuing program. They are principally the strengthening of quarantine, the use of sniffer dogs, the use of X-ray machines, improved harmonisation of interstate and international conditions to improve efficiency, and the development of interstate freight assurance programs, so that we can get quality and disease freedom assurance and greater efficiency for interstate trade. Most of the other initiatives are in the area of improved surveillance. The GrainGuard initiative is working with industry and neglected

orchards to improve the strategic positioning of the horticulture sector to minimise threats. The details of a number of other initiatives can be provided on notice.

Hon MURRAY MONTGOMERY: I refer to page 114 wherein it mentions footrot. How will the number of properties under quarantine be reduced to 35 from approximately 200? What has been the cost of that program, and on how many properties have the owners sold their sheep rather than gone to a program of eradication?

Mr DELANE: I will take that question on notice. Currently the footrot program has an expenditure budget of \$1.2m, included in those targeted areas. A large part of that expenditure is for animal inspections on properties, a relatively recent innovation of inspections in abattoirs, which is proving effective, and laboratory testing. With the support of the Agriculture Protection Board, the program has been enhanced by increasing compulsion on the quarantine properties to deal with stock in the most effective means, and that usually means disposal of stock rather than retention of stock and continuing trade in those animals. With those measures being increased over the next two years, we expect the program to be reasonably successful.

Hon KIM CHANCE: The details of the plant research and development trust fund are listed on page 127. Does the agency administer trust funds other than the plant research and development trust fund?

Dr ROBERTSON: Yes, there are a number of trust funds within the agency, either called trust funds, or the agency has trustee responsibility for them: The cattle industry compensation fund, the pig industry compensation fund, the banana industry compensation fund, and the horticulture produce commission fund. They are all administered by the agency as trustee.

Hon KIM CHANCE: Under the new budgeting arrangements, will those trust funds be included in the statements?

Dr ROBERTSON: No.

Hon KIM CHANCE: The question that arises from those trust funds is: Have the amounts contained in any of those trust funds been used to pay for redundancies within the agency?

Dr ROBERTSON: Definitely no.

Hon M.D. NIXON: On page 104 there is reference to the restructuring of the Agriculture Protection Board which occurred two years ago. Now that some time has elapsed, is there evidence of this providing a better service than the previous structure?

Mr DELANE: You are correct, there has been some restructuring. In fact, the entire operational services are provided by Agriculture WA, and all the staff are employed by Agriculture WA. We believe there is evidence that the department is providing a more effective protection service, which is not to say that some of our clients would agree with this in all areas. The protection is all about the continuum from pre-border through to control programs on individual properties. Hence, there is an emphasis at present on strengthening the barrier quarantine measures and the surveillance measures for the capability to respond to incursions and outbreaks of serious pests and diseases. There has been some shift in the control programs where they are managed jointly or funded jointly with industry, and there has been increased emphasis on the individual landholder responsibility for some of those programs.

Hon HELEN HODGSON: On page 102 reference is made to the department's role in helping to develop a more coordinated regional approach to community and economic development. In the light of this, is the department making any submissions with respect to improving access in rural areas to health, communication or banking services?

Dr ROBERTSON: No, the department is not. Those matters are the prime responsibility of other government departments or agencies. From time to time, Agriculture WA is called upon to give advice with regard to its perspective on some of those issues.

Hon SIMON O'BRIEN: A year ago when the Estimates Committee last discussed this, it was told that within about 12 months it was hoped to implement a system of infringement notices and on the spot penalties for minor transgressions at the quarantine barrier. What progress has been made?

Dr ROBERTSON: There has been a lot of progress in terms of conceptualising and moving towards it, but legislative change is needed. The agency has received Cabinet approval to draft overarching legislation for integrating the operations of the Agriculture Protection Board, Agriculture Western Australia and parts of the Rural Adjustment Finance Corporation activities. When, and if, that is passed by Parliament, the second stage is to revise all the regulatory activities that are set up. That is quite important because as part of the integration there are quite separate legislative and regulatory frameworks for dealing with some pests and diseases under the Agriculture Protection Board, and different pests and diseases under the legislation for the previous Agricultural Department. It still is a major priority and it is disappointing to report that we have not managed to achieve it within 12 months. However, by this time next year, we hope to have it well and truly in place.

Hon SIMON O'BRIEN: Does the Minister have an anticipated time frame for legislation being introduced which will help facilitate the progress?

Hon E.J. CHARLTON: One of the great problems associated with every department and the whole of government approach is simply getting enough legislation through the Parliament to respond to these initiatives. It takes about three to five years to bring a Bill into Parliament, although minor amendments to other complementary Acts may be achieved in less time. It is not possible to make amendments to major Acts every year. When an issue such as this arises, there is no way it will be given priority from a government point of view unless a significant issue is dependent on that change. We simply do not have a fast track method in our parliamentary system to get these sorts of changes through. There is a combination of reasons for that. It is not just a parliamentary matter. It is a matter of the Government's priorities. We would all like to see these initiatives carried through, but more than 100 pieces of legislation go through Parliament every year and the Government has already agreed that about another 200 will be done. The Government is simply waiting for an opportunity to get them into the Parliament. As Dr Robertson has said, it is the department's desire to see the change, and it is the Minister's desire to see the change; however, it is a matter of where it fits in the priority of operations within the department.

Hon CHRISTINE SHARP: I received a letter from the Minister with regard to that timetable this week, in which he optimistically predicted spring of next year, so we will see.

I refer to the restructuring of the APB. Reference was made to increased landowner responsibility. Is this what is described as "protection is everyone's business", and is that linked to the reduction in the number of officers dedicated to eradication? With the integrated staffing levels, it is difficult to work out whether the staffing priorities have remained the same. Can you comment on that?

[12 noon]

Mr DELANE: Firstly, we run with the slogan that agriculture protection is everyone's business. As shown in the key performance indicators, 1.2 million passengers will come through the Perth terminal from interstate this year. Unless those people are doing their bit, our task is very difficult indeed. We are promoting that aspect so that all people, particularly those in industry and also those in the community generally, can do their very small part to minimise the large costs which can be caused by incursions of serious pests and diseases.

In terms of landholder responsibility, under the Agriculture and Related Resources Protection Act, a number of matters have always been part of the landholder's responsibility; for example, the control of declared animals and plants. It is true that in the past the Agricultural Protection Board carried out a large amount of control work. It conducted baiting for rabbits and spraying for weeds, but it was done as a contracted service. Over the past few years we have seen a move away from a government agency, such as ours, conducting a service which can be provided by a private contractor or the individual responsible. We now have a focus on our core business - the inspection, advice and audit-type responsibilities - while the conduct of physical control programs is resting where it can be done most efficiently.

Hon CHRISTINE SHARP: Does the department have the same number of inspectors, given that the focus is on inspection?

Mr DELANE: Within the budget, we have across the board pro rata approximately the same number of staff. The difference is that some of those are now located at the airport or involved in statewide or industry focused surveillance programs and perhaps are not doing some of those control programs.

Hon CHRISTINE SHARP: If there is now an increased onus on landholder responsibility, is the department putting pressure on the Department of Conservation and Land Management to meet its responsibilities in regard to declared weeds?

Mr DELANE: We are working very closely with CALM and other agencies and, as much as we can, with other landholders to ensure all parties are doing their bit to control pests and weeds within their statutory obligations and under a good neighbour arrangement. The member is probably aware that a number of those departments have good neighbour policies in place, under which they endeavour to have in place control measures at least equal to those of their neighbours.

Hon CHRISTINE SHARP: Does that mean the Department of Conservation and Land Management is meeting its responsibilities in regard to declared weeds?

Mr DELANE: Within the priorities of CALM and its budget, it is its assessment, as communicated to us, that it is doing everything reasonable in this area. It has some quite intractable problems - for example, blackberry - which would require very large investments by CALM and others to deal with them to the extent the community would want in some areas.

Hon E.J. CHARLTON: There has been a change of responsibility and there must be a change of culture right across Western Australia about who has responsibility for a whole range of things. This area is no different from a whole range of other activities right across the community. There must be more responsibility taken by individuals for their own actions, for the areas of land they own or manage or for which they are responsible. Over time landowners have been spoilt, because somebody in the APB has come along and said, "We think you have this or that and we will come and do something about it." Other landholders in the surrounding areas have taken a personal responsibility to manage their affairs correctly. There will always be people who have been affected by the change and who do not agree with it. We must acknowledge that all these people are responsible. If there is a declared weed or pest, it is their responsibility to control it. If people have a problem in doing that, they can call on Agriculture WA to come and assist them or to give them advice about how they might better go about it.

We must acknowledge that that cultural change is in place and respond accordingly. People in many areas say that they need an APB officer in their locality. Too much importance has been placed on that from a community point of view rather than from a direct responsibility perspective. We must all take a deep breath and see what is the bottom line. That is what is happening. We will need fewer people to do the job.

However, if someone is not playing the game, it is up to the neighbours and anyone who believes that things are not good in that area to advise Agriculture WA of the problem. It will then take action. That is consistent with a whole range of other issues. People tell me that a particular trucking operator is overloading and that my people need to do something about it. When I ask for the name of the operator, they do not want to say. It is important that they tell us.

[12.10 pm]

Hon KIM CHANCE: I can probably tell the Minister.

Hon E.J. CHARLTON: We are probably at the end of a cultural change in this business and many more benefits will accrue.

Hon CHRISTINE SHARP: In the light of those comments, as a neighbour of the Department of Conservation and Land Management in the south west I would like to complain that certain declared weeds are out of control on our boundaries. Does the department intend to put further pressure on CALM to initiate eradication programs on its freehold land?

Hon E.J. CHARLTON: We need a whole of government and whole of community response to this issue and we should develop a plan to deal with it. It will not be dealt with in isolation and by one agency. I have the same problem when it is said that road making material should not be on CALM land because that land is environmentally important. Much private land is also environmentally important. It is about balance. I will take that on board.

Hon KIM CHANCE: Inspection services are carried out by Institute of Resource Protection staff but the operational functions are carried out by contractors.

Hon E.J. CHARLTON: Or by private owners.

Hon KIM CHANCE: Obviously there is no problem with the private owners doing it with the assistance of the APB. However, I have difficulty following the logic of a contractor's having a separate operational function to that of the inspectors. The Minister knows from his experience that the two roles are largely complementary. While carrying out operational functions in one area, an APB officer also carries out inspection functions. How do the inspectors monitor new operational technology if they are not also inspecting how it works? Perhaps the Minister can clarify whether benefits have resulted from the implementation of the dual role.

Hon E.J. CHARLTON: The technology and the equipment required to operate efficiently will not be provided by the department across the State. When there is a need to respond, the process will obviously be more effective if we can bring in people whose profession it is to undertake that task. It still involves the APB, but it is carried out by someone else.

Dr ROBERTSON: Agriculture Protection Board officers carried out contract work on behalf of private landholders and also for local government, Westrail, Main Roads WA and others. A large amount of time was spent undertaking contract work. That work is now directly contracted out by Main Roads, Westrail or local government in areas of the State where adequate private contractors are available. The APB staff or staff from Agriculture WA still provide a default service; that is, if no local person can do the job, the APB or Agriculture WA are willing and able to do it at commercial rates.

The change in approach has been the result of implementation of government policy. It separates a couple of high risk areas. There is a real risk in having the regulators relying upon the results of regulation for commercial return. By separating the regulatory function - the inspection and standard setting - from the regulators, we minimise risks in that area.

Hon KIM CHANCE: Is that occupational health and safety risks?

Dr ROBERTSON: No, risk of conflict of interest. Agriculture WA operatives still carry out spraying operations, particularly in isolated areas. For example, if they are 150 km east of Esperance and they see a small infestation of Paterson's curse on the side of the road, they will still do something to control it. That sort of inspection and dealing with small, isolated problems will still be undertaken by organisational staff. However, jobs involving, for example, spraying 600 km of Westrail track will no longer be done by government agencies. That work will be contracted to the private sector by Westrail.

Hon KIM CHANCE: I see the logic.

Hon B.K. DONALDSON: Page 103 makes reference to Natural Heritage Trust funding in the national landcare program. It states that about \$30m will be directed primarily to community projects and an estimated \$14m of NLP funds will be administered in 1998-99. Can the Minister clarify how that expenditure will be allocated?

Mr GOSS: The Natural Heritage Trust comprises many programs, one of the which is the national landcare program, which is administered by Agriculture WA. At the time we put the budget papers together we were confident that \$14m would be administered by Agriculture WA under the national landcare program component of the Natural Heritage Trust. We are still in negotiations with the Commonwealth Government about the allocation for 1998-99. We anticipate that it will be \$15.1m, which compares favourably with the \$15.3m the department received for 1997-98. That is not money allocated to Agriculture WA for its own services. A large proportion - at least \$8m - goes through the agency's accounts to community grants. That is one component of the Natural Heritage Trust. The other components, of which there are many, are administered by other agencies.

Hon BOB THOMAS: My questions relate to an issue already raised by Hon Murray Montgomery and Hon Christine Sharp; that is, intellectual and genetic property rights. Does the figure of \$700 000 for intellectual rights as stated on page 127 of the budget papers relate mostly to Pink Lady?

[12.20 pm]

Dr ROBERTSON: Yes, it is the income from plant variety rights for Pink Lady and Sundowner apples. Sundowner apples account for quite a small proportion of that figure.

Hon BOB THOMAS: In the Legislative Assembly Estimates Committee you indicated that the Pink Lady rights were starting to wind out because those rights had been transferred across to industry and others; is that correct?

Dr ROBERTSON: There are two separate issues. The plant breeders' rights of the varieties Cripps Pink and Cripps Red apples have been registered in a number of overseas countries. If a nurseryman propagates those varieties - and we have licensees in a number of countries - a royalty automatically flows back to Agriculture WA. That is managed by Agriculture WA and 100 per cent of the royalty is ours. The plantings have probably reached a peak level and are expected to continue around that figure of \$700 000 for a few years.

The second issue is that there was some income, albeit a much smaller proportion, from the management of the trademark and again Agriculture WA, on behalf of the industry, registered the trademarks of Pink Lady and Sundowner in a number of countries, particularly countries that were premier markets for the Cripps Pink and Cripps Red apples. The agency registered those trademarks because the industry was in a bit of turmoil and was not able to do it. As a result of ongoing negotiations carried out over the past year, we are in the process of transferring - and legally the transfer may have been completed - the trademark for those two apples to the industry in Australia to manage. It has formally been ceded to the Australian Apple and Pear Growers Association. That occurred after the local Fruit Growers Association considered the issue and had meetings at the three major centres of apple production, where growers voted in support of that arrangement. A majority of Western Australian growers are involved with the management committee at the national level. In future that will be managed by the industry without the involvement of the agency.

Hon BOB THOMAS: Has that process been approved by Treasury, and what commercial arrangements accompany the transfer to the industry? Is the Cripps Pink variety registered in New Zealand? New Zealand has been selling Cripps Pink to Germany; is that part of that licensing arrangement?

Dr ROBERTSON: It is not easy to explain, but an owner of the apple requires access to the trademark to put that apple into some markets. It is an industry mechanism to control the supply of apples and ensure those apples meet a minimum market specification so the longevity of the variety in the marketplace is significantly extended. The transfer process, which has been discussed with industry for many years, involved considerable debate about the ownership. Agriculture Western Australia was the legal owner of those trademarks, but any wealth from the trademarks was due largely to the promotion that was funded by the industry. The advised judgment was that trademarks had zero commercial value at that time; that is, they were an asset with a very low value, unless there was an organisation prepared

to invest in promoting the brand to keep a product in front of the consumer. The industry has done that for some time and has taken on board the commitment to do that in the future.

The trademark is required for New Zealand to sell apples in Europe as Pink Lady and Agriculture Western Australia has, with the approval of industry over the past two years, provided access to that trademark to all exporters on an international basis. In the future, the industry will make its own decisions, but at this stage it is leaning towards developing an international marketing framework for Pink Lady and for apples trademarked as Pink Lady and Sundowner where it can ensure that only high quality apples that meet the specifications to which Western Australian growers produce are allowed onto that market. The New Zealand apples struggle to achieve the quality that Western Australian producers can achieve.

Hon BOB THOMAS: Was it Ally Mackay who developed the Pink Lady?

Dr ROBERTSON: Ally Mackay was one of a number of people involved with the initial promotion of the variety to industry and on the export market. However, John Cripps was the breeder within the agency that bred the variety.

Hon KIM CHANCE: I want to follow through a question asked by Hon Bob Thomas. On page 9 of the Assembly's Estimates daily *Hansard* of Tuesday 26 May, the Minister for Primary Industry said -

My understanding is that that figure does not include the cereal and pulse crops but it does include things like Pink Lady, which is starting to wind out.

