



WESTERN AUSTRALIA

Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
FIRST SESSION
1997

LEGISLATIVE COUNCIL
ESTIMATES COMMITTEE

Friday, 30 May 1997

Legislative Council

Friday, 30 May 1997

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

The meeting commenced at 10.00 am.

Division 4: Premier and Cabinet, \$79 174 000 -

[Hon Simon O'Brien, Chairman.]

[Hon N.F. Moore, Minister for Mines.]

[Mr M. Wauchope, Chief Executive Officer, Ministry of the Premier and Cabinet.]

[Dr P. Schapper, Chief Executive Officer, Public Sector Management Office.]

[Mr P. Tzaikos, Director, Strategic and Executive Services.]

[Mr M.S. Jaffar, Financial Accountant, Ministry of the Premier and Cabinet.]

Hon TOM STEPHENS: During last week's Assembly Estimates Committee the Premier indicated that the Ministry of the Premier and Cabinet had a total of 46 FTEs involved in communications, advertising, media monitoring and so on. Do these figures include the regional media units?

Mr WAUCHOPE: If the member is referring to the contracted people in the south west and the mid west region, the answer is no. They are not FTEs; they are on a contract service.

Hon TOM STEPHENS: Do these figures include the regional areas, where the media monitoring is done by the regional authorities?

Hon N.F. MOORE: I am not aware of that.

Hon TOM STEPHENS: Are any Ministry of the Premier and Cabinet units based in regional areas?

Mr WAUCHOPE: Not to my knowledge.

Hon TOM STEPHENS: What does the communications unit do? It has two FTEs.

Mr WAUCHOPE: It is staffed by a director who has access to the services of a contracted writer. The unit advises government agencies on how to develop public information and education campaigns, and develops promotional strategies to meet public requirements. Examples of this have been community services television campaigns advising women to adopt safety procedures when out at night and the campaign on anti-theft vehicle immobilisers.

Hon TOM STEPHENS: Why was \$240 000 expended by that unit in the current financial year and only \$140 000 allocated for next financial year?

Mr WAUCHOPE: The differential is effectively the money spent on the "Listen to your head" campaign this year, which does not have an allocation for next year.

Hon TOM STEPHENS: The Government Media Office has 7.5 FTEs. What are their tasks?

Mr WAUCHOPE: The 7.5 FTEs includes the director and the support staff. It does not include the media monitoring unit. I will take on notice the question about the functions performed by the support staff.

Hon TOM STEPHENS: Does the Government organise its own advertising or is it contracted out? If it is contracted out, why are there three FTEs in this area?

Mr WAUCHOPE: A decision was made recently to abolish the government advertising unit in the department. The Master Media contract will be managed by the Department of Contract and Management Services. The three FTEs in the budget have been removed.

Hon TOM STEPHENS: So, those three FTEs will no longer be in the ministry?

Mr WAUCHOPE: That is correct. One of the officers is currently redeployed and he is attached to one of the FTE positions.

Hon TOM STEPHENS: I have documents provided by the Government Media Office described as "news summaries". I refer to the edition of Thursday, 29 May. The budget papers show that this area has 11 FTEs involved in media monitoring. Where this document makes reference to an opposition member, that name has two asterisks. However, the same notation is not made for government members; they do not get any asterisks. There are no asterisks alongside the Prime Minister or people from the Confederation of Industry, two beside people from the union movement, and one beside people from the Milk Vendors Association.

Is this evidence that the government media monitoring unit has a system of transcripts being produced of what is said by the opponents of the Government - those shown with two asterisks - but not of anyone who is considered to be friendly to the Government, irrespective of whether that person is a federal Minister or someone from the Confederation of Industry? I understand the double asterisks indicate items from the media which have been transcribed from the media monitoring unit. Why is a transcript being produced relating only to opponents of the Government? Presumably, the unit is not there for political activity.

[10.10 am]

Mr WAUCHOPE: The simple answer is that I do not know. I have learned something this morning. I did not realise that was happening.

Hon TOM STEPHENS: I wonder whether I can place on notice that question about why this system of double asterisking of the opponents of the Government leads to the production of transcripts of what they have to say, but makes no similar transcripts available of what is said by Ministers, government members or friendly agents of the Government

The CHAIRMAN: That question will be placed on notice.

Hon LJILJANNA RAVLICH: On page 777 program 3.0 covering public sector management refers to a key achievement to contract out the combined mainframe computer centres and major computer services of 11 agencies in the BIPAC consortium. It states that the tender evaluation and contract negotiation processes are being completed and that to commence operation in July 1997, this contract will have a value of approximately \$100m over five years and is expected to deliver significant savings. Which 11 agencies have had, or will have, their combined mainframe computer centres and major computer services contracted out? What consultation has taken place on the proposed contracting out? What cost benefit analysis has been undertaken on the contracting out of mainframe computer centres and major computer services? What will be the savings to government from this initiative? Have tenders for this contract been evaluated? If so, who has been the successful tenderer and how have savings been calculated?

Dr SCHAPPER: The background to this contract is that over the years many agencies have acquired their own mainframe computers. Developments in technology are such that almost none of these is now attractive from an efficiency point of view. Each agency having its own mainframe is no longer the way to resource the mainframe requirements of agencies. Mainframe computer capacity power is now such that, at least theoretically, one unit could service the entire public sector. We have not moved down that path for risk management, benchmarking and contracting purposes; nevertheless, agencies with mainframes are being brought together. In no instance has any agency been required to join any consortium. It is entirely for agencies to decide the business case for their requirements. They all participate on an equal footing in the development of the contract. Any agency is free to drop out of that process. To date none has done so, as I understand it.

I will take on notice the question about the 11 agencies. If I recall correctly, they include the Totalisator Agency Board and the Department of Minerals and Energy.

Hon LJILJANNA RAVLICH: How many jobs will be lost? In the event that a contractor goes out of business, how will the Government guarantee the protection of the privacy of an individual, given the vast amounts of personal information stored in government departments?

Dr SCHAPPER: I will take the question about the number of jobs on notice. It is expected that the savings will equate to around 15 per cent. The protection of data is within the terms of reference of the contract and Contract and Management Services has the specific role of overseeing the contract. I am happy to provide as follow-up information the terms in the contract which relate to data protection.

The CHAIRMAN: Would the member like that information?

Hon LJILJANNA RAVLICH: Yes, I would, Mr Chairman.

Hon GIZ WATSON: My question relates to the changes in the composition of the Legislative Council. Will the department be providing additional equipment and staff to the two minor parties to ensure the passage of legislation is not delayed unnecessarily due to the huge workload currently imposed on a single electorate officer?

Hon N.F. MOORE: As I understand it, the Government will treat all members of Parliament in the same way. Legislative matters cover the organisations which are considered to be political parties in the Parliament. A political party is required to have a certain number of members to be accorded that status. My understanding is that the Premier has met with the members of the Greens (WA) and the Australian Democrats to discuss this matter. I am not sure of any resolution.

Mr WAUCHOPE: A number of proposals are under consideration, including the possibility of additional part time research officers in electorate offices. That has not been finalised at this stage, but I expect it to be within the next couple of weeks or so.

Hon N.F. MOORE: The point must be made that how long the Legislative Council takes to deliberate on issues depends very much on the contribution of individual members. The process of legislation going through this Chamber will take just as long as members require it to take. Any member who wants to make a contribution to a Bill will be given every opportunity to do so. Time will be made available to members to make a contribution. I see no need for members to suggest that, somehow or other, by not having a huge research capacity they will not be able to make speeches on issues.

The CHAIRMAN (Hon Simon O'Brien): What level of membership is required for a party to be considered a political party?

Hon N.F. MOORE: It is five members in the lower House. It used to be seven until the Burke Government came to office and decided to change it for various reasons.

The CHAIRMAN: Is that five in the lower House or the aggregate in both Houses?

Hon N.F. MOORE: It is five in the Legislative Assembly, as I understand it.

The CHAIRMAN: The officer indicated electorate offices may be provided with extra part time staff, if not full time staff; that it could be either 0.4 or 0.5 FTE. Are those staff being provided for all members or just minor party members?

Mr WAUCHOPE: As the Minister indicated, the question of resourcing electorate offices has always been treated on the basis that every member receives the same entitlement. If there is a decision to increase resourcing, the same level will go to each member of Parliament.

[10.20 am]

The CHAIRMAN: I understand you are considering a proposal to increase electorate office staff by a factor of 0.4?

Mr WAUCHOPE: That is correct.

The CHAIRMAN: When can we expect a ruling on that?

Mr WAUCHOPE: That is hard to say. A couple of issues have to be resolved, including how that 0.4 will be applied in practice. A number of members have made informal representations about how they can use the 0.4; whether they will be able to pool with other members, or use all the 0.4 in a block at the beginning of the year or the end of the year. Those options pose some problems of administration for the department. We are working through those issues to work out what they mean for us.

Hon TOM STEPHENS: Is consideration being given to the utilisation of the imprest-type system so that rather than providing a 0.4 FTE, an equivalent is provided for members to draw on for occasional research?

Mr WAUCHOPE: That option has been put to us. I understand legal issues pose some difficulties. Only the Salaries and Allowances Tribunal can make a determination about that type of allowance.

Hon N.F. MOORE: The whole issue of support staff for members of Parliament in the Western Australian Parliament is being seriously addressed by the Premier. In my recollection, it is the first time in 17 years that any Government has looked at that. While Mr Stephens is a very good advocate for improved resources for members, I did not notice a great deal in 10 of the 17 years that I have been here.

Hon TOM STEPHENS: I agree with the Minister. Governments tend to be as bad as each other.

Hon N.F. MOORE: This Government is looking at it seriously on the basis of improving members' support staff. That should be recognised.

Hon NORM KELLY: Has the department taken into consideration the recommendation of the Commission on Government that all members of Parliament should receive an equal entitlement, except for Ministers. The commission recognised that Ministers already have more than adequate staff.

