



WESTERN AUSTRALIA

Parliamentary Debates

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LEGISLATIVE ASSEMBLY ESTIMATES COMMITTEE B

Friday, 29 May 1998

Legislative Assembly

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ESTIMATES COMMITTEE B

The meeting commenced at 9.00 am.

The CHAIRMAN (Mr Barron-Sullivan): For the information of members, the Estimates Committee will be reported by contractors to Hansard. A daily verbatim proof *Hansard* will be available during the afternoon of the following day. Hansard will distribute the documents for correction at that time, which must be returned on the A4 document sent to members. The cut-off date for corrections will be indicated on the bottom of each page. I caution members that if a Minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office. Only supplementary information which the Minister agrees to provide will be sought within one week. It will also greatly assist Hansard if, when referring to the program statement volumes or the consolidated fund estimates, members give the page number, item, program, and amount in preface to their question.

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

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

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

Division 64: Land Administration, \$30 221 000 -

[Mr Barron-Sullivan, Chairman.]

[Mr Shave, Minister for Lands.]

[Mr A.A. Skinner, Chief Executive Officer, Department of Land Administration.]

[Mr W.H. Walker, Director, Corporate Services, Department of Land Administration.]

[Mr M.P. Smith, Manager, Financial Services, Department of Land Administration.]

[Mr P.J. McNally, Manager, Land Administration Services Branch, Department of Land Administration.]

[Mr G. Lewis, LandCorp.]

Mr SHAVE: I made the comment last year and my position has not changed - the member for Marangaroo would support me on this: Knowing that this is an open and accountable Government, I am quite comfortable with my advisers' commenting on issues related to the various sections.

Ms MacTIERNAN: Has LandCorp considered moving from its current location in Joondalup, and if it has, to where?

Mr SHAVE: Mr Skinner has advised me - we are not being difficult - that it does not form part of Division 64, but I believe that it possibly does. If it does not, of which section would it form part?

Mr SKINNER: The Western Australian Land Authority.

Ms MacTIERNAN: Are you prepared to answer these questions?

Mr SHAVE: I am happy to answer it now. There has been no discussion about the department shifting from Joondalup. There may have been some discussion internally - I am not aware of that - but no discussion was held

with me. I can confidently say that it certainly will not be shifting for the next 12 months. Even if that proposal had been discussed at a LandCorp level, it has never been raised with me.

Ms MacTIERNAN: Are you considering selling the share in the Lakeside Joondalup Shopping City?

Mr SHAVE: Yes.

Ms MacTIERNAN: Where are you up to with that?

Mr SHAVE: It will be finalised by June or December of next year. That is a decision for the board, not me, to make - I make that point very clear. The board will sell the share when it considers that it is the most opportune time for it to do so commercially. It is not being directed by me to do so. I understand at a board level that it is very conscious of the general view within government that LandCorp should divest itself of its share in that shopping centre, but there has been, and will be, no direction from the Government. It will make the decision when it wants to. I understand from discussions with the chairman that the board's timetable is to divest itself of the share by June or December of next year. I understand that during informal discussions with the joint venture partner it has given that indication to those people.

Ms MacTIERNAN: Will it be sold by tender?

Mr SHAVE: There is no first right of refusal, as I understand it, in the agreement - I may be wrong on that. However, it will be sold to the highest bidder.

Ms MacTIERNAN: Is LandCorp proposing to open a new office in the Alkimos regional centre?

Mr SHAVE: No-one has discussed any of those proposals with me so I do not know of that possibility occurring.

Ms MacTIERNAN: Would any of your staff know?

Mr LEWIS: There are no plans at present to open an office in Alkimos.

Ms MacTIERNAN: Are you considering it?

Mr LEWIS: Not at this stage, no.

Mr McGOWAN: We debated the new Land Administration Act at length in this room last year, Minister. What is your assessment of the impact of that Act, and how smoothly is it being implemented?

Mr SHAVE: Mr Skinner would be a more appropriate person to comment on that in detail. My understanding is that most people have accepted the extensions that have been proposed with pastoral leases. The new board was only recently appointed.

Mr RIEBELING: Phil Lockyer did not get a run!

Mr SHAVE: Not even with the member's prompting. He would have made a very good chairman.

Mr McGOWAN: Why did he not get a run then?

Mr SHAVE: It shows the high quality people.

Mr McGOWAN: Did you fall out?

Mr SHAVE: Philip Lockyer and I are very close friends, as we were prior to my coming into Parliament. It is difficult to make decisions based on friendships. One must pick the appropriate person. Mr Cameron, who was recommended by a wide group of people, was suitable for the job. Although Mr Lockyer would have done a good job, that was the decision. I have curriculum vitae for the Aboriginal and conservation members appointed to the board. If anyone is interested in the qualifications or the capability of those people, I am more than happy for them to have a copy of the CVs provided to me prior to the selection of those people. I am very confident that the board and the Act will be beneficial to all people involved in that area.

Mr McGOWAN: A lot more than that was involved in the Act.

Mr SKINNER: It has been a very heavy program to the organisation for a lot of our customers. Before implementation on 30 March, we went through a very wide education program, particularly with local government, the Law Society and the conveyancing industry, and ran education seminars throughout the State to help the transition of the new legislation. Reports to me indicate that it is running very effectively.

There is still a growing awareness throughout Western Australia through our customer base of the impacts of that measure. We have established within DOLA a help line and a help desk, particularly for local governments and the

conveyancing industry. If they have any issues of concern and are not sure of the processes, they can contact the department and receive advice on the new procedures. Apart from that, it is working very smoothly and it seems already to be gaining benefits in the speed with which we are able to deal with processes under the new legislation.

Mr McGOWAN: Have you done an estimate on what the cost has been to implement this new Act, and what the total expenditure by the department for both administration and other costs has been with this new system?

Mr SKINNER: I could find those figures out if you require that detail, but generally there is a mix of costs, both direct and indirect. There were some systems costs involved and, of course, the costing of contingencies of new forms which had to be prepared and then the training, the seminars and then some of the absorbed costs within the organisation which are integrated across the agency. We now have, for the first time, a single registration system. There have been components within that.

Mr McGOWAN: I thought that bringing all crown land onto certificates of title would be an extremely expensive process.

Mr SKINNER: It is a relative cost to the total cost of running the organisation. About \$2m in 1997-98 and \$382 000 in 1998-99 are the estimated total costs. The benefits to be derived out of that are both direct and indirect. We are certainly looking at an increase in revenue of about \$1.9m in 1998-99 in respect of new opportunities under the Land Administration Act. The indirect costs are the time and resources saved throughout industry and government of having a more modern system of legislation.

The CHAIRMAN: There was some mention by your adviser of possibly providing some information.

Mr SHAVE: If the member for Rockingham wants a break up of costs from when this process was first implemented, the formation of this Act and the changes that have taken place over a long time, we will endeavour to give an estimate. A lot of it would have been integrated into the previous Government's costs and when we came into government between 1993 and 1997. If the member for Rockingham wants us to try to make an estimate of that, we will, but some figures have been provided on this year's costing and last year's costing and proposed income. If he is happy with that, it will save my officers having to go back through and ascertain all those figures. It is his decision. If he would like us to do it, we will do it. I thought that the answers given are pretty reasonable, but it is up to the member for Rockingham.

Mr McGOWAN: You set a sum of \$2m. It seems to be a little on the low side considering the efforts of officers and the like that went into this project. As you know, these days the modern accounting systems with accrual accounting take all of those things into account when assessing the costs of something. I would not mind a breakdown of what the cost was by way of supplementary information if that could be done.

Mr SHAVE: For which years?

Mr McGOWAN: For the last three years.

Mr SHAVE: We will provide that by way of supplementary information.

Mr McGOWAN: Is it your department, through your office, that is involved in the current High Court action with the Commonwealth over the Lancelin gunnery area north of Perth?

Mr SHAVE: The Government as the initial owner of the land is involved. When there is something being done at a federal level which affects state government activities and is applicable to our State, it is natural that our lands department is involved. I will let Mr Skinner brief you on where we are with that site. The short answer is, yes, we are involved.

Mr SKINNER: I admit that I am not fully across this matter, except that I know that the underlying tenure is certainly a lease from my organisation to the Commonwealth. Some of it, of course, is freehold land owned by the Commonwealth. The litigation relates to both freehold land and leasehold. DOLA's interest, therefore, is only in respect of the leasehold. The prime running of that matter is through the Ministry of the Premier and Cabinet in its federal affairs area and the Crown Solicitor's Office. Our role is really secondary to that whole process simply as the person who has issued the original leasehold tenure to the Commonwealth.

Mr McGOWAN: Although the administration of the action against the Commonwealth may well come through the Premier's office, I thought your department would have the most direct interest in the outcome of the proceeding. It is a proceeding which relates to the administration of land by the State vis-a-vis the Commonwealth. You might be able to provide this to me by way of supplementary information: What is the cost of this action against the Commonwealth? High Court actions are generally expensive and a High Court action between Governments of the same complexion seems to be, firstly, expensive and, secondly, probably unnecessary if you were to try to negotiate the issues properly. Would you be able to provide that information for me?

Mr SHAVE: We would be happy to endeavour to get that information. I cannot see any reason why the Premier's department would not want to provide that information for you. If they are prepared to provide it, we will provide it.

Mr McGOWAN: By way of supplementary information?

Mr SHAVE: Yes, subject to their agreement. There may be some legal reasons or points of confidentiality by which they do not want to provide it. However, I thought if it is being handled by the Crown Solicitor's Office, there would be no reason not to supply it. Subject to their agreeing, we will provide it.

Mr McGOWAN: Further to that point, can you tell me why the State is involved in this litigation? It seems to be quite unnecessary. Western Australia has a direct interest in the defence of Australia. The Government should play a role in relation to the nation's defence forces and naturally that would involve a training area. The Lancelin defence facility is land which has been used for this purpose since prior to World War II. For 50 or 60 years it has been used for these sorts of exercises by the Australian Army, the Royal Australian Navy and the Royal Australian Air Force.

The land is now probably contaminated with unexploded ordnance to such a degree that any other potential use of the land, including mining, residential development or whatever, would be too dangerous. We have learnt a number of lessons over the decades in various parts of Australia about building on sites which are contaminated with UXO or by some sort of industry. That is a mistake. Can you tell me why the State Government is pursuing the matter of this piece of land with the Commonwealth? It seems to be a complete waste of money.

Mr SHAVE: The Ministry of the Premier and Cabinet is handling this matter. If it is a requirement of the Minister for Mines to get access to the land for a particular reason that could be an important issue. If it is in the State's economic interest to have access to that land we have a responsibility to explore that. Other issues include road access. Community support exists for road access along the ocean front north from Perth. I recollect from a briefing on the issue about 12 months ago that access through the properties was a major concern. Very often when one deals with federal government departments they want exclusive use, which is their right under the lease. The problem is that times change. That land and the access issue probably was not important 40 or 50 years ago when the leases were initially agreed to. However, with changing circumstances the State Government would like to see variations and changes. When we start to talk about putting roads through those types of sites there will be problems - not just with the contamination, the possibility of unexploded shells, and checking those areas where a road is going through, but also with the ongoing needs of the Army to use the site for its current purpose.

The Government clearly understands the need for the Commonwealth to have access to suitable sites to undertake those activities. If we had to give the Army a firing range at the moment would we give it a firing range at Swanbourne? No, we would not. However, when the lease was first agreed to Swanbourne seemed to be a suitable site. Land that was suitable for a purpose 40 or 50 years ago may not be suitable at present. One need only consider the Minim Cove site in Mosman Park which is contaminated and which we are endeavouring to address.

I do not have the detail of the different arguments about mining on the Lancelin site. That is an issue that the member should write to the Premier or the Minister for Mines about. The road access issue was raised with me. The Government is concerned about a reasonable traffic flow through that area.

Mr McGOWAN: I accept what the Minister has said about Swanbourne. In this day and age we would not put a firing range there. It was put there at a time of war and things change in time of war. However, the Navy, in particular, has invested about \$10b in Lancelin, Garden Island and in other facilities throughout the State. That is a major investment by the Defence Force in the defence of Western Australia. The Army has based its crack troops, the Special Air Service, in Western Australia and naturally they need training facilities. Also, a reserve regiment is based at Karrakatta, which exercises at weekends and other times. It is essential, in particular, for the Navy's training area to be near the coast. Western Australia has been developing for over 150 years and it is difficult to find land for those sorts of things. It frightens me a little when the Minister talks about putting roads through or in proximity to that defence force training area. If a road is put through the defence training area it must first be closed, because we cannot have a road running through a defence training area. The Minister is referring to a road between Cervantes and Jurien. I know that the local community wants a road, but the Government must balance the interests of those communities with the training requirements of the defence force. It is a fact of life that if a road is to be built those defence force training areas must close. We cannot have a road through an area where the defence force is lobbing bombs. The two uses are mutually exclusive. We cannot close the road while the bombs are being lobbed on the area and then reopen it. There might be shell holes or unexploded ordnance in the bitumen. Is the Government saying that it will close that training area in order to put a road through there and it wants the defence force to go elsewhere? That seems to be a little ungrateful in light of the fact that the defence force has invested so much effort in defending Western Australia and putting infrastructure here, particularly since 1987 with the two ocean defence policy. It worries me substantially that the Government is pursuing a High Court action on that basis.

That will cost a lot of money and at the end of the day it will tell the defence force that it is not welcome in Western Australia and it should go elsewhere.

Mr SHAVE: The member is drawing a long bow on this whole issue by saying that we are telling the defence force to go elsewhere. The reality is that the defence force has a legitimate lease over the site. A joint working committee on the road issue comprises the federal department and the State Government, and that has been working very well. The State Government is endeavouring to resolve the issue on a cooperative basis. We are now talking about the road. I do not have details of the overall court action taken by the Ministry of the Premier and Cabinet, so I do not intend to get into a debate on that. We have drifted off the information in front of us, but I am prepared to discuss the Government's position on the general issue. Put simply, there is a requirement on the State Government and a desire by the local community for a Cervantes to Lancelin road. A committee was set up, and has been running for two or three years now, between the federal and state authorities, to try to resolve the issue by mutual agreement.

It is the member's view that the road cannot coexist with the defence facilities. I am not sure that is right, otherwise discussions on the possibility of gaining access to the road would not have taken place over the past two or three years. If the member wanted to put something on notice about those discussions I would be happy to provide that information. I have not been part of those committee meetings or discussions. The litigation is not over only the road access, but the whole site, and I do not have the detail of that. If the member wanted the detail I would be happy to ask the Ministry of the Premier and Cabinet to give him a briefing.

Mr McGOWAN: I would like that. The Minister stated that he wanted to resolve these Matters by agreement with the defence force. If someone from the defence force or wherever is holding meetings over these matters it seems unusual that the Minister says he wants to resolve these matters by agreement when a High Court action is proceeding at this moment.

Mr SHAVE: I am talking about the road issue.

Mr McGOWAN: If the High Court action is over the mining leases it is silly for the Government to allow mining in a site which has 60 years of unexploded bombs under the sand.

Mr SHAVE: That decision will be made by the courts, the Ministry of the Premier and Cabinet, and the Minister for Mines; that is not a decision I can make or should be involved in.

Mr McGOWAN: Is the Minister saying that he does not have a view on whether mining should be permitted in this area?

Mr SHAVE: No. It is not my area of responsibility. It is a decision that must be made by the Minister for Mines.

Mr McGOWAN: You do not think it would be dangerous?

Mr SHAVE: I would wait on the recommendation from the Minister for Mines.

Mr McGOWAN: The Minister referred to a lease over the area, but there are a number of leases. Part of the land is owned freehold by the defence force, and other parts of the land are leased by the Commonwealth from the State. I think the lease was entered into in about 1978 at a time when the defence force had no inkling that this might one day become an issue and the State might want to put a road through its training area. I think it is a 21 year lease and it expires in 2000. What is the Minister's view on the expiry of that lease and its renewal, which is approaching us like an oncoming train?

The CHAIRMAN: It is my approach on generalised matters that do not relate to specific budget items to give the Minister some latitude to answer such questions in whichever way he wants. The difficulty in the way these committees operate at the moment is a degree of obligation on a Minister who agrees to provide information by way of supplementary information. Other than that I remind all members, particularly the member for Rockingham, that if they are seeking detailed information or briefings the onus is on members to follow that up either with the Minister or by way of questions on notice when the Parliament resumes. The issue to which the member for Rockingham is referring does not relate specifically to a line item in the Budget. I realise there are fairly generalised statements in these budget papers, and I have given the Minister some latitude, but I have some difficulty relating what the member is saying directly to the budget papers.