This refers to page 127 of the budget papers under the heading "Net Appropriation Determination" and refers to proceeds from sale of intellectual or genetic property. He said that they were two separate things; one was the cereal and pulse revenues and the other was the Pink Lady. He continues -

In other words, we have transferred those rights across to industry and others and that is starting to wind out as far as the department is concerned.

In that context, you have identified "industry" as the Australian Apple and Pear Growers Association. Who are the others?

Dr ROBERTSON: The reason royalties from crops and pastures do not appear is that they go directly into the plant research and development trust fund, from which they are reallocated to activities. The Cripps Pink and Cripps Red plant breeders' rights royalties are solely owned by, and return to, Agriculture WA. Pink Lady and Sundowner trademarks have been transferred to the industry, and revenue from their use, as of the beginning of the financial year, will go to the Australian Apple and Pear Growers Association to meet the costs of administering or managing that. Although others are involved in cereals or crops and legumes, part of the revenue is retained by the Australian Apple and Pear Growers Association before it is deposited in the plant research and development trust fund.

Hon KIM CHANCE: The Minister's statement should be read to mean those rights have been transferred to the AAPGA in terms of the trademark rights and no further?

Dr ROBERTSON: Yes, although those trademarks have not been transferred in countries such as Chile and Argentina.

Hon KIM CHANCE: Is that a matter of active litigation?

Dr ROBERTSON: There is litigation concerning one but, generally, they are not export markets and the value of the trademark is managing the export market.

Hon KIM CHANCE: Hon Bob Thomas asked what commercial arrangements had been made regarding the transfer of the capital value of the trademark to the AAPGA, it being the property of the people of Western Australia held in trust by Agriculture WA. What commercial arrangements occurred? Something of value has been transferred to a growers association; what arrangements accompanied that transfer?

Dr ROBERTSON: It was a transfer without any payment and only small revenues are raised from the licensing of a trademark which do not cover the cost of managing that trademark. The return received is a high return in the market place for the product produced and the Government does not produce any products. The understanding was that the trademark was registered by government on behalf of industry. The evaluation and diligence we did to assess its value had no value except with industry and was a transfer at no cost to industry.

Committee suspended from 12.31 to 2.00 pm

Division 63: Health, \$1 640 249 -

[Hon Bob Thomas, Chairman.]

[Hon Max Evans, Minister representing the Minister for Health]

[Mr A. Bansemer, Commissioner of Health]

[Dr N. Fong, Chief General Manager, Operations]

[Associate Professor B. Stokes, General Manager, Clinical Services]

[Mr B. Sebbes, Acting General Manager, Operational Management]

[Mrs C. O'Farrell, General Manager, Program Purchasing]

[Mr I. Haupt, General Manager, Commercial Services]

[Professor G. Lipton, General Manager, Mental Health]

[Ms P. Ford, General Manager, Public Health]

[Dr P. Psaila-Savona, Executive Director, Public Health]

[Mr J. Kirwan, General Manager, Health Workforce Reform]

[Mr S. Houston, General Manager, Aboriginal Health]

[Dr D. McCavanagh, General Manager, Strategic Planning and Evaluation]

[Mr A. Kirkwood, Acting General Manager, Finance and Resource Management]

[Dr G. Goodier, Chief Executive Officer, Princess Margaret Hospital for Children-King Edward Memorial Hospital for Women]

[Mr P. Howe, Chief Executive Officer, Sir Charles Gairdner Hospital]

[Mr J. Burns, Acting Chief Executive Officer, Royal Perth Hospital]

[Dr D. Davies, Acting Chief Executive Officer, Sir Charles Gairdner Hospital]

The Chairman read the opening statement. [See start of day.]

The CHAIRMAN: On behalf of the Committee, I welcome you to today's hearings.

I ask each of the witnesses whether they have read, understood and completed the Committee Hearings Information for Witnesses form. Do all the witnesses fully understand the meaning and effect of the provisions of that document?

The WITNESSES: Yes.

The CHAIRMAN: Are there any questions? The format is that we will have questions from members of the Standing Committee on Estimates and Financial Operations and then I will open the committee to other members of the Legislative Council.

Hon SIMON O'BRIEN: Is the Whitby Falls Hostel to be closed? If so, when? What provision will be made for residents from that time?

Professor LIPTON: The exercise at Whitby Falls is not so much about closure as it is deciding what to do with the residents. Whitby Falls is a model. It is over 100 years old and not really compatible with modern treatment of chronic psychiatric patients. We have undertaken to review every single patient. There are 30-odd patients; 14 have an intellectual handicap, the rest have chronic psychiatric disorders. They will all be thoroughly reviewed. They will be assessed to determine a more appropriate form of community rehabilitation with full residential and support services. It is likely that at the end of that exercise - which could take a year or two; there is no time limit on it - Whitby Falls will be redundant and the Government can make decisions about what to do with it. The essence is to rehabilitate people into the community in a way that is more appropriate to living a fuller life in the context of the condition they have.

Hon SIMON O'BRIEN: The Cameron Stanton report was commissioned by the state health purchasing authority two or three years ago. In explanatory information to recommendation 10 of the report the authors observed that there needed to be recognition that the target group for the Whitby Falls service is a group of people with the highest level of support needs. The report said these people cannot live in the community and cannot be employed. Professor Lipton, if at the end of the process that you have described there are identified a number of residents or indeed potential residents who cannot be rehabilitated into community living what will be the future for them? In the terms of this estimates committee what provision would be made for them?

Professor LIPTON: That is a hypothetical question. It is a bit hard to answer on that basis. With good community

support, good community based services and proper accommodation - we have moved a great deal in that direction - a great majority of people can be rehabilitated. That is the philosophy we are working on. The mental health reforms have only commenced since that report was written, and the philosophy of the services has changed. We have not determined a strategy were that to happen but I think we have to wait and see what will happen. Obviously, if only two or three persons cannot be rehabilitated in that way, we will have to think again. That is why we are totally open about closure or otherwise and what is going to happen to the service. It has to be a patient oriented exercise. While these patients are severely handicapped they are not necessarily the most severely handicapped patients in the State. I think that is hyperbole. That is not a criticism but some of the elements of the patients' condition relate to the nature of the services they are provided with. There is a vicious circle of institutionalisation and dependency. In modern health provision terms one tries to break that and develop capacities to deal with these matters better. If the contingency the member indicated were to arise we would have to look at that then. That is why no firm decisions about timing or closure or anything like that have been made.

Hon SIMON O'BRIEN: I am reassured by your indications that there is no immediate need for patients or their families to be concerned about being suddenly vacated from Whitby Falls - is that so?

Professor LIPTON: Yes, that is so. We have tried to be reassuring but sometimes the message does not get across.

Hon SIMON O'BRIEN: However, in view of the proposal to wind down or to seek alternatives to Whitby Falls as an institution, has adequate provision been made, at least in the medium term, to continue staffing, resources and programs at Whitby Falls or it is being wound down in this Budget?

Professor LIPTON: That is part of the exercise. We have set up a steering committee with all of the stakeholders including consumers, families and providers of services. A working group has been contracted to work between ourselves and disability services looking at different patients. No decisions have been made with regard to staffing or anything like that. That will follow because we anticipate that a significant number of patients can be settled in the community. The staff will follow and become community support staff. The arrangement, timing and sequencing of it depend very much on the examination that is now taking place. I cannot answer that question now. At the moment there are no closure plans but there are relocation plans for what we hope will be a better lifestyle.

Hon SIMON O'BRIEN: Is it business as usual in the interim?

Professor LIPTON: Yes.

The CHAIRMAN: I think we have developed that theme well.

Hon MARK NEVILL: Have you referred breaches of financial management such as inappropriate use, bordering on fraudulent use, of credit cards to the Anti-Corruption Commission as required by the Act?

Mr BANSEMER: Yes, we have. In the past two years at least one such case has been referred.

Hon MARK NEVILL: Are you aware of any cases that should be referred but has not?

Mr BANSEMER: No, I am not aware of any case that should have been referred but has not.

The CHAIRMAN: In September of last year you attended the Standing Committee on Estimates and Financial Operations' hearings in the Wang building. You indicated to the committee that were you happy with your budget and that you felt the forecasts that you would overrun your budget were speculation. What was the final outcome of the budget for 1997-98?

Mr BANSEMER: I need another three weeks to answer that question with any precision. This year's budget has been significantly stretched mainly because of the large increase in activity through emergency departments in the major hospitals. The problem has been primarily a metropolitan one. However, there are a couple of areas of pressure through growth in demand in the rural areas. We will find out in the next three weeks exactly what the end of year situation is. I cannot tell you that at this point.

The CHAIRMAN: How much extra has been injected into the Health budget this financial year over and above the original allocation?

Mr BANSEMER: An amount of \$29m.

The CHAIRMAN: I heard a figure of \$55m somewhere.

Mr BANSEMER: There has been speculation of \$55m but that has not been put into the budget at the moment.

The CHAIRMAN: Are you confident for 1998-99 that you have a budget that will not require any further injections?

Mr BANSEMER: No, I am not confident of that until such a time as we know what the out-turn figures are at the end of this year. I cannot really say that I am confident about next year's budget. It depends in part on the upturn in this year.

The CHAIRMAN: What will happen if there is an overrun in the budget this year? Will that be carried forward against the 1998-99 budget?

Mr BANSEMER: That is not my expectation. If it is, that will place added pressure on next year's budget.

The CHAIRMAN: Are the hospitals, especially the teaching hospitals, which overrun their budgets required to carry forward the deficit against next year's budget?

Mr BANSEMER: That would depend on the circumstances of the overrun.

The CHAIRMAN: Can you be more specific?

Mr BANSEMER: In many cases they would not have to. However, if they have brought forward expenditure that was avoidable this year to this year and therefore do not have to incur it next year they would not have to meet that overrun. If it is related to the service pressures that we have experienced this year then it is unrealistic to expect them to meet that shortfall next year.

The CHAIRMAN: At this early stage are you aware of any hospitals that will be carrying over deficits?

Mr BANSEMER: I am aware of several country hospitals which have longer term problems which they are working their way through. These problems must be resolved in the budget negotiations for next year. I believe they can be resolved and therefore there should not be a carry over next year in respect of the 1998-99 budget.

The CHAIRMAN: Can you list the hospitals that are experiencing those problems? You can take that on notice and provide it later.

Hon MAX EVANS: He can do it now.

[2.10 pm]

Dr FONG: The three main hospitals that Mr Bansemer refers to are the West Pilbara Health Service; the Geraldton Health Service, which we are keeping under close surveillance; and the eastern wheatbelt service, which shows slight under expenditure.

The CHAIRMAN: Can you provide the past six annual reports for the Bunbury hospital?

Mr BANSEMER: Yes. I see no reason why not.

The CHAIRMAN: That question is also on notice.

Hon MAX EVANS: That would be one of the tabled papers, table 120, annual reports of hospitals and nursing posts.

The CHAIRMAN: I think we have only one photocopy. It will be easier if I could have a copy from the Health Department. When does the Bunbury Health Campus open to receive patients?

Dr FONG: The new campus is due for opening in September this year.

The CHAIRMAN: When will the mental health unit open?

Professor LIPTON: Our expectation is that it will be opened by the end of this year.

The CHAIRMAN: Can you be more specific?

Professor LIPTON: We are already planning with them and we think it might well run to December this year.

Dr FONG: If I could make it clear, there will be a progressive opening of different facilities after September; not everything is coming on stream at the same time.

The CHAIRMAN: What impact will the new campus have on the Bunbury Health Service recurrent budget for 1998-99?

Dr FONG: We are signalling an increase in activity at the Bunbury Health Service this year to fall in line with the new hospital that is being developed. In addition, there are savings through the collocation proposal that will be fed into further services and augmentation of services through that campus.

The CHAIRMAN: Can you be specific?

Dr FONG: In total at least \$2.7m.

The CHAIRMAN: Can you be specific on where that \$2.7m will be spent?

Dr FONG: We are currently negotiating the purchasing allocation for the Bunbury Health Service which will not be finalised until the end of this financial year. However, much of that will be spent on further inpatient activity for people in the south west.

The CHAIRMAN: Can you provide the budget figure for the existing Bunbury hospital for 1997-98?

Dr FONG: I can give you only the Bunbury Health Service budget today, but we could provide that.

The CHAIRMAN: That question is on notice. Do you expect Forest Lodge, the state government nursing home at Bunbury Regional Hospital, to be privatised?

Dr FONG: There is no expectation that it will be privatised. A committee has been drawn together from the south west to investigate and seek expressions of interest from private operators interested in running Forest Lodge.

[2.20 pm]

The CHAIRMAN: What impact would the privatisation of Forest Lodge have on the budget of Bunbury Hospital?

Mr BANSEMER: I do not think it would have an impact on the budget of Bunbury Hospital.

The CHAIRMAN: What impact would it have on the budget of the Bunbury Health Service?

Mr BANSEMER: The Bunbury Health Service budget would be reduced by the operating costs of Forest Lodge.

The CHAIRMAN: If it were privatised, I believe there would be some savings to the Bunbury Health Service. Would those savings go into the Bunbury campus or into the melting pot in Perth?

Mr BANSEMER: I think they would go back into aged care services in the south west, but that decision is yet to be made.

Hon B.K. DONALDSON: I refer to the major initiatives for 1998-99. Page 548 of the Budget Statements states that accident and emergency services in hospitals are experiencing heavy demand, and that one of the initiatives is to encourage people to visit their general practitioners for primary health care. You would be aware that many changes have taken place. Many general practitioners have ceased bulk billing, and many people find that they cannot access general practitioners after about 7.30 pm or 8.00 pm. Therefore, while you may encourage people to visit their general practitioners, problems exist with the availability of general practitioners. As part of that strategy, will you work with multi doctor practices to see whether you can keep some of them open in the evenings on a rotational basis?

Mr BANSEMER: Yes. We will be working with the profession to try to get coverage beyond the range of hours that is currently being serviced. We have been working with the AMA and the divisions of general practice, particularly within the metropolitan area, to get a greater out of hours coverage. A number of propositions have been discussed, and the ones that are most likely to be of benefit are where the practices establish networks by which they can provide mutual support, and where we introduce some form of telephonic service to direct patients to facilities that are open.

Hon B.K. DONALDSON: As part of patient care, will Anstey House at Sir Charles Gairdner Hospital be closed?

Dr DAVIES: There is no plan to close Anstey House.

Hon B.K. DONALDSON: Page 549 states that an analysis is expected to be progressed this year of metropolitan and country rehabilitation service needs and of how we can achieve better access for patients. How do you intend to do that? That is of concern to country patients who need rehabilitation.

Dr FONG: We have instigated a state rehabilitation review chaired by Dr Peter Goldswain, who is a rehabilitation expert at Royal Perth Hospital. That review is nearing completion and will report; and once we have received that report, many of the issues will be looked at and possibly implemented.

Hon TOM STEPHENS: I refer to a program that was highlighted in the Legislative Assembly budget estimates and described as a \$13m program of which \$4m would not be spent in the current financial year and of which another \$1.9m had not been spent in the previous financial year. There was some indication that that program was for Aboriginal health issues. What is the name and the nature of the program from which those savings have been obtained?

Mr BANSEMER: Primarily the program has involved the coordinated care trial, which we have been working up with the Commonwealth Government. That has not proceeded to the time frame that was envisaged.

Hon TOM STEPHENS: What is the name of the program?

Mr BANSEMER: The coordinated care trial. It may at some point in the future have a different name, but that is how it is referred to at the moment.

Hon TOM STEPHENS: Is that commonwealth or state funding, or a mixture of both?

Mr BANSEMER: It is a mixture of both. A significant amount of commonwealth funding will be involved.

Hon TOM STEPHENS: How much of the \$13m in the current financial year will be state funding?

Mr BANSEMER: I am talking about the \$4m to which you referred, not the \$13m.

Hon TOM STEPHENS: What is the total funding cocktail for this program?

Mr KIRKWOOD: There are two issues. The commonwealth funding is appropriated to us in total and becomes the one source of funds overall within Health, which is then applied to the various programs. The second issue is the commonwealth moneys. I do not have at my fingertips the component of the Aboriginal health funding that comes via the Commonwealth through the appropriation process, but it is in the order of \$4m overall.

Hon TOM STEPHENS: An amount of \$4m from the overall commonwealth funding package to Western Australia will not be spent in the current financial year?

Mr BANSEMER: No. The \$4m is not all commonwealth moneys. When I was talking about the \$4m, that is part commonwealth and part state moneys.