Mr WAUCHOPE: I am familiar with the recommendation of COG. However, the proposition that has always been applied in this State is that all members of Parliament, irrespective of office status, receive the same benefits.

Hon N.F. MOORE: I expect the member would be very irritated if a Minister used ministerial resources for electorate purposes.

Hon NORM KELLY: There was no inference of that in my question.

Hon N.F. MOORE: Ministers are also members of Parliament, as Hon Tom Stephens can verify.

Hon TOM STEPHENS: We were told recently that the computer dispatch system for emergency services is not an issue that falls within the Emergency Services portfolio. We were told it was under the control of the Public Sector Management Office. We would like information about this system. We have been advised that the department is considering the introduction of a new computer dispatch system which will allow better coordination between emergency services and more efficient use of resources. What information can the Minister make available on that system?

Dr SCHAPPER: The Public Sector Management Office is seeking to coordinate an upgrade of emergency communications between the police, the fire brigades, the Bush Fires Board, the State Emergency Service, and some private sector organisations, such as St John Ambulance. It is an attempt to bring together all the agencies using the same equipment and systems so that all can talk to each other in emergencies. The Public Sector Management Office is coordinating that. However, all the requirements and the imperatives of that program are those being put forward by the respective agencies. The exercise, from a work volume point of view, is dominated by the Police Service. I will take the question relating to the progress of that program on notice.

Hon LJILJANNA RAVLICH: In view of the Government's difficulties in handling the Elle Racing contract, the Adamswood hospital administration services contract and the Global Dance Foundation contract, how much funding has been allocated in the 1997-98 Budget for the evaluation of government contracts? What contract management processes have been put in place to ensure that contracting out is cost effective, because there is mounting evidence to suggest that some contracts are not cost effective? Could the Minister outline how project management processes will guarantee that stringent checks are carried out before the awarding of contracts, that they are carried out on the day-to-day management of contracts, and that contract outcomes meet a standard?

Hon N.F. MOORE: The preamble to the question is grossly inaccurate and designed to try to score a point. If the member is suggesting that the Elle Racing contract is in trouble, I suggest she does not understand what is going on. If she is suggesting that the State of Western Australia should not enter its own boat, she should say that upfront also. That would carry her view of politics to an absurd extreme. Perhaps we could use her to promote Western Australia instead using someone like Elle Macpherson. We could employ her as a public servant to do that sort of thing. Maybe she is suggesting we should do that. There are no problems with that contract as far as I am aware. The preface to the question is highly inaccurate and is designed to score a political point more than to add light to the question. There is a difference of opinion between the member and other people within government about contracting out. Her political views are such that contracting out would be unacceptable regardless of the consequences of it. I suggest that is very strongly her political perspective, having heard her maiden speech the other day. It is probably a good thing that Western Australia will not go back into the dark ages of true socialism.

[10.30 am]

Dr SCHAPPER: The public sector has been ill-equipped in the past to manage, monitor and undertake contracting. Programs have been put in place to address this issue. For example, by last count, over 450 public servants have been put through courses on contract management to equip agencies with the management of their own in-house contracts. A special agency, the Department of Contract and Management Services, has been set up to provide a higher level of skills to agencies and to manage whole of government contracts, for example, vehicle fleets, telecommunications and the like. A dominant element of contract management is the monitoring dimension. I would be surprised if anyone in the public sector believes one can sign a contract and forget about it. Monitoring is part of it, and that is well understood.

It is true there has been and will continue to be occasional contracts that fail to deliver what was expected of them. The Department of Contract and Management Services has in-house resources to assist agencies which have poor performing contracts. The assistance includes mediation, legal services and the like.

The degree of what might be called contract failure in the public sector to date has been extremely minor considering there are over 40 000 contracts in the public sector at the moment. As a benchmark for failure, perhaps one should consider that the equivalent service undertaken in the public sector previously had elements of failure in the way of budget overruns. One would not regard it as a contract failure, but nevertheless it was a failure of service delivery.

Hon LJILJANNA RAVLICH: Some contracts have not delivered financial savings. Jobs have been lost and the projected savings have not emerged. I refer specifically to the Harvey-Yarloop Health Service. In response to a question on notice seeking information on the savings or additional costs from that contract, the response was that a contract was awarded to Adamwood for \$310 000 over a 24 month period. At the time of awarding the contract the savings were estimated to be \$40 000, although a review by the Auditor General suggested the savings did not occur. I draw to the Minister's attention the internal audit service at Royal Perth Hospital. Once again in response to a question on notice seeking information on the savings or additional costs from the awarding of that contract, the advice was there were no savings and additional costs of \$11 250. The situation is that jobs have been lost and it is actually costing the Government. Remedial action is needed in these circumstances. Will there be a review of the performance of these contracts and what will the Government do about the situation? I suggest this might be the tip of an iceberg.

Hon N.F. MOORE: Dr Schapper has already answered that question, which was more of a speech than a question. If he wants to add more, he is quite capable of doing so. He mentioned there are 40 000 contracts in which the Government is involved. I doubt any organisation anywhere in the world could claim that every contract it had entered into was concluded to everyone's satisfaction. The very nature of contracts is that there will be reasons that they cannot be concluded or one party reneges on part of it. It is human nature. We are doing these things in-house and, as Dr Schapper indicated, prior to Governments being involved in contracting out, on many occasions there were cost overruns which were paid for by the taxpayer. That will always be the case when everything is done in-house. It does not mean in-house delivery of service is not a good thing. In the same way as one cannot guarantee that every contract entered into will be concluded to everybody's satisfaction, one cannot guarantee there will never be cost overruns.

Dr SCHAPPER: I have no details of the Royal Perth Hospital audit contract; therefore, I cannot comment on it. The Harvey-Yarloop contract received extensive media coverage and the State Supply Commission, together with the Health Department, has undertaken a review of the procedures and processes associated with that and the weaknesses in the contract management and letting have been identified. It reflected a lack of understanding by the relevant individuals of contract management. It reflects on my earlier comments that the public sector has been weak on contract management in the past, but major programs to address this have been under way for some time.

The CHAIRMAN: There is a slightly further amount of thrust to Hon Ljiljanna Ravlich's question. I think she was asking whether, irrespective of what the Minister and Dr Schapper explained, which is fine in my mind, any remedial action has been, can or will be taken in respect of the case referred to.

Dr SCHAPPER: Since that case was entered into by the Health Department the State Supply Commission has issued comprehensive guidelines called "Buying Wisely". Other guidelines have been issued as companions to that; for example, "Ethical Purchasing". There is a comprehensive suite of documentation aimed at providing comprehensive assistance to departments and managers in the contracting process. This, together with extensive training course work which is being offered, has taken place since the letting of the Harvey-Yarloop contract. Things have changed since that time.

Hon LJILJANNA RAVLICH: There are cases where the Government is not buying wisely. Documents like "Buying Wisely" indicate to me that there is something wrong with the system. There is a need to review contracts to find out whether they are cost effective. The point I made earlier is that public servants are losing their jobs and the Government is paying money to buy contracts that are not delivering the outcomes. Will there be a review of some contracts to provide an analysis of whether contracting out is an appropriate way to go?

Hon N.F. MOORE: Dr Schapper indicated that the process of contracting out is under constant review. In the event of a non-performing contract, obviously the agency and the Minister concerned and the State Supply Commission will look at the consequences of it. There is not a Government plot to contract out and ignore those contracts that do not perform. I take the member back to the buying policies of the Dowding Government: It bought large numbers of central business district buildings at inflated prices and that led to this State losing \$1.5b. To argue that this Government has been negligent because a couple of contracts may not have performed ignores the reality of WA Inc, which was when the then Government used its agencies to buy things at very inflated prices.

[10.40 am]

Hon TOM STEPHENS: This Government does not seem to have learnt the lessons, Minister.

Hon GREG SMITH: What savings have been made through the contracting process?

Hon N.F. MOORE: I do not carry them around. I expect they are enormous. We will take that on notice and seek to provide the member with an answer.

Hon J.A. COWDELL: I commend the department on its document "Profile of the Western Australian State Government Work Force". It is a well worthwhile expenditure, and the figures are informative. I refer to the age profile of the public sector work force. Is it a matter of concern that less than 2 per cent of public sector employees are aged 18 to 25? Does the Government have any positive initiatives in hand to ensure that our young people are provided with opportunities for employment in the public sector?

Dr SCHAPPER: It is true that there is a small and declining number of people, relatively speaking, in the very young age bracket in the public sector. Part of this reflects the trends here and elsewhere that the public sector is becoming less process oriented. It undertakes less untrained or semitrained work and is becoming more professionally oriented, employing people with tertiary qualifications. Nevertheless, the Public Sector Management Office supports a program that provides young people with introductory experience and, where possible, induction into the public sector. Recruitment for the lowest levels of wages and salary employment in the public sector is undertaken by the Public Sector Management Office to ensure an adequate and growing representation by not only young people, but also disabled people and Aborigines. Together with the Commonwealth Government we have just concluded entry level testing for public sector employment of more than 2 000 young school leavers. I could not say how many of those will be recruited. However, the bulk of them would at least have reached the first step; that is, they have qualified to enter the public sector and they are on our list of potential recruits.

Hon J.A. COWDELL: Dr Schapper mentioned the profile for Aboriginal and Torres Strait Islander people and people with disabilities employed in the public sector. What positive government programs are in place to ensure a certain representativeness in the level of employment in the public sector of these groupings? I note that we are below the population level statistics in one case and substantially below the commonwealth percentage in the other case.