Mr SHAVE: I will respond with regard to the lease and then I hope that we can move onto some other issues. The lease does expire in 2000. The Government will look at what is being proposed by the federal authorities, and will analyse what is fair and reasonable and hopefully resolve the problem in a cooperative manner at that time. I am not sure that the member's dates and assessments about the lease are correct. If they were, at the expiry of the lease in 2000 we would be able to walk in and say that we will not renew the lease. We would not be proceeding with the court case if we could resolve the matter in 2000. I do not have details of it all, but the member asked for my view

as the Minister. When the lease is terminated we will weigh up all of the requirements of the Commonwealth and the State and I hope come to a reasonable decision on how to address the matter.

Mr McGOWAN: Will you provide me with the costs of the High Court action as supplementary information?

Mr SHAVE: If the Ministry of the Premier and Cabinet has that figure and it does not see any impediments or receive advice from its lawyers that it should not be provided, I cannot see why it should not be provided.

The CHAIRMAN: I have difficulty with a member requesting supplementary information on a portfolio matter which is not covered specifically under this division. For the purposes of this committee I do not think that is an appropriate way of arranging this. I suggest to the Minister that it would be more appropriate if the member were to place a question on notice to the appropriate Minister.

Mr SHAVE: That is fine. If the member did that he would get the information he wanted.

The CHAIRMAN: I am not trying to be obstructive. The member for Rockingham must bear in mind that answers to supplementary questions must be provided within five working days. If we are dealing with another portfolio there could be complications and delays and it is better that we keep the whole matter clear-cut.

Mr SHAVE: I think the member's Navy background may have influenced his interest.

Mr McGOWAN: It has given me an unfair advantage over the Minister. On page 667 and further on reference is made to salinity control. What is being done by the department on the issue of salinity, and what is the expenditure involved?

Mr SKINNER: The Department of Land Administration is a member of the CEO group that deals with the salinity action plan and reports to a ministerial council. Our role has two levels: Firstly, to provide supporting infrastructure for monitoring, remote sensing, air photography and those sorts of activities; secondly, as a land manager in its own right to work cooperatively with the other agencies - principally, the Department of Environmental Protection, the Department of Conservation and Land Management, the Water and Rivers Commission and Agriculture Western Australia - on an integrated whole of government approach to dealing with salinity across the State. We are putting some money into our own land management operations and we have also been funded through the Commonwealth National Heritage Trust to provide some of that infrastructure to which I have referred. The range of activities include remnant vegetation protection and management; integrated drainage treatment among adjacent landowners, which could include the Crown, various agencies and private landowners; implementation plans with individual farmers in which we are dealing with remote sensing and air photography data to help them in topographical analysis of how best to manage some of the salinity problems; and monitoring and evaluation.

Mr SMITH: I have the figures for the 1998-99 Budget. The Commonwealth is providing \$810 000. This year the estimates show that it has provided \$405 000; the actual expenditure is \$538 000. We provided the earlier estimate in January.

Mr McGOWAN: Did you say that the Commonwealth has provided this money?

Mr SMITH: Yes.

Mr McGOWAN: Did the Commonwealth provide \$810 000 in the last financial year?

Mr SMITH: No. That is in the 1998-99 Budget.

Mr McGOWAN: Is that the Commonwealth's total contribution?

Mr SMITH: It is its total contribution to DOLA. I am not aware of the total contribution from the Commonwealth.

Mr SHAVE: The Commonwealth may also be contributing to CALM and other agencies.

Mr McGOWAN: Why is the Commonwealth contributing to DOLA in relation to this issue? What has it to do with Commonwealth? Is this through the National Heritage Trust?

Mr SKINNER: Yes, it is. As I mentioned in my initial response, funding is coming through the National Heritage Trust allocation from the Commonwealth. The State identified its high priority needs in the total program over a number of years to address salinity in Western Australia. The priority needs from the perspective of DOLA and the other land users was the need for good remote sensing material, not only historically, to go back in some ways, but also to start monitoring from this point on. That will deal with not only salinity but vegetation coverage and all those issues that go with salinity management.

Mr McGOWAN: What is the State's contribution, through DOLA, to salinity? We will receive \$810 000 this financial year from the Commonwealth.

Mr SKINNER: I do not have a separate figure available today. We could do some research. Again, some of this is an issue for DOLA. We are looking at how we can internally reprioritise some funding to provide the land management component of it; but otherwise, the additional operations of remote sensing are being funded directly from the national heritage fund.

Mr McGOWAN: Salinity is one of the biggest environmental blights facing Western Australia, and I remember that the member for Moore once made an authoritative speech on this issue. We really need to pull out all the stops to do something about this issue. I recall that in the last election campaign, a commitment was made to spend \$100m per year to deal with this issue. Minister, what is your view, and what is your commitment to this issue?

The CHAIRMAN: At this stage, it may be easier if you relate your questions to a page and a line item.

Mr McGOWAN: The last dot point on page 667 and the third dot point on page 668 relate to salinity and the state salinity strategy.

Mr SHAVE: A ministerial council on salinity has been formed. The issue has been discussed at a ministerial level over a period of time since I have been a Minister, particularly in the areas of the Minister for the Environment and the Minister for Agriculture, and you will have read their public comments in the Press. DOLA is involved in salinity, and it certainly affects the land that we administer. If the member wanted to get a briefing, or to know where they were with deliberations and what the Government proposed to do in that area, probably the most appropriate people from whom to get that advice would be the Minister for the Environment and the Minister for Agriculture. I am not trying to deflect that responsibility to them, but concern about salinity has been very much driven by Environment and Agriculture, and you would get a much broader view of the issue if you directed your questions to those Ministers. If you want advice about that ministerial council and put a question on notice, we will endeavour to get that information. However, I suggest you approach the Minister for the Environment or the Minister for Agriculture.

Mr McGOWAN: Can you provide supplementary information on what your department is spending on salinity, in addition to that commonwealth money? That is probably reasonable in terms of the Budget.

Mr SHAVE: I am happy to provide that supplementary information.

Mr McGOWAN: Page 684 refers to the work of the Western Australian Land Authority, which trades as LandCorp. LandCorp comes under this division and does not have its own division heading.

Mr SHAVE: It apparently comes under another area, but that is okay.

The CHAIRMAN: It does come under this division.

Mr McGOWAN: LandCorp is undertaking all of its activities this budget year in four areas: Albany, Bunbury, Carnarvon and Joondalup. Why do all of those areas happen to be in Liberal electorates?

Mr SHAVE: You raise an interesting point.

Mr McGOWAN: Considering that its total expenditure is \$79m.

Mr SHAVE: With regard to the fascine development in Carnarvon, although a Liberal member holds that seat at the moment, was it not until recently a Labor electorate?

Mr McGOWAN: It was.

Mr SHAVE: I do not have the detail of why those developments are taking place in those locations, other than that the majority of country electorates are held by Liberals, and these developments -

Mr McGOWAN: Most of them are not country, though. I would not call them country. I would call them regional centres.

Mr SHAVE: Albany, Bunbury and Carnarvon. Is Rockingham country?

Mr McGOWAN: Rockingham is probably as country as Bunbury.

Mr SHAVE: The reality is that two of those seats are in the south west. I think there are 14 seats in the south west, and, quite rightly, they are all held by Liberal members, so they are obviously quite sensible.

Mr McGOWAN: I do not know what the National Party would say about that. I think it holds a few of them.

Mr SHAVE: The Joondalup area has been developing for about 20 years. I do not think we can talk about spending money in a Liberal electorate when it is an ongoing program supported by both your Government and Liberal

Governments. When we talk about spending money in Joondalup and in marginal seats and Labor seats, your Government did a pretty good job with the railway line that you put there to service the electorate of Wanneroo and the areas that you held when in government. To get back to the reality of it, those seats are country seats, and most of the country seats are held by Liberal members. Karratha and Kalgoorlie, where land is provided and we are actively involved, are Labor seats. There is no mystique about the question you have raised. This Government is as active in providing facilities in Labor seats as it is in providing facilities in Liberal seats.

The member for Kalgoorlie would be aware that last year I allowed the Kalgoorlie-Boulder Racing Club to sell off some land that is under my administration so that the club could be upgraded and the heritage buildings restored. The Government takes a very even handed approach to these areas and will continue to do so. The industrial developments and sites that we are providing in areas such as Jervoise Bay are in Labor held seats. We are putting a lot of money into those areas.

Mr McGOWAN: LandCorp is not.

Mr SHAVE: The Government is. LandCorp is not charged only with trying to provide facilities such as the fascine development. It is very much focused on trying to assist and upgrade country areas and to provide services for country people. It is not really relevant whether it is a Labor seat or a Liberal seat.

Mr McGOWAN: Is it not somewhat coincidental that all four LandCorp projects are in Liberal seats?

Mr SHAVE: LandCorp is not undertaking developments only in Liberal seats. It is doing a lot of work and is providing a lot of expertise and support for developments in Labor seats. By way of supplementary information, I am happy for LandCorp to give the member a briefing on what it is doing in his and other areas.

Mr McGOWAN: I do not think you can give a briefing as supplementary information. You can give the information in writing.

Mr SHAVE: I will give you some supplementary information about what LandCorp is doing in Labor seats, and also, because this is under the Department of Land Administration, about what DOLA is doing in many Labor seats, for which I am told the local members are very grateful.

Mr McGOWAN: I would appreciate that, Minister, but that is not contained in the Budget. Are you saying that LandCorp has incurred expenditure that is not accounted for in the Budget?

Mr SHAVE: I did not say that. There are major projects, but there are also other activities. Not every activity in which LandCorp is involved is detailed item by item in this expenditure. Page 685 contains an allocation under completed works for the development and acquisition of both industrial and residential land, but there is no breakup of how that money was spent and in which electorates it was spent. There is an allocation under new works of \$21m for the acquisition of industrial land and \$7m for the development of industrial land; and of \$10m for the acquisition of residential land and \$25m for the development of residential land. Those issues are relevant to how LandCorp undertakes its activities.

Mr McGOWAN: Where are those developments?

Mr SHAVE: I do not have that detail here.

Mr McGOWAN: That is \$21m in your budget, Minister. Should you not know where those developments are taking place?

Mr SHAVE: You moved on to this section, and we agreed to do it, even though we were discussing the Department of Land Administration. You moved from page 667 to page 685. I assume, therefore, that you have finished with everything in between.

Mr McGOWAN: I have not.

Mr SHAVE: You were advised by Mr Skinner prior to this hearing that the LandCorp people would be here later. Mr Lewis from LandCorp is now here. He has some of the detail that you require, and I am happy for him to make a comment.

Mr LEWIS: LandCorp runs approximately 60 projects throughout the State, and they are too great in volume to outline in detail, but later I can provide information about the breakup of those projects. They include \$3.6m of development for the Rockingham industrial estate, and developments elsewhere in the State.

The CHAIRMAN: The member for Rockingham may also wish to put a question on notice to the Premier in light of the \$2m that has been spent in the member's area over the past couple of years under the Premier's budget.

Mr McGOWAN: I am aware of that. That is not LandCorp money. I turn now to page 682. From where did the \$40m for the Dampier to Bunbury gas pipeline come and where will it go?

Mr SMITH: That \$40m is part of the proceeds from the sale of the pipeline. DOLA was charged under the Act with administering this \$40m as part of the trust account, and the trust account will be used to acquire various additional easements for the pipeline over the next few years. No budgeted amount is contained in the books at the moment because it was not finalised in time for the budget papers, but DOLA will prepare a budget for approval by the Minister by 31 July, in accordance with the Financial Administration and Audit Act, and will also include those details in its 1997-98 financial report, which will be tabled in Parliament later this year.

Mr McGOWAN: Is this money that you have made on the deal or money that you have set aside in the Budget to spend on a second pipeline? I am a bit confused.

Mr SMITH: It is a disbursement from the \$2.4b that we obtained for the sale, where \$40m was put into this trust account for the purpose of widening the easement and acquiring easements for the pipeline.

Mr McGOWAN: For a second pipeline?

Mr SMITH: I do not have that information. DOLA is really just an agent. It is to widen the corridor.

Mr McGOWAN: Why would you widen the easement if it were not for a second pipeline?

Mr SHAVE: To provide the capacity to do so if the Government decided to have a second pipeline. The process of acquiring that land and getting it in order for the facility will take quite a lot of time. It cannot be done in five minutes. The view within government is that if there were the capacity to put in a second pipeline and someone wanted to take advantage of it, that might be in the Government's interest.

Mr McGOWAN: Are you saying that in the Government's view there should be a second pipeline?

The CHAIRMAN: I give the Minister latitude on this, but -

Mr SHAVE: I appreciate the comment. The Government has not made a decision, and it would be quite improper for me to comment on that without discussions between the Government and the people who have purchased the rights to the pipeline. It would need to be discussed at Cabinet level and a decision made; and no decision has been made.

Mr McGOWAN: This is relevant, Mr Chairman. We have a line item for the Dampier to Bunbury natural gas pipeline, and I should be able to ask the Minister questions about it.

The CHAIRMAN: Again, I give the Minister latitude, but the line item refers to the department's involvement in assisting in the provision of an easement. It does not relate to policy direction about the future provision of a second pipeline, or other uses for such an easement.

Mr SHAVE: Under the pipeline agreement, I as the Minister for Lands have the right to approve access by other parties to that corridor that has been provided. That access can be granted to any other party to operate a pipeline if the Government makes that decision. The Government has not made that decision. However, the Government has made a decision that the capacity to do that should be in place if it were determined to be in the public interest. We are putting this facility in place now so that if the Government made that decision and there was a requirement in one, two, five or 10 years to allow another party to come in on a competitive basis, we would be in a position to do that. No decision has been made, and I cannot comment. I do not have a personal view.

Mr McGOWAN: It seems a bit unusual that you are willing to spend \$40m of taxpayers' money on some land and you have no view about whether you will do anything with it in the future; therefore, nothing may be done. If you do not intend to do anything with that land, why are you spending \$40m on it? There are many areas of state expenditure into which that \$40m could go, or it could be used to reduce the impact of state taxes and charges. To spend \$40m on something that is totally nebulous and, in your view, up in the air is a dangerous way of spending public funds.

Mr SHAVE: I disagree. It is not up in the air. Some of the land that has been purchased is necessary for spur lines on the existing pipeline, and to provide extra capacity on the existing pipeline with the development at Oakajee. It is very prudent for the Government to provide that capacity now. A private operator would be far more comfortable with not being competitive or reasonable in its charges and services if it did not face the possibility of competition. The Government made a very responsible decision to provide the access. It will take time to achieve, because all the property owners must be consulted over a period of time. The Government's view is that in future it may be necessary to provide the capacity for another pipeline. In the context of the \$2.4b for which the pipeline rights were sold, \$40m is not an excessive price to put on the purchase of that land. That is an estimate. We may not require

all of that money, but it has been put aside. The Government has decided to provide the capacity for an extra pipeline if that is in the public interest. The Government has taken a very prudent and sensible approach.

Mr McGOWAN: It seems unusual that you are willing to spend public funds on a spur line for a privately owned pipeline, but you are willing to spend an extra \$40m of taxpayers' funds this year - maybe more next year - on extra capacity for a privately owned pipeline. This is not a public asset; someone will be making money out of it. You are saying that we should spend public money on ensuring that the owners can make more money out of it. You said a moment ago that you thought that the people who own the pipeline might be far more comfortable if they had no competition and that without competition, gas prices will increase. That is contrary to the argument put by the Minister for Energy, Colin Barnett. He argued that we do not need a second pipeline to ensure that costs go down.

Mr SHAVE: I am not in direct conflict with him; there are two ways of ensuring price stability. One is to have a second pipeline. However, that might not be viable; therefore regulation is the way to go. I agree entirely with the Minister for Energy. If it is his view that prices should be controlled by regulation - he is the expert in this area and he has the capacity to do that - I will support that position. I said that if the area of land is available we have the opportunity to increase competition if the Government decides to do that. It is the Government's responsibility to have that capacity to do that if it desires to do it.

With your question regarding the spending of the \$40m to put in a spur line you have drawn a long bow. That is not what all the \$40m is being used for.

Mr SMITH: The \$40m was set aside and is in a trust account for the Department of Land Administration. No specific expenditure budget has been set aside in these budget papers and that has been noted. DOLA needs to work with the various parties to develop an expenditure budget. I do not expect the \$40m will be expended next year based on the numbers quoted earlier. We need to finalise the budget and get it approved by the Minister in accordance with the Financial Administration and Audit Act by 31 July. Then we will include it in our annual report. The \$40m has been set aside; it is a trust account held by DOLA which is administered in accordance with the Act. It is held in a bank account but no specific budget has been set for it at this stage.