Hon TOM STEPHENS: What funds have been allocated in the current financial year for Aboriginal health, how much will be returned to Treasury as unspent funds, and what are the commonwealth and state components of those funds?

Mr BANSEMER: We will take that on notice. No funds will be returned to Treasury. Funds that are unspent for that purpose are being applied to other pressure areas in the budget and will be reinstated to those programs in the next financial year, as was the case with the \$1.9m in the previous financial year that you mentioned.

Hon TOM STEPHENS: With regard to the funds allocated for Aboriginal health in 1996-97, of which \$1.9m was not spent, would it be possible to get a breakdown of what was allocated and not spent in that financial year, what was allocated and not spent in the current financial year, what will be allocated in the coming financial year, and a comparison for those three years?

Mr BANSEMER: I can provide an answer to the first two parts on notice. However, the answer to what will be allocated next year can be provided only in part at this time, because I cannot give you the final figures for next year until we have finalised our budget allocation within the health sector.

Hon NORM KELLY: I refer to the independent living programs under the mental health budget. The allocation of units under this program appears to be all for 1997-98. There was an allocation of 75 units, yet only 53 units were realised under this program. Why was there that shortfall in units?

[2.30 pm]

Professor LIPTON: This is a movable feast. We are fortunate that Homeswest provides 70 to 75 units a year and has done so for the past three to four years. It is a matter of getting the right patient to the right place, with the right support and finding the right accommodation. We must do a lot to get patients there. I cannot say precisely why it is underrun. However, there are always difficulties and delays. Sometimes patients are not ready. Patient choice is important and a patient may want single accommodation or dual accommodation so that must be found. It is a matter not only of providing the units, which Homeswest makes available in a most generous way, but also of fitting the right patient to the right unit at the time the patient is ready. It is a fairly large rehabilitative program. I cannot be more specific, because I am not sure of the discrepancy. It is a moving program but I am sure we will take up the discrepancy.

Hon NORM KELLY: Page 546 refers to priority being given to establishing units in country areas. I understand that one of the difficulties in setting up those programs is not being able to find the management for those units. Is there any provision for the Government to manage those units rather than looking for non-government organisations to do that?

Professor LIPTON: That can and does occur at times. However, it tends to be a non-government program, which we support. There have been enormous difficulties in the non-metropolitan area in finding appropriate organisations to take on the responsibility to run those units. We run a parallel program, which is a community development program, in conjunction with the Western Australian Association of Mental Health. That tries to get communities to

develop their own organisation. We show them how to do that and we advise them and help them to incorporate them. That is moving along a little better now. It is a slow process because one must work with the communities and engender that need. Philosophically, it is better for communities to take that responsibility because many other things come from that. We have the two programs: One is looking for accommodation where it is needed; and the other is developing communities and to give them support. For example, both Geraldton and Port Hedland wished to get into a program but were unable to get themselves together. We have sent officers to work with them and advise them on how to set up accounts and to operate associations. We do that quite a lot. In the long run we think that would be better than a behemoth government organisation running it. Community run organisations are much more sensitive to daily living and that sort of thing than are bureaucracies.

Hon NORM KELLY: I understand that patients from Whitby Falls who are able to return to the community would be eligible for these independent living units. However, what locations would be provided for those patients who are not suitable for integrating into the community?

Professor LIPTON: I have to revert to my previous answer that it is a hypothetical issue. At the moment we are functioning on the basis that we can integrate them into the community. That is the case with the majority of patients. If we are left with a residue of persons who are unable to integrate, that would require clinical and subsequent decisions. It is a bit hard to answer, because the assessments that have been made recently broadly suggest that most should be able to be rehabilitated into the community. That is the premise on which we are working. Obviously if that premise is not fully correct we will reassess it.

Hon J.A. COWDELL: I have a few questions dealing with what might be called the longer term problems of country hospitals. Firstly, are any hospitals in breach of the Financial Administration and Audit Act in that they cannot pay creditors within 30 days of receipt of the invoice?

Hon MAX EVANS: Payment is now 25 days from the end of the month, because 30 days from the date on the invoice was impractical.

Mr BANSEMER: Nobody is in danger of failing to meet the FAAA requirement.

Hon J.A. COWDELL: Are all government grants to local country hospitals indexed to CPI or have some hospitals been required to meet CPI increases out of set budgets and, if so, which hospitals?

Mr BANSEMER: The flow on of CPI and other costs is not automatic. They require negotiation. Yes, over the past two years some hospitals will have had to absorb costs because their cost structures have been out of kilter with the benchmarks for the range and size of hospital.

Hon J.A. COWDELL: Will you provide me with the names of those hospitals on notice?

Mr BANSEMER: Yes, we can do that.

Hon J.A. COWDELL: Have local hospitals seen savings, such as those on insurance premiums, removed from their budget when made?

Mr BANSEMER: Not to my knowledge.

Hon J.A. COWDELL: Have any hospitals incurred debts this financial year as a result of the exceptional insurance pool system, and, if yes, which hospitals and amounts?

Mr BANSEMER: No. There was a period during the year when that was an issue. However, it is no longer an issue.

Hon J.A. COWDELL: Were debts run up during the year as a result of this?

Mr BANSEMER: Nobody is short of funds at this time because of the exception pool.

Hon CHERYL DAVENPORT: I refer to budget paper No 2, page 569. The estimate for 1998-99 for the home and community care program is \$49.7m. There is no corresponding 1997-98 estimated actual next to that. Has there been any increase in that budget line from 1997-98?

Mr KIRKWOOD: The current year's figures are not included because the commonwealth programs are now net appropriated into the Budget, whereas previously we received funds directly. We work with the figure that we receive, whether that is up or down. The commonwealth figures for this year are still in the process of being finetuned, so we do not have a figure at this point.

Mr BANSEMER: The expectation is that we will receive an additional sum of about \$1.6m from the Commonwealth in the coming financial year.

Hon MAX EVANS: That page shows net appropriation determinations. From next year every department must bring in net appropriations. The revenue will come into this subsection rather than the department as a whole. That is the main reason it is shown in that way.

Hon CHERYL DAVENPORT: Page 549 of the program statements refers to the introduction of a national fee for service policy. When will that be introduced? What is the estimated revenue for the first 12 months' operation of that fee? Who will collect it? Will there be a cap on the maximum amount to be paid by any senior or person with a disability? Will it be a compulsory fee for service?

[2.40 pm]

Mrs O'FARRELL: The collection of fees for HACC services in Western Australia will be introduced in stages. Fees collection for HACC charges is not new. On 1 July we will introduce a fee collection systematically through HACC providers using the national fees principle as a basic guide for charging and administering a system of fees. The first stage of the implementation will be on 1 July, mainly in the metropolitan area. It is hard to quantify what volume of revenue will be gathered by that process, but we will monitor that closely. The organisations that deliver fees are, for the most part, reasonably well set up in administrative structures because they already collect fees.

A working party has been operating to provide the current systems and a range of other issues, including the issues of waiver, the capping of fees for people who receive multiple services, estimating the ability to pay fees, etc, so that providers can give effect to the national fees principle and improve fee charging for consumers, while at the same time improve the prospect of bringing additional revenue to the program.

Hon CHERYL DAVENPORT: Will individual service providers be able to maintain the fee for service to provide more services within their communities?

Mrs O'FARRELL: Yes. The policy that we have been discussing with service providers - and they support this - is to have a negotiated process whereby service providers can talk to us about retaining some of the revenue they raise for fees in order to enhance the service and provide additional services through their organisations. By the same token, there is a strong will by the service community in HACC to ensure there is a revenue stream which comes back to the main program which can be invested in areas of unmet need - it is recognised they exist - and part of the revenue from fees to some extent from now on will form part of our growth capacity in the program. While growth in existing services is useful, where they can undertake additional activities, it is also necessary to have some ability to invest, through our procurement plan, in new services and service enhancements in areas where needs are not being met as well as they are in other areas.

Hon CHERYL DAVENPORT: You say that some revenue may go back to head office, so to speak, and be distributed elsewhere. Some of the programs I have been associated with over the years have had very little growth money, and if we are to have a compulsory fee for service, most would look to find some growth factor to meet unmet demand, given that many have waiting lists. Therefore, if there is very little potential for growth elsewhere - such as from the Commonwealth - how will you meet the growing need for aged care?

Mrs O'FARRELL: There will be growth funding. Each year the Commonwealth will continue to provide a little extra money in cash. The Commonwealth's funding policy in 1996-97 was that annual program growth would flow through the increased collection of fees for client services. We are not under any compulsion to collect fees, and neither are the service providers. There is an incentive to introduce more structured systems of revenue collection in order to have this program grow in a positive manner. It opens up opportunities for providers to be in a position to negotiate with us about the retention of some of the revenue they collect in order to introduce new services, activities and initiatives in their areas. There will be no value in taking that incentive away because there is a direct community benefit in that. By the same token, the service providers feel very strongly about the requirement to be able to systematically invest in areas where services are not up to par yet. It is a bit of both.

Hon CHERYL DAVENPORT: You will be aware that across the State many vehicles are provided to various HACC programs. Has any consideration been given to looking at something like the West Fleet management program for HACC vehicles around the State? For example, a program I have been associated with for a number of years has four vehicles. Ours is not a large program, so that must translate across the State. That might be a way to achieve some savings within government as a whole that could perhaps be put forward into other program areas where needs are not being met by the HACC budget.

Mr BANSEMER: Some thought has been given to that, and it is still being considered.

Hon KIM CHANCE: The Minister for Finance may feel that I am addressing him in his formal capacity rather than a Minister representing. I have a grizzle concerning the presentation of the accounts. I refer to the operating statement at page 557. Following the line designated "other" through the estimates and the forward estimates, we have a figure

of about \$500m, with the total amount on the bottom line of around \$2b. That is the average across the years in the forward estimates. Why do we not have more detail on this item? Do you really think it is adequate to come to Parliament with accounts that show a generic item which amounts to almost half a billion dollars? What level of scrutiny can Parliament provide when some of the key cost items cannot even be seen, let alone compared with last year? Can you provide the committee with a list detailing the factors and sums which make up the amount of \$450 658 000 shown in the 1998-99 estimates?

Hon MAX EVANS: At the beginning of my life in this place, all we had was the CEO's salary and everything else was referred to as "contingencies" - and that would be about \$1b. I agree with the member. I have already spoken to Treasury officials, and have provided examples of "other". It took us three years to get rid of "contingencies" and replace it with "other", because nothing contingent was going to be spent. In other revenue items you will find a lot bracketed together. An instruction to Treasury is that they should be broken down, but they are not.

Hon KIM CHANCE: I put on notice my request for the committee to be provided with a list detailing the factors and sums which make up the amount of the 1998-99 estimate shown as "other".

Hon MAX EVANS: That is a good question.

[2.50 pm]

Mr KIRKWOOD: It is a large job to assemble this information. Information comes in statewide. All the hospitals are statutory authorities, so that to compile what appears to be a one-liner we would use information from a complex model.

Hon KIM CHANCE: If it were shown as an addendum to the report it would be helpful.

Mr KIRKWOOD: The format in the Budget Statements is a standard Treasury format and "other" is a common model that everyone had to use.

Hon KIM CHANCE: I watched the entire compact disk on the Budget presentation, for which I deserve a medal. I do not know how long we can watch Treasury telling us how clever it is without our being ill. The whole point of the new presentation is to allow the Parliament and the public of Western Australia to better understand the budget process; yet we find a generic item in the Budget of \$500m. Someone should get real.

Mr BANSEMER: The problem arises because we are trying to deal with the budgets of the Health Department and Rottnest Island in the same format. We agree that supplementary information should be included. The "other" in the Rottnest Island Authority budget is probably a very small sum.

Hon KIM CHANCE: I was not trying to line up the Health Department; it was a dig at Treasury.

I refer to dot point 5 at page 546. I note that planning and coordination of mental health will be done on a regional basis. Recently I saw a Health Department document that set out the purchasing intentions for mental health by region. I noticed that the wheatbelt region - great southern, eastern wheatbelt and mid west - will receive a fraction of the per capita funding of what is intended for the metropolitan area or, for that matter, the north of the State. From memory, the national and metropolitan figure was in the order of \$21 per capita per annum; whereas the figures for the eastern wheatbelt and the great southern were in the order of \$9 or \$10 per capita. The mid west was not much better off than that. Why is that the case? How does it line up with the statement at page 545 that there will be a reallocation of resources from the metropolitan area to the regions? Clearly that will not be the case with respect to the wheatbelt if my reading of those purchasing intentions was correct.

Professor LIPTON: You touch on a very major problem in this State in that providing only resources does not achieve anything; one must have an infrastructure to make use of those resources. The regions you mention, particularly the wheatbelt and great western, are very low in resources. They do not have the staff to use them. Geraldton has some staff but in the rest of the mid west there are very few. Next year's figures will show that the great southern is improving considerably.

To enable this to happen we have tried to set up the infrastructure. Consultancies in each region are advising the corporate general managers plus the providers and consumers how to set up services for the entire region. Before one can drive a car one must have one to drive. That is our problem. We have not included figures in our purchasing intentions; we have included principles. The principle is to do as much as we can in those three regions which are the least resourced in the State.

I mentioned earlier the need to develop community non-government offices, services and ways of relating across those regions. A number of things will assist such as community development, consultancies to develop models for service and the telepsychiatry program, which is important. We are establishing facilities in all those regions. At least they will fill in the cement between the bricks. They will enable somebody in Perth to undertake consultation with a patient

where no doctor is available. It is a multi-focus approach to what traditionally have been underfunded and underdeveloped regions. Development is the No 1 priority; funding will follow.

Hon KIM CHANCE: Clearly I have misunderstood the way the purchasing intentions are drawn up. Effectively, Professor Lipton is saying that because the infrastructure does not exist in those regions, it is not possible to make the same kind of per capita allocation of funds. Surely it was the nature of purchasing intentions that even if services were to be purchased by, say, the Central Wheat Belt Health Service from a metropolitan health service, they would have been indicated as being paid for out of the central wheatbelt's budget. That would mean those services, even though not physically accessible within the health service, would still have to be shown against the per capita funding because they were being purchased from another place. Have I misunderstood?

Professor LIPTON: You are quite right in theory, but it is taking time to establish the systems to enable that to happen. I hope that within a year or two we will be able to provide regions with the funds that go to both the region and outside the region to deal with the problems of the region. When this mental health reform began, the entire State, including the metropolitan area, was seen - and continues to be seen - as being somewhat under-resourced. The Government has put in a lot of money. A number of parallel processes exist such as a buddy system to bring together metropolitan and rural systems of which telepsychiatry is a part.

We are working on funding models that will do precisely what you say. We are not quite there yet but in the next Estimates Committee hearings we will have much clearer evidence that that is occurring.

One of the issues in the mid west is how to combine a fairly well resourced Geraldton service with the other three regions. The nature of the regions and the people living within them create certain difficulties with coordination. The great southern is different because in Albany and towards Narrogin and Perth things are developing well. It is a matter of moving it further in. The wheatbelt is particularly under-resourced and underdeveloped. Mental health has not been tackled there. Until recently four health areas did not work well together; they do now. With our assistance, a joint committee has been established to work out ways in which the region can manage things. We are only developing and we are not there yet.

Hon B.M. SCOTT: I refer to pages 545 and 547 of the budget papers. I am very pleased that the low immunisation rate is one of the key public health issues. At page 547 it is noted that in 1995 only 42.5 per cent of Western Australian children aged two years were fully immunised against preventable diseases. What initiatives at a state level are intended to improve this low rate of immunisation? Has it been possible to compare the cost of delivering immunisation by GPs with the cost of public health nurses? In the light of the federal government incentive to GPs, has it been noted by the State that the costs to the State could be lowered?

Finally, is there a breakdown of figures of immunisation rates across the regions of Western Australia? If so, are those figures available? If there is a high differential in those rates of immunisation across the regions of the State, will the initiatives by the State to combat the low immunisation levels or the approaches in the regions be different?

[3.00 pm]

Ms FORD: The immunisation rate of 42.5 per cent which is quoted in the 1995 report was based on the best figures we had available at the time. One of the recent commonwealth and state initiatives has been the establishment the Australian Child Immunisation Register. This has gradually given us much better quality data on the number of children who are immunised.

Hon B.M. SCOTT: What is that costing the State? It is a federal initiative.