Dr SCHAPPER: Several programs are aimed at increasing employment levels in this area. Our entry level recruitment specifically aims to pick up a certain number of Aborigines and Torres Strait Islanders. We also have a program where the Commonwealth subsidises some of the employment and training of Aborigines. We encourage and advise agencies of this program. That would substantially offset the cost of employment in this area, and in a number of instances agencies are finding that more and more attractive. An equal opportunity program is also run by the Public Sector Standards Commission where the employment of Aborigines is specifically recognised in some of their guidelines and standards.

Hon J.A. COWDELL: I would like that put on notice in case there are other programs that perhaps Dr Schapper cannot immediately bring to mind.

The CHAIRMAN: That is on notice.

Hon J.A. COWDELL: The age profile also shows that slightly over 2 per cent of the public sector are aged 60-plus. Will the Federal Government's initiatives alter that, or will it continue to decline?

Dr SCHAPPER: I will take that question on notice.

Hon J.A. COWDELL: The profile on leave taken is very interesting. Does the Public Sector Management Office keep track of the trends in various agencies and departments and identify any aberrations to the norm? A number of units have a huge figure for average number of hours of sick leave. That is an indication that there might be something substantially astray in the operation of the unit concerned.

[10.50 am]

Hon N.F. MOORE: It might also reflect the nature of the work.

Dr SCHAPPER: We do not undertake a detailed analysis of specific issues within individual agencies. Our approach to this and many other statistics is simply to attempt to provide the most accurate statistics possible for each and all departments, and to allow the departments, under what is becoming an increasingly devolved management structure in the public sector, to identify where they sit in respect of other departments and the Auditor General, who may take an interest, and to identify whether they have an issue to address.

Hon TOM STEPHENS: I refer to page 763, Policy Co-ordination and Federal Affairs. For native title the 1996-97 estimated actual number of FTEs is seven and the expenditure is \$890 000. This expenditure has been growing since the election of the current Government in 1993. The unit has been responsible for initiating the legislation that was struck down in the High Court, and subsequently was involved in recommending a High Court challenge, which led to a 7:0 result against it in the High Court. One FTE has been dropped. Perhaps that was the offending officer who provided the advice that led the Government to set out on such an ill-advised course. Perhaps it was not that officer, but the Minister. The number of FTEs has decreased by one, but the cost of the unit has increased to \$910 000. I understand the unit has been involved in the drafting of the Prime Minister's 10 point plan. Is it wise for a unit that

has been so thoroughly discredited to involve its officers in drafting a resolution of the native title question for the Prime Minister, in view of its abject failure to this point? Or is it the case that because an FTE has been dropped you now have a unit that can function, or is the problem the fact that the unit is advising Ministers who are not taking that advice? Can the Minister help?

Hon N.F. MOORE: I do not think I can help you. You are beyond help on this issue. The tone of the question and its content are outrageous. The officers working at the unit are highly respected across the Public Service in Australia, not just Western Australia. They work for the Government, and the Government accepted the decision some time ago that we should seek to resolve the native title problem by legislating in Western Australia. The history of that is well known. It is not a reflection on the officers. I suspect it is as much a reflection on the views of the High Court, as anyone else. This Government sought to resolve the problem of native title well in advance of the stage when many Governments did not recognise they had a problem - including the member's political colleague in New South Wales, Mr Carr. It is interesting that the 10 point plan put forward by the Prime Minister as a potential solution to native title is in many ways similar to the legislation passed by the Western Australian Parliament. It is highly regrettable that Hon Tom Stephens has no understanding of the consequences of a lack of resolution of the native title issue in Australia, but particularly in Western Australia. If he has a moment to spare, I invite him to visit the Department of Minerals and Energy to go through with the non-political officers - as are the people in the native title unit - and apprise himself of the serious problems native title is causing in the mining industry in Western Australia. He should acknowledge that many of his constituents, who are also my constituents, are pastoralists who are concerned about the consequences of native title for their enterprises. The member has raised a very political question and that is why I have given a political answer.

The CHAIRMAN: The Minister is correct. The thrust of the question was political. That matter needs to be thrashed out on another occasion.

Hon N.F. MOORE: I do not know why the number of FTEs has changed, although we could probably use 50 people to assist in resolving the problem - and the quicker it is resolved the better!

Mr WAUCHOPE: I am not sure but I think the increase in the FTEs is taking up the full entitlement they already had. I suspect they were under-utilised this financial year. The increase in expenditure is an accounting adjustment by our budget people to allocate a greater component of corporate services to that area.

Hon LJILJANNA RAVLICH: I refer to program 3.0, Public Sector Management. At page 777 a major achievement relates to strategic options for rationalising the structure and functions of the public sector. Where will that proposed rationalisation occur, and where will the public sector functions be rationalised? Within what time frame will the departments be amalgamated? How many public servants are likely to lose their jobs as a result of the proposed amalgamations, and what will be the net saving to the Government?

Dr SCHAPPER: The development of strategic options is the development of reforms to the machinery of government; that is, the number and fragmentation of departments. Independent comment has been made by Commissioner Fielding that the machinery of government structure in Western Australia is far from efficient or optimal. The consequences are not necessarily anything to do with numbers of jobs. It is to do with the proper coordination of service delivery, program coordination, budget controls, and so on. A set of options are being developed for consideration by Cabinet. There is no target for job reduction, and I do not believe this would lead in a direct way to any significant job reduction. The aim is to have the better functioning of the public sector and the better delivery of programs to the public.

Hon N.F. MOORE: It is prudent for any Government to have strategic options in this area. As Dr Schapper has indicated, this agency will prepare options to be considered by the Government as a whole.

Hon LJILJANNA RAVLICH: Can the Minister advise what some of those options might be?

Hon N.F. MOORE: It is not appropriate for me to do that. Many options are considered but do not progress until they reach the Cabinet table. I do not propose to provide a list of options because it will become in the minds of some people what will happen, when it may be only an option.

[11.00 am]

Hon LJILJANNA RAVLICH: Is the Minister prepared to put on record that no jobs will be lost from the public sector?

Hon N.F. MOORE: I am not here to make statements of that nature.

Hon LJILJANNA RAVLICH: I think they were just made by Dr Schapper when he said that there would be no job losses.

Hon N.F. MOORE: The member should not put words in people's mouths. That is an unfortunate habit which some members exercise occasionally. He said that he did not imagine that would be a consequence of any of the options being considered. No guarantees can ever be made regarding these issues, particularly when we are considering options.

Hon LJILJANNA RAVLICH: So, we can expect more job losses?

Hon N.F. MOORE: I did not say that. You are learning too quickly from Hon Tom Stephens, who draws conclusions which he is not entitled to draw. The Labor Party should at least acknowledge that it is prudent for a Government to make sure that its public sector operates efficiently and effectively and delivers services appropriately rather than, as we had in the past, a public sector that carried out the activities of elected Governments without considering whether it was effective.

The CHAIRMAN: Six questions from our standing committee and a further 12 written questions provided by Hon Tom Stephens have been placed on notice.

Hon N.F. MOORE: I would like a copy of the questions Hon Tom Stephens is putting on notice at the end of each session and which are not being read out.

The CHAIRMAN: That will be done for the Minister. I thank the Minister and departmental officers for their attendance.

Division46 : Department of Training , \$319 722 000 -

[Chairman, Hon Bob Thomas.]

[Mr I. Hill, Chief Executive Officer.]

[Dr S. King, Director Training Resources.]

[Mr M. Sykes, Manager, Financial Management and Analysis.]

[Mr L. Davies, Director, Employment Initiatives.]

Hon J.A. COWDELL: I note that the TAFE colleges are now statutory authorities. Presumably the overview is still done by the department. What is the overseas student intake into WA colleges this financial year? Have the more recent federal visa requirements on Chinese students adversely affected our share of the market or colleges in this State?

[11.10 am]

Mr HILL: I will provide on notice the precise number of students for 1996-97 and 1997-98. We are aware of the problem as enunciated by the Victoria University of Technology. We do not draw a large number of students from China. Our markets tend to be Indonesia and Malaysia and to a lesser extent Hong Kong and Taiwan. We have not experienced that problem, but we can make further inquiries and provide information on that.

The CHAIRMAN: The first part of that question will be taken on notice.

Hon J.A. COWDELL: Has there been any noticeable effect on the recruitment of students from places such as Indonesia, Malaysia and Singapore as a result of recent public issues in Australia - "Hansonite" issues?

Mr HILL: We have no way of measuring that. The most recent figures we have seen for 1997 compared with 1996 show a growth in the number of overseas students enrolling in Western Australia on a full time basis.

Hon LJILJANNA RAVLICH: I refer to page 953 of the Budget Statements. There has been a reduction of 1 778 FTEs in the Training budget. Why have those FTEs been shed, given that major reports on state training needs, such as the Worley report, indicate that Western Australia is experiencing skill shortages, particularly in the resources development area?

Hon N.F. MOORE: The member should have looked a little beyond the numbers in the budget papers before she asked that question.

Dr KING: As of 1 January 1997 all colleges are statutory authorities under the new vocational education and training legislation. This has meant the personnel employed by those colleges - colleges are now the employing authorities - are not shown in these figures as FTEs. The various salary costs associated with them are still reflected in the dollar figure, particularly under program 2.0 for vocational education and training. We do not have full figures at the moment on staff numbers. The figures are a reflection of the new legislation.

Employees of only the Department of Training are reflected in the 1997-98 estimate. A footnote on table 953 explains that the 1996-97 figures for FTEs reflect the full financial year of the department plus half the year for the colleges, whereas the 1997-98 FTE figures reflect only the department. We do not have any knowledge of the number of college staff, but we are unaware of any major change. The Training budget is going out there. There has been a substantial delivery increase in training. It is partly an accounting change in the way FTEs are counted and reflected in the budget figures.

Hon LJILJANNA RAVLICH: Have those people gone from secure public sector employment conditions onto workplace contracts?

Hon N.F. MOORE: There is nothing insecure about workplace contracts. Your questions are often based on a false premise.

The CHAIRMAN: Order! The Minister should just answer the question.