Mr SHAVE: The member for Rockingham implied that I indicated that the \$40m was to be used to build a spur line for a private developer.

Mr McGOWAN: Part thereof.

Mr SHAVE: That is not what I said. I said the money was being used to purchase land to allow for the capacity for either expansion or the provision of a new line. All of these issues were in part of the agreement when the proponents paid their \$2.4b for the pipeline. If the member wants to know the detail of the arrangements with the purchasers of the pipeline and any undertakings that the Government gave for additional expenditure on items such as provision of a little bit of land for a spur line, he should ask the Minister for Energy. I am not talking about the \$40m being used for all of that, because it will not be used for it. The main purpose of the \$40m is to provide facilities for an additional line if the Government decides to implement it. Questions on the breakup of the agreement on the \$2.4b or the rights to put in another spur line must be addressed to the Minister for Energy because I do not have that detail.

Mr McGOWAN: How much money is going into the trust account next financial year?

Mr SHAVE: As I understand it, \$40m.

Mr McGOWAN: No, the one after that. This budget is supposed to show forward estimates for four years. It does not do that. How much more money do you intend putting in that account?

Mr SMITH: As far as DOLA is concerned it is a one-off disbursement. From our understanding that is more than enough for what we need.

[Quorum formed.]

Mr SHAVE: The Auditor General, who does not always give a glowing response to the activities of some of the departments - he does a very good job - reported on this pipeline sale and the provision of the \$40m. That report was tabled in Parliament on 20 May and according to press comments he was complimentary and gave the transaction, including the provision of these moneys, a clean bill of health. I can only say to the member for Rockingham that if he has a concern about this area he might arrange to have a discussion with the Auditor General and I am sure the Auditor General will be able to handle any questions that he has on the issue.

Mr McGOWAN: Was the Auditor General made aware that some of these funds were going to be directed towards extra capacity for the pipeline? Everyone here heard you say that, Minister. Is some of the money going into the Geraldton steel mill?

Mr SHAVE: How the money was provided, administered and disbursed is an issue for the Minister for Energy. I said to the member that this arrangement and proposal was examined by the Auditor General. The member asked if the Auditor General was made aware that some of this money was to be spent in this area. It would not matter whether the Auditor General had been made aware of it; having considered the deal and wanting to do his job in a competent manner - he is a competent person - he would have seen where the money was going. Having done that, he has supported the proposal.

If the member for Rockingham believes he has found a red under the bed and there is a bit of a problem he should write to the Auditor General and alert him to the fact. I suspect the Auditor General is already fully conversant with the way the money is being spent from the sale of this asset.

Mr McGOWAN: On page 679 it shows \$1m allocated to the Harvey rifle range. What is that rifle range?

Mr SHAVE: It looks like another federal government issue. Perhaps it is a Navy issue.

Mr McGOWAN: Maybe it is different from the Swanbourne Rifle Range.

Mr McNALLY: Harvey Rifle Range was the name given to a land development project on the old Harvey Rifle Range. It is under the completed works program. The work has ceased on that job. It is not funded in this proposal.

Division 65: Fair Trading, \$6 883 000 -

[Mr Barron-Sullivan, Chairman.]

[Mr Shave, Minister for Fair Trading.]

[Mr M.I. Bodycoat, Acting Executive Director, Ministry of Fair Trading.]

[Mr M.K. Eaton, Manager, Finance and Assets, Ministry of Fair Trading.]

[Mr C.W. Mitchell, Fair Trading Policy Adviser, Ministry of Fair Trading.]

Ms MacTIERNAN: I read these pages in some amazement because a very rosy picture is set out under significant issues and trends and major initiatives. No reference is made to the crisis that appears to have beset the organisation over the past year.

Mr SHAVE: I appreciate the member for Armadale's comments prior to the proceedings that the department was a fine organisation, and very well run, made up of many hardworking people. I support that view and I am sure that over the ensuing 12 months the fine management and excellent service in that department will continue.

Ms MacTIERNAN: So that those reading *Hansard* do not get the wrong idea I will clarify that the Minister did not convey the sense of irony in my earlier remarks; although I agree that a number of very hard working people are in the department and there are pockets within the ministry that seem to work very effectively. However, there is no doubt there are some very real problems, some of which are structural. They are problems imposed on the department because of a failure by government to deal with some issues of conflict of interest, and because of a lack of resources. There may be other reasons from time to time. There is no reference here to the Smith report.

The CHAIRMAN: You were not here at the beginning when I read out the Chairman's statement; nevertheless, you are aware that if members make their questions short and succinct we will get more answers out of this session.

Ms MacTIERNAN: I agree with you. One of the most intriguing entries in the budget papers appears on page 428 regarding the percentage of customers satisfied with the ministry's services. Compared with the Department of Productivity and Labour Relations' 100 per cent, you are a little more modest by saying that 85 per cent of your customers are satisfied with the ministry's services and that there is 90 per cent satisfaction with response time and 90 per cent compliance with turnabout standards. I want to explore this in some detail because it is contrary to everything I have heard anecdotally as well as what is in the Smith report and the comments in the Settlement Agents Supervisory Board's report about the department and the time taken to deal with complaints. The complaints are not reaching the board. Will the Minister go into some detail about how the department arrived at the 85 per cent satisfaction?

Mr SHAVE: I did not arrive at the figure, the department came up with the hard core figures.

Ms MacTIERNAN: Have we departed from the notion of ministerial responsibility?

Mr SHAVE: You keep saying that but at the end of the day the department has the responsibility of administering the Act on a day to day basis. When it comes to issues such as which customer is satisfied and which one is not it is the department's responsibility. If in the course of proceedings it is brought to my attention that the department

is not operating in a proper or effective manner - that will happen very quickly - it is my responsibility as the Minister to intervene and to endeavour to rectify any problems if there are problems. Interestingly enough, the person who perceives that there are ongoing problems in this ministry is the member for Armadale. Most of the other people who approach me, including members of Parliament, are very supportive of this ministry. I receive many direct approaches from people who are impressed with the way that this ministry is run.

Mr BODYCOAT: Those figures are measures for the whole of 1997-98 compared to measures for 1998-99. Those are the targets which the Ministry of Fair Trading is pursuing and previous surveying indicates that those targets -

Ms MacTIERNAN: It looks as though 85 per cent is the current and the target is 90 per cent.

Mr BODYCOAT: That is right; those are estimates at the time.

Ms MacTIERNAN: Is 85 per cent only an estimate?

Mr BODYCOAT: That is correct.

Ms MacTIERNAN: Do we have any idea of the actual?

Mr BODYCOAT: The actual is in excess of 90 per cent.

Ms MacTIERNAN: Who conducted the survey?

Mr BODYCOAT: The survey was conducted by the Ministry of its own customers. The most recent survey indicates an average result in excess of 90 per cent.

Ms MacTIERNAN: Contrary to the Minister's statement I am not the only person who is critical of the ministry. We are constantly confronted by individuals and organisations who are perturbed by the performance of the department in certain areas. There may be areas that are performing well, but I understand that in areas such as the real estate area, there is not a great deal of satisfaction. How was the survey done? Who did you define as your customers? Which officers undertook it and are the results available for us to inspect?

Mr SHAVE: The member for Armadale suggested that I said she was the only vocal critic of the ministry. I said that she was the most vocal and constant critic of the department. I did not say that she was the only one. However, I said that most of the other people who have contacted me are very supportive of the department.

The CHAIRMAN: I ask all members to direct their questions to the Minister rather than engaging in direct questioning and discussion with advisers.

Ms MacTIERNAN: I understand that, Minister, but when the Minister says it is not his problem but the department's problem, I perceived that as an invitation -

The CHAIRMAN: I understand the reason for your questioning, but under the rules of these Committee hearings and for the sake of Hansard, all questions must be directed to the Minister. If the Minister refers the question to an adviser the member should wait until the adviser has completed the answer and direct further questions through the Minister.

Mr BODYCOAT: I do not have the specifics of that information with me today but I am happy, if the Minister agrees, to provide that information by way of supplementary information.

Mr SHAVE: I am quite happy about that.

Ms MacTIERNAN: Surely in the Ministry of Fair Trading, where the focus is on meeting the expectations of consumers, the perception of the department's performance by its clients is very important? I appreciate that the director might not have all the detail. However, surely this activity is sufficiently important; and, particularly in light of all the criticisms of this department, including reports by Mr Smith - the very large Smith inquiry; in which he recommended that much more effort be put into gauging customer satisfaction - this is not a peripheral, marginal issue.

This is at the very core of your business. The chief executive officer should have more of a grasp of how customer feedback is managed than he is indicating today.

Mr SHAVE: I compliment the member for Armadale on her perception that customer focus is important. I do not agree with her view that the chief executive should have with him a range of statistics and a questionnaire or advice on how the actual survey is conducted. It is unreasonable for the member for Armadale to expect that. The member has followed up her question with a supplementary question which is basically aligned to the previous question. The information she requires can be provided to her and will be.

Ms MacTIERNAN: In view of the centrality of this to the department's operation and of the critical reports that have come out from the Smith inquiry, what does the chief executive officer know - we will get more detail from supplementary information - about these customer satisfaction figures which, according to you, he put into the budget papers?

Mr SHAVE: The executive officer has already told the member that the estimate was 85 per cent and that in fact a recent survey has shown a figure of in excess of 90 per cent satisfaction. I am comfortable with that.

Ms MacTIERNAN: You are comfortable with it, but Minister, you do not know what it is, who the customers are, or how it was done -

Mr SHAVE: The importance of this issue has been recognised by the department by virtue of the fact that it is conducting ongoing surveys. I am satisfied with that.

Ms MacTIERNAN: How can you be satisfied with a number like this when you have absolutely no idea - this is what you are telling us today - what it means, who the customers were who were surveyed, how they were surveyed or what questions they were asked? You do not know whether this figure was plucked out of the air. To say that you are comfortable with this while being unable to answer a single question, without the slightest sign of shame, is an indictment of your management of this department.

The CHAIRMAN: Member for Armadale, I am giving you a lot of latitude on this because it is obviously very important to you.

Ms MacTIERNAN: It is important to the department.

The CHAIRMAN: I prefer that you make them proper questions.

Ms MacTIERNAN: How can you be very satisfied that these figures represent, in any way, shape or form, reality when you have no idea how the figures were drawn, when you have no idea how these figures were gathered, to whom they refer, over what period of time they were gathered and what percentage of customers were satisfied? What gives you this confidence?

Mr SHAVE: The member for Armadale is being quite ungracious in her criticism of me. She does not normally personally attack me in this manner. I receive briefings on all issues related to my portfolio. The Ministry of Fair Trading covers a lot of areas. The questionnaires are prepared in consultation with my advisers. If at any time there are any concerns with regard to the types of questions, the formulation of the questionnaires and all of those sorts of issues, they would be brought to my attention. Not once since I have become the Minister has that concern been raised with me. I do not have a problem. The only person who has the problem is the member for Armadale.

Ms MacTIERNAN: I want to make something clear to you because you seem to have a problem with this. When I am questioning your administration of the department it is not a personal attack on you. You must understand some basic principles of Westminster democracy. You, as the Minister, have a responsibility for the administration of the department. Every time that we raise a concern about the way in which the department is being administered, you claim it is a personal attack on either you or your staff. It is neither of those things, Minister. You really must get that sorted out in your head. We have been to many estimates hearings over the past five days. In virtually every other department the departmental officers or the Ministers - usually the Ministers - are able to provide information about these performance measures because they are now a vital part of the budget papers. There is virtually nothing else in them. We have now a focus on outputs. This is what the Government is telling us. Maybe you did not go to the briefings but the focus is on outputs.

Mr SHAVE: Which briefings are you talking about?

Ms MacTIERNAN: The briefings the Treasury is giving about the new budget papers and the focus away from programs on to outputs. We must focus on outputs. We are saying that you are claiming this over 90 per cent output and asking if you can tell us about it, and you say no. We cannot get even basic information from you. I must say -

The CHAIRMAN: Member for Armadale, rather than say, will you ask a question, please?

Ms MacTIERNAN: Minister, do you really think that you or your chief executive is on top of the activities of the department when you cannot answer a simple question about how you determine your customer satisfaction in the Ministry of Fair Trading?

Mr SHAVE: I will allow my chief executive officer to respond to that question in a minute. When the member originally asked the question, the executive officer answered it quite comprehensively when he said that it is done after a survey of all of the people whom we are dealing with across all of the agency.

Ms MacTIERNAN: He did not in fact say that, Minister.

Mr SHAVE: He said words very similar to that.

Ms MacTIERNAN: He did not.

Mr SHAVE: He did. He said it was done with the agency's customers across the agency. That seems to indicate to me that he is going to the right source to get the information that he requires. Now how he does that, whether it be with 20, 50 or 100 questions, will be determined, not by me as the Minister, but in the agency by the people who are handling these issues on a day to day basis and who are the most competent people to handle them. Although you might like to think that I should be dealing with these issues on a day to day basis, as you will find, when and if you become a Minister, that is not physically possible.

Ms MacTIERNAN: I am comparing your performance to that of other Ministers.

Mr SHAVE: I have been to some other Estimates Committee hearings too. I have dealt with other members asking questions and members who have asked for specific detail, as you have on this issue, have been quite comfortable with getting supplementary information. Quite honestly, they are very reasonable with those sorts of responses. It is quite unreasonable for you to be asking a Minister to provide the sort of detail that you are asking me to provide at this time. Having said all of that, I am quite happy to have my chief executive officer elaborate as far as he can without having all that detail in front of him on the further question that you have asked.

Mr BODYCOAT: The answer that I gave indicated that they were ministry surveys conducted by the ministry itself. Perhaps the information that I did not give was that those were surveys of existing or past clients of the ministry. The detail that I cannot give is the size of the sample or the specific percentages. It is that detail which I propose to give by way of supplementary information.

Ms MacTIERNAN: Can we also get all of the other relevant detail, like the questions that were asked, the methodology, how the clients were selected and whether you sought any professional advice on the cogency of the methodology that you used? What action have you have taken on the recommendations by Les Smith from his inquiry into complaint management by the department?

The CHAIRMAN: Just for clarification, member for Armadale, you are asking the Minister to provide more detailed supplementary information than he agreed to provide a quarter of an hour ago. The Minister previously, in my understanding, has agreed to provide details on the background of how the surveys were put together and so on. Is there anything more specific you wish to ask him about that before I suggest that we move on to another line of questioning; because I am hearing the same questions a number of times.

Ms MacTIERNAN: It is only because it is central to the operation; it is not a marginal issue. I think we said the size of the sample, the way in which the sample was selected, who administered the survey, how the survey was assessed, the statement of the methodology, the questions and whether there had been any advice taken on the reliability of the methodology that was used.

Mr SHAVE: Yes, we are quite happy to provide that information.

The CHAIRMAN: On page 424 the first dot point refers to the implementation of national competition policy. On page 427 the second last performance measure is timeliness and the percentage of competition policy reviews on target with the state plan. Can you give me a broad indication of where you are up to with the implementation of competition policy in the State?

Mr SHAVE: Under the requirements of the Federal Government we are required to look at all of the various operations within the agency which are under the national competition policy. We have allocated time frames. By the year 2000 we must have it completed to be able to do a certain number. Because this agency is handling so many different areas, we have allocated reviews in particular areas for particular times. I will get Mr Bodycoat to let you know the number of reviews that we have done for the current year, what we are proposing to do for next year and what we did last year. There are requirements for things like retail trading hours. If you read this morning's Press, you will have seen that trading hours are a large issue in the retailing sector. That review which is taking place this year will require an overview of trading hours with national competition policy. Once that review has taken place, the Government will draw its response to the proposal.

Mr BODYCOAT: By way of background, each agency was required to provide Treasury's competition policy unit with a timetable for the reviews of all legislation which that agency had identified as having real or potential impacts on competition. The Ministry of Fair Trading's timetable was submitted to the competition policy unit and to date all review programs set out in that timetable have been completed on time. That gives an indication of the basis for the figure given in the column. The reviews that were done in 1997-98 related to the Motor Vehicle Dealers Act,

the Painters' Registration Act, hire purchase, credit administration, employment agents, finance brokers, land valuers, licensing and credit. In 1998-99 five reviews are proposed. Those are reviews of the Bread Act -

Ms MacTIERNAN: The what Act?