Ms FORD: It is a commonwealth-state cost shared initiative with the State's contributing \$3 for each completed immunisation schedule, and it is giving us data. The latest data from the register indicates that the immunisation rate is up to about 70 per cent in that age group. Given that we still think there is an under-enumeration on the register because not all immunisations are being notified, we estimate that the immunisation rate is of the order of 80 per cent of that age group. That is still not satisfactory because we need 90 to 95 per cent to get what is called herd immunisation. We are planning a number of incentives. There will be a major commonwealth-state initiative for measles during the coming financial year, which will aim to immunise all school aged children against measles. We are also working with a number of the Divisions of General Practice in this State, given the commonwealth initiatives for general practice, to ensure that we get the maximum possible coverage and that GPs take up those initiatives and do what is called opportunistic immunisation; that is, to check the immunisation status of all children going to see them for other reasons and arrange to immunise where the immunisation status is incomplete.

Hon B.M. SCOTT: What form will the initiative for measles take?

Ms FORD: The first initiative is currently being planned. We will be arranging through various community health facilities for a mass immunisation program. The providers and the timing of the program will vary slightly from region

to region to take account of regional differences. For instance, the Kimberley residents' part of the program will be conducted before that for anybody else because of the differences in lifestyle. It is more appropriate and we will get maximum turnout if we immunise in the Kimberley in May or June. Immunisation in the rest of the State will not occur until August, September and October. There will be a number of such differences to reflect local arrangements. The rest of the state campaign currently is being planned. We have some figures for a regional breakdown, for which the member has asked. If I could take that on notice, I could provide them. I enter the caveat that our best data is from the Australian Child Immunisation Register, but we are aware from our discussions with general practitioners that the data is not yet complete and up to date. With that caveat, I will provide some breakdown.

Hon B.M. SCOTT: Have you made any comparison of costs of the delivery of services between community health nurses and doctors?

Ms FORD: I am quite new to the State. I am not aware of any comparisons that have been made but in view of the significant commonwealth incentive, we are working very closely with general practitioners to increase our immunisation rates.

Hon B.M. SCOTT: I consider that it would be in the best interests of the State to do a cost analysis of the program. Can I put that on notice?

The CHAIRMAN: Is that a question?

Hon B.M. SCOTT: It is the same question on the cost analysis of delivering services in the State.

The CHAIRMAN: It is more of a statement than a question.

Hon B.M. SCOTT: I asked whether any cost analysis had been done.

The CHAIRMAN: Ms Ford has answered the question.

Hon B.M. SCOTT: She has not answered the question.

Mr BANSEMER: I do not believe such an analysis between doctors and nurses has been done recently in Western Australia. By "recent" I mean at any time when such a comparison would have any valid meaning today. The suggestion is that we might do such a cost analysis. We will look at that. It is not possible to do it in time to make any comment by way of supplementary information.

Hon GIZ WATSON: Page 547 refers to an increase of women between the ages of 50 and 79 years who are being screened to at least 66 000 annually. What does that equate to as a percentage increase? If you cannot provide the information straightaway, I will have it on notice.

Ms FORD: As a preface to answering the question, I point out an error in the publication. We screen women aged 40 years and above. The target is 50 to 69 year olds. I just clarify that. We estimate that this year we will screen 60 000 women, which is a 10 per cent increase.

Hon GIZ WATSON: Pages 544 and 545 refer to Aboriginal health. You talked about the provision of a health program for Aboriginal people. One of the things that I have seen in Aboriginal communities is that the technology used to treat water and sewage often cannot be easily maintained by the community. Is the Health Department doing anything to look at appropriate technology for Aboriginal communities, which has low energy use and low maintenance, to ensure that they do not have huge problems fixing something when it goes wrong?

Mr HOUSTON: Yes. The State along with the Commonwealth and other community agencies have established over the past two years a fairly innovative and nationally unique forum to enable commonwealth and state agencies to join together when considering the relative priorities between communities and also how we might provide more appropriate technology in facilities for environmental health services. At a state level, the cooperation between the Health Department and Homeswest, for instance, has allowed us to rationalise services in a way which provides a much more comprehensive range of facilities to Aboriginal communities with more appropriate technology for the environments in which they live.

Hon J.A. COWDELL: What were the Collie Hospital appropriations for this financial year and what are they budgeted to be for the next financial year?

Dr FONG: The Wellington Health Service incorporates Collie Hospital. I do not have the Collie Hospital figures, but for the Wellington Health Service the figure is \$9.379m. The figure for the next financial years is not yet finalised because we are still negotiating purchasing allocations.

Hon J.A. COWDELL: Could I put on notice the question of the breakdown of the figures for the component of the Collie Hospital?

The CHAIRMAN: It is on notice.

Mr BANSEMER: It is generally speaking the local hospital board's prerogative to move money within the health service between a hospital and other components. Any figures would be indicative rather than binding on the boards.

The CHAIRMAN: Are you talking about next year's budget?

Mr BANSEMER: This year's and next year's budget. We provide funds to the health services but the health service boards within those services determine the allocation.

Hon J.A. COWDELL: Your indication for this year would be pretty good.

Mr BANSEMER: It would be pretty indicative at present but it will not be the 30 June figure. That is the point.

[3.10 pm]

Hon J.A. COWDELL: I refer to the redevelopment of the Murray District Hospital at Pinjarra. Have any funds been budgeted either next financial year or in the forward estimates for the redevelopment of that hospital? That hospital is mentioned specifically in the budget papers, although I could find only by designation an amount of \$200 000 in the form of planning money?

Mr BANSEMER: An amount of \$200 000 is in the budget for planning purposes.

Hon J.A. COWDELL: That is not the question.

Mr BANSEMER: That is all that is in the budget at this time.

Hon J.A. COWDELL: Are you answering my question by saying that there are no funds in the next financial year or in the forward estimates for any redevelopment of the hospital?

Mr BANSEMER: At this time, that is true.

Hon J.A. COWDELL: I refer to the budget for the Peel Health Service, rather than the budgets for individual hospitals. I ask for a breakdown for this financial year and a projection for the next financial year of expenditures between Health Solutions and the remainder of the Peel Health Service that remains in government hands. I realise there is an independent board in these areas, but given that one component is privatised and one is not, I hope an indication can be given because the board cannot reduce allocations to the private component which should be on a set contract.

Mr BANSEMER: We can provide the information requested. At the current stage, the board can influence that contract but, by and large, you are right.

The CHAIRMAN: That question is on notice.

Hon B.K. DONALDSON: I refer to the financial statements on page 557 with regard to full time equivalents. I notice the estimate for 1998-99 is 21 780 full time equivalents and the three out-years remain exactly the same. Does this reflect greater purchasing of health services from the private sector, and that the department will have a very stable number of full time equivalents over those three out-years, or is that a mistake?

Mr BANSEMER: It is best explained by saying we did not know any better.

The CHAIRMAN: More clarity is needed.

Mr BANSEMER: The figures are constant in those out-years, as has been pointed out, because we had no basis for changing them.

Hon B.K. DONALDSON: Could this be reflecting the greater purchasing of services from the private sector?

Mr BANSEMER: That could have an impact, but I do not think that is the reason the figures are the same.

Hon B.K. DONALDSON: Is it just a generalisation?

Mr BANSEMER: It is because we had no basis on which to vary the figures.

Hon MAX EVANS: No budget is an actual figure. It is a figure put down. There is no basis for increasing or reducing it until something happens to warrant that; for instance, the number of beds could be increased by 400 or 500.

Hon B.K. DONALDSON: The only thing that worries me is that the population is growing and one would expect to see some increase in delivery of services. Will the private sector pick up that additional pressure for health services?

Mr BANSEMER: I understand the point you make. Yes, it does reflect that there will be providers who are not

government providers. The private sector will meet some of that demand and will have staff increases which are not reflected in our figures.

Hon B.K. DONALDSON: The net increase-decrease in cash held in the statement of cash flows on page 559 of \$87.814m continues through in the three out-years. On page 560, cash at the end of the reporting period is estimated to be \$87.814m and that continues across the page. Is that something to do with the cash resources and investments in the actual statement of the financial position, where the amount came in at \$92.8m and continued across through to 2001-02? It looks like double entry bookkeeping to me.

Hon MAX EVANS: Next year, cash flows of government will be at the top of the page, and the source of funds will come down from there. I was too late to change it this year. The cash at the beginning and the end of the period may not be the same.

Mr KIRKWOOD: That is what we have done. This is the first time it has been assembled in this form. It is a complex process. Health is not like a smaller agency which has that data all together. We had to gather data statewide. Over time, some of those issues can be refined and developed, but not knowing any better at this time, we have been conservative and kept that as a consistent figure.

Hon B.K. DONALDSON: It looks like double entry bookkeeping.

Hon MAX EVANS: It is what you hope to have at the end of the year - your bank balance the same as it was at the beginning of the year.

Hon E.R.J. DERMER: What is the allocation for the Osborne Park Hospital this financial year, and what is the projection for the next financial year?

Dr FONG: The allocation for the North Metropolitan Health Service, of which Osborne Park Hospital is a part, is \$42.459m this year. The position for the next financial year has not been finalised as purchasing allocations are being negotiated at this point with the Metropolitan Health Service Board.

Hon E.R.J. DERMER: I formally request that the information about the next financial year be supplied to me as soon as possible.

The CHAIRMAN: When will that be finalised?

Mr BANSEMER: The allocation for the North Metropolitan Health Service will be finalised by 30 June, but its internal allocations will not be concluded until July.

The CHAIRMAN: It is stipulated that this information must be provided within three working days of receipt of the question.

Hon E.R.J. DERMER: Are you saying that you cannot tell me what the allocation is for the Osborne Park Hospital this year?

Mr BANSEMER: We can tell you what the allocation was to the health service, but not to the hospital, which is a component of the health service. I am not sure you are making a distinction. The figure just given was the allocation to the health service.

Hon E.R.J. DERMER: I understand that and I am endeavouring to make the distinction. I want to know what the allocation is for the Osborne Park Hospital.

Mr BANSEMER: We can give the answer about the allocation to the Osborne Park Hospital in three days, but we cannot provide information on the allocation for next year.

The CHAIRMAN: That question is on notice.

Hon E.R.J. DERMER: I am concerned to note on page 547 that the re-configuration of activity in Osborne Park Hospital will be supported with concentration on the hospital's capacity to undertake clinically appropriate cases from teaching hospital waiting lists. Is that what the department has in mind for the configuration of the Osborne Park Hospital?

[3.20 pm]

Dr FONG: In a number of hospitals work is undertaken on people who travel from outside a catchment area to have the surgery done. For some hospitals that is appropriate because they are tertiary level hospitals and their procedures and activity can be done only at these places. However, the department has a policy that it is enabling it to reconfigure, or redistribute, the way in which people access services around the metropolitan area and, where it is

appropriate, that they can have it done closer to where they live. That is what reconfiguration is about. It is also about reconfiguring the types of services. In some instances the tertiary hospitals can undertake procedures that can be done in secondary hospitals. That is reconfiguration. We can see where some procedures can be done in the community, in private practitioner or general practice settings. We want to see that happen where it is appropriate. That is reconfiguration. It is part of the policy of keeping people out of hospital, where that is appropriate, and in the appropriate setting where they can access the procedure more quickly. At Osborne Park Hospital we were able to reconfigure some activity from that hospital. Now that hospital has some capacity to deal with some of the patients who were on the teaching hospitals' waiting lists. It is appropriate for that hospital and work will be transferred to it.

Hon E.R.J. DERMER: Are any services at Osborne Park Hospital currently available which will not be available through this process of reconfiguration?

Dr FONG: At this time I do not believe any services will be cut off or reduced at the hospital, in terms of the range of services it provides. No.

Hon E.R.J. DERMER: Dr Fong said "at this time". Can I be given a firmer indication that there will be no reduction in the services?

Dr FONG: We are negotiating the purchasing allocation with the Metropolitan Health Services Board. As the commissioner said, the board will consider that after it has received its full allocation. It will have a hand in making some of those decisions to which the member is referring.

Hon E.R.J. DERMER: When will I receive a confirmation that services available currently at Osborne Park Hospital will not be discontinued?

Dr FONG: I have answered the question in the general; that is, I do not believe there will be any reduction in the scope or range of its services. However, that is subject to the Metropolitan Health Services Board considering the matter. Once it has received its purchasing allocation for the whole of the metropolitan area, it considers the reconfiguration policy which is part of the budget process.

The CHAIRMAN: Will that be concluded in July?

Dr FONG: It will have its allocation by the end of this financial year, to start on 1 July. It may take some weeks for it to consider some of these particular issues.

Hon E.R.J. DERMER: I note on page 543 of the Budget Statements reference to the role of the Metropolitan Health Services Board making a significant move towards locality specific purchasing in July 1997. It says that in 1998-99 the department will negotiate with the board for the delivery of health services as close to home as possible for people living in the metropolitan area and, in some cases, for people in rural and remote areas. My concern with the Osborne Park Hospital relates specifically to services provided for elderly people, many of whom live in that area. What information can be provided about the adequacy of those services and waiting lists; whether the waiting lists are showing a tendency to contract?

Dr FONG: The Osborne Park Hospital has a long tradition in providing aged care services and will continue to do so. However, a north metropolitan geriatric strategic plan is being developed to try to tie together all the major players in geriatric medicine and aged care in the north metropolitan area. A report will be provided in the coming months which will better describe the provision of services for aged care.

Hon E.R.J. DERMER: Could I be given a more specific time frame for the delivery of the report?

Dr FONG: It will be in September this year.

Hon KIM CHANCE: I refer to the line item relating to the hospital funding grant on page 566. It shows the depressingly low level of growth in the commonwealth funding of our hospital system. Can an indication be given of the deficit in the hospital sector which is expected in the current financial year and that which is expected in 1998-99?

Mr BANSEMER: We are not able to give the figure to that question. In the current year the figure may be as high as \$25m, effectively in cash terms. In our total budget that is not a large sum. I will not know the figure until the end of the financial year. To meet the demands we expect, or to meet an extrapolation of the demand we have been experiencing over the past several years, we will look for around \$80m next year.

Hon KIM CHANCE: Assuming the broad estimate is \$25m, give or take a considerable margin - let us not be pedantic about the actual figure in the current financial year - how is it expected that that deficit will be managed? Will an accommodation be made with Treasury of that amount?

Mr BANSEMER: Yes, it will. I cannot give the form of the accommodation at the moment as, of course, it is still under discussion.

Hon KIM CHANCE: I understand it is still under negotiation. We must define for the record the current pay rise for the nurses. I have that figure before me as three plus three per cent. That might have changed, but that information can be qualified in the answer. How much of that is predicated from the health services and how much will be centrally funded?

Mr BANSEMER: The current offer is three by three by three, plus 1.5 per cent if the Australian Nursing Federation is prepared to consider a trade-off of rostered days off and maintenance of penalties during periods of sick leave, giving an overall figure of 10.5 per cent. All of it is being funded, except for 1.5 per cent.

Hon KIM CHANCE: Centrally?

Mr BANSEMER: Yes.

Hon KIM CHANCE: The health services will not be expected to find any of that 9 per cent, which is the core of the offer.

Mr BANSEMER: That is the situation as it stands at the moment.

Hon KIM CHANCE: That is a relief. In the workplace agreement offer the proposed increase for levels 1 and 2 nurses is 11 per cent over three years made up, as I understand it, of 5 per cent on registration of the agreement; 4 per cent at 1 March 1999; and 2 per cent at 1 March 2000. For level 3 nurses, it is 6 per cent on registration of the agreement; 4 per cent and 2 per cent over those same periods, respectively. What proportion is to be centrally funded? What proportion is expected to be made by the health services?

Mr KIRWAN: As to the first part of the question, when the 6 per cent offer was made to the nurses' union, 5 per cent was to be funded through supplementary funding and 1 per cent was to be found by the industry. Recent discussions with Treasury leave that a little fluid. It could well be that 9 per cent is funded over three years; however, as the nurses' union did not accept the offer, the funding finalisation with Treasury was never completed finally.

In respect of the workplace agreements - 11 per cent over three years - the same funding formula applies. Two per cent in the forward estimates is automatically applied and some is funded by savings in the various health services; in other words, from removing accumulated days off. The difference is made up by the department and Treasury.

[3.30 pm]

Hon KIM CHANCE: The ADO situation is a component of the workplace agreement, is it not?

Mr KIRWAN: There are two to three pages of changes in the conditions. The ADOs is the most significant part, but there are also improvements in some conditions for on-call and so on. It is a total package.

Hon KIM CHANCE: Is the schedule of salary increases within the workplace agreement that I have referred to consistent with the "Government wages policy and workplace bargaining guidelines" as published in July 1997 by the Department of Productivity and Labour Relations?

Mr KIRWAN: Yes. It has been endorsed by the Cabinet standing committee on labour relations and it has DOPLAR support based on its being consistent with current government policy.

Hon NORM KELLY: What is the current status of funding from the national mental health strategy?