Hon LJILJANNA RAVLICH: It is a question, and I am entitled to ask the question, Minister.

Hon N.F. MOORE: I am not suggesting you are not, but it is a good idea to preface it on factual information.

Mr HILL: Rather than guess, I would prefer to provide the answer on notice. Of the approximately 4 300 FTEs in the VET system, about 25 per cent are on workplace agreements.

Hon N.F. MOORE: A significant change has occurred, which is only relatively new, as a result of legislation passed at the end of last year by this Parliament that set up autonomous TAFE colleges. The employees are now part of the colleges and not part of the central agency, which is Mr Hill's department. There has been no change to whether those employees are on workplace agreements or enterprise bargaining arrangements.

Hon MURIEL PATTERSON: With the expected computer bug in 2000, what precautions, if any, will you be able to make to salvage the information you have on file?

Mr HILL: The department has a task force looking specifically at this issue. The chairman of the task force is on the overarching government committee that is considering this matter. We have four main programs running in our mainframe system; for example, the college management information system and REMUS, which is a human resources system. We are fairly confident we will not have that problem in 2000. We are examining software packages that are not part and parcel of our system-wide arrangement and looking at whether there are any glitches in that arrangement. We are reasonably confident from the statistics we have taken that we will be on top of that.

Hon N.F. MOORE: A whole of government committee is looking at that question to ascertain the extent of the potential problems and to seek resolutions in advance of the problems arising.

Hon MURIEL PATTERSON: It all sounds rather horrific to me.

Hon N.F. MOORE: It may be. However, I do not think anyone knows how horrific it will be or whether people are concerned unnecessarily. The Government is aware of the problem and it is being assessed on a whole of government basis.

The CHAIRMAN: I have just been advised there is an excellent article in this week's *The Bulletin* on this issue. There is some speculation it may be too late to do anything about it now.

I refer to the provision of education services to prisons and, in particular, to the certificate of general education. In Albany and Bunbury this service is provided by technical and further education colleges, but the prison service recruits the lecturer, and the cost for that education service is met by TAFE's budget. I have been told the way the department is funding TAFE colleges is changing because of the change to the profile of the courses, and the certificate of general education has been given a much lower priority than the skills training areas. I estimate that TAFE provided \$45 000 or \$50 000 in education services to the prisons in Albany and Bunbury, and that provision will probably not be available after 1 July. What is happening in that area?

[11.20 am]

Mr HILL: It is true that Mr Payne alerted me to the fact that he was asked that question in the committee yesterday. The information which you have is perhaps incomplete. A committee chaired by Mr Nic Gara, who is the managing director of the Midland College of TAFE, was established to conduct an audit of the varying types of education programs running in the prison system in Western Australia. It is fair to say that the approach by Anne Gilmour, the manager of education and vocation training in prisons, has resulted in a more focused approach; that is, she is part and parcel of the audit we are doing on education on their behalf.

Session programs tend to be rather ad hoc and in adult education. They are CRF-type award programs, which are mainstream TAFE and human service programs. Shortly, we will have a picture of what exactly is being delivered, what constitutes an award course and what can reasonably be sustained in the prison environment. That review will be signed off between the two agencies as part of a resource agreement. The view of the rumour mill - if there is one - that we are withdrawing from that provision is simply not right.

The CHAIRMAN: Do you expect that you will still be providing and funding a similar service, but it may be a different type of course, in the future?

Mr HILL: It is fair to say that we are not likely to continue to fund community adult courses - they are the hobby courses -

The CHAIRMAN: Are you saying that the certificate of general education is one such course?

Mr HILL: That is an award course. Anything in the Australian qualification framework and leads to certification and subsequently to a job position is something we will continue to support.

The CHAIRMAN: Can you assure me that there will be no reduction in the funds available for Albany and Bunbury prisons?

Mr HILL: We do not envisage any reduction; in fact, the issue was raised with me for the first time yesterday.

The CHAIRMAN: It sounds like the best form of guarantee I can get is "we do not envisage".

Hon N.F. MOORE: Obviously, officers cannot give a guarantee of an absolute nature in respect of any matter.

The CHAIRMAN: Did the Minister listen to what I said? I said that it sounds like the best I could get.

Hon N.F. MOORE: It is an excellent one to get; the member should be very pleased!

Hon LJILJANNA RAVLICH: Page 955 of the budget papers states that there is a continuing requirement to identify future high demand skill areas to enable effective vocational and educational system response. I could not agree more with that statement. Plant operators were identified as an area of skill shortage by the Worley report and also by the report jointly commissioned between the Chamber of Minerals and Energy and the Department of Training called "Mineral Industry Skills Shortages Project: Technical Trade Skills and Semi-Skilled Occupations". That latter report showed that 11 per cent of surveyed companies indicated a shortage of skills in the plant operator area.

How much money has been allocated to plant operator training in the 1997-98 budget, and how does this compare to the amount of funding allocated in the previous year? How does the Government propose to overcome severe skills shortages in the semi-skilled occupations?

Hon N.F. MOORE: We will take the precise questions on notice. Generally, skills shortage is preferable to unemployment, but it is still a problem. The change we have been seeking to make in the training sector in the past four or five years is to more accurately relate demand for training to the demand for jobs. Getting the balance right is not easy. Sometimes one has a surplus of certain skills and a shortage of others by virtue of the fact it takes a long time to train somebody with the necessary skill to match the shortage. Therefore, by the time somebody is trained for a skills shortage, the shortage may no longer exist.

The State Training Board profile strategy and decision to have autonomous colleges is designed to ensure that the delivery of training is in line with demand for skills. That is causing TAFE colleges particularly to be far more flexible in what they offer and deliver. It will take some time for results of this initiative to flow through to industry. I leave the member with the caution that any manpower planning is a very inexact science at best, but we are trying to ensure that industry needs are determined early so the process delivers skills when needed.

We went to a lot of trouble to have the Worley report carried out, as a joint venture with the Department of Training and the Department of Resources Development, so we would know at a government level future demand. Circumstances have changed since the report was first produced as some projects are ahead of or behind schedule and some are not going ahead at all. Trying to fit the provision of skills with future decisions of private companies regarding projects creates difficulties. However, the process is better than it was before the changes to the system were made.

Hon LJILJANNA RAVLICH: I know that people in the industry are of the view that the plant operator area is deemed to be a low priority as a result of the high unit cost of training; that is, one can train more people in clerical areas than in the plant operator area. What sort of comfort can we give to these people that they are not missing out because of high unit costs? Is that view justified?

Mr HILL: The concern by individual employers or employees in the sector that the focus appears to be on areas with lower unit costs is not borne out by the facts. We do not approach funding in the industry sector in that way. The fact is that the State Training Board, an industry board, signs off on strategic priorities for the State. We provide this by way of detailed information. The last three years will show a significant boost in the metal and construction area. For the first time, the department is shifting resources from low priority to high priority areas.

We have tried to accelerate this training by increasing the amount going to competitive tender from \$2.4m four years ago to approximately \$19.3m this year. That is targeted at what goes out under areas which have been identified as having the greatest skill shortages. We are very mindful of that, and we certainly do not approach the training needs of industry on the basis of lower costs. That has never been a mandate.

[11.30 am]

Hon LJILJANNA RAVLICH: The forward estimates for the Department of Training at page 952 of the Budget Statements indicate a decrease in spending over the next three years compared with the allocation for 1997-98. By 2000-01 the allocation is estimated to be \$318,344m. However, at the same time the Worley report, which considered the skill requirements of major resource development projects, concluded: Western Australia is undergoing its biggest surge in resources development. If the committed likely projects are to go ahead in the manner reflected in the study, the peak requirement from mid-1988 through to mid-2001 is estimated to be an additional 6 000 persons. That figure relates only to the mining industry. Why is there a mismatch in this area? On the one hand, there is an indication of a strong increase in training demand and, on the other hand, there is a decline in the amount allocated to training. How will the demand for the additional 6 000 persons for this industry alone be met? Will the Government support the recommendations of the Worley report and allow overseas migration through the issue of temporary work visas? If so, does the Government truly believe it is not a betrayal of unemployed workers in Western Australia?

Dr KING: The forward estimates at page 952 indicate a decrease, but that is largely due to a reduction in commonwealth specific purpose programs. It is indicated at page 972, where the sources of governmental recurrent revenue are flagged, that the commonwealth recurrent estimates decrease by about \$3.2m between 1997-98 and 1998-99. The forward estimate from the Commonwealth for 1998-99 is \$78.8m, and in 1997-98 the commonwealth recurrent figure is about \$82m. The member will be aware that it is difficult to know the precise impact of the commonwealth Budget, and the forward estimates of the commonwealth specific purpose programs involve even more crystal ball gazing. The main fall off in the allocations listed on page 952 is our current guess of commonwealth specific purpose programs.

Hon LJILJANNA RAVLICH: It is stated in the report that 6 000 additional people must be trained in the mining sector alone. Even accounting for the fact that there will be a commonwealth government shortfall, one would expect Treasury to top up the amount needed.

Mr HILL: We have enunciated a range of strategies, and funding is not the issue. There has been a shift in focus. The allocation in specific areas has increased by almost 100 per cent in the past three years, and I will provide precise details of that. We are attempting through the priority enhancement competitive tender program and the enterprise specific program to target specific areas through a range of activities. Some will be done through mining companies which are running accelerated apprenticeship programs, or the private sector will link with the TAFE college or, if it has the capacity, it will carry out the program itself. TAFE colleges have also been funded.

As the Minister has indicated, the Worley report mark 1 released in March this year indicates a surge, but the latest Worley report shows a slippage in the order of 50 per cent. The department has not diminished its effort, and it believes the funds are adequate. Earlier this year another large sum was provided to the chairman of commerce and industry's skill training centre to boost its specific program to address skill shortages in these areas. The combined effort is significant, but the shortfall in metals engineering and fabrication is not specifically a Western Australian problem. It is a national problem, and Western Australia is doing its bit.