Mr BODYCOAT: The Bread Act. It tells people when they can bake bread in country bakeries. The reviews include the Home Building Contracts Amendment Act, the Auction Sales Act, the Retail Trading Hours Act - which this morning's paper has some information about - and the Travel Agents Act. The Travel Agents Act is part of a national review program which is being led by Western Australia and which will result in consideration not only of competition policy aspects of the Act but also the questions of uniformity between the jurisdictions.

The CHAIRMAN: One of the things I was fishing for was whether the item that was in today's *The Australian Financial Review* is included as part of this.

Mr BODYCOAT: It is. The Retail Trading Hours Act review commences with advertisements placed in *The West Australian*, I believe tomorrow. There will be a three month period in which submissions will be taken from interested members of the public. An information session will be conducted on 22 June, which will also be advertised, at which more information about the manner in which the review will be conducted will be provided. In the meantime the advertisements will contain details of ministry contacts and the availability of the discussion paper in relation to trading hours.

The CHAIRMAN: Will that promotional campaign go to regional areas as well?

Mr BODYCOAT: I understand that it is intended that it will, yes.

[Mrs Holmes, Chairman.]

Ms MacTIERNAN: Outcome 2 on page 428 relates to the licensing, regulation, advice and support area. Looking at performance in there, could you explain this: You will recall that the department's annual report was finally tabled in November 1997. The tabled report claimed that the real estate business unit received 563 complaints during 1996-97, yet when that report was printed up, we saw that figure revised downwards. We saw that the figure of 563 had been replaced by the figure of 486, so that the number of real estate complaints had been taken from 474 to 345 and the number of complaints against settlement agents had been taken from 89 to 141. In our trying to assess the performance of these agencies and the number of complaints and resources, can you explain to us why there was a difference between the paper as tabled and the paper as it was printed?

Mr SHAVE: I cannot be specific about the variation or the numbers in this hearing because I do not have those figures in front of me but I am happy to provide them by way of supplementary information.

Ms MacTIERNAN: May I clarify this, because this is an important issue. A document purporting to be the ministry's annual report was tabled in the House. Between the time that it was tabled and the time that it was published, a space of four months, those important figures were amended. Presumably your chief executive officer would have been aware of any amendments that were made post-tabling. I am wondering if you would consider asking your chief executive officer if he could shine any light on how it was that those figures came to be changed.

Mr SHAVE: I have already pointed out to the member that I am happy to have that provided by way of supplementary information. If my chief executive officer has that information here now, that is fine; if he does not, that will be provided by way of supplementary information. My chief executive officer does not have that information here, so it will be provided by way of supplementary information.

Ms MacTIERNAN: I want to clarify this: No-one in your department consulted with you before they changed a document which had been tabled in the Parliament and which it was part of your statutory responsibility to table?

Mr SHAVE: It may well have been that I was or was not consulted. Whatever the decision that was made at that time, I am prepared to provide the information for the member explaining that situation.

The CHAIRMAN: So you will be providing the supplementary information?

Mr SHAVE: I will provide it by supplementary information.

Ms MacTIERNAN: To cut this short perhaps you could indicate to us, Minister, do you know anything about your department? If you could highlight the areas about which you have some knowledge, maybe we could ask some questions, because every time we ask a pretty fundamental question, you do not know the answer.

Mr SHAVE: Once again, the member for Armadale is being quite ungracious in her comments. Nevertheless, I am pleased to advise the member for Armadale that I have a lot of meetings with a lot of the industry groups and with the department on a regular basis. I am undertaking consultation on a day to day basis on a lot of the issues applying

to these businesses. Unlike the member for Armadale, I come from a small business background. I have a fundamental understanding of a lot of the problems that these businesses and different areas have, because I have not had the benefit of being in a sheltered workshop all my life in my business capacity. I can assure her that all of the issues applying to the different areas that are affected by these various legislative decisions I take very seriously. I take a very great interest in the views that are put to me by the various groups. I acknowledge the views that are put to me by the department on a lot of the proposals that are put before me. However, at the end of the day I endeavour to make balanced decisions. In short, having made those few comments, I assure the member for Armadale that I do take a keen interest in the affairs of my department on a day to day basis.

Ms MacTIERNAN: I find that surprising, Minister. I would have thought that perhaps you might have absorbed a little more detail than you have. You say that you take advice from your department and from the groups that approach you. An area of concern is the settlement agent industry, the licensing of settlement agents and the conditions that relate to the regulation of settlement agents. Given that we have got these competing figures in the tabled report and your published report about the number of complaints received against settlement agents last year, is the figure 89 or is it 141? Do you have knowledge of that?

Mr SHAVE: I thought I had clarified this point as a result of the member's previous comment on complaints. I do not have all of those figures in front of me because I have nearly 20 different areas to look at.

Ms MacTIERNAN: Perhaps your chief executive officer may have them?

Mr SHAVE: He may have them but if he does not have them, it is not unreasonable for him to provide them by way of supplementary information.

Ms MacTIERNAN: Although I do not have staff to do this, I managed to find them; but perhaps your chief executive officer has them.

Mr SHAVE: He may care to comment on the comment you have made. If he does not have the answer to the question you have asked, he will provide it by way of supplementary information.

Mr BODYCOAT: The specific number of complaints against settlement agents are not issues which are recorded in these documents. Those are details that I would be required to provide by way of supplementary information.

The CHAIRMAN: Supplementary information will be provided.

Ms MacTIERNAN: Thank you. Perhaps I could provide them by way of supplementary information because I have managed to obtain them. There has been an increase. I know you are keen, Minister, to ensure that your department is performing.

Mr SHAVE: Caring and understanding.

Ms MacTIERNAN: Caring and understanding and on the ball, as always. If I could read the number of complaints to show you the pattern, because I do not want you to think that we are talking about only a single year, starting off in 1992-93 there were 38 complaints; the next year, 42; the next year, 54; the next year, 64; and last year they more than doubled to 141. I want to know if this massive jump in the number of complaints against settlement agents - which is even more extraordinary in the context of the marked decline in the number of real estate transactions that have taken place - has been observed and noticed by the department in preparing its statistics. If it has noticed it, what action have you taken to deal with it and what efforts have you made to determine what might be the cause of this problem?

Mr SHAVE: I do not have the break up of the number of complaints here.

Ms MacTIERNAN: I wonder if I could give you a copy?

Mr SHAVE: If you have got a copy, you will have a break up of the individual number of complaints. Although not having it in front of me, I suspect that some of the complaints may revolve around one settlement agent with a multitude of complaints relating to one particular instance. That may occur in two or three cases. When the member gets the information in a detailed manner, as we are prepared to provide it, she will be more than comfortable with the situation.

Ms MacTIERNAN: Were you aware of this doubling and have you been made aware of the causes for it?

Mr SHAVE: I am aware that there have been complaints, and in some cases across all of these various Acts that I administer -

Ms MacTIERNAN: No, are you aware that the number of complaints against settlement agents has more than doubled in the past year?

Mr SHAVE: I do not have the figures in front of me. I make the point that I made before: When the member says they are complaints against settlement agents, I suggest that it is probably a case of a multitude of complaints against particular settlement agents. That may or may not be the case.

Ms MacTIERNAN: You do not know; you are just speculating at the moment, is that right?

Mr SHAVE: We are getting back to where we were when we started this discussion, when you were asking me for particular detail relating to complaints within the department. What I am told, and have been told on a regular basis, is that the number of complaints against settlement agents in relation to the number of transactions that they undertake is very, very low. Furthermore, the department has told me that in its view the settlement agents provide a very worthwhile service to the community. It has also told me that the number of complaints for the number of transactions undertaken makes the settlement agents' profession and its delivery of service comparable to and as good as other areas. Having said all of that, and although I am pleased with the way that 95 to 100 per cent of settlement agents behave, there will always be some problems with isolated cases. If the member can convince me that there is a crisis in the industry, as she often suggests there is, then I will look favourably at rectifying the problem. At the moment she has not done so. Until that occurs, I will not be publicly denigrating, either inside or outside of Parliament, an industry and a group of people who behave in a very professional and proper manner.

Ms MacTIERNAN: This line that I am denigrating someone every time I ask you a question does not wash. I was at a dinner the other night where you were publicly berated by the Australian Institute of Conveyancers because of your refusal to take up the concerns of the settlement agents. The settlement agents of this State are the people concerned about what is going on; not those who want to demean or denigrate the settlement agent industry. I agree with you that the settlement agents are an excellent group. They provide competition for the legal professional and they do it well. They have reduced the cost of conveyancing. Put that rubbish aside. Those lines are wearing thin. Let us get down to the guts of it. Do you agree that the Australian Institute of Conveyancers, the Independent Settlement Agents and the Settlement Agents Association of Western Australia want - and have been begging you since you took this job - to do something about the conflict of interest? Is it not also the case that since March 1993, your Government has continued to defer and dillydally setting up a discussion paper, a reference group or working groups in order to defer making a decision on this issue? Where is this reference group - the one that has been in place since November 1996 - dealing with the conflict of interest problem? All the professional groups say it is a major problem in the operation of the conveyancing industry. What steps have you taken? Give me one single measure that you have adopted to deal with these endemic problems of conflict of interest.

[Mr Bloffwitch, Chairman.]

Mr SHAVE: The nitty gritty of what the member for Armadale wants the Government to do is to change the existing system where real estate agents can be involved in the delivery of settlement agency services.

Ms MacTIERNAN: That is just one aspect of it.

Mr SHAVE: I suggest that is the principal area of concern of the member for Armadale. The issue the spokesperson for the conveyancers raised at the dinner the member spoke about was not discussed with me prior to that meeting. The person concerned used the forum as a platform for her delivery; it is a wonderful rallying force for speaking to your troops,. When I was in Bangladesh recently, the Minister for Lands came from the farming community. In Bangladesh, 85 per cent of the voters live in the rural areas and he made the point that his constituents loved him. He said, "They just absolutely love me here". When he gave his delivery, it was inspiring and politically beneficial to him. In my addresses I said, "It's true, they all love you". I would not suggest that my constituency feels that strongly about me.

The CHAIRMAN: Members, we are in danger of losing track of the Budget altogether; we are supposed to be dealing with financial aspects and outputs.

Ms MacTIERNAN: This is an output.

The CHAIRMAN: Perhaps in a broad sense it could be an output but we are going down a lot of lines.

Mr SHAVE: While it was her right, the lady representing the conveyancing industry could have taken a different approach rather than using the dinner as the forum to discuss that issue. She could have taken the issue up with me prior to the meeting. That would have been a better way of handling it. Notwithstanding that, I recognise that they are concerned. They are concerned about some of the people in the reference group, including the real estate industry. There is another way of handling the issue and at that dinner I offered to meet with the person concerned. I said during my speech that if their group wanted to make an appointment to discuss the matter with me, if they are uncomfortable with some of the people in the reference group, then I am happy to talk those issues through. However, it is more prudent to have people on the reference group who are directly affected by the decisions being

made rather than keeping them outside the group. If the Government decided to remove the real estate people from the reference group then it would still consult with those real estate people because that is prudent and proper.

If the group comes to the Government with a proposal that is acceptable to the Government then the Government will support that position. I am happy to discuss all of these issues. I have made the offer. I know there is a conflict between groups in the settlement industry. As I said in the speech, it is no different in the liquor industry. You have the hotels wanting to take business off the bottle shops, the bottle shops do not like the hotels. Within every industry in business people are competing for a certain share of the pie; everyone is competitive and that is the way it should be in small business. However, the Government will make decisions which are fair and proper and consider the welfare of all the parties involved, including consumers. At this point, no one has convinced the Government that the service provided by settlement agents, attached or not to real estate businesses, is causing a great problem for people. I have used settlement agents who are attached to real estate agents in property transactions and those who are not. We will go through the process, listen to what the reference group says and make sound decisions. We will not jump off the board tomorrow and make decisions quickly or in haste when they should be made after proper consultation as they affect everyone's livelihood. I take exception to the member for Armadale's suggesting that, because we have been consulting since 1993 and undergoing a process of consultation, it has been to the detriment of the industry or to the detriment of people involved in settlement transactions, because it is necessary to look at all these things thoroughly. We are doing that and it is a sensible approach. Having made all of those points, I ask Mr Bodycoat to comment on where the reference group is at this point because that question was also asked by the member for Armadale.

The CHAIRMAN: I remind members that at the start of these meetings we ask for questions and answers to be of a short duration. I ask that we redirect ourselves back to that spirit.

Mr BODYCOAT: The reference group continued to meet during 1997 and has developed a new set of standard disclosures of interests by settlement agencies. In conjunction with that, it is reviewing the procedures for the appointment of settlement agents and has developed a proposal that a prescribed form of appointment should also be used by industry participants at the same time as the disclosure of interest form will be presented and should be used. The intention is that the knowledge of individual members of the public using settlement agencies will be improved by their knowing that there is some other interest in the settlement agency on the first part and by them having certain disclosures about what settlement agents are supposed to be doing for them.

Ms MacTIERNAN: I am pleased to see that it is acknowledged that you have been looking at this since March 1993 and that we are now talking over five years. Minister, no one could accuse you of acting precipitately on this one. Five years and not one measure! We now know there are disclosure documents and I gather from people on the committee that you have had these documents for some time. Bearing in mind that you have been looking at this issue for five years and three months and not come up with a single measure, when can we expect to see any action on this conflict of interest? When will we see something coming out of the myriad discussion papers, reference groups and working parties?

Mr BODYCOAT: Parliamentary counsel has been instructed to draft the necessary changes in relation to the gazettal of the first form I referred to; that is, the disclosure of interest form. The reference group will shortly report to the Minister and seek his approval of the second form; that is, the appointment form. Subject to the Minister's consent, the same process would be pursued and it would be referred to parliamentary counsel for further action.

Ms MacTIERNAN: I am just keen to get this happening. Can you tell us approximately when this was referred to parliamentary counsel?

Mr BODYCOAT: I cannot provide that, I am sorry.

Ms MacTIERNAN: A month, two months, three months?

Mr BODYCOAT: I would be estimating. I am happy to provide it by way of supplementary information.

Ms MacTIERNAN: I think we all agree that there are a small number of complaints in terms of the overall industry but obviously a rapidly increasing number of complaints.

Mr SHAVE: I have never heard you say that before.

Ms MacTIERNAN: Perhaps because you were not listening. This is the annual report of the Settlement Agents Supervisory Board. I recommend that you read some of these comments; you will find them very instructive. The report indicates that it takes the same view, that in light of the total numbers of real estate and settlement agent transactions, the number of complaints is relatively low. I want you to listen to this point, Minister, because we have struggled to make you aware in Parliament that when problems do occur they can involve significant losses to individual consumers because of the value of the transactions. Do you agree that often we are talking about losses

in terms of tens, if not hundreds, of thousands of dollars? Are you aware of the level of moneys which tend to be lost when a problem occurs in these transactions?

The CHAIRMAN: Does the real estate fidelity fund for these things cover settlement agents transactions as well?

Ms MacTIERNAN: It is a separate fund.

The CHAIRMAN: Does it cover that?

Mr SHAVE: The member for Armadale has answered your question. I am fully aware that when the real estate transactions are involved very often the asset involved is the principal asset of one of the parties or the affected party in the transaction. Whether the figure is \$10 000 or \$50 000, depending on the transaction, it can have major implications for the people involved. There is no question about that.

Ms MacTIERNAN: The board expressed concern that when investigated the complaints then go to the board. It is important that you understand this in terms of the administration of your department; you would be aware, Minister, that your ministry actually investigates the complaints.

Mr SHAVE: I might add that the ministry does a very good job of those investigations.

Ms MacTIERNAN: What the board had to say about this is interesting. It said very little data was available to it and the critical information about the time taken to deal with an investigation file is unknown. This is the board responsible for supervising settlement agents. This is what it is saying about the performance of the ministry. The board finds it difficult to become involved in this issue because its members sit on inquiries and need to remain distant from investigations. It has observed an emerging trend in which only investigations of a minor nature appear to proceed to inquiry and the board is not required to consider the more serious complaints.

We received feedback from the board when we raised some of the most extraordinary cases in Parliament; cases like Mr Jose and Myra Parker. The board members do not know anything about them. The cases have never reached the board and the board itself is saying it has a problem; all it is seeing is minor, routine breaches of technical requirements of a trust. Are you concerned about that? When you read that - and I am presuming you did read it - what was your reaction? What are we going to do to ensure that the board has this information and that these major complaints reach the board?

Mr SHAVE: The member for Armadale is getting into the area of specific complaints, such as the Jose case.