Professor LIPTON: That has had a happy ending: The money will be provided by the Commonwealth from 1 July. Our expenditure in respect of that commonwealth funding last year was \$5.2m. Next year it will be part of the agreement rather than the national mental health strategy. It will start at \$4.8m and build up over the next five years. With very minor modifications, that will maintain all the services we have supported until now.

Hon NORM KELLY: Will the State cover that shortfall in funding?

Professor LIPTON: That will not be necessary because a number of projects come to a natural end on 30 June. Those that will continue will experience virtually no alteration.

Hon NORM KELLY: Are programs at risk - for example, those relating to early episode psychosis, postnatal depression and vocational training, which were established with short term funding on the understanding that the State would take on the funding after the commonwealth funding had ceased?

Professor LIPTON: I am not sure that the understanding was mutual; that was the Commonwealth's view.

The early episode psychosis program was based on a Victorian model set up some years ago. It has been very successful. We have had four sites for the program and they have all been assessed. The intention now is to

incorporate those excellent principles into ordinary programs. To the extent that they need funding, it will be made available. The trial programs have led the way. They have provided information that will help develop programs for depression and other conditions. We will maintain a state coordinating committee to ensure that the lessons about early episode psychosis are incorporated in all programs. The postnatal depression recognition program is designed to help general services recognise the mothers - sometimes 20 to 30 per cent - who suffer the condition. It was essentially a referral service because the condition should be treated by primary and secondary mental health services, and that will continue.

The department brought out a policy for vocational training and rehabilitation. It also provides funds to the Western Australian Association of Mental Health, which is the peak body for consumers and NGO organisations. The department conducts a training program for 60 to 80 participants that is designed to help those who join departmental committees dealing with policies, funding and so on. Rather than being naive in committee work, they can work effectively. That will continue and be expanded. Many of these programs were designed to introduce new ideas to the system. They will not disappear, but will become part of routine departmental services.

Hon NORM KELLY: The Wesley Mission has received funding for an accommodation program run in conjunction with the Health Department and Homeswest. Will that funding continue or is that part of the ongoing national mental health strategy funding?

Professor LIPTON: It has an ongoing element that will continue to be funded. However, I would like to have the question placed on notice.

The CHAIRMAN: That question is on notice.

Hon CHERYL DAVENPORT: About 12 months ago the notion of outsourcing the breast screening program arose. Has a decision been made? If that proposal is to go ahead, how will the department ensure the quality of the screening equipment? I have heard that BreastScreen WA has had to take over private sector screening because it has not been accurate enough. If the service is outsourced, how will the Government ensure that the technology used is appropriate and the delivery of service is second to none?

Ms FORD: The Government has decided that it will go out to tender for the screening component of the BreastScreen WA program to test the market. A lot of work has been done in the past two or three months on the tender documents. They include a comprehensive set of national and state guidelines on quality because that is a key component of the program. All potential tenderers will be asked to specify how they will keep their equipment up to date. Quality assurance processes will be applied to the equipment if a private sector company wins the tender. That occurs now in respect of the current government provider.

Hon CHERYL DAVENPORT: When will the decision be made about the tenders?

Ms FORD: The tender will be published in early July with an eight week response period. It will take four to six weeks to evaluate the proposals and we will then be ready to make a recommendation to the Minister. The whole process will take three and half months.

Hon MAX EVANS: Hon Cheryl Davenport earlier referred to HACC. This year's revenue figure is on page 566 and the figure for next year is on page 569.

Hon B.M. SCOTT: I refer to early identification and intervention, and in particular to page 549 of the budget papers and the metropolitan-wide introduction of cost effective vision screening for young children, which will be extended to country Western Australia in 1998-99. At what age will this screening be done? Where will the screening be done and at what cost? Does it have any relationship to the current statewide four year old health checks? Which personnel will conduct the screening? Is there any intention to reduce the statewide four year old health checks, which investigate health, sight, speech, growth and development of young children? I would be concerned if that program were reduced to only vision screening.

[3.40 pm]

Mrs O'FARRELL: The introduction of this initiative involves the follow-up to what was put in place in the childhood services in the metropolitan area. It is intended to put it in place in country child health services in the coming financial year. It is a new system for vision screening; it does not change the strategy or the policy. The target population of vision screening will be the same and the same service will continue. In fact it will use a new form of screening equipment.

Hon B.M. SCOTT: Are you referring to child health nurses conducting a screening technique on children under school age with the new technology?

Mrs O'FARRELL: The child health vision screening is done the way it has always been done for preschool children. It is carried out by child health nurses with no change to the service strategy; it is simply a new piece of testing equipment. It involves new plastic-coated cards and it is an easier system for the tester and the child.

Hon B.M. SCOTT: Is this testing the testing that is normally conducted by the nurses on four year olds in kindergartens? Is there any intention to reduce the statewide child health checks of four year olds?

Mrs O'FARRELL: The answer to the first question is yes. The answer to the second question is no.

Hon B.M. SCOTT: Does the Health Department intend to continue statewide health checks on every four year old wherever they are placed in educational care?

Mrs O'FARRELL: That is correct.

The CHAIRMAN: What is the salary package paid to the directors of nursing at the major teaching hospitals; that is, Fremantle, Royal Perth, Sir Charles Gairdner, King Edward and Princess Margaret?

Mr BANSEMER: We will take that question on notice.

Hon TOM STEPHENS: The Queensland Health Department is coordinating the response of the Queensland Government to pressure from major supermarkets for pharmacies to move inside the supermarket chains of Coles Myer and the like. Is the Health Department coordinating the State Government's response to that pressure from the big chains for pharmacies to move inside those supermarkets? Is the Health Department preparing the response to the Council of Australian Governments' review of the regulations governing pharmacies in Western Australia?

Mr BANSEMER: That pressure is not causing any activity at all in Western Australia. No active coordination is taking place to move inside supermarkets. However, the Health Department is coordinating the review of trade practices legislation as it relates to pharmacies.

Hon TOM STEPHENS: Is there a state government position on the ongoing role of pharmacies as community pharmacies as opposed to operations inside the main supermarkets?

Mr BANSEMER: I do not believe there is a government position. A review will be undertaken and the Government will form a position after that time.

Hon TOM STEPHENS: The Aboriginal medical service at Wiluna is left with the indication that it will be facing the prospect of closure without immediate injection of additional funds from the Health Department. Will there be a positive response from the Health Department for its funding needs or will that community be left with the real prospect of closure?

Dr FONG: The funding issues at Wiluna Aboriginal Medical Service have been the subject of discussion over the past 18 months due to the use of that service by non-Aboriginal people, other mining companies and so on. We are still attempting to determine the appropriate level of funding for that health service.

Mr HOUSTON: The Nyangganawilli Aboriginal Health Service has raised issues with us and a substantial proportion of the problem relates to commonwealth funding. The State is negotiating with the Commonwealth to agree to a position on its funding contribution to Nyangganawilli. The State has increased substantially its contributions to that service over the past three years at a pace which far outstrips that of the Commonwealth.

Hon GIZ WATSON: The item on page 544 of the budget papers refers to telehealth communications. Is that new money or an allocation from other areas?

Mr BANSEMER: It is a continuing development. It is new money, but how that development continues partly depends on funding in the future which is not yet agreed. The funding will go to the communications infrastructure, not the health infrastructure, and there must be a blending of the two to make it work.

Hon GIZ WATSON: In order to fund the telehealth initiative will you draw funding from other areas which would go into rural health?

Mr BANSEMER: Once we have proposals that are finalised, we will draw funds from a number of sources, such as the commonwealth regional infrastructure task force and a number of other commonwealth and state programs, which go to specific health service areas. Together we expect that fund to develop.

Hon GIZ WATSON: How much additional time is required by nurses to fulfil reporting requirements and has there been any estimation of what that has meant in real terms for the nurses fulfilling their duties and the additional reporting requirements?

Mr BANSEMER: I can respond to the question in part by saying that there has been an increase in clerical administrative staff to try to relieve nurses of some of that work over a significant period dating back to the late 1980s.

[3.50 pm]

Hon J.A. COWDELL: Under major initiatives there is a proposal for a criminal records screening unit. What is the cost of this initiative? How many full time equivalents will be employed in it? What is the rationale for the initiative?

Mr BANSEMER: The cost is in the order of \$25 000 to \$26 000.

Mr KIRWAN: The cost of running the screening is significantly different from the set up cost. It will cost one to two FTEs for the running of the unit. The rationale comes out of the Wood Royal Commission in New South Wales where significant problems were identified in education, health and community services with having staff with known criminal records who had not been screened involved with patients, clients and the community. That left the employer, in this case the Government, under significant criticism. We have followed the lead of education and community services in introducing a criminal record screening policy. That policy has been broadly endorsed in most areas. A unit has been established with national protocols to screen, at this stage, all staff new to the industry.

Hon J.A. COWDELL: How often will the checks be updated? Noting the opposition of the Australian Nursing Federation to this, is it likely to cause an industrial dispute?

Mr KIRWAN: The Trades and Labor Council was invited to have a representative on the working party we established. There was a representative from one of the health unions. A number of the unions have opposed the introduction of the policy. I understand the ANF opposition is based on the fact that nurses are a registered profession. In its view, the registration should be sufficient for them to not have to undergo a criminal record check. The recommendation came from the Wood Royal Commission. The experience has been that where such exercises are professionally governed, they are often not sufficient to detect areas of concern. The areas of particular concern are paedophilia and other sexual offences.

I am not sure about the maintenance of the records once people are employed. I do not know whether we can pick them up if they offend after being employed. If you request, I will check on that. People in the areas of high risk - for example, in the Health Department those areas that deal with patients, customers and clients - will be screened and the people outside those areas will not be screened. Most of the unions have agreed to that approach to ensure patient and customer safety. There has been some concern about who pays the \$25 fee for the criminal record screening, the pre-employment cost.

Hon J.A. COWDELL: Who will pay?

Mr KIRWAN: New applicants for jobs will pay but the information is being computerised and they will only have to pay for it once and then that information will be available for use for other job applications.

The CHAIRMAN: Three more members wish to ask questions. Some of those questions will be taken on notice. The last question asked by Hon Giz Watson did not appear to be answered properly. I have asked her and she said that she would like that question taken on notice.

Mr BANSEMER: The question was on the nursing duties?

The CHAIRMAN: Yes.

Hon KIM CHANCE: Is salary packaging, which is a component of the workplace agreement, a revenue neutral offer? In other words, taken by itself, does salary packaging have a neutral, positive or negative consolidated fund effect?

Mr BANSEMER: It is neutral and that is one of the conditions. However, health services have public benevolent institution status and, in that sense, a tax advantage.

Hon KIM CHANCE: I only meant from the state CF point of view, not the commonwealth. If it is neutral, why is it not also offered in the enterprise bargaining agreements?

Mr BANSEMER: Because it is the Government's industrial relations policy.

Hon KIM CHANCE: To nobble the EBA award systems?

MR BANSEMER: It is only offered with workplace agreements.

Hon KIM CHANCE: I understand, thank you.

The CHAIRMAN: Hon Kim Chance had a number of other questions. Does he want to put them on notice and give them to us to table?

Hon KIM CHANCE: Yes.

Hon NORM KELLY: Has any regard been paid to reviewing the state school dental health program? There seems to be an imbalance between the funding for the school dental health program and that provided for the aged. The State provides only 1.1 FTE dentists for the aged dental care and there seems to be a far greater demand and long waiting lists for that care. Do we have any experts here on that?

Mr BANSEMER: No, we do not. There has been no review that compares aged versus school. However, we undertook a review of school services and recommended a change in age eligibilities which was considered by Cabinet twelve months ago. That decision was not accepted by Cabinet at the time. A review of dental services will be conducted as a consequence of the withdrawal of commonwealth funding to see what impact that has had over the past 12 months.

Hon NORM KELLY: I will put the other questions on notice.

The CHAIRMAN: They will be incorporated into *Hansard*, so I need them now.

Hon MARK NEVILL: My question relates to the office of health review. Where are the details of expenditure and performance indicators for the office of health review? There still seems to be inadequate knowledge of this office, particularly in country areas. What steps are being taken to improve awareness? Next year could this office be shown separately?

Mr BANSEMER: It is actually shown separately.

Hon MARK NEVILL: Is it?

Mr BANSEMER: Yes.

Mr KIRKWOOD: The financial statements are in two components, controlled and administered. The office of health review falls within the administered component. You can see it, for example, on page 562.

Hon MARK NEVILL: I have a number of other questions. Mr Chairman, can I put those on notice?

The CHAIRMAN: Yes. Will you provide them to me so we can have them incorporated in *Hansard*. How many questions do you have?

Hon MARK NEVILL: They are questions covering about eight or nine areas.

Hon KIM CHANCE: I have three questions also.

The CHAIRMAN: That is the conclusion of the hearings. Questions from Hon Mark Nevill, Hon Kim Chance and Hon Norm Kelly will be incorporated in *Hansard* and will be supplied to you in the normal manner. All those people who gave evidence today will receive a transcript of *Hansard*. We require you to correct that and return it here within the time stipulated at the bottom of the pages. You need to make sure that the corrections are accurate rather than what you would prefer to have said.

Minister, I also reiterate that the answers to those questions on notice be provided within three working days of receipt of those questions. Thank you very much for your participation.

Committee suspended from 4.00 to 4.15 pm

Division 41: Conservation and Land Management, \$45 412 000 -

[Hon E.R.J. Dermer, Chairman.]

[Hon Max Evans, Minister for Finance.]

[Dr S. Shea, Executive Director.]

[Dr J.C. Byrne, Director Corporate Services.]

The Chairman read the opening statement. [See start of day.]

The CHAIRMAN: On behalf of the Committee, I welcome you to today's hearings. I ask each of the witnesses whether they have read, understood and completed the Committee Hearings Information for Witnesses form. Do all the witnesses fully understand the meaning and effect of the provisions of that document?

Dr SHEA: Yes.

Dr BYRNE: Yes.

The CHAIRMAN: Page 229 of the Budget Statements refers to an allocation of \$1.15m to the Western Shield initiative for feral animal control and wildlife recovery. What resources have been devoted to that project to date?

DR SHEA: That is an interesting project, because we have appointed only one extra staff member to implement the program, which now covers 3.3 million hectares of land. The principal resources that we expend are for baits. The cost of 1080 baits is about 65¢ per bait, which I find a bit surprising, because I can go to my boutique butcher in Wray Avenue, Fremantle, and get a couple of good sausages for half that price. That is one of the major costs. The other costs are aircraft time and navigation. Also we have a sophisticated monitoring program for Western Shield.

[4.20 pm]

The CHAIRMAN: What is the allocation for the current financial year?

Hon MAX EVANS: Page 229 shows that Western Shield will continue with \$1.15m allocated to the control of feral animals and wildlife recovery.

The CHAIRMAN: That \$1.15m is for the 1998-99 financial year. Is the allocation for 1997-98 the same?

Dr BYRNE. The figures are about the same from year to year.

The CHAIRMAN: What is the estimate for 1999-2000?

Hon MAX EVANS: There should be hardly any foxes left by then.

Dr SHEA: We hope to expand the program to five million hectares. We have had some success not only in controlling foxes but also cats. I know certain members are particularly interested in that. That success will allow us to move into the more arid regions of the State. We will extend that program to over 5 million ha in the goldfields area. Going on the success we have had with fox and cat control in the Shark Bay area, we should be able to bring back virtually the whole suite of animals that existed there before. The amount of funding required from central revenue depends on our success with sponsorship. We have been fortunate in being sponsored by Alcoa Australia Pty Ltd and Cable Sands. Several other large companies have expressed interest in sponsoring that program, particularly the desert program. A number of mining companies have an interest there because they have bought pastoral stations.

The other major factor that will affect the cost of the proposal is whether we are able to achieve a significant reduction in the bait costs. As I indicated in my answer to the previous question, I find it surprising that it costs 60¢ to 70¢ a bait. From initial negotiations with people who produce sausages - who indicated that public servants should not be producing sausages, which is a sentiment I heartily agree with - we believe we will be able to reduce the cost of baits by more than half. Since this is about half the cost of our program, we should be able to accommodate a significant area without additional costs.

The CHAIRMAN: Is the financial contribution from Alcoa and other sponsors in addition to the \$1.15m?

Dr BYRNE: Yes.

The CHAIRMAN: Is that program to cover a wider acreage funded in the 1998-99 financial year?

Dr SHEA. We anticipate we will be able to expand it in the 1998-99 year. However, the fall back position in terms of funding is that we also expect to introduce significant savings into our baiting program. I am also optimistic, given the response of some major companies, that we will also receive additional assistance from the private sector.