Hon N.F. MOORE: The overall thrust of the question is that, on the one hand, there are skill shortages and, on the other hand, there is unemployment, and if more money were allocated the unemployed people would become skilled workers. It is not quite as simple as that. It is not fair to say the Department of Training should not reassess the sort of training it provides. Over time the TAFE system has been moving away from areas of training which are no longer applicable, because certain skills are no longer required by the nature of work available.

The funds are moving from some areas to others where there is increasing demand. We have rigorously targeted the resource sector demands to do the best we can to make sure the demand for jobs is met by a skilled work force in Western Australia. It is a very inexact science, and Mr Hill has indicated that the commencement dates of a number

of the projects alluded to in the first Worley report have been delayed. That is why we must be careful to get the right balance.

The Worley report stated with regard to overseas workers that in some occupations skilled people were not available in Australia at a particular time. That often happens when resource projects happen simultaneously across Australia. In the past it was often the case, for example, that when a project finished in Queensland another started in Western Australia. Those skilled workers are quite mobile. Because there are a number of projects under way in Australia at present and significant demand for those skills, it may be necessary in some limited categories to import employees to do those jobs. We will not encourage it and we hope to be able to deliver the necessary training. However, it is a very inexact science and it is difficult to get the right balance.

Hon LJILJANNA RAVLICH: I agree that it is difficult to match the demand and supply for skilled workers and that sometimes by the time people are trained, the demand for their skill has moved on. However, many of the skills - for example, plant operators in the mining sector - are such that people can be trained over shorter periods. There is no apparent reason that people could not be put through short courses in preparation for the boom that, according to the Government's projections, will be with us for a number of years to come.

[11.40 am]

Hon N.F. MOORE: Employers have an obligation to provide some training, and many do, particularly for plant operators. A number of programs have been funded directly by the Department of Training to assist in that area; the Chamber of Commerce and Industry skills centre is one example. TAFE is trying to move from a demand driven system to a supply driven system. In other words, if students want to study a course or acquire a skill for which no jobs will be available in the foreseeable future, the funding is redirected to areas where the State Training Board has demonstrated that there will be skills shortages. We are moving towards a supply driven system rather than providing a place for anybody who wants it regardless of the needs of industry in the future.

Hon SIMON O'BRIEN: I note from page 969 under completed works that the Rockingham TAFE campus will have new buildings and/or additions to the value of \$1.54m this financial year. What is that for? Is it for things like child care training?

Dr KING: That is for a training facility in the child care area, which has now been completed and is operating. I cannot give you the details now of the precise number of students, the student curriculum hours being delivered and the range of programs, but we can provide that on notice.

The CHAIRMAN: That part of the question is on notice.

Hon SIMON O'BRIEN: I am advised by child care industry sources in that area that child care training at the Rockingham TAFE campus has been scaled down and that the two year full time certificate course in child care will be discontinued. I am told that the equivalent course is not conducted at Fremantle TAFE but will continue to be conducted at Thornlie and possibly other areas further afield like Midland, Mt Lawley and Joondalup. I appreciate that you cannot respond to the detail now.

I am further advised that the number of students in the current course at Thornlie has increased and that the majority of those students are predominantly young women who are domiciled in the Rockingham area. It is very inconvenient for those young women to commute such distances. It involves very long travel, or the expense of having to be accommodated away from home. Most families opt to have their daughter commute, so that involves buying a second-hand motor car and all the costs that are associated with that. It becomes a very expensive exercise for the Rockingham community to train its child care people.

I am further advised that there is extensive demand for child care services and courses in Rockingham. I have met one or two child care centre owners and I have spoken to some of the youth education officers at the Warnbro and Rockingham High Schools to try to validate that. Something appears to be a bit out of kilter, and it would be beneficial for this community - in fact, for all communities south of the river - if we could look at this matter. Can you comment now, and I will take the other information on notice?

Dr KING: It will have to be a comment at this stage. I am not aware of a reduction of the type that you flagged. We are about to commence planning for 1998 with colleges, where we negotiate a delivery profile with them. It may be that the college is planning something like this and once we start those discussions it will emerge. I am happy to examine what training we have funded and profiled for that college and for the other colleges that you mentioned and to pursue it in case anything is planned.

I am not aware of any decline or expected decline, but we can follow it up. The comment about people commuting long distances, particularly females, is an issue in point. I do not have the information at hand.

Mr HILL: There has been no policy decision. What you have just shared with us is news to me. We will follow that up and provide that information.

Hon N.F. MOORE: It should be understood that not every TAFE college will be like the neighbourhood TAFE college where every course that people want to take will be available. Those days have now gone, and many colleges now specialise in certain areas and forgo courses in other areas. That has been an ongoing process of rationalisation for some time.

Hon SIMON O'BRIEN: I thank the Minister for pointing that out to me. I share the view that we cannot be all things to all people because budgets are limited, and the management of TAFE centres must set priorities and be able to justify their decisions, but it seems that in this case there is a demand which should be satisfied to meet the genuine needs of industry and the community, and a large proportion of our metropolitan area will be disadvantaged if it is not satisfied. I think as you investigate a bit further you will find also that there has been a bit of agitation by the participants, which, as we all know, can make middle managers feel a bit defensive. I want to see whether we can allocate our resources in the best way we can, and I look forward to receiving a communication about that matter.

Hon J.A. COWDELL: Does the department monitor the cost effectiveness of the overseas ventures of individual colleges and the earnings that are generated to the TAFE sector; and are details of these ventures available? I note that you conduct various evaluations, and it appears that this area should be subject to some evaluation.

Mr HILL: Yes, we do conduct evaluations and we can make those available. Over the past three or four years, TAFE International has tended to move away from overseas projects which are dependent upon funding from AusAID, World Bank or the Asian Development Bank and the focus has been increasingly on overseas students and some twinning arrangements. We do evaluate, because the experience from other States, in particular South Australia, has been that project work looks very attractive until you actually get into it, and you then find that you end up cross-subsidising an activity which is of no benefit to the State. We will provide details.

[11.50 am]

Hon J.A. COWDELL: I raised that question because I have heard some hair raising stories of individual ventures of different colleges. I felt sure that the department would be evaluating the total scene.

Hon N.F. MOORE: Perhaps the member will make the hair raising information available to Mr Hill.

Mr HILL: The individual colleges in Western Australia are not permitted legally to engage in any work.

Hon J.A. COWDELL: They do it through TAFE International?

Mr HILL: Yes, it must be through TAFE International.

Hon J.A. COWDELL: TAFE International must have approved this scheme.

Hon N.F. MOORE: It depends on how long ago it was. TAFE International and the new college structure have been in existence since the Act was proclaimed on 1 January of this year.

The CHAIRMAN: That question is on notice.

Hon J.A. COWDELL: Has the department coordinated efforts to provide a significant component of Police Academy training or is this potential bid left to individual colleges?

Mr HILL: The role of the Department of Training is different; in fact, the relationship is directly between the department and the provider, which are the Police Department and the colleges. We know of two colleges which are negotiating with the Police Department. They are the North Metropolitan College and the Central Metropolitan College.

Hon J.A. COWDELL: Is the department taking any steps to ensure that the TAFE colleges are actively involved in any initiatives for vocational education and training in secondary schools?

Mr HILL: Yes. We have just commenced a mapping exercise of what TAFE colleges are doing with the initiative of the AT schools, given the sharp focus nationally and statewide. We are working collaboratively at a system-wide level with the Education Department, Catholic schools and the independents. A range of programs is currently being piloted. TAFE colleges are the providers as part and parcel of it. We have assumed an overall coordinating role and they are actively involved.

Hon LJILJANNA RAVLICH: One of the many evaluations conducted in 1996-97 was the evaluation of fees policy as outlined on page 964. A key action outline reads -

The 1997 Policy Guidelines reflect the move to an autonomous college network and are aligned with the provisions of the Vocational Education and Training Act (1996).

What does this mean for fees policy? Will colleges be able to set their own fees? Will there be an increase in fees and charges for TAFE courses in 1998? Will the increases be across the board or, if there are fee increases, will they target specific courses?

Mr HILL: I have a document called "TAFE Fees and Charges - Policy Guidelines". I am quite happy to table it to make it available. The answer to the member's elaborative question, will colleges be able to set their own fees, is no. The legislation requires that they be set centrally by the Minister. In answer to the third question of whether there will be an increase across the board for 1998, in the last discussions with our Minister the answer was no.

[Document tabled.]

Hon LJILJANNA RAVLICH: The Minister has stated publicly on several occasions that she supports industry training councils. I am advised that the Minister supported the State Training Board delegating the advice on funding to ITCs for 1997-98 and she supported the unanimous ITC position, as outlined by the consultants' paper written by Bant and Gatter. Will the Minister outline why recommendations in the Bant and Gatter report were not followed? Will the Minister guarantee the continuation of the ITC network as a principal source of industry advice with funding levels as recommended in that Bant and Gatter report?

Hon N.F. MOORE: I cannot give those guarantees. Mr Hill can give some background. From my perspective, we gave an assurance during the Vocational Education and Training Act debates that the ITC network was considered to be not necessarily the only source of advice on training issues but a very important one. Things may have changed since then.

Mr HILL: The Minister has said that she supports the ITC network as it stands today. It is a primary source of advice but not the only one, and that has always been the case. With regard to funding and its future role, two things have happened nationally and within the State. Nationally there have been what broadly speaking are called national training reforms which have resulted in - excuse my jargon - the Australian qualification framework, which allows portability of qualifications across the nation; what are known as training packages, for want of a better name, or the old curriculum, as it were; the so-called training products; and the national assessment guidelines. That is a move to have enterprises deal directly with training providers. The competency standards are spelt out nationally. The training material and any customisation of it is a matter between the enterprise and the training provider. It must meet the Australian qualification framework level and it must be registered and accredited by the Training Accreditation Council, which is a state recognition body.