Ms MacTIERNAN: It was just an illustration, a little like the Bangladesh thing.

Mr SHAVE: Some of these cases are very complex and, like all matters relating to criminal or other types of prosecutions and legal issues, they take time and you have to be thorough when you investigate these matters. I have to be guided by the ministry on any individual concern I might have for the way investigations are handled or the length of time it takes to handle them. If I start saying to the industry that I am not happy that it is undertaking this investigation because it is taking too much time, we get back to the issue of being thorough and fair and understanding all of the issues involved. I am quite confident that the ministry endeavours to get these issues resolved as quickly as possible. The member for Armadale has raised this same issue with me on a number of occasions in question time and during other debates since I became the Minister. I have raised her issues and concerns with me with the ministry. It has assured me that it is dealing with these issues as expediently as it can and, quite clearly, it is in its interests to do so. What I am not prepared to do is to say to the ministry, "I want results quickly", because sometimes people make mistakes when they move too quickly.

Mr BODYCOAT: The Real Estate Industry Business Unit - which is part of the Ministry of Fair Trading - services both the Real Estate and Business Agents Supervisory Board and the Settlement Agents Supervisory Board. It now reports monthly on the compliance activities. This includes reports to its general manager and, in turn, to the boards through their agendas on the compliance activities and these kinds of investigations.

Ms MacTIERNAN: Has that changed since this report was written?

Mr BODYCOAT: As I understand it that is the 1996-97 annual report and the change has occurred since that report was written.

Ms MacTIERNAN: Can you detail what you are doing?

Mr BODYCOAT: The Real Estate Industry Business Unit reports monthly on its compliance activities to its general manager and the contents of those reports are included in the board's agendas for the relevant month.

Ms MacTIERNAN: Have we addressed this problem? Are we getting the major cases and not just the technical breaches up to the board now? How many complaints have been referred to the board in the last financial year? Are

you able to separate those which have been generated by consumer complaints, because that is what we are concerned with, from those which have been generated by conducting the routine auditing of the trust accounts?

Mr SHAVE: I would be surprised if my executive officer has that detail here.

Ms MacTIERNAN: I would not expect to have that detail.

Mr SHAVE: I am happy to provide it by way of supplementary information.

The CHAIRMAN: Are you happy that you can provide that information within seven days ?

Mr SHAVE: Yes, Mr Chairman.

Ms MacTIERNAN: There seems to be a problem with the lack of resources. We are aware of numerous cases, some that I have referred to you, which have been outstanding since 1991 and there are other cases. I will raise one with you and I will bring in the point Mr Chairman made because it is important to understand that, until the board has acted, the people who have lost their money as a result of the defalcation of a settlement agent cannot access the fidelity fund. There is a fidelity fund but it is of no use because it is not possible to access it until the department deals with the matter. Obviously, this is the problem with the Real Estate Board as well. How much have we accumulated in the real estate fidelity fund?

Mr SHAVE: Are you asking me?

Ms MacTIERNAN: Yes.

Mr SHAVE: Are they all the issues that you want to raise with this question? You would like to know lack of resources, action on files outstanding since 1991 and the -

Ms MacTIERNAN: Are you familiar yourselves?

Mr SHAVE: You also want to know the technicality of the fidelity fund in terms of -

Ms MacTIERNAN: I want to know how much you have.

Mr SHAVE: Prior to that, you asked the question about access to the fidelity fund.

Ms MacTIERNAN: I understand access to that.

Mr SHAVE: You want to know just the fund. If the government had more money to apply in this area it would apply it, as it would in education. It is unfair to ask one of my staff about a lack of resources. The reality is that everyone has to work within budgets and if we had another \$500m a year to put into health we would put it in. I am confident that the ministry is able to operate in a proper and efficient manner with the funds provided. I do not have the number of cases outstanding since 1991. I suspect it is minimal, not even perhaps in the dollar figure but I suspect that a lot of those problems are related to litigation, legal actions and matters being held up within the judicial system. I do not have the amount of funds in the fidelity fund but I do not have a problem if Mr Bodycoat is able to provide that. If he has the figures in front of him he might also care to address the number of cases outstanding since 1991 and perhaps give an overview of why they are outstanding. He may disagree with me on that, but my view is that if any case is outstanding it is not as a result of negligence on the part of the ministry, but a result of the legal impediments to achieving a resolution of the problem.

Mr BODYCOAT: I can immediately provide information about the state of the Real Estate and Business Agents Fidelity Guarantee Fund. As at the end of April, it held \$21.8m.

Ms MacTIERNAN: Do you know the other fund?

Mr BODYCOAT: I do not know the other fund.

Ms MacTIERNAN: Is it around \$8m?

Mr BODYCOAT: That figure sounds correct but I will provide that by way of supplementary information. The information I have about the number of claims is that there is notification as against the Real Estate and Business Agents Fund of 53 potential claims.

Ms MacTIERNAN: What about the settlement agents fund?

Mr BODYCOAT: I am unable to provide figures for the settlement agents fund immediately but will do so by way of supplementary information. I will provide details of outstanding complaints since 1991 and can do so within seven days.

Ms MacTIERNAN: Yes. I am interested to know about the fidelity fund because the figures seem odd. In relation to the settlement agents fund - and I guess this is even further evidence of the fact that perhaps you are not appreciating the degree of the problem - you say that you have 53 applications, yet the settlement agents' report states that in the last year alone 61 claims have been lodged against the Fidelity Guarantee Fund.

Mr SHAVE: You will find that quite a percentage of that is as a result of the actions of one or two parties.

Ms MacTIERNAN: You are not sure of that.

Mr SHAVE: I do not have that figure in front of me, but we are happy to provide that information for you.

Ms MacTIERNAN: That indicates the level of complaint. This is an important issue because the draw from these funds is accumulating rapidly. Do you have any figures on the amounts that have been paid out in the past year?

Mr BODYCOAT: These figures relate only to the Real Estate and Business Agents Fund. I will have to provide the figures about settlement agents by way of supplementary information. My understanding is that in the past 12 months seven claims totalling approximately \$100 000 have been approved.

Ms MacTIERNAN: They have been approved but not paid?

Mr BODYCOAT: I cannot answer whether they have been paid.

Ms MacTIERNAN: Seven claims have been paid. Does that mean 53 claims are outstanding?

Mr BODYCOAT: Those are 53 possible claims. I should point out for the benefit of the committee that a claim or possible claim is a different thing from a successful claim and the conditions that relate to payment on these claims are quite stringent.

Ms MacTIERNAN: Absolutely. That is why we are seeing this accumulation. Speaking to a number of property lawyers around Perth who are acting for people who have been the victims of either settlement agents or real estate agents, there is a very real concern about the way in which the ministry is handling these complaints, as I said; about the ministry's failure to bring the complaints to any finalisation and get them to the board - and we are not blaming the board because, quite clearly, these matters are not even getting to the board. I have a case set out here and I know that they have been attempting to make an appointment to see you about it. Mr Harry Cohen is 91 years old and the allegation is that he has been the subject of a massive real estate fraud. His lawyers have sent details of the sections of the legislation that have been breached to your departmental investigators. Unfortunately, your officers appear once again to have taken the view that because the fraud squad is involved and is simultaneously investigating the matters, it is not prepared to act in relation to this matter to bring the real estate agent, or the settlement agent as the case may be, before its respective boards for disciplinary procedures. The delays in the courts and an investigation means that it may take six or seven years for a fraud case to reach trial. If your department continues to take that action, refuses to act to administer its own legislation, and in that way refuses access to the fidelity fund, you are imposing obligations on people that simply are not written in that legislation.

Mr SHAVE: The department is not taking that action of refusing. The department must weigh up what is in the best interests of the person who has been victimised or may have been victimised. Very often it is better to let a court proceeding take place prior to the board taking direct action or having a hearing and if a court hearing is in place there may be certain things that people might like to raise in those hearings that are sub judice and it may not be in the client's interest. That is the position that has been put to me by members of the ministry and I understand that. The member for Armadale is making the allegation that the ministry is not acting quickly and that there is widespread concern. The member for Armadale made the point a short time ago that people from the Real Estate and Business Agents Supervisory Board are not being kept informed about what is going on with these cases. My chief executive made the point that they were; they were given monthly advice.

Ms MacTIERNAN: We do not know what that advice consisted of. Perhaps we can have a sample?

Mr SHAVE: In relation to the cases outstanding, if the board has a problem it should write to the ministry and ask for detailed information and we will provide it. It is not good enough for members of the board to say they are being kept in the dark, if that is happening - and I do not suspect it is. You say they are being kept in the dark.

Ms MacTIERNAN: I am just quoting their words.

Mr SHAVE: They have the opportunity to receive whatever advice we can give them and what is appropriate and we will continue to do so. I am more than happy, the member for Armadale's having raised this as a particular area of concern to her, to have further discussions - I am sure there are ongoing discussions about this between the ministry and the board - and for Mr Bodycoat and others to meet with the chairman of the board. If there is a way of improving that line of communication, I am quite happy to have that happen.

Ms MacTIERNAN: You do not seem to be getting to the basic point. The problem is that the investigators are taking a particular view about these issues. The classic example was the case of Mr Colin Kiely. Because the Fraud Squad was involved, the investigators would not finalise their investigation, even though it was more discrete matters that involved the performance of the real estate agents, matters that were subject only to the civil standard of proof and not the criminal standard of proof, and they are waiting years for this matter to be dealt with by civil litigation.

The whole point of having the board, the sorts of remedies and the fidelity funds there were to enable people to have access, rather than for them to have to take expensive litigation in the Supreme Court. You are effectively cutting off that access to the fidelity funds. That is why we are seeing a situation in which these fidelity funds are worth about \$30m. About \$150 000 at the most is going out each year because people cannot access them because your investigators will not bring the investigations to a conclusion and will not bring the real estate agents and the settlement agents before the board. Because they do not do that, no one can progress their claims for compensation. People like Myra Parker, who is 74, must get a job to pay off her mortgage because your officers will not bring the investigation to a conclusion and will not bring it before the board. Therefore, she cannot access the fidelity fund.

Mr SHAVE: What the member for Armadale has said is not correct, in my view. I do not have the details of the Myra Parker situation in front of me, but the reality is that we had about three investigations or three different overviews on the Myra Parker situation. At the end of the day the circumstances in which she was involved did not allow her, under the Act and on the advice we had, to access the funds. The ministry has no desire not to allow people to have access to those funds. The funds are there. If people have a right to the money under the legislation, there is no interest, from a government point of view, in withholding their right to have access to it. It is in the Government's interest to ensure that that can happen, but the legislation has been framed in a particular manner and people must work within that legislation by changing the legislation to allow further access. That is something the Government is always prepared to look at, but then you must look at why the fund was originally established and what constitutes a legitimate claim.

The sorts of problems include people going into land deals on a joint basis with people or people lending money to other people to invest for them, then losing that money, and saying, "We want access to the fidelity fund because there has been a breach". The lawyers have to look at that and say whether it is a breach in terms of the Act when someone acts for someone as an agent and has taken the money, or whether that person has been silly enough, or unfortunate enough, to trust a real estate agent and gone into a property deal with them and put some money into the deal without having the proper safeguards. If we start allowing people to access the fund as a result of their being in a partnership or business venture with real estate agents - if you think \$21m is a lot of money, it will be gone in about three weeks because everyone will want access to that fund because it was given to someone else who was a poor unfortunate person, a pensioner or someone with whom we could have sympathy.

Ms MacTIERNAN: I am not saying that.

Mr SHAVE: Member for Armadale, let me put it clearly on the record: In all discussions that I have had with the department I have asked that wherever possible, in all circumstances, when people have a right to access that fund, they have access to it and that we assist them wherever possible.

Ms MacTIERNAN: Are you happy with the quality of legal advice that you are receiving from your department in relation to this? If I were able to produce a number of these cases which your department has not been prepared to refer to the board, would you obtain some independent legal advice? I think part of your problem is that there is a misunderstanding in your department from the legal advice it is receiving about the way in which it should handle these matters.

Mr SHAVE: I am satisfied that the people who give the legal advice from the department do so to the best of their ability. If the member for Armadale wants to provide different legal advice to the advice that is given in particular cases that have been determined by the ministry, I am happy to have Crown Law look at that advice with a letter from myself saying that this is a view that is being put to me and I would like an open view, which I expect I would receive, on the determination of the merits of the case by the two groups. If Crown Law suggests that there is merit in what the member for Armadale has said, I am happy for people from Crown Law to liaise with my people and discuss the possibility of reassessing their method of evaluation. I do not have a problem with that at all.

Ms MacTIERNAN: Thank you, Minister. This is not a problem relating to only a couple of individual cases, this is a systemic problem that I see in the Real Estate and Business Unit.

Mr SHAVE: It would be irresponsible of me if I did not take it up with Crown Law if you have that concern.

Ms MacTIERNAN: One of my concerns is the way that the officers are dealing with the problems. There are some excellent people within that unit. Because of resources, sometimes things appear not to be acted on in a timely

fashion and problems get worse. Sure Sale was one of those clear instances, and that will be litigated. Your officers were concerned very early on that action was not taken rapidly to deal with it and the problem escalated. More of these problems will arise. For example, a formal complaint was made by the Settlement Agents Association to your department on 16 January about a subdivision in the Parkridge estate in Bunbury. I am giving this as an illustration of how not dealing with things can create a problem. The purchasers, and generally it is fairly low income earners, were being offered rebates as part of the land package deal. The purchasers had to use a settlement agent that was prescribed by the vendor. There is strong prima facie evidence that that settlement agency, Harman Settlements, would have been in breach of the provisions - modest though they are - of the Settlement Agents Act. It took four months before a response was received by the institute about this problem which is ongoing; the sort of problem in which big conflicts of interest arise and settlement agents receive kickbacks. It is not a past problem, it is a current problem. Four months later they receive a letter which says, "Thank you for your letter, we're really busy, we've got too much work on, we'll get back to you sometime later." Another month or so on and they have heard nothing more. Here is a problem that is current and is expanding because more and more lots are being sold, yet five months down the track it appears that no action has been taken.

The CHAIRMAN: With what part of the Budget are we dealing?

Ms MacTIERNAN: We are dealing with output 2 on page 428, "Licensing, Regulation, Advice and Support", which is to create a commercial environment, developed through consultation and cooperation, in which businesses and consumers operate in ways which are fair and competitive.

Mr SHAVE: I do not suspect that the letter the people received was quite as the member for Armadale expressed, saying, "We're too busy and we can't do it".

Ms MacTIERNAN: As yet.

Mr SHAVE: Unless she can provide that letter for me, she is probably flowering the issue a little, which she has the capacity to do at times. Notwithstanding that, I do not have the detail on that particular transaction. I am happy to have my department give me a briefing and advice on that particular issue and I am happy to provide a copy of that briefing by way of supplementary information for the member for Armadale.

The CHAIRMAN: Supplementary information will be provided.

Ms MacTIERNAN: You appreciate that I am saying that some issues will escalate and become much bigger issues if they are not dealt with at the time. It is a question of being able to respond sensibly.

Mr SHAVE: I appreciate that that can be an issue. I am not convinced on the advice that you have given me that the department has not acted appropriately or in a reasonable manner.

Ms MacTIERNAN: What is the total number of staff in the Real Estate Business Industry Unit?

Mr BODYCOAT: My recollection is that the staffing level in the business unit is currently 44. It may be one either side of that.

Ms MacTIERNAN: There seems to have been quite a turnover, certainly of the people who have been involved in investigations. Are any of these names wrong: Jenny Bunbury, Will Morgan, Bailey Compton, Michelle Ahearn, who is the board administrator, Allen Tenger, Neil Stockton, Gary Wallace and Tony Kyriacou? I understand Mr Miller is off on stress leave. What is going on in this unit that so many people, either investigators or senior policy people, are moving?

Mr SHAVE: Mr Tenger is still in the ministry.

Ms MacTIERNAN: Some are still in the ministry, but have been moved out of the real estate area.

Mr BODYCOAT: Not all of those people were ever in the Real Estate Business Industry Unit. Some of them work in areas of the ministry which are directly or indirectly related because of common policy interests but they are not all members of the business unit.

Ms MacTIERNAN: I appreciate that. Are people like the legal officers, for example, in the unit?

Mr BODYCOAT: Some are, but I do not recall the ones to which you referred.

Ms MacTIERNAN: These appear to be corresponding with people who had complaints; Mr Compton and Mr Kyriacou.

Mr BODYCOAT: Mr Compton and Mr Kyriacou were members of the staff of the Housing and Real Estate Policy Directorate which is a different part of the ministry. There is some regular operational contact between the two.