The CHAIRMAN: Do you have a quantitative estimate of your success in eradicating fox and cat vermin?

Dr SHEA: In the case of foxes we use the results from our large experimental trial at Shark Bay. We have fenced off the whole peninsular of 100 000 ha. The other advantage at Shark Bay is that it is principally sandy soil, so we are able to monitor quite effectively by counting tracks. We have virtually eliminated foxes. We believe it is the only place in Australia in which they have been completely eliminated. A similar study is being conducted in the northern jarrah forest. That area has been baited for the longest period. That is a large experiment in which we measure the effect of baiting frequency, intensity and the effect of distance from the agricultural zone. We believe that can virtually eliminate foxes if we use six baits a year as we approach the borders of the agriculture zone. In all these cases, apart from the example I gave in the Peron region, which is a confined area, it would be extremely unlikely that we would succeed in eradicating either foxes or cats. The idea is that we maintain the pressure on them so that we keep their numbers below a critical level.

One of the critical parts of our study at Shark Bay relates to cats. We have not eradicated cats there, because they have a propensity to regenerate. The idea is to drop them down to a specific level below which we believe they will not have an effect on native fauna. Similarly, in the desert we would be much more successful with foxes and cats. Nonetheless, unless we bait the whole State there will always be an area from where foxes will come. We will maintain

a baiting program which keeps those population levels down. To some extent, if I can use an astronomical analogy, we are creating a black hole. We are sucking in ferals. As we remove the foxes and cats from our target areas and as our level of native animals increase, the reverse of what has been happening for years will occur. For years we have correctly been blamed by farmers as being the source of feral animals. Now we are finding the reverse. We will maintain that level of baiting until we get some form of biological control. In particular, we are looking at ways in which we can more easily control the borders. A particular example of this is the success we have had in bringing back rock wallabies. Members familiar with the wheatbelt will know that the granite outcrops are a particular haven for rock wallabies - a beautiful animal. They were on the brink of extinction. A number of farmers have been incredibly cooperative and have allowed us to bait these areas. I visited a farm near Merredin three or four weeks ago on which we have increased the number from one to over 80. The trouble is that we must go back there every couple of weeks to drop baits. The other problem is that we do not have a good effect on the farmer's dogs. He has lost a number. He has been very tolerant. In fact, he no longer keep dogs. We are interested in ways to assist the farming community to participate in the program. We are getting tremendous support, despite the fact that it is tragic to lose one's dog particularly when they are valuable. One vignette is that we are looking at auto destruction of the poison in the bait. One of the difficulties is that 1080 persists. We can stop baiting for some weeks and even months, and a stray bait will kill one's dogs. I have been very impressed by the support from the LCDCs and farmers throughout the State. I guess they are also pleased because their lambing rates are increasing dramatically.

[4.30 pm]

The CHAIRMAN: I am interested in measuring your success with the population of some threatened species which your control mechanisms are designed to protect. Can you provide an indication of the population of threatened species?

Dr SHEA: We have a variety of techniques. If the Minister does not want me to wax too lyrical, we can put the question on notice to obtain a detailed answer from our scientists. One of the most effective ways on the Peron Peninsula is tracking. We measure the number of tracks in the sand per kilometre. We also have a range of trapping techniques - such as pit traps and others - by which we measure over time the trapping rate. It is a complex system. If you are interested, we can ask our scientists to give that information.

The CHAIRMAN: You may have misunderstood the question. I am interested in the population of the species which your control mechanisms are designed to protect. I am referring to native fauna.

Dr SHEA: I was referring to that. Are you asking why we have taken them off the endangered list?

The CHAIRMAN: I was simply asking what success you have had with increasing the population of endangered species.

Dr SHEA: Our success has been dramatic. I have described the way we measure it. The most compelling example of our success is that we are getting complaints from farmers who have had chuditch stuck up irrigation pipes. We have also received complaints from people whose chicken coops next to our reserves have been raided by the chuditch. That is nice, considering that at one time the animals had such a low population that no-one knew they existed. In addition, we have various trapping techniques which record amazing responses to ferals on the move.

The CHAIRMAN: You mentioned the chuditch and rock wallabies. What other species have you had notable success with?

Dr SHEA: We have been successful in increasing the number of tammar wallabies; the numbat, the bandicoot and the woylies. We are beginning to see some interesting interaction where the chuditch are eating some of the possums in re-introduced areas, which will give you some idea that we are starting to return to the natural equilibrium in the eco system.

The CHAIRMAN: Have you been successful in reversing the persistent problem of increasing numbers?

Dr SHEA: I am not aware of any area where we have systematically applied the baiting technology where we have not had a response. It is possible that in some of our research trials that has been the case. One of the problems is that because of the devastating effect of the fox and lesser cats, in many areas of the State we have no population levels on which to work. Therefore, as part of Western Shield, we are undertaking a major translocation program. We have set up some in association with the Zoo; we have a number of captive breeding situations developing at Dryandra and at Shark Bay, and we are working with the private wildlife people who have had success with breeding bilbies and bandicoots.

The CHAIRMAN: During the past 12 months, have new species been added to the endangered list?

Dr SHEA: I am not aware of animal species, but I can check on that.

The CHAIRMAN: I would be grateful for that. What about plant species?

Dr SHEA: I think there is a process now. It might be in our annual report. Each year a series of species go on the list and come off. There is a net change of one this year. We can respond in detail to the question about the number of plants.

The CHAIRMAN: When you say there has been a net change of one, it could be a greater change, with some going on the list and some off?

Dr SHEA: Each year a scientific committee evaluates the endangered species, both plant and animal, but particularly plant. We have a relatively large number of plants. Quite a number of species come off the list often because the initial report was not based on a lot of searching around. They simply have not been able to find a species. Quite often we find more species. Similarly, a number of species come onto the list because taxonomists have a tendency to rename and divide. On page 232 we see that the threatened species estimated for 1997-98 are 428, which is plus one - so I was not too far off - and for 1998-99 the target is 425, which is minus three.

The CHAIRMAN: Is that an aggregation of flora and fauna?

Dr SHEA: They are plants.

The CHAIRMAN: Will there be a parallel figure elsewhere for animals?

Dr SHEA: There will be.

Hon MAX EVANS: I will give you a schedule on fauna changes, which will give you the answer. I will give that to you on notice.

The CHAIRMAN: What resources have CALM devoted to ensuring the development of an effective database package to store the results of all flora and fauna monitoring conducted by CALM?

Dr SHEA: At the very early stages of this program for flora and fauna, we recognised the importance of being able to measure what was happening. We therefore have a very comprehensive data package. Particularly, the one for plants is second to none.

The CHAIRMAN: Page 230 refers to a new program to be launched to conserve Western Australia's threatened plants. Am I correct in understanding that this program is referred to as "everlasting"?

Dr SHEA: We have not yet named the program. That is one name that has been suggested. I think it is particularly appropriate. My Minister will be announcing a program to deal with plant conservation. Although our animal situation is not terribly bright, as a person who comes from the plant side, I am particularly concerned about the status of some of our plant species, not least because of the potential for many of those species to have a medical use. One of the things that people do not realise about Western Australia is its unique mega-diversity of plants. Unfortunately, many of those plants lie outside of the reserve system. Therefore, to a large extent our ability to ensure that they are secure depends on our cooperation with private landowners. We have a number of innovative programs whereby we are looking at ways, when plants are in a particularly susceptible state, of preserving the genes through a process of cryo-storage.

The CHAIRMAN: What is the allocation for the threatened plant conservation program for 1998-99?

Dr BYRNE: I do not have a precise figure for that. That could be given by way of a supplementary answer.

The CHAIRMAN: We look forward to receiving your answer to that. Under what allocation in the budget papers does plant conservation appear for 1997-98?

Dr BYRNE: It would appear under the nature conservation program output, which is on page 232. In 1998-99 there is an estimated total cost of output of \$39.559m. The conservation of plants would be included in that output.

[4.40 pm]

The CHAIRMAN: That is an aggregate figure for plants and animals, flora and fauna. What was the allocation for plant protection in 1997-98?

Dr BYRNE: It is an aggregate figure for the entire program. I do not have a detailed breakdown with me of the \$39m across that item of activities undertaken, but I will provide that for you as supplementary information.

The CHAIRMAN: Dr Shea, you said earlier that you envisaged an expanded activity for the Western Shield fauna protection. Do you envisage a similar expansion of activity for the plant conservation protection?

Dr SHEA: Yes, I do.

The CHAIRMAN: Are you looking at receiving private sponsorship or endeavouring to solicit private sponsorship?

Dr SHEA: We always endeavour to receive sponsorship, but unfortunately it is a lot of plants. If we are able to get sponsorship, we will.

The CHAIRMAN: Have you progressed that to date?

Dr SHEA: We have made many approaches to industry. ALCOA has to some extent already been forthcoming with sponsorship. It is contributing and has contributed for a number of years to our phytophthora research program. We will be pursuing sponsorship, but at the same time, we will look at our own budget for a significant additional allocation to plant conservation.

Hon MURIEL PATTERSON: Dr Shea, I am interested in the understanding of a new contract in Albany for sandalwood. Is CALM involved in this?

Dr SHEA: We have been talking with Mount Romance for some time. It is an innovative company in my opinion. It has been very successful in marketing emu oil products. It approached us some time ago with the idea of looking at sandalwood. No contract has been allocated, but any allocation would be subject to a tender process. We provided it with a sample of sandalwood to look at the possibilities and the economics of extracting sandalwood oil. It is a fascinating industry and it is sad to some extent that a lot of the early work with sandalwood oil was some three or four decades ago. For many years the principal use of sandalwood has been as joss sticks in Asia. I do not want to denigrate that because it is a very valuable market. We have always been very interested in broadening the product base of sandalwood, particularly because of our knowledge of the Indian situation, which is not stable. Indian sandalwood is a different species and has dominated the oil market. However, we had people visit there and we have a good relationship with the Indian foresters. There is a considerable lack of regeneration of and a considerable black market in sandalwood. When Mount Romance approached us, as have other companies, we were very happy to cooperate with it to look at the prospects of developing more value adding here and with other products. However, no contract has been allocated.

Hon MURIEL PATTERSON: Where is your main sandalwood forest?

Dr SHEA: Sandalwood was one of the first exports from Western Australia. It extends from north of Shark Bay to the Nullarbor in the pastoral region. We have completed an inventory as we are required under our sustainable management objectives and the inventories have given very positive results. A continued sustainable harvest that we estimate at 3 000 tonnes a year is available from that native resource. The most exciting work that has been done in recent times is to crack the method of growing commercially sandalwood as a tree crop. We have been successful in doing that in the Ord with Sandalwood album, the Indian species.

We have the ability to use the same techniques to grow it on farms. In fact, it is part of our tree crops on farms program. We offer some planting of sandalwood to farmers, partly because it is very attractive - they like the idea - and partly because it adds to the biodiversity of the farm. Sandalwood is a species that requires a host. It occurred naturally in the wheatbelt. By putting sandalwood back with its host, we are adding to the biodiversity, as well as potentially developing quite a lucrative tree crop. Currently the price of sandalwood is running at \$20 000 a tonne in India and in the market here it sells for between \$8 000 and \$12 000 a tonne. Although it is relatively slow growing, potentially it is a very valuable crop.

Hon MARK NEVILL: The executive director will be relieved that I will not ask him for an update on Naretha Blue Bonnet parrot this year. I refer to the available sizes of timber from Bunnings Forrest Products Pty Ltd, and companies like that. My understanding is that these companies are required to cut only a few sizes; for example, one and a half inch, two and a half inch, etc. My cabinetmaker has said that this is criminal. He makes a lot of doors and they are all one and three-quarter inches. He told me that in America the wood is cut to one and three-quarter inches. Every time he makes a door, he must plane off one-quarter of an inch simply because Bunnings is not required to cut a larger variety of sizes. I wonder whether the department will look at the sizes of timber Bunnings is required to cut so that we will get better use from the timber we are taking from the forests.

Dr SHEA: Although we have statutory powers that some believe are quite extensive, they do not extend to prescribing the cut. I am aware of that comment in relation to Max Jensen's furniture factory in Busselton. Bunnings can speak for itself. It is market driven. We are seeing some innovation from the small sawmillers; for example, Hamilton Sawmills Pty Ltd, and Dino Dosatti, which is opening a factory in Armadale tomorrow. Because of the scale, the smaller sawmillers can cut specific sizes. The overall strategy for the hardware industry has been for it to develop in that way.

An interesting phenomenon that is happening in the hardwood industry - I will pinch a term from one of the member's

colleagues - is that a third wave of investment is going into value adding. Whereas in most situations a large scale is needed for companies to be competitive, in the hardware industries, because they can meet those sorts of markets, small and medium sawmillers are much more effective. I am extremely pleased with that. The Italian sawmillers, in particular, tend to be very innovative in developing a new range of products. A trifecta of these smaller sawmillers has just signed a contract valued at \$60m with Japan for flooring made out of quite small pieces of wood that would normally go into the chute and be burnt.

Hon MARK NEVILL: If Bunnings can cut timber to one and three-quarter inches, it will solve my problem.

Dr SHEA: I am not sure of my standing with Bunnings; however, I will mention this point.

The CHAIRMAN: I am sure the executive director and Hon Mark Nevill can take up this matter individually with Bunnings, if they so choose.

Hon BOB THOMAS: My question relates to the self-guiding caves at Margaret River and Augusta, the Giants and the Calgardup. How much money has been spent putting in the infrastructure to improve visitor comfort at those caves by the Department of Conservation and Land Management?

Dr SHEA: We will take that question on notice.

Hon BOB THOMAS: Why has CALM called for expressions of interest for private management of those caves?

[4.50 pm]

Dr SHEA: I think there was some controversy in the community about CALM running those caves and being in competition with the existing management of other caves. That issue arose while I was not in this position. I have not caught up with the detail.

I have subsequently met with the Western Australian Speleological Group, which is particularly keen that the self guided tour caves remain open. It is concerned that if there is no avenue for people to go into that sort of cave situation, they will go to other caves and wreck them. The Minister has received a whole range of submissions and she will be making some decisions about the next step forward.

Hon BOB THOMAS: Is there any possibility that the decision will be to maintain the status quo and that CALM will continue to manage them?

Dr SHEA: One of the things I have learned in my career as a public servant is never to anticipate a Minister's decision.

Hon BOB THOMAS: That is a good answer, but I would like some more information.

Dr SHEA: I am not sure what will be the outcome of that issue because it is controversial. I and the Minister have received numerous submissions about it.

Hon BOB THOMAS: When the decision was made, was any consideration given to other ways of generating income to improve the infrastructure within other caves in the region and to employ a full time specialist to develop that tourism experience?

Dr SHEA: A whole range of suggestions have come from departmental staff. Although I am not familiar with the area, I have a strong interest in the issue. That resource must be managed carefully because it is very valuable. However, we should look at the things the member is suggesting. We need innovative ways in which the public and the tourism industry can have access to a range of experiences. I am not denigrating the lovely caves that most people have experienced, but there is a whole range of other experiences. Provided the caves are properly managed, we can add to those experiences. The department is very keen and it has tremendous support from the caving community to explore ways to do that, but it will take time to develop.

Hon BOB THOMAS: Is the department aware of how many caves could be developed for commercial purposes in that area?

Dr SHEA: I will take that question on notice. There is a huge number of caves, but I am not sure how many are commercial. I imagine there would be some.

Hon BOB THOMAS: It was stated that one of the reasons the resource was taken from CALM and expressions of interest were called from the private sector was the controversy about the department's competing with other providers of that service. I understand that no other private operator is offering such tours in the south west. In any case, CALM is in competition with other tourism operators in the State. It has some very good tourism facilities around the State. I cannot see how it could be inconsistent for CALM to service a niche market for self guided tours in caves.

Dr SHEA: I will report the member's views to my Minister. I do not necessarily disagree with them. Apart from that fantastic cave resource, we have a huge resource of people who are very keen to do that sort of thing. I see the opportunity for it to be not only a CALM run show. Properly supervised, we can keep the existing caves and develop that range of experiences using the caving fraternity. Funding could also be provided for conservation of caves, which the group is keen to undertake. I think the answer to that problem is providing a range of options, and with a resource like that you can do it.

Hon B.K. DONALDSON: On page 229 of the budget papers, under the heading of Significant Issues and Trends, it states -

Management of forests for all values including nature conservation, tourism, timber production and protection of streams from salinity . .

It goes on to say in another paragraph -

Encouragement of the provision of funding plantations by the private sector and overseas investors on cleared private land.