That has resulted in a re-examination of the role of the ITCs, given their previous role under the now repealed State Employment and Skills Development Authority Act. With the Minister's approval the State Training Board has called for expressions of interest. It has not yet appointed a consultant but that will happen some time in the next fortnight. The consultant will report to the State Training Board on the role of the ITCs. The ITCs have been consulted on it. Some are happy about it and some are not.

That issue was discussed at a forum called by the Minister when she enunciated why it was appropriate for that review to be conducted. There is also a national view and the State Training Board has adopted a similar view, which has been approved by the Minister, that there is only X amount of funds. There is a bucket of funds, and currently there are 14 ITCs.

The State Training Board recently approved the setting up of other ITCs provided they were not seeking funds from government. Two ITCs have been set up as a result for automotive and mining studies. There is a review of the role and it will examine what opportunities or avenues are open to the State Training Board to acquire information on industry's training needs.

[12 noon]

The CHAIRMAN: Have councils been established for all autonomous colleges? If not, why not? Who in the department ensures that the colleges are being properly managed?

Mr HILL: The Minister has requested that the department reconsider the composition of the 14 governing councils. That has been done and the report is with the Minister. We expect the Minister to appoint those councils some time in the near future.

There are two answers to the second question; one is easy and the other not so easy. First, they are statutory authorities under the FAAA; they compile their own annual reports. They are subject to Treasury regulations, the FAAA, the Public Sector Management Act, the standards imposed by the Public Sector Standards Commission, the

State Supply Commission Act and the rules and regulations that apply thereto. In other words, it is a self-managed department.

The department's responsibility is to ensure that the Government's investment of the training dollar is directed to, first, the priorities that have been negotiated by the department through its resource agreements to deliver on a training profile, which specifies the number of courses and the student contact, and to ensure that it gets value for money.

Quality of education is one step removed from the department. The Australian qualification framework, the national competency standards and the national assessment guidelines form what are known as the three endorsed components of the training product. All courses funded and delivered by public providers, and increasingly private providers, must be accredited and registered with the Training Accreditation Council. The Quality Endorsed Training Organisation also provides a form of endorsement. About seven training providers have now been accredited on all nine standards. We have that quality check and it is a formal process.

The CHAIRMAN: Who will fund and be responsible for vocational education and training in schools? How will this affect the level or quality of normal school education learning outcomes for these students?

Mr HILL: The Federal Government has allocated \$20m a year for the next four years. Western Australia's share is about \$2.2m for the 18 schools. A committee is working with the departments and pilots are being run throughout the State. However, at this stage, they are VET modules delivered in schools. All modules are nationally accredited. When students complete those modules they are credited with advanced standing if they decide to do particular courses at TAFE.

The process is still single certification through the Secondary Education Authority. There are emerging models at Kwinana, Midland and Thornlie. The models at Midland and Thornlie involve two days' school, two days' TAFE and one day of work experience.

The CHAIRMAN: This was called "pathways".

Hon N.F. MOORE: No.

Mr HILL: It is very different.

The Kwinana model is different again in that the participants are paid. That has created a number of policy issues for the whole of Australia. They are being examined by the directors general of education, and the department is also examining them. It is considering issues such as who is the employer, duty of care, workers' compensation, superannuation benefits and so on. It is an evolving situation.

Hon LJILJANNA RAVLICH: I believe TAFE funding is increasingly being directed to non-teaching areas as opposed to the provision of courses and lecturers. What percentage of the TAFE budget is allocated to non-teaching areas as opposed to direct expenditure on course provision, including the cost of lecturing staff, and how does this compare with the previous year?

Dr KING: I cannot give details but will provide supplementary information. Several years of work has been done on a new funding model for TAFE colleges. In the latest versions of that, which is applied to semester 2, 1996, and the 1997 full year funding for the colleges, the department went to great pains to focus on dollars going to non-teaching salaries, being very mindful of wanting to channel more and more dollars to direct delivery costs and not to expensive infrastructure. We can provide details of that, but our latest efforts on the 1997 funding model were a deliberate attempt to benchmark the non-teaching component of the model to maximise the dollars going to direct delivery.

Hon N.F. MOORE: I have a sneaking suspicion that the question is based on a false premise. People have argued that for some time, but I am not sure it is correct.

Hon LJILJANNA RAVLICH: I assure the Minister that it is not based on any premise; I am just after information.

The CHAIRMAN: What steps is the department taking to ensure proper accountability for ongoing outsourcing of information technology needs?

Hon N.F. MOORE: We will answer that question on notice.

The CHAIRMAN: What policies does the department have for appropriate access to the Internet for employees?

Mr HILL: We can provide that information on notice.

The CHAIRMAN: What are the departmental policies in relation to the continuing need to replace and upgrade information technology and how does it address technological change?

Mr HILL: We can provide a detailed response. The department considers itself to be at the leading edge in those areas in terms of how it polices, manages, monitors and outsources. The outsourcing section is accredited by the International Standards Organisation and it has powers under the vocational training legislation based on State Supply Commission delegation. We think we do it very well.

The CHAIRMAN: This is leading to a separate inquiry of the state public sector in relation to information technology. The information provided will probably be used as a benchmark against which to compare all other agencies.

[12.10 pm]

The CHAIRMAN: The other part relates to the training processes for employees in information technology.

Mr HILL: We will take that question on notice.

THE CHAIRMAN: This question has been asked of other agencies by Hon Simon O'Brien. What action has the agency taken to ensure that the controls over the recording of public property are adequate to ensure the appropriate asset control? We are not just talking about the large assets, but all assets, even those under \$500 in value.

Dr KING: I oversee the physical assets area of the department. We are putting in place quite detailed approaches to asset management. That area not only looks after major assets and buildings, but also is putting in place a strategic asset management strategy. Although we are trying to comply with the FAAA, some very small items are not required to be lodged on asset registers and monitored.

The CHAIRMAN: What about accrual accounting?

Mr SYKES: Under the Financial Administration and Audit Act we are not required to identify an asset that has a value of under \$1 000 for accrual purposes. For anything less than \$1 000 we have the option to regard it as an expense in the year it is purchased. The department has made a deliberate policy to identify those items deemed to be portable and attractive - computers and video recorders and the like. They, too, are included on the asset register.

We have made a concerted effort over the past 18 months to bring our asset practices up to date. We have achieved a lot, both in colleges and within the department. We are now undertaking monthly reconciliations between our general ledger - that is, anything that is purchased - and the asset management system to ensure everything that is purchased is actually included on that asset management register.

All colleges' assets were reconciled before the devolution to the colleges prior to 31 December last year. Rates of depreciation and the like have been strenuously looked at and brought into line. Considerable effort has been put into training. All those associated with the asset management side - in the accounting side, in purchasing and whatever - have been put in place. We are reviewing our progress of that on an ongoing basis. I think the auditor is about to look at us again for 1996-97.

The CHAIRMAN: Another line of inquiry we will pursue relates to valuation of the physical assets. What action has the agency taken to ensure that appropriate valuations over land and buildings are obtained for external reporting purposes?

Mr SYKES: With the colleges becoming autonomous and under the legislation, the land and buildings remain the property of the department. We required up to date and accurate valuations of those properties as of 31 December 1996. In the past six months the Valuer General was engaged to provide valuations for each of those properties, land and buildings.

The CHAIRMAN: What process has the agency adopted to ensure appropriate accountability of private sector involvement in the functions of the agency?

Dr KING: Perhaps I could clarify the question first. I assume in my answer that we are providing funding to a range of private providers to deliver training services. That was going to be the drift of my answer. Is that appropriate?

The CHAIRMAN: RTS and such things.

Dr KING: We have a very rigorous approach to the competitive tendering out of training services for which both public and private providers can submit tenders. As Mr Hill mentioned recently, the area of the department that manages those processes has recently received ISO 9002 quality assurance. That area is very mindful of the need to have an ongoing appraisal not only of its processes, but also of the success of the training provided through competitive tendering. Part of the quality assurance process almost requires areas to make sure there are ongoing continuous review processes. By way of example: We have been undertaking internal evaluations of the various tenders, the last of which looked at the tenders in 1994 and 1995. It looked at the take-up rates by students; the

completion rates; and looked at the satisfaction levels of the students. It has been quite a rigorous process. We have also undertaken surveys of actual providers who submitted for tender to see what they thought about our tendering processes.

We contracted the Bosche Group of consultants to undertake a survey of our 1996 enterprise specific tender, which Mr Hill mentioned previously. It is a sharing arrangement under that tender, where the department provides 50 per cent of the funds and the enterprise contributes the other 50 per cent. It is trying to encourage enterprises to take up a training culture, to look at particular needs in their organisation. We help by contributing to the funding. We hired the Bosche Consulting Group to look at the success of that program.

This information has been provided to one of the Houses in answer to a parliamentary question. We have under way a comprehensive review of the current tender processes. Because we have been trying to respond to needs, we have had quite a few different strands suddenly appear in the tender process. That is a positive thing, if it is responding to needs. We are also very mindful that it adds to overheads and the processing time. An applicant putting in a submission creates a significant overhead as well.

We are trying to review our tender processes. That involves not only the sort of tenders we should be running, but also looking at the views of stakeholders - public and private providers, industry training councils, the regional employment development officer network and the access and participation of bureaux - to ascertain what they think of the process and its outcomes. In short: We have a whole range of measures in place.

We have systematic reports coming in from the providers. Our contracts with them mean that their next payment is contingent upon reporting on students numbers etc. We have quite a rigorous process in train to keep track of not only our processes, but also the resulting training.