Ms MacTIERNAN: There has been quite a turnover of the people who seem to be directing the operations of these investigations.

Mr BODYCOAT: I cannot comment specifically on the reasons for the turnover, but there is always a turnover in any agency.

Mr SHAVE: Mrs Bunbury was one of the corporate executives and not actually a lawyer within the business unit.

Ms MacTIERNAN: I am not suggesting all these people are lawyers. How many investigators do you have on board now in the real estate unit, and how many of those are substantive appointments?

Mr BODYCOAT: I will provide the specific detail by way of supplementary information, if the Minister agrees. Approximately six investigators are currently in the business unit.

Ms MacTIERNAN: Do you say "approximately six" because there is some ambiguity about the number of approved FTEs?

Mr BODYCOAT: No, it is a simple case of not being able to recollect exactly how many investigators are employed in the unit.

Ms MacTIERNAN: You do not have that detail in your file?

Mr BODYCOAT: I do not have that specific detail with me.

Ms MacTIERNAN: Do you have any idea of how many of those are substantively occupying their positions?

Mr BODYCOAT: Not offhand. It is not the sort of detail I expected to be asked for in this committee.

Ms MacTIERNAN: You obviously did not read the report of last year's Estimates Committee. Some of the legal advisers who provide advice on these real estate matters are in the real estate business unit and some are outside. Can you explain how that operates?

Mr BODYCOAT: Some legal officers are engaged directly by the business unit but on some occasions, for reasons related to the sensitivity of an issue or the perception that it may be too close to the board and that later the board may not be seen as independent, the advice may be given by another legal officer in another part of the ministry.

Ms MacTIERNAN: Can I have a list of the legal advisers and the positions they hold? I am trying to get an understanding of how these various units are interrelated.

Mr BODYCOAT: If you are prepared to take it by way of supplementary information.

The CHAIRMAN: Supplementary information will be provided.

Ms MacTIERNAN: When we were debating the recent real estate legislation, reference was made to the persons on the board and the role of Mr David Dawes, who is the new chair of the real estate board. There has been some suggestion that Mr Dawes may not be continuing in that position. Is there any truth to that?

Mr SHAVE: Yes, there is. When Mr Dawes took the job, for a number of personal and health reasons he was looking for a position that would require him to devote a certain amount of time to that position. However, he found that the workload was considerably higher than he had anticipated. Therefore, after discussions with me he suggested that it might be better from his point of view, for health and personal reasons I think related to spending time with his family, that he not stay on as chairman. He indicated to me that he enjoyed the work he was doing and would like to remain involved, but because of what he perceived as a need for an increased level of input from the chairman, he would prefer to continue as a deputy; that is, he would be available to undertake some work. I am very happy that he is prepared to continue to contribute, and we will look for another chairman to undertake that role.

Mr Dawes also raised the issue of the level of remuneration for someone competent to fill the position. The level of remuneration must be reasonable and perhaps increased. I share that view and it is an issue the member for Armadale raised during debate. In fact, I indicated during that debate that I would be looking at the remuneration being paid. That is occurring at present. There will be an increase in the remuneration for the incoming chairman, and I am very pleased that Mr Dawes will continue to be involved when the new chairman takes over. That is the essence of the matter. As far as the health and personal issues are concerned, I do not think Mr Dawes has any major health problem, so I do not want people to be alarmed; nor do I want to comment on that, other than to say he is 58 or 59 years of age and that is his preferred position. I think one of the reasons he left the bar was because he wanted to wind down his activities. I respect his rights and his views, and that is the decision he has made.

Mr McGOWAN: The Fair Trading portfolio encompasses trading hours. We read in the paper today that some sort

of review is currently being undertaken. What is the Government's position on the liberalisation of the trading hours at the moment?

Mr SHAVE: The Government has stated that it will not change any trading hours until the review has been undertaken. That is the public position I have taken ever since the last election and prior to the last election. It would be irresponsible of me to pre-empt the Government's decision, arrived at as a result of that review, in response to the proposals or the arguments that are put up. Until that happens, I will not comment on any changes to trading hours, other than to say that at this point, as the Minister, I believe that the current trading hours appear to be effective and reasonable, and to take into account the positions of all the groups involved in retail trading. I was pleased to read in this morning's *The West Australian* that the number of small businesses operating in Western Australia is considerably in excess of the number operating in other States, where there has been a rapid deregulation of the trading hours. That is an argument the small retailers have put forward over a long period. From my observations of the industry, it is quite a reasonable argument. Having said that, I do not propose to pre-empt the Government's decision after the review.

However, I am pleased that a lot of small businesses are flourishing in this State. Those businesses are affected by decisions relating to trading hours, and they could be adversely affected if the Government significantly deregulated trading hours in the future. I also recognise that a lot of those small businesses - the figure is quoted in *The West Australian* - are struggling and battling to provide a service in the current economic climate, in which people have reduced retail spending power as a result of a number of factors. Those people who have not read the paper this morning should look at the photo of the small deli owner who is struggling to continue to provide a facility to the people within his particular locality. I have considerable sympathy for him with the problem he faces. Before this Government makes any decision to change the trading hours, a long and thorough process will be undertaken. Everyone, including the small people, will have every opportunity to put their case forward. I think my record as a Minister shows that I have always held that view, but I will look at the review with an open mind.

The CHAIRMAN: Member for Rockingham, to what part of the budget documents are you referring?

Mr McGOWAN: At page 424 reference is made to a commercial environment which maximises competitive opportunity. I think that relates to trading hours. The Minister said he did not want to pre-empt the review going on at the moment. How many reviews has the department conducted on this issue in the past?

Mr SHAVE: I do not have that detail in front of me. It has been an ongoing debate on a regular basis between the parties concerned.

Mr McGOWAN: You should know how many reviews you have had.

Mr SHAVE: The review is taking place because it is a requirement for the Government to do so under the national competition policy. It is not something the Government just decided to do. This review is taking place with regard to all the Acts. We do not have any details about previous reviews, but I am happy to provide that information. Irrespective of whether previous reviews have been undertaken, this review is being conducted as a result of a federal government requirement.

Mr McGOWAN: I would like that detail provided as supplementary information. Bearing in mind that this issue has been debated for as long as I can remember, there have probably been many reviews. I expect this is another review on top of a range of other reviews.

Mr SHAVE: Reviews on retail trading hours, either formal or informal, are going on every week and every month, and particularly before elections.

Mr McGOWAN: We are nowhere near an election at the moment.

Ms MacTIERNAN: Unless the Minister knows something we do not know. Is it part of the move for the big job? The Minister knows he has the full support of the Opposition.

Mr SHAVE: Why would we want to change a Premier who is so highly regarded by the public, who has reduced the State's debt from \$8.5b to \$4b, and whom I totally support?

Mr McGOWAN: We are talking about the Deputy Leader of the Liberal Party.

Mr SHAVE: If the member for Armadale is holding out her hat, along with a few Independents, on the basis that I might have any interest in the Premier's job before he is ready to go, she is sadly mistaken. People may not have told the member for Armadale that I was one of the people who supported him into the job, so I am very comfortable with the fine job he is doing.

Mr McGOWAN: The Minister said a moment ago that it would be irresponsible to pre-empt the findings of this

report and to make any moves with respect to the whole trading hours issue. Does that apply also to the various areas that are permitted to trade outside normal hours? The retailers in some geographic areas are permitted to trade at the moment on certain days when those in other geographic areas are not.

Mr SHAVE: I assume you are talking about regional areas.

Mr McGOWAN: No, even in the city. Fremantle and Perth are permitted to trade on Sundays, and other areas are not.

Mr SHAVE: Yes. The tourism precincts now provide a service that was not available previously. I do not think they were the windfall of opportunity people thought they would be, notwithstanding that in some circumstances they provide a facility for tourists that was not available previously, particularly in the city block. The Government will not make any changes to the opening hours of retail outlets in tourism precincts or other designated areas until after this review has been undertaken.

Mr McGOWAN: You reiterate that it would be irresponsible to pre-empt this review by changing the shopping hours in those precincts?

Mr SHAVE: Yes. However, I make the point that in regional areas, or areas outside the metropolitan area, we take the advice of local councils. Quite often people write to me. The Albany council wrote last week and wanted some hours of trading changed on particular public holidays. The member for Rockingham has approached me about a shopping precinct in his area that wanted to open. I understand that after evaluation and recommendation from the ministry, we agreed to that request.

Mr McGOWAN: That was good of you.

Mr SHAVE: The ministry obviously recognised that there was a need and made a recommendation. I did not make the decision; it made a recommendation and I approved that recommendation.

Mr McGOWAN: Minister, if it is irresponsible to pre-empt this study, in relation to geographic areas, why did you allow Fremantle and Perth to have these tourism precincts before the inquiry had been carried out?

Mr SHAVE: You must understand the history of it. It goes back prior to 1993. It was part of our election tourism policy that those two areas would have a tourism precinct. As a backbencher, I opposed that proposal but I did not win the day. I had it watered down a bit, but there was a lot of pain.

Mr McGOWAN: Now that you are the Minister, if you oppose it why not change it?

Mr SHAVE: My view is that once something like this is implemented and it provides a service or a change occurs, trying to wind back hours or facilities, or telling the public they can no longer have a tourism precinct in Perth, is sometimes not the right way to go. That proposal has not been put to me by my colleagues at a political level, although some traders have spoken of it. None of my colleagues has suggested we should go down that line, and the continuation of those tourism precincts is not solely my decision. I always consult with Cabinet and with my party room. In my view the party room would say that because those services are now available, we should not go back to the previous situation. You could mount the argument that when bottle shops were not in abundance in Western Australia, the facilities in hotels which had the bottle shop trade were better from a public point of view and that if we reverted to that situation, it would lead to an upgrade of tourism facilities throughout the State. That is not an argument the bottle shop people would put forward, it is an argument the hotels would put forward. It is not an argument I would support if the hotels did put it forward, because the ground work has been laid, and people have set up their businesses on the basis of those sorts of regulations. I would need a very strong case before agreeing to take out the two tourism precincts because people have bought into businesses in those areas based on the current conditions. That is why I have always been somewhat reluctant to support rapid deregulation or variation in trading hours, because every time changes are made they substantially affect the viability of businesses operating within the industry.

Mr McGOWAN: You did not agree to those areas being given special status but you will not do anything about it.

Mr SHAVE: At the time I did not agree to it.

Mr McGOWAN: Are you not discriminating against other areas in the metropolitan area in terms of shopping if one area is permitted to open and another area is not?

Mr SHAVE: That is an argument people put to me. The alternate argument put to me by small retailers is that if we were to deregulate trading hours in other areas, we would hurt a lot of small businesses. There are two arguments. I took a position in 1989 when we lost the election under Barry MacKinnon, and it was part of our tourism policy then. With regard to tourism precincts, although, as a backbencher in 1991, I was opposed to

deregulation of those areas, I recognised that they provided a service. I am not sure they have provided everything the traders thought they would provide, but I do not think it is in the public interest to change the hours in those locations now.

Mr McGOWAN: Minister, a moment ago you said that a number of factors in the community reduce spending in the State and, therefore, impact on small businesses. What are they?

Mr SHAVE: You have only got to look at the Asian crisis. I have a friend who runs a small business just out of Byford, and I was talking to him yesterday about his Leonda Reception and Function Centre. He provides a day out at that centre for people from Indonesian and Asian groups who are staying in high rise buildings in Perth. They go down there for a day, are provided with damper, and are shown animals and many things that are native to Western Australia. He said that the Asian economy has impacted quite significantly on his business. Other sectors of the economy, such as the hotel industry, I think would agree that the downturn in the Asian and Indonesian economies will affect their occupancy rates. That will affect people's outlooks to some degree, and when there is a downturn in the availability of income in the tourism area people become a little more conservative with their spending.

The retailers I talk to tell me that people are conservative with their spending. I think the Government is doing a good job - and you would expect me to say that - in providing opportunities for people. The statistics in the employment area and in the number of small businesses in Western Australia, and the growth rate of our economy compared with those in the eastern States, indicate that the Government is doing a very good job, particularly the Premier, Richard Court.

Mr McGOWAN: What about the Deputy Leader of the Liberal Party?

Mr SHAVE: I think the deputy leader is doing a very good job. I do not have a problem with the deputy.

Ms MacTIERNAN: Can Hansard note the change in body language!

Mr SHAVE: We have our differences from time to time. Colin has acknowledged that in discussions in the Parliament.

Ms MacTIERNAN: Obviously, the Asian crisis will spill over but, let us be honest, notwithstanding the six per cent growth, retail sales have been steadily dropping since 1993. The Asian crisis is at best only six months old, and yet we have this strange divergence between economic growth going up and retail sales going down almost to the same proportion.

Mr SHAVE: It is perfectly logical from where I sit, because during the 1980s the Labor Government lived off a cheque book and spent money it did not have.

Ms MacTIERNAN: I thought Paul Keating was the first person to bring in a budget surplus?

Mr McGOWAN: Four in a row.

Mr SHAVE: People become complacent when there are rapid rises in borrowing and it creates a false sense of security. Through the 1990s, it has been important for Governments to be more prudent in their spending and in their economic management, and that does not always give people the level of disposal income they would like. However, it is much better to run a business on a sound financial basis rather than to create false hopes, as the Labor Government did in the 1980s, and then leave the wreckage afterwards so that future generations grow up in poverty.

Mr McGOWAN: You are obviously concerned about the reduced consumer spending taking place.

Mr SHAVE: I am concerned and I understand why it is occurring. It is a very fine line between boosting consumer spending and keeping inflation down. Quite obviously, every retailer would love to see a boost in consumer spending in the community tomorrow. Governments must draw a very fine line between overheating an economy, by encouraging too much consumer spending and re-igniting inflationary pressures, and keeping a control and implementing measures that reduce consumer spending or cause a situation where consumer spending is too tight. I make one further observation: I feel very comfortable, as an Australian, that we have a federal budget surplus at this time, during the current Asian economic crisis, bearing in mind where we would be going in Australia in the next 12 months if we did not have that surplus.

Mr McGOWAN: In light of the concerns in the community on consumer spending, is the Minister not opposed to a goods and services tax that would further dampen consumer spending and push up inflation?

Mr SHAVE: A goods and services tax will not necessarily lead to higher prices. For instance, liquor products have a state sales tax, a federal excise duty and previously a state liquor tax. In many cases a goods and services tax will eliminate those taxes.

Ms MacTIERNAN: Cheap grog and cheap tobacco, sounds like just the thing!

Mr SHAVE: You should not hold your breath on that! A goods and services tax is a possibility only because it has not yet been announced. However, with a goods and services tax many of these wholesale and sales taxes will be removed. I will wait and see what that package provides before I comment on that further.

Ms MacTIERNAN: I return to page 428, licensing, regulation, advice and support. I focus on a set of complaints made to the board and the Ministry on the conduct of government agencies in the disposal of government assets. The arrangements entered into with real estate agents may have breached provisions of the real estate legislation. I am concerned about the way the complaints were handled, which warrants special investigation because they concern the disposal of public assets and what appears to be the complicity of government authorities. I refer to complaints about the conduct of a company called Northern Realty that appeared to have an arrangement with the Government Employees Housing Association. I understand the chief executive officer was involved in the investigation of this matter. Have particular problems been encountered in investigating this matter? I understand it was first brought to the Minister's attention in 1996 when the initial complaint was made. I am concerned that over the past year the investigation has been stonewalled. Is the Minister having difficulty getting information? Can he give that detail?

Mr SHAVE: Not immediately, no.

Ms MacTIERNAN: Can the Minister ask his chief executive officer if he has been involved in this investigation?

Mr SHAVE: I can ask him. My view is that although originally it may have been referred to us and we considered it, the sale of those assets occurred through the Housing ministry as it operates in that manner constantly. The appropriate person to answer that question is the Minister for Housing. I recommend the member to put a question on notice. Members, including yourself, have asked questions regarding that case in Parliament.

Ms MacTIERNAN: Yes.

Mr SHAVE: My executive officer can state our involvement, to the best of his knowledge, and whether we are involved still to any degree. However, the investigation is occurring through the Minister for Housing.

Mr BODYCOAT: I was involved in receiving correspondence on that matter and directing staff to investigate. I have signed outgoing correspondence to other agencies. I cannot comment on the specific state of the investigation currently because I do not have that information with me.

Ms MacTIERNAN: Could the Minister ask Mr Bodycoat if his agency, in discharging his obligation to administer the Real Estate and Business Agents Act, had difficulty receiving the documentation from Homeswest and, in fact, had to issue a formal demand to the CEO of Homeswest in order to get that documentation?