There is a plantation of the pollinia tree in the Wanneroo area. A million trees will be planted in the Shire of Dandaragan and it is being trialed at Leinster and Esperance. It is an excellent hardwood; it is very light and has great value-adding potential. Is CALM, or the forestry side of it, researching this particular tree? As you will know, it comes from China and has good pollution and smog absorption abilities. It has great potential. Will CALM consider this particular species?

Dr SHEA: To the best of my knowledge, a number of private farmers are growing pollinia - and I am very familiar with the one at Wanneroo as I had an invitation to visit it. CALM's primary role will be to assist the monitoring of the species. If species are not taken up by the private sector, we will take the risk of planting and assessing them. Pollinia is a species which is being taken up by a number of private people, and our technical advisers are available to assist in that area. Some controversy surrounds the suggestion that CALM has not been enthusiastic about pollinia. However, the foresters - myself excluded - tend to be very conservative and a range of species has been promoted beyond their expectations. One of the concerns - and I know Hon Christine Sharp has had lots of experience and will share my observation - that often a species will do incredibly well in a set situation. If it is moved off site, it will grow for a little while and then collapse. That has happened in a lot of places around the world and certainly in Australia. It is a case of, on the one hand, not being too conservative so that people are encouraged to try things and, on the other hand, not pushing things too far so that people end up with their fingers burnt. The jojoba plant and others are examples of what has happened in the past. I am not aware of any bias against pollinia except the normal cautions that foresters have about site and climate.

Hon B.K. DONALDSON: On page 230 one of the major initiatives is the proposal to create some marine reserves in Montebello-Barrow, Dampier Archipelago, Geographe Bay and Jurien Bay. Where is that at present? When will those proposals be looked at? Will there be an opportunity for further public comment by stakeholders and others even when some of those proposals are put down by the working party that is presently undertaking that assessment? I have a very cautious approach, like your forestry people, to the existing users and I want to ensure that the competing use requirement under those marine reserves will be honoured.

[5.00 pm]

Dr SHEA: I agree with that approach. Frankly, the Department of Conservation and Land Management has enough to do. The Government's policy is to establish a series of marine reserves which are to be placed under our responsibility. Every one of those reserves will go through a detailed process of community consultation. I have been impressed by the Jurien exercise which has already started. We have to hold back some of the fishermen who want to expand the Jurien proposal. I give a clear undertaking that we will be doing that. It will be difficult enough to get the resources to do the things we want to do with the reserves. If we have an antagonistic local community we will blow our resources on that. We will depend on having that local community support. We will be doing it as we have with Jurien. That has been very positive and I expect that the same thing will happen in every other place.

Hon J.A. COWDELL: Last year the Minister for Finance referred to the third big bucket of money as the Federal Government's natural heritage trust money and said that CALM was well placed to attract money on a matching basis for the salinity program. Dr Shea, you said that CALM had set out its whole salinity strategy to attract matching money from the Federal Government. What projects have been presented to the Federal Government in this current financial year? What has been their success in attracting federal funds?

Dr SHEA: I will take the detail of the question on notice as there are a number of projects. We have certainly been successful in some areas. I must correct the member - it is not CALM's salinity strategy. It is a cooperative of state

government bodies involving agriculture, rivers and water, environmental protection and a huge number of land conservation and land care groups. At the time, the Minister for Finance was referring to an area which has been of some disappointment with respect to the salinity strategy. That is the area set aside in the strategy to develop commercial opportunities for perennial crops on farmlands. The Federal Government has not responded fulsomely in that area. It was a major tenet of the salinity strategy. The rationale is that although there is a tremendous feeling of wanting to do something about salinity in the bush, the capacity to do it by tree planting without a commercial purpose is limited and always will be so compared to the size of the problem. We desperately need a range of crops, not just tree crops but a whole range of potential products from perennial crops that we consume all year round. From memory, I believe that we had a notional figure of \$11m for that purpose, not just for CALM but also for a range of other groups. To be fair it is only year one of the strategy but that area has not lived up to what we anticipated when we last spoke to them. However, there are some significant areas for which CALM has received funding and I will provide that on notice.

Hon J.A. COWDELL: What other grants have been received from the Commonwealth this financial year? In the last financial year, something like \$4.1m was received in recoups. What was received from the Commonwealth and in what areas were they allocated?

Dr BYRNE: We receive a very large number of grants during the year. I could give you a list of all the projects with commonwealth funding but it would come to several hundreds more projects of commonwealth funding. If we look at it in the aggregate, we have budgeted for \$6m a year from the Commonwealth for projects in CALM. At page 239 under "Grants and Subsidies" there is \$6m budgeted each year. That is about what we expect to get. The actual amount may be different to that because the grants come during the year.

Hon J.A. COWDELL: Are there salinity grants in addition to that?

Dr BYRNE: Yes, that would not include very many of the salinity grants. Much of the federal salinity funding does not come direct to CALM.

Dr SHEA: Mr Chairman, I ask permission to table a document which summarises the treetops and farms program. That paper is based on being commercially driven and gives a history of the development of the program. What has been heartening is the take-up of tree planting by the private sector, individual farmers and companies. Members will remember that it started off with the name "Tree Trust" with the objective of establishing 100 000 hectares of trees on farms by the year 2000. This year, at an annual rate of 20 000 ha, we expect that the 100 000 target will be exceeded. Therefore, it has been a very successful program in attracting private investment. That paper also introduces a new factor in the whole equation of growing tree crops, which might be of interest to members, in that there is the possibility that we could be farming carbon quite successfully in the future as a consequence of the Kyoto agreement. That is very interesting because it offers the opportunity to extend commercial tree planting into areas where previously you could not do it because it was not commercial.

Hon J.A. COWDELL: I have one question on the income side which may need to be taken on notice. When were national park fees last increased? What additional revenue is anticipated from these increases in a full financial year? How often are national park fees reviewed?

Dr SHEA: Could I take that question on notice?

Hon J.A. COWDELL: Yes.

Hon CHRISTINE SHARP: My question relates to the expressions of interest called for in the one million cubic metres of karri regrowth that the department advertised in early summer. How many expressions of interest have been received? When do you intend to begin serious thinning of the karri regrowth?

Dr SHEA: I believe we received three or four, none of which was particularly exciting. The process was terminated three or four weeks ago.

Hon CHRISTINE SHARP: So, what is the next step with regard to the requirement for thinning of karri?

Dr SHEA: Karri thinning is an ongoing process and it is fitting into the existing program. One of the aims of that program is to see if we can get some value added proposals into that resource and from that point of view it was disappointing. However, the actual program of thinning continues. Over the next several years large quantities of karri regrowth thinning will be coming on schedule far and above what is currently harvested. That expression of interest was in anticipation of that in the hope that we might be able to get a higher value, even though it is a very high value pulping material, than we currently use.

Hon CHRISTINE SHARP: I understand that the Pemberton sawmill is facing a refit towards value adding; is it possible that the department may oblige that mill to take regrowth timber?

[5.10 pm]

Dr SHEA: I need to check, but my understanding is that it may well be taking regrowth timber through some of the two stage stands. Certainly in any future allocation of resource of karri, over time there will be an increasing proportion of thinnings over regrowth.

Hon CHRISTINE SHARP: I understand from the annual report last year that thinning has ceased at present, but because the tendering process has not been very successful, is it likely that you will be looking at a chip market for the thinnings instead?

Dr SHEA: A proportion of those trees will always be chipped, as they are now. I cannot remember the specific figures, but a proportion of thinnings is currently chipped and sent overseas. What we would like to do, as we would like to do with all our timber, is increase the proportion that is value added. However, even given the modern technology that is available, particularly veneering, some of the thinnings are likely to be too small for that, and a proportion will always be chipped. I am not saying that we have given up - quite the contrary. Our belief is that karri is unique in colour, texture and strength, and we will be working continually to use as great a proportion as we can of that regrowth thinning for value adding.

Hon CHRISTINE SHARP: Given - and I think you are right - that the Pemberton sawmill does already use a small percentage of regrowth, do you not think it is likely that with the expressions of interest in all the regeneration stands that are left over from 25 years of clear felling, it would be a more active market if old growth karri were not so readily available?

Dr SHEA: I do not think it necessarily follows. You are looking at a different type of product. What will determine whether that regrowth is available is more likely to be the technology that is coming on stream, particularly veneering technology, and the overall demand and supply for timber.

Hon CHRISTINE SHARP: I want to ask about softwood plantations, in particular *Pinus radiata* plantations. In the estimates last year, I raised my concern that you might intend to privatise large areas of radiata plantation, and you told me that you were not in the process of selling broadacre plantations. I notice that apart from any small areas of plantation, a broadacre pine plantation at Nannup is on the market, and I also notice that the Albany sharefarming scheme is being sold. Can you provide some reassurance to us about the department's interest in the softwood radiata plantations?

Dr SHEA: We are certainly not in the process of selling plantations that mature on government land. The Albany plantation has 3 500 hectares of radiata established as part of our sharefarming scheme. What we are about in that expression of interest is very similar to what we are trying to do with karri; that is, to try to get a value adding project in Albany. The Albany region is a good example - and it is mentioned specifically in that document that I tabled - of what can be done in rural areas with regard to not only helping the environment but also creating new industries. As a consequence of the blue gum planting there, which essentially was started by CALM and was preceded by the pine planting, quite a large industry is developing, with great employment generating capacity. What we would like to do with the radiata pine in that area is use that as a source to hook a manufacturing factory. That is what that expression of interest is about. We went very close a year or so ago to getting what was called an oriented strand board plant. For those members who are not foresters, that is a new product. It is a sort of plywood, but it gets its strength from orientation.

We still believe it is possible to get that plant at Albany. At Nannup large areas of land were repurchased from farmers in the 1960s and 1970s when agriculture was not doing too well. The land was rabbit infested and was purchased relatively cheaply. A significant portion of that land was subsequently proved not to be able to grow trees because it is shallow. We are taking patches of that land, particularly where it has a high tourism value, and selling the land not for the trees, because we retain the right to the trees, but for its tourism value. This is a source of our funds, principally, for the maritime pine program.

Hon CHRISTINE SHARP: Are you providing an assurance that you do not intend to privatise? I have been told by three officers from three separate offices within your department in the past two months that the intention of the department is to privatise all the radiata softwood plantations throughout your estate. Is that the intention of the department?

Dr SHEA: I must correct the member. Departments do not have intentions. Decisions are made by Ministers and Governments. My Minister and, as far as I know, the Cabinet, have not considered privatising the softwood plantations. What has been done has been public, because we have advertised to get the best price for the land. Areas of land which are not suitable for growing trees are being sold. There is no intention that I am aware of to privatise the plantations. There is a question mark in my mind about the economics of growing *Pinus radiata* on those red soils. Thirty years ago it was a valid land use, because the land values were quite low. However, if you plug the land values

into any economic equation now, even though radiata pine grows extremely well, the rate of return on that asset is not spectacular. Although the maritime pine has a slower growth rate, it grows on soils with less value and it costs less to establish. The member is probably picking up from my officers - many of whom have dedicated half their lives to growing radiata pine - some questioning on my part about the need to improve our productivity and efficiency in those areas to justify government investment.

Hon NORM KELLY: CALM's last annual report shows a net profit from forestry work of \$11.5m, which is down from \$17.5m in the previous financial year. Is that a trend reproduced in the estimates for this financial year?

Dr BYRNE: Page 65 of the annual report indicates a surplus of \$18m in 1995-96, decreasing to \$13m in 1996-97. However, on page 233 of the budget papers the net cost of output for native forest management is \$22.818m for 1998-99. The surplus fluctuates with the trading conditions. The turnover is about \$120m. The surplus at the end of the year will depend on the trading conditions.

[5.20 pm]

Hon NORM KELLY: At page 71 the annual report notes hardwood royalties of about \$36m and hardwood logging cost recovery of \$46m. What does logging cost recovery involve?

Dr BYRNE: Logging recovery is done under contract. We pay the contractors and recover the cost of the logging for the timber industry when the logs are sold to them. There is a post box for money to pay the local contractors. When they sell logs to the timber industry we recover the cost of the logging from them.

Hon NORM KELLY: Is the cost of the logs in addition to the cost of the royalty?

Dr BYRNE: Yes.

Hon NORM KELLY: Is it possible for the department to provide figures on the profit of various sectors of the forestry industry, such as native forests sawlogs and for chip logs or charcoal logs, so that we can see the profitability of each sector of the native forest industry?

Dr SHEA: The difficulty is that it is an integrated operation. All the products are taken out at the same time, and we would have a problem allocating the costs of each product. It is impossible to do what the member wants us to do.

Hon NORM KELLY: It could be done proportionately.

Dr SHEA: Under the old system which we removed, because it was counterproductive to good forest management, five or six different trucks would turn up to carry away the different products. We now have an integrated system of one-stop logging, and the product is delivered to different users. That is the only way we could determine the cost of different operations. We would then need to allocate the cost of forest management. The simple answer is that we could not provide that information.

Hon MAX EVANS: I agree. We cannot distinguish between the different products. We could move the cost around to provide whatever answer we wanted.

Hon W.N. STRETCH: My question relates to the sandalwood business which is mentioned in the annual report. I could find no reference to that in the Budget Statements, although a \$7.5m export should be addressed somewhere. I refer generally to the cut in production and the export figures. There has been a significant drop in export earnings and return to the Government this year compared to the previous two years, although there was not such a great drop in production. In 1994-95 the figure dropped from 1 895 to 1 771 tonnes, whereas exports dropped from 1 568 to 1 073 tonnes. In other years, local consumption was 330 and 70 tonnes; this year there is a discrepancy of 700 tonnes. Is that volume being stockpiled or does it indicate a significant increase in local use?

Dr BYRNE: We have had some degree of down trade in our Asian markets, which has caused some drop in return from sales, volumes sold and price. There is some degree of stockpiling of product, and we are waiting for the market to pick up.

Hon W.N. STRETCH: So you have a considerable stockpile on hand?

Dr BYRNE: It is a fairly significant stockpile, yes.

Hon KEN TRAVERS: I want an update on the planning for the Gngangara Regional Park. In particular, how much has been spent in the current year developing the park? What do you expect to spend next year? Is there a total budget being planned for the park of what it will cost over the 20 year development time frame? When will those expenditures be incurred?

Dr SHEA: As to the specific questions, if I get more information I will provide that to you on notice. The stage we

are at now and have been for the past several months is the consultation stage. You can imagine that with a large population surrounding the park, a number of people hold a variety of views. We have started to do some of the fundamentals in the park, like getting rid of some of the secondhand cars. We hope that this year we will be able to announce no development in some areas. I do not envisage many areas being clear felled in the short term, so the area will not become available in one hit. We will be looking at developing nodes and particular areas of interest. A whole range of people have come to us with a whole range of possibilities. We will not see a systematic clear felling of the park; we will be thinning it progressively so that we get the maximum value for the timber. When we leave the park, there will be a whole range of facilities on it. The specific answer to your question is that we are at a pretty detailed consultation stage. We have specifically appointed a district manager with landscape skills to be involved there. We hope in the next two or three months to bring out some of the preliminary ideas. The consultation with local people is an ongoing exercise.

Hon KEN TRAVERS: You can provide exact figures on those questions?

Dr SHEA: Yes. We will take them on notice and provide exact figures.

Hon KEN TRAVERS: As regards public consultation, I have seen nothing released concerning the summarisation of the original submissions. I think you said last year that you received 400 submissions. Have any documents been produced outlining those submissions? Is there an overall time line for public consultation being developed? Is the information that the public consultation is producing available for the committee?

Dr SHEA: I am sure there have not been any documents produced, because I would have seen the summaries, unless it happened while I was away. A lot of consultation with distinct interest groups has been going on. All of that will be brought together with the original submissions, and we will see that published. I do not see any great time line. I think that you will see a succession of proposals in the framework which will be flexible over time. We are very keen to tap the local enthusiasm for the park because the more people we have on side the easier it will be for us to manage.

Hon KEN TRAVERS: Your current area over the Gngangara mound has pines and feature areas. Have you conducted any research into your contribution to the nutrient loads and other pollutants into the water mound? Are you taking any actions to control it?

Dr SHEA: Quite a lot of research has been done on water movement through those stands in association with what is now the Water and Rivers Commission. I am not aware of any evidence whatsoever that any pollutant has moved through that profile from anything we have done. One of the reasons it is best that pines are removed from the mound is that trees drink water. Where we have had fires through the area which have killed trees there has been a significant rise in the water table. This is about the only park in the State where we do not want all of those trees, because they are using too much water. By manipulating the stands we can increase the through flow of water. However, by doing that we make them non-commercial. That is one of the reasons the decision was made to liquidate that estate, apart from the fact that it is the local place for people to burn cars.

[5.30 pm]

The CHAIRMAN: What is the 1998-99 allocation for the enhancement of Bold Park?