The CHAIRMAN: The committee is looking more at the value for money side of things. Dr King answered the question by referring to both sides of the coin. Outcome surveys have been done, and the tender process has been looked at. This comes about because the Auditor General has said on a number of occasions that it is very difficult for him to go in and do an audit without having access to the private company's internal books to determine whether the private sector agency, which has contracted the service, is receiving value for money. We have been told how the department goes about it, but can the department go any further to see whether it is getting value for money?

Dr KING: I might take that question on notice. We keep an eye on the price we pay per student curriculum hour through the tender process compared with other processes. The difficulty is that some areas of training are very high cost by nature and others are not. It depends on the course that is being purchased. Perhaps it would be better to give additional information on notice.

[12.20 pm]

Hon LJILJANNA RAVLICH: How much funding has been allocated in the 1997-98 Budget to the Chamber of Commerce and Industry for expenditure on training including Skill Centre funding?

Dr KING: At the moment we have some contracts with the Chamber of Commerce and Industry. They are 1997 contracts. Further contracting would depend on the tender process. To be precise and accurate we will take what we committed in 1997 on notice. Some of that might have rolled into 1998. The rest could depend on who is successful in winning further contracts.

Hon N.F. MOORE: The Chamber of Commerce and Industry is not allocated any money in the Budget. It is able to tender for contracts to provide training and it has been successful in some of those.

Hon LJILJANNA RAVLICH: Is there an allocation for Skill Centre funding?

Mr HILL: No, there is no allocation. The principle of Skill Centre funding is that it must be self-sustaining once the initial capital is provided. That comes through the Australian National Training Authority process. It has to be self-managed after that.

The CHAIRMAN: We talked about value for money. There are a couple of other issues that the committee thinks should be taken into account when the information on that is provided; that is, how proper accountability in partnerships with the private sector and sponsorships are ensured.

The committee has accepted 14 questions from Hon Tom Stephens which will go on notice. They are similar to the ones he has put on notice for every other agency.

Sitting suspended from 12.22 to 2.00 pm

Division 64: Health, \$1 601 641 000 -

[Hon Mark Nevill, Chairman.]

[Hon Max Evans, Minister for Finance.]

[Mr A. Bansemer, Commissioner of Health.]

[Mr A. Kirkwood, Manager, Corporate Finance.]

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

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

[Dr J. Gill, Director Disease Control.]

[Dr G. Goodier, Chief Executive Officer, King Edward Memorial Hospital and Princess Margaret Hospital.]

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

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

[Mr P. Howe, Chief Executive Officer, Fremantle Hospital.]

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

[Mr. W. Lefler, Manager, Women's Cancer Screening Service.]

[Ms H.M. Morton, General Manager, Finance and Resources.]

[Prof G.L. Lipton, General Manager, Mental Health Division.]

[Ms P.J. Martin, Acting Chief Executive Officer, Sir Charles Gairdner Hospital.]

[Mr M.C. Miller, Acting Manager, State-Commonwealth Relations.]

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

[Dr P. Psaila-Savona, Acting General Manager, Public Health.]

[Dr B.A. Rigbye, Chief Medical Officer.]

Hon MAX EVANS: I table the answers to the generic questions.

Hon SIMON O'BRIEN: Is it true that on 26 May 1997 the Reserve Bank sent out 1 500 Health Department cheques valued at \$3.2m without a payee name inserted on the cheque face?

Mr KIRKWOOD: Yes, that is correct. As a process of efficiency the Health Department entered into a contract with the Reserve Bank. The department electronically forwards a file to the bank and it generates the cheques. The bank changed the character length of the payee names from 30 to 60 characters. The department did its testing and that was signed off as working. At the point of production there was a problem at the other end. The department did everything right. It sent the file and the file was validated as correct. However, the process is electronic and the Reserve Bank has a contract with electronic data interchange post which is operated by Australia Post. Basically, those cheques are drawn electronically from the department's file and they go into an envelope and are posted. The department has tackled the bank on a quality assurance issue. The way it works is that at the point the Reserve Bank cheques are drawn the amount is debited against the department's account. If there are any errors on, or problems with, the cheques, it is a Reserve Bank problem. It is conscious of it and is in the process of forwarding a letter to the commissioner explaining what happened. I have demanded that a letter of apology be forwarded to each creditor to explain what happened. That is in the process of being done. The Health Department took all the correct steps and everything it did was perfect. The contractor is very embarrassed and has taken steps to prevent that happening again.

Hon CHERYL DAVENPORT: I refer to the breast cancer screening program which is mentioned briefly on page 342 of the Budget Statements. Members are aware of the article in today's *The Western Australian* about the program. I note a department spokesperson indicated that after the review there was a possibility that the services may be privatised or contracted out. Is that the case, and if so, how will the department ensure that women in rural and remote areas have access to these services?

Mr BANSEMER: A review is being undertaken as the article in the paper indicated and as the Minister indicated in the Legislative Assembly yesterday. That review is considering all possible methods of delivering breast

assessment services. Included in that is the possibility of part of the service being contracted out. Until the review is completed there is no way I can indicate whether that is likely to happen. It was not an initial issue in the review, but it has been brought in late in the process because of some of the considerations the review turned up. It is largely a breast assessment centre for the metropolitan area and it will not affect services in rural Western Australia.

Hon CHERYL DAVENPORT: The commissioner mentioned assessment only. Is the screening process being considered under that review? I am led to believe it is.

Mr BANSEMER: It is both screening and assessment.

Hon CHERYL DAVENPORT: Are cervical screening services subject to review and is consideration being given to privatising or contracting out those services?

Mr BANSEMER: No, they are not. We are not looking at the issue of privatisation or contracting out; we are looking at the services, and the prospect of contracting out is an incidental part of that review. We are not looking at services with a view to contracting out; we are looking at the best way to provide the service and that includes looking at contracting out.

Hon CHERYL DAVENPORT: Is it true that the state screening service has lost its commonwealth accreditation status?

Dr PSAILA-SAVONA: It is not a question of losing its accreditation status. It is subject to certain criteria. For Western Australia to have an accredited system it must conform to some of those criteria. The review is being carried out so we will be in a position to carry out the services in an efficient and effective manner and be able to acquire the accreditation of the centre.

[2.10 pm]

Hon CHERYL DAVENPORT: Is it currently nationally accredited under the state-commonwealth agreement for delivery of those services?

Mr LEFLER: We have provisional accreditation from the Commonwealth.

Hon SIMON O'BRIEN: What is the reason for the increase in debt servicing costs from 1996-97 to 1997-98 of about \$3.291m?

Mr KIRKWOOD: Health has a series of debt with the WA Treasury that falls due on 1 July. Last year one payment was made on 30 June. It is a slight timing difference, where one year we happened to pay one payment early and this year it reverts back to the full quota of payments. It is not a prepayment. Our debt is reducing, not increasing.

Hon JOHN HALDEN: How many workplace agreements have been signed in the Health Department to date?

Hon MAX EVANS: If the member wants the figure to include hospital staff he may have to put the question on notice. We will take that on notice.

Hon JOHN HALDEN: Is it the policy of the department that the signing of a workplace agreement authorised by the Government is a compulsory prerequisite for employees participating in flexible remuneration packaging?

Mr KIRWAN: The policy on salary packaging is that it is available only through a state workplace agreement.

Hon JOHN HALDEN: If the only way one can achieve a flexible remuneration package is through a state workplace agreement endorsed by the Government, that is a compulsory prerequisite to the remuneration.

Mr BANSEMER: That is government policy.

Hon JOHN HALDEN: I understand the Health Department has a distinct advantage in this area in that it does not pay fringe benefit tax?

Mr BANSEMER: No, that is not correct. The Health Department does not have that advantage. That is available to hospitals and health services as public benevolent institutions.

Hon MAX EVANS: They are involved in the field of medical science, whereas the Health Department is not.

Hon JOHN HALDEN: The Education Department informed the Committee that its employees are eligible for beneficial superannuation and car leasing arrangements. What benefits can accrue to Health Department employees by virtue of flexible remuneration packaging and fringe benefits tax exemptions?

Mr KIRWAN: The menu is the same for those who are employed by the Commissioner for Health or in the broader public sector area as that which is available to the Education Department. That is covered by government policy and

is limited to superannuation and car leases, although child care is available in a limited application. Those employed in the public benevolent institutions have a far greater menu, including various loan packages, school fees, and others. I can provide a list to the Committee.

The CHAIRMAN: That is on notice.

Hon KIM CHANCE: The issue of entitlements granted by the deeming of an agency as a public benevolent institution has been on my mind since about November 1995. The advantages given to a PBI were never intended by the Commissioner of Taxation to be used in the manner that the Health Department is permitting it to be used. It is not my place to question the morality or the ethics of that, because the department must do as it sees fit within the law as it stands. Is the Health Department satisfied from its contact with the Federal Treasurer and the Commissioner for Taxation as to the legality of the salary packaging arrangements as promoted by the McMillan Shakespeare Group and used within the Health Department of Western Australia? In particular, is the department satisfied, in the event of the arrangements being found illegal, depending upon the advice of the Commissioner for Taxation, that its employees will not be retrospectively liable for back taxes?

Mr BANSEMER: The guidelines within which the PBI institutions operate are consistent with Tax Office rulings, and have been discussed and negotiated with it. I do not believe there is any chance of their being found illegal and overturned on that basis. It is always possible that commonwealth policy will change. If that occurred, that could readily make these arrangements untenable in the future.

Hon KIM CHANCE: That would take out the retrospectivity worry.

Mr BANSEMER: However, there is still a future problem. All the workplace agreements have a provision that there can be no claim for further remuneration with the loss of that status.

Hon KIM CHANCE: Yes, I have read them. I am grateful for that advice. If the director general has been able to get those assurances from the Commissioner for Taxation he has been able to achieve something that I have not been able to achieve, even though I began in November 1995 trying to obtain some form of ruling from the commissioner on that matter. Although I have been advised the matter was under review I have never been advised of the result of that review. I would be delighted if the director general felt able to share that advice with us. I do not know whether it is a public document; however, I want to see it, because the commissioner has not been able to provide it to me.