Mr BODYCOAT: That is correct. There was some difficulty obtaining documentation and there was a demand made for it.

Ms MacTIERNAN: Has that demand been met?

Mr BODYCOAT: I cannot recall that at present.

Ms MacTIERNAN: Knowing that there is a quick turnabout in the department, has the complaint about the real estate agency concerned been referred to the Real Estate and Business Agents Supervisory Board?

Mr BODYCOAT: I am not aware of that at present.

Ms MacTIERNAN: Can we obtain that information by way of supplementary information?

Mr BODYCOAT: With the Minister's consent, I will provide that by way of supplementary information.

The CHAIRMAN: The Minister agrees to provide supplementary information.

Ms MacTIERNAN: That matter related to the Government Employees Housing Authority. There have been even more serious complaints about the Industrial and Commercial Employees Housing Authority. There is well documented evidence of some real estate agents taking commissions in contravention of the provisions of the legislation. Has any action been taken to finalise these investigations which have been ongoing also for a couple of years?

Mr BODYCOAT: Do you mean by referral to the board?

Ms MacTIERNAN: Yes.

Mr BODYCOAT: I will have to provide that by supplementary information, if the Minister agrees.

Ms MacTIERNAN: Has the chief executive officer been involved at all in overseeing these investigations?

Mr BODYCOAT: I am aware of both investigations, the one referred to previously and the one currently under discussion. I am not aware of the specific state of each one at this stage and that is the supplementary information I am offering to provide.

The CHAIRMAN: Does the Minister agree to provide the supplementary information?

Mr SHAVE: Yes.

The CHAIRMAN: It will be provided to the member for Armadale.

Mr McGOWAN: On page 427 there is a reference to six legislative proposals that the Minister wants to submit this year. What are they?

Mr BODYCOAT: Is that during the current budget year?

Mr McGOWAN: It shows the target as six for 1998-99.

Mr BODYCOAT: In 1998-99 the six legislative proposals are a consumer credit Western Australia Act; a chattels securities Act; a motor vehicle dealers Act; a public collections Bill; an associations incorporation Act; and a fair trading Act.

Mr McGOWAN: Do any of those Acts contain provision for the abolition of the Small Claims Tribunal?

Mr BODYCOAT: No, none of those contains provision for the abolition of the Small Claims Tribunal. The Small Claims Tribunals Act is administered by the Ministry of Justice.

Mr McGOWAN: Is your department involved at all in the abolition of the Small Claims Tribunal?

Mr SHAVE: Obviously it affects our area. At the end of the day, the legislation will be submitted by the Attorney General. He has consulted with our people on our views and the effects of any changes.

Mr McGOWAN: Are you in favour of the abolition of the Small Claims Tribunal?

Mr SHAVE: We are concerned that if it is varied, the delivery of service should be equal to that provided currently. The argument being made by the Ministry of Justice for changing the structure is that it will provide better access and a more efficient process.

Mr McGOWAN: You said you have concerns. Does that mean you disagree with the Minister for Justice?

Mr SHAVE: I do not disagree. The member should not hold out a hope that I will disagree with any other ministers. I did not say I disagreed. I said that there is the view from different areas that if there must be change then we must ensure that the changes are appropriate and the level of delivery of service is equal to that provided currently.

Ms MacTIERNAN: The housing industry is included also in the Minister's portfolio.

The CHAIRMAN: Are we still on page 427 or are we moving on to another one?

Mr SHAVE: The Housing Industry Association, that is correct.

Ms MacTIERNAN: The Housing Industry Association comes under your Liberal Party portfolio as opposed to your government portfolio.

Mr SHAVE: Why do you always hate business people so much? They provide the jobs.

Ms MacTIERNAN: I do not at all.

The CHAIRMAN: What page number are we on?

Ms MacTIERNAN: It depends how one views things. I say that the people out there doing the navvying are providing the lifestyles for the rich and famous. It all depends which perspective one has.

The CHAIRMAN: Can we get on with the budget discussion?

Mr SHAVE: The business community provides a lot of work for the legal profession.

The CHAIRMAN: Can the member for Armadale give me the page number?

Ms MacTIERNAN: Page 425, introducing appropriate alternative regulatory measures; and also reviewing laws and regulations to ensure they promote competition while safeguarding the public interest.

Mr SHAVE: The section on safeguarding the public interest is particularly important.

Ms MacTIERNAN: I am not opposed to the HIA or the Real Estate Institute of Western Australia, or any of those organisations. However, I hope that their generous contributions to the coffers of the Minister's party does not divert him from the path of justice. I see it as my job to ensure that we have a counter-balance to their very persuasive ways.

Mr SHAVE: I am interested in that because the member for Armadale has raised this before during parliamentary discussion. She may be pleased to know that I have never received any political donations from the Housing Industry Association. To the best of my knowledge, I do not have any detail of any donation that it has ever made ever to the Liberal Party. Nobody, other than the member for Armadale, has ever suggested to me that it makes donations. It may be that she knows something. There may be a - I will not use the term red under the bed - mole in the camp who is telling the member for Armadale something I do not know.

Ms MacTIERNAN: I say two things in answer to the Minister. The Housing Industry Association nationally donated about \$3m to the 1993 Federal Liberal campaign. Some of the largest and most influential people within the Housing Industry Association were major contributors to the Liberal Party; it is no secret that Mr Buckridge is one of those.

The CHAIRMAN: I remind members that we are talking about the Budget, not political parties.

Mr SHAVE: It just shows how naive I am, does it not?

The CHAIRMAN: Let us get back on track.

Ms MacTIERNAN: Can the Minister tell me the number of complaints about housing construction under the Home Building Contracts Act because there is an inconsistency with the Builders Registration Board in the numbers that have been quoted?

Mr SHAVE: Again, I do not have those figures in front of me, neither should I be expected to have them at this meeting. As it is very detailed, I will provide the information if the member specifically states the figures she wants.

Ms MacTIERNAN: I would certainly like the number of complaints that have been made in the past year to the Building Disputes Tribunal and the number outstanding.

Mr BODYCOAT: Does that relate to the Building Disputes Tribunal as well?

Ms MacTIERNAN: I will make the reference to the Builders Registration Board; that is, the number of orders to remedy, the number of orders to pay and the number of outstanding cases during the past financial year.

Mr BODYCOAT: Are those the cases before the Building Disputes Tribunal?

Ms MacTIERNAN: I want information about the total number of cases before the Builders Registration Board and the Building Disputes Tribunal.

The CHAIRMAN: Is the Minister agreeable to that information being provided?

Mr SHAVE: Yes.

Ms MacTIERNAN: Statements have been made in the Press by the registrar of the Builders Registration Board that the various consumer groups find very hard to believe. One such statement was that there is an average case turnaround of four to six weeks and that 70 per cent of cases are cleared within six weeks. I would like ministerial confirmation of that because it certainly does not appear to be the general experience.

Mr SHAVE: I am happy to check those figures.

Ms MacTIERNAN: I refer again to the review of laws and regulations to ensure they promote competition and safeguard the public interest. Many reviews have been undertaken in the building industry. The position of settlement agents has been repeatedly reviewed. We are now in the middle of the Harvey McLeod committee, which has presented recommendations to the Minister. It is the fourth review undertaken since 1994 without any resulting action. I note that the chief executive officer has indicated that the Home Contracts Act is being reviewed. I understand that Mr McLeod and his committee have been reviewing it. Why are we having yet another review on top of the four that we have already had?

Mr SHAVE: Mr Bodycoat may disagree with me or vary my answer, but I believe it is required under the national competition policy. Mr McLeod's review was undertaken for a specific reason; that is, to look at options for funding the board. He has come up with a proposal that the Government will implement in legislative changes in the next

12 months. The other review being undertaken is in line with the general reviews that are required under the national competition policy.

Ms MacTIERNAN: I received a copy of Mr McLeod's report. It is very extensive and only one small aspect of it relates to how one deals with the funding crisis; it reviews a whole range of aspects.

Mr SHAVE: But that is probably the most important aspect.

Ms MacTIERNAN: It might be from the Government's point of view.

Mr SHAVE: It is also the industry's and the public's point of view.

Ms MacTIERNAN: In 1994, after the Opposition exposed a series of cases involving phoenix builders - builders were liquidating existing companies, forming new companies and registering them with the Builders Registration Board under a new corporate identity - the Government promised to do something about the situation. The Minister's predecessor, Hon Peter Foss, promised a whole raft of legislation that would deal with those companies. It is now 1998 and nothing has been done. What do you propose to do in relation to this very real problem of phoenix companies being re-registered?

Mr SHAVE: Hon Peter Foss is the Attorney General, perhaps the member should ask him.

Ms MacTIERNAN: No, this is the province of the Minister responsible for the administration of the Builders Registration Act, and that is you.

Mr SHAVE: I do not have all the detail of Hon Peter Foss' previous inquiries. The national competition policy issues are different from those of companies going into liquidation. If the member is asking whether either the proposed legislation or what Mr McLeod has recommended is related to that problem, I cannot agree.

Ms MacTIERNAN: Have you read Mr McLeod's report?

Mr SHAVE: Yes, I have.

Ms MacTIERNAN: Do you not recall this issue being addressed in it?

Mr SHAVE: It may have been addressed in the document, but I do not readily recollect that section.

Ms MacTIERNAN: It was one of the issues addressed.

Mr SHAVE: I will look at it and all of the recommendations Mr McLeod made. We will give them very serious consideration because we have a very high regard for his ability. The member can be reassured.

Ms MacTIERNAN: This is the same problem we have with the settlement agents. Review after review is conducted to make it appear that something is being done. We have now had four reviews since 1994, but nothing has happened.

Mr SHAVE: That is not correct. The member has been told clearly several times that the Government will introduce legislation related to Mr McLeod's review during the next 12 months.

Ms MacTIERNAN: That legislation deals with one aspect - the financial problems - otherwise the Government will be required to keep paying money out of consolidated revenue.

Mr SHAVE: We will look at all of the issues that Mr McLeod raised and the areas of law that must be amended in the Attorney General's portfolio area that affect this portfolio area.

Ms MacTIERNAN: It is not the Attorney General's area; it is your area, Minister.

Mr SHAVE: We will discuss all of that and evaluate it at Cabinet level.

Ms MacTIERNAN: Is it too much to expect the Minister to have some concept of the detail of his portfolios? I am not referring to how many jars of jam are purchased each year but to major policy directions. Is it unreasonable to ask that he have some knowledge of those issues?

Mr SHAVE: It is funny that the member raises that issue because a number of people have come to me since I took on this portfolio and complimented me on the job that I am doing.

Ms MacTIERNAN: You should invite them along to these Estimates Committees - they might get another side of the story. The Minister has a profound knowledge of the liquor industry; I would not demur from that. However, unfortunately he does not seem to have the same passionate interest in these other areas.

Mr SHAVE: I am disappointed that the member has said that because until now I thought our relationship was going along nicely - she had not been derogatory towards me.

Ms MacTIERNAN: This is a real problem. The Minister must learn to distance himself from his identity as the Minister - they are two different creatures.

The CHAIRMAN: Can we return to the budget items?

Ms MacTIERNAN: I am simply trying to help the Minister because he obviously has some profound psychological problems that need to be addressed.

The CHAIRMAN: What page are we discussing?

Ms MacTIERNAN: I am referring to pages 424 and 426. We are discussing the Builders Registration Board and its funding difficulties. Is there an allocation in this year's budget for supplementary funding?

Mr SHAVE: No.

Ms MacTIERNAN: The Government has not yet implemented the proposed legislative package. I gather it is considering the proposal to impose a levy of \$50 on each new home start to fund the operations of the Building Disputes Tribunal.

Mr SHAVE: It is not that much; it is \$32.

Ms MacTIERNAN: Presumably that will not be introduced until at least the end of the year. It is difficult to see how the Builders Registration Board and the Building Disputes Tribunal can continue to function at the existing level or survive unless they receive additional funding.

Mr SHAVE: They do have the funding to continue and provide the current level of service that is required. If they do not, I do not envisage a problem getting the Premier to approve additional funding. I do not know whether we have the detail about the level of funding, but it can be provided because we have had discussions about it from time to time.

Mr BODYCOAT: The Builders Registration Board accounts are not included in these papers. The board is separately funded without appropriations from the consolidated fund.

Ms MacTIERNAN: That is the theory. How much was it paid out of the consolidated fund?

Mr BODYCOAT: It had one payment of \$700 000.

Ms MacTIERNAN: In what financial year?

Mr BODYCOAT: In 1996-97.

Ms MacTIERNAN: In the past financial year it received \$700 000 from consolidated revenue.

Mr BODYCOAT: That is correct.

Ms MacTIERNAN: Arguably then it should have been incorporated in the budget because it received an appropriation.

Mr EATON: That was included in the 1996-97 figures.

Ms MacTIERNAN: Was its budget included in the budget papers last year?

Mr EATON: No, because last year was 1997-98.

Ms MacTIERNAN: It was included in 1996-97.

Mr EATON: That is correct.

Ms MacTIERNAN: That was supplementary funding.

Mr EATON: Yes.

Ms MacTIERNAN: Therefore, no additional moneys have been allocated in 1997-98.

Mr EATON: Yes.

Ms MacTIERNAN: You are not anticipating anything further this year.

Division 66: Western Australian Electoral Commission, \$5 130 000 -

[Mr Bloffwitch, Chairman.]

[Mr Shave, Minister for Parliamentary and Electoral Affairs.]

[Dr. K.W. Evans, Electoral Commissioner.]

[Mr G. Harrington, Manager, Corporate Services.]

Mr McGOWAN: What is the department's policy in respect of striking people off the electoral roll who are not at home when a habitation review takes place?

Mr SHAVE: I discussed this issue and the concerns people may have with some of my officers the other day. Dr Evans can respond to that question in terms of recent views that have been expressed to him, the Federal Government's position and what it is doing given that there may be a federal election in late August or September this year. Geoff Gallop said in Parliament that he thought it would be held on 18 or 25 August. I cannot be that accurate.

Dr EVANS: A habitation review is currently being undertaken by the Australian Electoral Commission. It is being jointly funded by the Western Australian Electoral Commission and the AEC. It is about 80 per cent completed. I spoke yesterday to the person in charge in of the review in Western Australia and he said he expected it to be completed by about the end of July. Every effort is made to follow up householders. If the house is obviously occupied, people are not struck off the roll. Normally the people doing the habitation work will go back to the house three or four times and finally get a result. They would not call only once or twice and then say they could not establish who lives there and then strike them off. The divisional office has 14 permanent officers who can then follow this up at a later date.

Mr McGOWAN: I have asked this question because I saw an advertisement in *The West Australian* in which the AEC indicated that a number of people would be struck off if they did not complete the review forms. That is a bit rough, because anyone involved in politics knows it is very hard to get someone to fill in a form and return it. In addition, most people are out at work or away. We have a big fly in/fly out population. I am concerned that people are being struck off the roll because they do not fill in the form or if, after three or four visits, there is no-one at home. Often when members try to return phone calls to constituents it takes 10 attempts before they get through. It is dangerous if people are being struck off because of that. Do you have any comment on that advertisement in *The West Australian*?

Mr SHAVE: The advertisement is a warning. Dr Evans indicated that that does not happen after only one visit; a follow up letter is sent to the address.

Dr EVANS: The AEC makes every effort to establish who is living at a premises that is clearly occupied. It is difficult if somebody does not want to give any information or does not want to return letters. Even after several attempts to locate the person and to obtain information people remain on the roll as residing at that address.

Mr McGOWAN: Do they?

Dr EVANS: As far as I am aware they do. They do not take people off the roll unless it is obvious that the house is vacant.

Mr McGOWAN: It is important that we leave someone on the roll who might not return the forms. I would like supplementary information to clarify that that is the case.

Mr SHAVE: Yes. This is a joint commonwealth-state issue. We will endeavour to find out what the Commonwealth is doing in addition to what we are doing and will provide the information.

Mr McGOWAN: I recall that before the last election the Premier and, in particular, the then member for Scarborough, now the member for Innaloo, made a number of remarks about the fact that they would pursue electoral reform during this session of Parliament.

Mr SHAVE: Why the member for Scarborough?

Mr McGOWAN: He was quoted extensively in the Press saying he would pursue electoral reform.

The CHAIRMAN: I remind members that we are discussing the budget for the Electoral Commission, not the policy or policies of the Electoral Commission.

Mr McGOWAN: The budget refers to legislative change.