Dr SHEA: Bold Park does not come under our jurisdiction.

Hon MAX EVANS: It comes under the jurisdiction of the Department of Environmental Protection.

The CHAIRMAN: I am happy to accept that reminder.

Hon CHRISTINE SHARP: The regional forest agreement is a topical issue. People say that the RFA will lock things up for 20 years, but it is not clear to me, nor is it clear from reading the budget statements on your initiatives, exactly what processes will follow the signing of the agreement. In other words, what sort of statutory decision making will be locked into place?

Dr SHEA: Unless I missed something, no clear decision has been made. A number of suggestions have been made in other States. Tasmania and Victoria looked at legislation. One way that the agreement was to be locked in was through some joint legislation. Putting that aside, at the next management planning process, CALM will be, subject to whatever the Government of the day directs, putting in place any reserve proposals that come through Parliament. The ultimate security in terms of the reserve system is the classification in such a way that the two Houses of Parliament must agree before land is declassified. That process will go on. People in the industry have said they want equal security and that is where the question of legislation comes up. No firm decision has been made at either a commonwealth or state level. I will check for the honourable member and if, in fact, there is something, I will report.

Hon CHRISTINE SHARP: With regard to the decision making process around the RFA, is it intended to apply for

forest industries structural adjustment package funding for any aspect of the timber industry which must change direction because of the RFA process?

Dr SHEA: I am not aware of any proposal to do that because no decision has been made on the outcome of the RFA process. It depends on the outcome which must be eventually decided jointly by the federal and state Ministers. I am aware that significant funds were provided in Tasmania but that is not news. It received a significant amount of funds for various changes to forestry. We have not yet received any funds from the Commonwealth.

Hon CHRISTINE SHARP: I refer to the land that the treetop walk rests upon, the Valley of the Giants. That area has been recommended for reservation, but so far it has not been vested. How is that vesting process progressing?

Dr SHEA: A whole range of areas, dating from 1987, have some legislative requirements. Without any reflection on this House and the lower House, it is very hard to get these procedures through quite a complicated process. I am aware that the area requires a change in vesting, and nobody is holding it up. It is a question of getting it in the queue and going through it. The decision was made in 1987 to make that area part of the national park.

Hon CHRISTINE SHARP: To turn to a different matter, when will the feral pig hunting review be released?

Dr SHEA: I will take that question on notice. I am not aware we are having one.

Hon NORM KELLY: My question relates to the forest burns. I refer to page 7 of the department's annual report which shows that over the past five years the cost of prescribed burning has increased steadily. It has trebled from what it was three years ago. What is the reason for these increased costs?

Dr SHEA: I will take the question on notice and will provide the member with any detail he may seek. Generally, however, as we meet a huge variety of community requirements for prescribed burning, including altering the scale and the timing, that will have a consequence in terms of cost. It is an inevitable consequence. Everybody agrees that we should increase the diversity in what we do. Once we do that, we lose economies of scale and get higher costs. My colleague the Minister has just pointed out that the answer is stated underneath the figures shown on page 7 of the annual report.

Hon NORM KELLY: That is stating why the costs for the past five years should be used as a comparison. Prior to that, other costs were included in the total cost.

Dr SHEA: Apart from the accounting aspect, if there is a specific reason other than those that I have just given, I will provide the answer on notice.

Hon NORM KELLY: It seems to me that it is because of the basic management requirements for doing those prescribed burns. Given that in the past year the costs were about 25 per cent over what the clear efficiency indicator has shown, is there a concern within the department that the cost of prescribed burning is exceeding what can be maintained viably?

Dr SHEA: The Minister has made the point that there has been a reduction in the number of hectares burnt and referred to relativities of scale. With larger fires, the unit cost is lower. The cost of burning and the cost of fire management inevitably will increase significantly as we get increased usage of the forest, increased subdivisions and a whole range of other factors. There will also be increased constraints on the timing of the burn. One of the things that can happen is that the number of days in which it is possible to burn is very constrained and we might be forced into weekend burning, which is much more expensive because of the payment of overtime. At this stage our fire management costs are \$8m or \$9m for fire control. That compares extremely favourably with other parts of Australia, even allowing for differences in vegetation type and area. In New South Wales it costs in excess of \$50m or \$60m. We deliver a very efficient service, but inevitably it will increase in cost.

Hon NORM KELLY: When prescribed burns get out of control, are they regarded as a prescribed burn or as a wildfire?

Dr SHEA: It depends how far they get out of control. The number of prescribed burn outbreaks is incredibly low - only a few percentage points. If a fire escapes and becomes uncontrollable, it is registered as a wildfire.

Hon J.A. COWDELL: I have a few questions, and they will probably need to be put on notice because they require some detailed information. In this year's Budget Statements we do not have a breakdown by division of FTEs employed by the Department of Conservation and Land Management. I seek those figures. I presume that information will be provided as supplementary information.

Dr BYRNE: The FTE numbers are broken down by each region, branch and district. That information is held within CALM for internal management purposes. For budget purposes it is no longer relevant. Wages and salaries are just one of the many resources by which agencies achieve outputs. We could present salary costs, for example.

[5.40 pm]

The CHAIRMAN: The figures will be provided on notice.

Hon J.A. COWDELL: They are normally in the statement but they were not included this year. I would also like a list of parks under CALM control that do not have entry fees. What new national parks or nature reserves have been created in the current financial year and what area do they cover?

Dr SHEA: I will take that question on notice.

Hon J.A. COWDELL: What was CALM's budget for the purchase of land for conservation purposes this year? What will it be next financial year? What lands were acquired this year?

Dr SHEA: I will take those questions on notice.

Hon J.A. COWDELL: Will there be a 3 per cent increase in timber royalties on 1 July or has that been adjusted?

Dr SHEA: That decision will be made by the Minister in the near future.

Hon J.A. COWDELL: Is there any anticipated yield from that 3 per cent increase in royalties in the next financial year?

Dr SHEA: Yes, but I will take the question on notice.

Hon J.A. COWDELL: What has the 10 per cent increase in royalties yielded this financial year?

Dr SHEA: I will take that question on notice.

Hon J.A. COWDELL: Has an increase in the base royalty rate encouraged further value adding in the use of timber?

Dr SHEA: From a philosophical perspective and from the comfort of the Public Service, economic theory suggests that that is the case. However, my colleagues in the timber industry do not necessarily believe that is so. One cannot tell on a year to year basis the impact of royalty increases. However, over time there is obviously an incentive for sawmillers to create more value for a product which has a higher base cost. That is pure economics.

Hon J.A. COWDELL: In addressing the salinity problem, what additional area of commercial farm forestry has come on stream this financial year? Has the Asian financial crisis affected that amount of land?

Dr SHEA: Does the member mean the areas established?

Hon J.A. COWDELL: Yes. In the previous years the department has provided a figure for the area converted to commercial forestry. What was the figure this financial year and has it been affected by the Asian crisis?

Dr SHEA: We will provide figures for the area of tree crops established as part of the tree crop on farm program this year, what is proposed and whether it has been affected by the Asian crisis.

The CHAIRMAN: What was the total cost of the tree top walk facility in the south west forest?

Dr SHEA: The total expenditure was about \$1.3m, but I will provide that information on notice.

The CHAIRMAN: How many visitors have used the facility?

Dr SHEA: I received a report last week indicating that 300 000 people have visited the facility and it grossed \$1m its first year of operation.

Hon KEN TRAVERS: What resources do you have to monitor burn offs? I am referring to the burn off that was accused of causing the pollution in Perth over a week ago. The Bureau of Meteorology's comments in today's *The West Australian* stated that CALM was advised that winds from the northerly direction would be coming through that day. Why was CALM not able to predict that that would have the effect that it did on the Perth metropolitan area?

Dr SHEA: My understanding is that that happens with fire all the time. The fire did not behave as predicted and the weather was not what was anticipated. That is not to say - and I checked with my fire manager this morning - that the weather bureau's forecast was incorrect. The weather bureau's forecast was correct and my fire manager did not say to the people involved that the forecast was incorrect, but that sometimes fire behaviour is impossible to predict. Unfortunately, it came out that the weather forecast was incorrect and that was not the case. We have a very sophisticated and extensive fire management branch which, by international standards, is highly regarded. The chief of the United States fire service visited the other day and he is increasing prescribed burning in the United States. One of the reasons for this is the sophistication of our service. Fire is unpredictable and occasionally things happen that one does not want to happen, but that is a consequence.

Hon KEN TRAVERS: Was the fire larger than expected?

Dr SHEA: The fire behaved in a way that was not predictable and the smoke was not related to only that fire; a range of other fires contributed to it. It was one of those events where not only the wind but also the atmospheric conditions changed and allowed an umbrella effect to develop over Perth. If one wants a safe environment from fire, one must expect that prescribed burning will be required, and on occasions it is impossible to predict what will happen. That is better than the whole city being covered by wildfire smoke, as is Los Angeles every year.

Hon KEN TRAVERS: Turning to your car fleet, how many vehicles do you have at the moment? The Auditor General's report last week indicated that one of the problem areas was extras being added to vehicles. The nature of the areas in which CALM officers are travelling require extras like roo bars which they receive on a regular basis. What action have you taken or what controls do you have in place to ensure that expenditure on extras is contained, ensuring that there is not a blow out in the budget?

Dr SHEA: The best way of controlling people's expenditure is to make them responsible for their own budgets. When it is an essential expenditure, it is very easy for people to avoid accountability. The easiest way to make them accountable is to take it from their budgets. It results in a remarkably different approach.

Hon KEN TRAVERS: The Auditor General indicated that part of the problem was a lack of understanding within government agencies about the effect of extras on the cost of the car pool. The employees may see it as an essential expenditure and not be aware that significant changes could be achieved.

Hon MAX EVANS: The cost of the extras over two years adds on almost 100 per cent of the cost of the car, depending on what extras are put on it. They have now become aware of it.

Dr BYRNE: Within CALM we have a fleet management committee. It includes our fleet contractors and senior CALM people. It covers issues like standards and which vehicles people can order, which it monitors. In addition, we produce a quarterly newsletter called Fleetnotes that goes to all centres and is available on the Internet within CALM and informs people of these issues, including the cost of accessories, which figures prominently in that newsletter. Some people are fairly well informed. As chairman of the fleet committee I am confident that the accessories we order are there for safety reasons. Air bags and braking systems are important for safety reasons. Generally, we encourage people who want those safety features to forward a claim for the basic level Holden because of the greater safety features involved with that model.

[5.50 pm]

Hon KEN TRAVERS: On page 230, \$1.8m has been allocated for the management of a number of regional parks in the metropolitan area. Could you provide a breakdown of how much will be allocated for each of those regional parks?

Dr SHEA: We will take that on notice.

Hon KEN TRAVERS: What stage have the management plans for each of those regional parks reached?

Dr SHEA: We will take that on notice too.

Hon KEN TRAVERS: Could you identify whether any extra costs are involved in having more than one local government authority involved? Is having to deal with numerous local government authorities causing CALM a problem in the management of regional parks?

Dr SHEA: That is no different from what we experience in the wheatbelt, where our regional manager deals with about 50 local government authorities.

Hon NORM KELLY: I refer to page 242, the proceeds from the sale of real property. This shows an increase from \$5.35m to \$9.3m for the 1998-99 financial year. How has the department identified those sorts of properties? What are the locations and types of properties sold?

Dr SHEA: How they have been identified?

Hon NORM KELLY: How they have been identified and which properties have been identified in a general and specific sense?

Dr SHEA: How have they been identified?

Hon NORM KELLY: What type of properties are being identified? What sort of properties are we looking at here?

Dr SHEA: We conducted an audit of all our land. We found significant quantities of land which had been purchased some time ago. A lot of it was purchased for tree planting but trees could not be grown as the land was fallow. An

exception was a property we found in Pemberton. A potato farmer had been growing potatoes on it free of charge for some years. We asked our districts and regions to go through the register and identify this land. There are other areas of land where we have actively pursued the Government's commercial policy. The Commonwealth Scientific and Industrial Research Organisation is establishing a large research establishment at Como and we received the funds for that. The process has essentially been to identify lands that we do not need now or in the future and we have been progressively selling them.

Hon MAX EVANS: Before we came to government there had been a lot of talk for 10 years about the government property register. One was not put in before the Labor Government. The Government put aside \$200 000 in January 1992 but still did nothing about it. I made it happen through the Valuer General, not the Department of Land Administration or the Government Property Office. Originally, we thought there would be 60 000 blocks but it totalled 180 000 blocks of land and 136 000 certificates of title. I do not know how many blocks CALM had but Westrail found 22 000 blocks of land. They have been selling them since. Some of those blocks were taken out of a property where the railway line was never going to be built and they can be sold back. That is what CALM has been doing. At one time the Auditor General stated that Westrail had tens of millions of dollars in blocks of land that it did not know it had. This has been building since the beginning of the last century. We changed the pattern and the proceeds of sold land can go only to capital expenditure or reduction of debt. Before this Government came to office, \$258m worth of sale land had gone to paying the wages from the consolidated fund. We identified the land first, not for the purpose of selling it to create cash flow but just to know it was there for better management and, on sale, the proceeds were put into capital equipment. CALM has used the money to put more action into the salinity program. The Government has agreed that the money can be used for that purpose.

Hon NORM KELLY: To follow on from that, what was the total amount of the budget for the afforestation program?

Dr SHEA: In view of the time, perhaps we could take that on notice.

Hon J.A. COWDELL: Mr Chairman, we are all normally heartened by Dr Shea's story about the rent increase for the Matilda Bay Restaurant. What is the expected return from the leaseholders under the nature based tourism program this financial year? How does this compare with last financial year? Could I have a breakdown of that income?

Dr SHEA: I will be pleased to provide that answer on notice but I can give informal advice to the honourable member that the Matilda Bay Restaurant, particularly since it extended its lease to the coffee shop down the road, is probably going to bring in excess of \$300 000 to his favourite agency.

Hon J.A. COWDELL: Last year you stated that CALM had 400 highly prospective compounds with which to test the market. In the near future we will be calling for international expressions of interest in some plant derived compounds. What has been the result of these initiatives? Once again, you may like to take that on notice.

Dr SHEA: No, Mr Chairman. I can say that the expressions of interest, as promised, were duly called and we are in the final stage of processing them. Of particular interest to members of this House is that we could easily have achieved a very rapid cash flow by selling off the potential prospectivity of plants offshore, which has happened in other States. Our prime objective certainly is to get a return on assets but also to see that we get some value adding here. I believe members will be happy with the procedures that we finally announce when the expressions of interest process is terminated.

Hon J.A. COWDELL: What is the current CALM debt? What are the amounts expended in debt repayment and interest respectively this financial year? What is the anticipated debt and interest repayments for 1998-99?

Dr BYRNE: The loan liability is on page 238 of the Budget Statements. The statement of the financial position shows the five year forward estimates showing debt in each year. The amount of \$89.119m is expected at the end of this year, falling off over the years. Interest this year is \$10.5m. The average interest rate is 10 per cent.

Hon J.A. COWDELL: What is the actual debt repayment this financial year; not interest, debt repayment?

Dr SHEA: I think it is \$5m.

Dr BYRNE: The actual debt this financial year will be \$89.119m. That is what we expect the debt to be at 30 June this year.

Dr SHEA: Which is a \$5m reduction.

Dr BYRNE: At 30 June 1999 it will be \$84.919m. That is set out in the Budget Statements.

The CHAIRMAN: I have three people wanting to ask questions. With the short time available, what I suggest is that we allow each of these people to ask one question.

Hon MURIEL PATTERSON: Last year there was a discussion regarding the Stirling National Park burn and the necessity for CALM fire officers to liaise better with local shires and voluntary fire officers when there is to be a planned burning. Has this been done? Do you know what precautions have been taken so that we can have better communication?

Dr SHEA: To the best of my ability, yes. However, I take that question on notice to report to you to be sure about that.

Hon KEN TRAVERS: What funds have been allocated for the management and redevelopment of the Yanchep National Park for this year, in particular for the swimming pool?

Dr SHEA: We will take that on notice.

Hon KEN TRAVERS: Have you divested any reserves in rural areas or picked up any reserves, particularly the wheatbelt, from the Water Corporation over the last 12 months?

Dr SHEA: We will take that on notice, but we certainly intend to do it if we have not done it.

Hon KEN TRAVERS: Thank you. Could I have a list of that?

Hon CHRISTINE SHARP: I am happy to put my outstanding questions on notice.

The CHAIRMAN: I thank Dr Shea, Dr Byrne and the Minister for their assistance. We look forward to next time.

Committee adjourned at 6.00 pm