The CHAIRMAN: It is not up to us to speculate what the legislative change will be.

Mr McGOWAN: If the Minister wants to answer, he can. Does he have any plans for electoral reform in this term of Parliament?

Mr SHAVE: The Government does not have any proposed legislation at this time, but the issue is constantly under review. As I have often told the Leader of the Opposition during parliamentary debate, there is a strong view within the rural community that its level of representation should not be diminished. Most representations I receive on this issue - 99 out of every 100 - come from people living in rural communities, which generate most of the wealth of this country. Whatever policy the Government decides to pursue in respect of changing the electoral system - if any change does occur - will be the result of considerable consultation with all parties involved. I have been very impressed by the level of interest expressed by people living in rural communities.

Mr McGOWAN: The Minister has said that this matter is currently under review.

Mr SHAVE: There is an ongoing review; we have had it under review since the last election.

Mr McGOWAN: May I have a copy of that review?

Mr SHAVE: I do not have a written review; we have not set up a committee. The Government has discussions at a parliamentary level on a regular basis, just as does the Labor Party. This would be tantamount to my asking the Labor Party for a copy of its review of the issue.

The CHAIRMAN: Is there no information that can be provided?

Mr SHAVE: I could show the member some letters that I have received from country shires outlining their attitudes to one-vote-one-value - I have a desk full of them.

Mr McGOWAN: Is the Minister saying that he does not support any review or the principle of one-vote-one-value?

Mr SHAVE: I have said the issue is constantly under review. However, the Government always considers very seriously the weighting in a system, acknowledgment of the isolation of country communities and their right to representation.

Ms MacTIERNAN: During the last Estimates Committees you said that electoral reform was on your agenda.

Mr SHAVE: It is subject to ongoing review.

Ms MacTIERNAN: You took a very relaxed approach to it which has obviously become the flagship of your ministerial activity. What form will this ongoing review take?

Mr SHAVE: There will be discussion. As I told the member for Rockingham, we have received extensive correspondence and representations in the past 12 months. I have a couple of letters here from the Country Shire Councils Association of Western Australia and the Country Urban Councils Association.

The CHAIRMAN: We appear to be discussing policy rather than the budget issues.

Mr SHAVE: They are very nicely written letters which essentially state that the country people would have great difficulty coming to terms with a reduction in their representation in the parliamentary affairs in Western Australia. I have some empathy with that, not being a country person by birth, but by having a couple of businesses in the country; I can understand their concerns. The member for Armadale may not be aware, but her colleague the member for Rockingham raised this issue prior to her coming back into the room. I reiterate the Government's position is that it will look at all these issues and evaluate them on an ongoing basis.

Mr McGOWAN: Do you have a problem with the fact that in Australia we are the last malapportionment-cum-gerrymander?

Mr SHAVE: I think the electoral system in Western Australia is fair. I have a problem with excessive centralisation in which all the political power in this country resides in Canberra and we are left on the shelf.

Mr McGOWAN: Canberra has nothing to do with it.

Mr SHAVE: It has a lot to do with it because once the representation starts to be taken out of the country and put into the city, an imbalance sometimes occurs. That view has been put to me by country people with regard to the existing electoral laws in Western Australia. That is an argument with which I have some sympathy.

Mr McGOWAN: Do you realise you are not doing your own constituents any favour in your electorate?

The CHAIRMAN: Constituents and other States' examples are not referred to in the Budget. Let us get back to budgetary items and their effects.

Ms MacTIERNAN: Reference is made on page 367 to a continuing need to ensure a greater awareness among electors of the electoral system. Has any change been made in this new clear Budget - I suppose it is clear because it is transparently designed to be opaque - in the allocation to achieve this educative role?

Mr SHAVE: The Government's commitment to this area is clearly illustrated by the establishment of the Constitutional Centre. School kids and other members of the public visit this centre, which is a wonderful initiative on the part of the Court Government. It is designed to educate people about our history, the electoral system and its evolution.

Mr McGOWAN: Have you been through it?

Mr SHAVE: I have indeed. Have you?

Mr McGOWAN: No, I have not. I already know it all.

Mr SHAVE: You are missing something. It is a recommendation.

Ms MacTIERNAN: Is that funded out of this vote?

Mr SHAVE: No, as I understand it, the funds came from consolidated revenue. The Government has a commitment to this sort of education.

Ms MacTIERNAN: Having a very nice centre in West Perth in the old Hale School will be useful for a certain percentage of the population, probably those who attend private schools in the western suburbs.

Mr SHAVE: That is not correct; that is where you are wrong. You should check and you will find that many children that go through that centre come from the less affluent areas. It is not discriminatory.

Ms MacTIERNAN: I know that in itself it is not, but it is a question of understanding how the real world works and not being in a sheltered workshop.

The CHAIRMAN: This is not part of this budgetary process.

Ms MacTIERNAN: It goes to the question of the need for greater awareness. I am concerned that facilities of this kind, which are fine and I do not have any difficulty with them being provided, are no substitute for communicating with people who perhaps do not have the benefits of education or family which would naturally lead them to an understanding of the electoral process. I know that in relation to the visits to Parliament House, a very strong imbalance exists between the private and public sector. That is the way life is and we must recognise that and take steps to provide programs that go to people. I would like a comparison between the money that was available last year and what will be available this year for this important educative role. I would also like details of what is involved in this educative process.

Dr EVANS: I am not sure I can give you an exact figure. A difference probably exists between the two budgets. However, I have put in an extra half time staff member at the centre in question.

Ms MacTIERNAN: Which centre?

Dr EVANS: The Electoral Education Centre, which is co-located with the Constitutional Centre.

Ms MacTIERNAN: Is it located in the same premises?

Dr EVANS: It is co-located. We were previously in Education Department premises at Subiaco. It has been co-located since midway through last year.

Ms MacTIERNAN: How many staff are employed there?

Dr EVANS: I have two full time staff plus about 10 people who are available on an as needs basis to deal with electoral education matters. They also go to schools and community groups. We focus mainly on school children, but we do have connections with universities. Students studying politics and other social science subjects and those studying to be teachers also visit the centre. We also have a school visits program. If schools ask for somebody to come to their school to talk to their class about electoral matters, voting and so on, we are able to provide such a person. We have a policy of visiting the country. In fact, an officer will fly up to Karratha this week. He or she will visit Tom Price, Exmouth, Paraburdoo, Karratha and other towns in that region. In addition, we sometimes send officers on a tour through a number of small towns where one could not do anything other than stop for a couple of hours, typically at the school. For example, we would send somebody just north of Perth, to little towns such as Bindi Bindi and Miling, for a week and he or she would perhaps visit 16 or so schools in that time. In larger country towns such as Geraldton, Albany and Kalgoorlie, we would send a team for a week to be based in a central location

and to visit all the schools in the vicinity. We do that every year; although we do not visit every place every year. I hope that I can send somebody to Kununurra or Broome to visit some of the schools in either the west or east Kimberley later this year. We were in the Kalgoorlie region last year. We will make some trips into some parts of the wheatbelt as well. We conduct an extensive program within our resources.

Ms MacTIERNAN: My concern is that an imbalance exists if you wait until a school initiates the visit. I have seen this in the schools in my area. I compare that to the area of the member who has just walked into the room where virtually every school visits Parliament House. It also does not happen in many of the outer areas where perhaps the teachers are less well resourced, and additional expense is incurred in trying to employ the relief teachers so that the children can visit. I am concerned that you wait for a school to make a request. Do you have a process to contact the schools and let them know about the services that are available?

Dr EVANS: Yes. I sent letters out early this year to every school. Typically in secondary schools, it is best to contact the person in charge of social science. If we know somebody in the primary school who is a regular visitor we maintain contact. It does not matter which school they are from, Armadale or Floreat Park. The teacher is more important than the location. If teachers are familiar with our service and have visited previously, they tend to come back.

Ms MacTIERNAN: Is it possible to get a list of the schools which have attended over the past two years?

Dr EVANS: I think it is; I will see what I can do.

Ms MacTIERNAN: Could we have that by way of supplementary information?

Mr SHAVE: We will happily provide it if it is available.

Ms MacTIERNAN: Prisoners are entitled to vote. We have discovered a couple of problems after having visited prisons during a number of elections. The prisoners seem to be uncertain where they are supposed to vote. If they have been inside for some time, they might not have an address other than the prison if they have previously lived in rental accommodation. Could you clarify where a prisoner is supposed to reside who does not have another address? What efforts are made to ensure that prisoners are enrolled prior to an election, and is any attempt or any liaison going on with the prison education officers so they can at least provide some basic information and advice to their clientele?

[Mrs Holmes, Chairman.]

Dr EVANS: We would expect prisoners to vote by post. Prior to my becoming commissioner, an investigation was undertaken to establish the feasibility of introducing mobile polling booths in prisons for the next general election.

Ms MacTIERNAN: Do you not have mobile polling booths? They do at federal elections.

Dr EVANS: I understand we have not had mobile polling booths in prisons; we have used postal voting. Prisoners can apply for postal votes. However, we did investigate and we will investigate again whether we should send a mobile polling booth into the prisons for the next election.

Ms MacTIERNAN: I would be very concerned if you relied simply on postal votes. In Canning Vale Prison a very sizeable percentage of those voting would have major literacy problems, and postal voting would be far less accessible to them than voting by way of a mobile booth. Have you spoken with the Australian Electoral Commission about the success of its ventures into mobile booths?

Dr EVANS: I have not had discussions on that issue at this stage, but I am aware that we are in the planning stage for the next state election, whenever that may be. We are thinking about how will we do certain things - that is one of them - perhaps better than we did last time. We certainly will look at whether it is appropriate or feasible to have a mobile polling booth in prisons. However, I have not spoken to anyone about it yet.

Ms MacTIERNAN: What steps will be taken to ensure that prisoners in all prisons are aware of their eligibility? Have you a process or are you prepared to take the matter up with the prison education officers? I understand each of the prisons has an education officer.

Dr EVANS: That certainly can happen. I am not aware of a problem because I know that under our law, prisoners are disqualified depending on the length of their sentence. Some of them would not be qualified to vote.

Ms MacTIERNAN: The problem is that most of them are not aware that they are entitled to vote, and a number of them are entitled to vote.

Dr EVANS: I do not see any problem in taking up this matter with the prison education authorities to ensure that people are aware they are entitled to vote.

Ms MacTIERNAN: Is it possible to ask that a report be prepared over the next six months on the way in which we might ensure that people who are entitled to vote are made aware of their entitlement?

Mr SHAVE: I do not interfere in the operations of the Electoral Commission and the way it conducts itself. However, if a concern is raised with me, as the member for Armadale has raised this issue, I normally have discussions about it with the Electoral Commissioner. As he is here, he is now aware of the concern that the member for Armadale has raised and I am sure he will evaluate the points she has made. He has explained that the commission has a committee looking at this issue and I have every confidence that it will do its best to ensure that the process developed is appropriate for the circumstances. The member for Armadale should leave it with that in mind, and the commissioner can respond. I am sure that he would be happy to advise the member for Armadale how the commission will address this issue after it has come to the end of its deliberations. I am sure he will do that for her; however, I cannot direct him.

Ms MacTIERNAN: I do not understand your role, Minister. You do not appear to have a role in any of these authorities.

Mr SHAVE: I do not have a role to tell the Electoral Commissioner how to do his job. Every time a government Minister even thinks about something which he might like to tell the Electoral Commission, the Opposition will tell him or her to stay out of it and let the commissioner have his independence. That is what I propose to do.

Mr McGOWAN: On page 367 at the third dot point, it states that the proclamation of the Electoral Political Finance Act and the Labour Relations Legislation Amendment Act led to additional administrative responsibility for the commission. As you are aware, and as I stated last year, the Electoral Political Finance Act states that anyone or any entity making a donation to a political party of \$1 500 or over must declare that, and that is published by the Electoral Commission. I have difficulty with that because it means that any company or any individual wanting to avoid that can simply make a number of donations of \$1 499. I view this as a threat to the free working of democracy in that certain parties will receive benefits from people, and the public will not know who is financing them. Will you amend that to ensure some fairness and that all donations are disclosed at any time in the future?

Mr SHAVE: I do not propose to discuss the Labour Relations Legislation Amendment Act 1997 because it is not in my portfolio area. However, the Electoral Political Finance Act 1992 was introduced into the Parliament by the former Labor Government, and all of the issues that you raised were raised at that time. As I recollect, the issue that you have raised was debated extensively. I do not think it is in anyone's interest to get into a debate on that subject now, because we are talking about appropriation and the administration of the commission. While we have had wide ranging debate on other issues, if you want to put propositions forward or ask questions with regard to what you perceive as loopholes in the existing Act, it would be more appropriate if we did it by way of questions either in debate or on notice or without notice. I am happy to address that issue in a different forum at a different time, but if we were to get into that debate now, I would give a 10 minute dissertation about the difficulties involved in trying to resolve the issue. Those comments and points of view were put forward when the Act was debated in 1992. The Government of the day came up with a proposal and a policy, and we have adhered to it. As far as changing that, I am not being swamped with complaints from people. In fact, I do not think I have had any in regard to outright avoidance. Given the discussions I have had with my staff and the views sought from the commission by my staff, I understand that to date no abuse or widespread abuse of the system has occurred.

Mr McGOWAN: How would they know?

Mr SHAVE: I do not know how they find out, but the advice I was given - because the question you asked has been asked of me by other people - from my adviser at the time was that their inquiries did not indicate any abuse. I assume that they had some way to monitor it. I do not know whether the commissioner wants to comment on that further. If he does, that is fine. If he does not, I think it is more appropriate that we take it up at another time in debate.

Dr EVANS: I cannot comment on the question of the \$1 499 versus \$1 500. However, we are presently auditing a number of candidates and parties and will provide to the Minister for tabling a report on the way that that part of the Act has operated. It was enacted before the last election, and the first reporting period concluded in November last year, so we are only now compiling a report on that period.

Mr McGOWAN: Have you not had any complaints in relation to people making multiple donations under \$1 500? Do you not have any suspicions about that?

Dr EVANS: I have had no complaints and I have no suspicions. We are auditing a number of candidates, the parties and other entities.

Mr McGOWAN: Reference is made on page 368 to the output and appropriation summary, management of non-

parliamentary elections. I presume that refers to the Labour Relations Amendment Act. Can you explain on what the \$576 000 was spent in the 1997-98 financial year?

Mr HARRINGTON: Most of that money relates to the number of union and other industrial extraneous elections that the commission conducts during the year. It conducts approximately 50 small elections during the year. The money was spent on those elections and components of corporate services.

Mr McGOWAN: Has the Labour Relations Amendment Act referred to on page 367 increased the cost to be met by the Electoral Commission as reflected in this year's figures or in the 1998-99 estimate?

Dr EVANS: That has had no effect. We have not conducted a pre-strike ballot, if that is the legislation to which you refer.

Mr McGOWAN: You have not conducted one?

Dr EVANS: No.

Mr McGOWAN: Why has the estimate increased to \$1.745m next year as opposed to \$576 000 this year?

Mr SHAVE: I was recently given the advice that more local government elections will be conducted next year. That will increase the budget item required, but I think that is recoverable.

Dr EVANS: That figure includes all the non-parliamentary elections and, apart from the union elections and so on that the commission conducts, the large proportion of the increase is the anticipated extra involvement in local government elections.

Mr McGOWAN: Next year is a local government election year, is it not?

Mr SHAVE: They will be held in May.

Mr McGOWAN: I refer to pages 371, 372 and 376. Certain aspects of either parliamentary or other performance measures with regard to non-parliamentary elections are not completed. Can you explain why? For instance, on page 371, under the first output description, no reason is given for variation between estimated actual and budget estimate. No performance measures are given for output 3. No forward estimates are given for the budget estimates on page 376 in relation to the operating statement.

Dr EVANS: The performance measures are being presented in a different manner. The budget papers indicate that many agencies do not have fully developed performance measures and ours is one such agency. We will work on those over the coming year, so that hopefully next time they are presented they will be complete.

Mr McGOWAN: On page 371, output description, no reason is given for the variation between the actual expenditure in 1997-98 as opposed to the budget estimate for next year, and the estimate has decreased on the actual expenditure of last year. Why would that be? There has been a decrease of \$20 000 or \$30 000, depending on which one you look at, but no reason is given.

Dr EVANS: It is practice not to provide a reason every time a few dollars' variation occurs. Unless it is a significant variation, a reason will not be given.

Mr SHAVE: That is correct. We will confirm that in the supplementary information.

Committee adjourned at 2.00 pm