[2.20 pm]

Mr BANSEMER: As I understand it, we do not have a ruling. They have rulings which they apply. We have had discussions with them about our guidelines, but they are not concerned about those.

Hon MAX EVANS: The private sector has introduced packages which include school fees and other issues mixed in with superannuation. McMillan Shakespeare Group is using that as a general guideline, and that has been accepted by the State Taxation Department for hundreds of thousands of people. I thought the member may have been inquiring about parliamentary superannuation packaging!

The CHAIRMAN (Hon Mark Nevill): Perhaps we should deal with the workplace agreements questions in one group. Are workplace agreements in the department different from the six month or one year contracts offered to nursing staff?

Mr BANSEMER: They are quite different.

Hon JOHN HALDEN: Did I understand you to say that if the taxation rules on salary packaging were changed, the benefits accrued would be lost to workers?

Mr BANSEMER: I was trying to say that the benefits that had accrued would not be lost, but prospective benefits would not be in place.

Hon MAX EVANS: You would not top up a salary with the benefits lost. Before the last budget there was a strong rumour around Australia that it would be cut from the entire health industry because there was an imbalance, but the church run groups and others have not done that. From a certain date nothing more could be done, and people would not be topped up as a result of any loss of tax benefits.

Hon JOHN HALDEN: As an example, if a person earning \$50 000 took a salary package and then received cash of \$35 000, if the situation were reversed would the salary return to \$50 000 as a cash payment?

Mr BANSEMER: That would be my understanding.

Hon KIM CHANCE: In the same circumstances as described by Hon John Halden, if that person were to have an incapacitating accident which qualified him for workers' compensation, subject to agreement, on what salary base would the person's workers' compensation payments be calculated - \$35 000 or \$50 000?

Mr KIRWAN: The concept behind salary packaging is a true packaging item. Using the example by Hon John Halden of \$50 000 down to \$35 000 the approach of the tax office in discussions is that penalties and others should be based on the new rate of \$35 000. That represents genuine packaging. In our awards it is not as simple as that because there are annualised payments and others that have been worked through in the various reform processes. Some are flat rates and some are regular payments. The theoretical model would be based on the \$35 000 rate.

With the PBI status it is not likely to be one or the other in a closed office situation, depending on where the taxation department and the Federal Government stand. In areas such as superannuation, for non-PBI areas, it is still packagable on the understanding that the tax office takes its tax from the superannuation funds. When people leave the superannuation fund it is perceived as tax deferred rather than tax minimised. Therefore, superannuation and others may still be there even if it were closed tomorrow.

Hon KIM CHANCE: I think the answer to the question is that the calculation for the purposes of the Workers' Compensation and Rehabilitation Act would be based on the \$35 000 cash salary, not the \$50 000 package. You are telling me that there are significant attendant risks associated with such workplace agreements.

Hon MAX EVANS: Yes.

Hon JOHN HALDEN: This may be a question which should be placed on notice. Some significant financial advantages must flow to the health system as a result of this package. I refer specifically to the advantage of the fringe benefits tax. I assume, because you do not pay the FBT, it is a saving to the department. Can you quantify the saving this year?

Mr BANSEMER: Given the conjecture before the last election, we have been looking at that. We have not been able to quantify it.

Hon MAX EVANS: The State Government pays FBT. It must be almost \$20m now.

Hon JOHN HALDEN: Perhaps I should put the question on notice.

Mr BANSEMER: We do not have a figure. When we have one we will be happy to share it with you. In answer to the first question, 943 people have accessed salary packages.

Hon JOHN HALDEN: Are salary packages available to all employees in the health system?

Mr KIRWAN: Yes, for those who choose to sign state workplace agreements. Obviously in an industry in which the majority of workers are covered by federal awards, that is problematic and subject to advice as to whether state workplace agreements operate for salary packaging reasons, and how they relate to federal awards. That is still an area we are trying to work through, considering the recent changes to federal legislation and what they mean. From a policy perspective our answer is yes, but from a practical perspective, at this stage salary packaging has been restricted to those covered by state awards - predominantly doctors, salaried staff and some engineering areas.

The CHAIRMAN: I presume you are aware that some staff who are multi-skilled are receiving lower salaries than staff who are not. I am aware of theatre nurses, those who work in labour wards and postnatal wards, who give pethidine injections and run antenatal classes but who are on grade 1 salaries. Others who work only in postnatal wards and do not undertake any of the other duties are on higher salaries. Are you aware of the anomalies in skill levels and workloads within the department? What are you doing about redressing that situation? Younger staff are being locked into lower salaries when the older staff possess very narrow skills.

Mr KIRWAN: The issue has come to our attention. We are about to undertake a review of the nurses' career structure, certainly at levels 4 and 5 where other problems have occurred. The difficulty is that the nurses' career structure allows for level 2 clinical nurses. It is a question of what defines a level 2. The Minister for Health has brought some issues to our attention in the areas of midwifery where nurses have taken up specialist qualifications but are still classified as level 1. It is a matter of skills acquired and skills required. We are confident that health service by health service, if people are required to work at the higher work value level, classification structures can be adjusted. The current structure has been in place for over five years and is in need of review. It is an agenda item for discussion with the nurses unions in the next round of enterprise bargaining.

[2.30 pm]

The CHAIRMAN: To my knowledge, it is not happening. Why are staff offered six month or one year contracts when there is often a shortage of staff? What is the policy on the length of contract, and how is that determined?

Dr BANSEMER: The length of contract is largely determined by service need. If we need someone for six months we contract that person for six months.

The CHAIRMAN: It is clear that large numbers of people have been on contract for longer than six months or a year and their contracts continue to be renewed. It is not the additional staff who are contracted; it is a large portion of the existing staff.

Dr BANSEMER: What category?

The CHAIRMAN: Nursing staff.

Mr KIRWAN: There is no difference in the money they are paid. A person who is on a contract rate may not get public holidays but an increase will be factored into her pay. At the end of the day there is no difference in the money. We either pay for public holidays or they receive it progressively in their pay.

The CHAIRMAN: I appreciate there is no difference in the amount they are paid, but I cannot understand why a large group of staff are on one year or six month contracts and another group are employed permanently. When staff are on a six month or annual contract the department or hospitals run the risk of losing those staff. It is a double-edged problem.

Ms MARTIN: Sometimes six month and 12 month contracts are given for specific reasons such as replacement for maternity leave, where it is known to be a short term contract, or long service leave.

The CHAIRMAN: That is a perfectly acceptable use of contract staff. I am not referring to those situations.

Hon DERRICK TOMLINSON: At page 449 reference is made to recruiting 16 new public sector psychiatrists from overseas. In the light of the discouraging response to earlier attempts to recruit people from overseas, that is commendable. Is the 16 a net gain or do you still have a problem retaining psychiatrists in the public sector?

Dr BANSEMER: We still have problems of recruitment and retention. The situation is better than it was.

Hon DERRICK TOMLINSON: The sentence following that at the second point causes me confusion or alarm depending on how it is interpreted. It reads -

This has been backed by special registration with the Medical Board which only allows overseas applicants to practise in the public sector.

That suggests that once they become good at it they can go to the private sector. Or is it supposed to read "to practise only in the public sector"?

Dr BANSEMER: Both meanings are applicable.

Hon DERRICK TOMLINSON: The 16 psychiatrists recruited overseas can practise only in the public sector?

Dr BANSEMER: In the light of commonwealth restrictions on bringing in overseas trained doctors, initially we bring them into specific positions in the public sector. We must have a proven area of need, and this is an area of need.

Hon DERRICK TOMLINSON: Does this relate to financial constraints or concerns about recognition of qualifications?

Dr BANSEMER: By and large it amounts to federal concerns about financial constraints?

Hon DERRICK TOMLINSON: It is most important that the public be reassured of the quality of people recruited to the public sector - particularly in the field of psychiatry, given that the quality of mental health services in the past, certainly not now, was less than desirable.

Dr BANSEMER: I believe the standard of people coming into Western Australia is high.

Professor LIPTON: They are high standards. The college of psychiatrists provides a hallmark. We seek its advice. Both the boards and ourselves would not employ someone who did not go through the hoops concerning both qualifications and experience. I am satisfied about the standards.

Hon DERRICK TOMLINSON: It is essential that that be made clear to the public. The Kimberley and Pilbara regions are areas identified as having real needs for psychiatrists, particularly Aboriginal people, who have their own mental health needs. Were you able to fill needs for psychiatrists in the Kimberley and Pilbara regions?

Professor LIPTON: This is one of our success areas. I was in Broome yesterday to meet two new psychiatrists who are there for six months; one might be recruitable for longer. The current director, David Bathgate, is about to leave

and his replacement, whom I know well, is coming from Victoria. I understand there is potential to recruit another psychiatrist next year on a more permanent basis.

I might be announcing for the first time that we have just received acceptance of an offer from a professor of epidemiological psychiatry and remote psychiatry, who will spend a fair amount of time in the north west. Although we have not written "Aboriginal" specifically in his brief, it is clear that as citizens of Western Australia they will be part of that endeavour. That is moving very well and I am pleased with it.

Hon CHERYL DAVENPORT: As part of the breast screening review, has any consideration been given to imposing a fee for service? I heard that an assessment centre was proposed for King Edward Memorial Hospital for Women, which I think is an obvious place for such an expert service given that it is the Western Australian hospital of excellence for women's reproductive health. I am surprised one is not there now. Why has a decision been made to move away from establishing one there? Is it proposed that the commonwealth funding to breast and cervical cancer screening services be reduced by between 2 per cent and 10 per cent; if so, will that be passed on accordingly?

Dr BANSEMER: In reply to the first question, no consideration is being given to charging women for breast screening. Regarding the third question, it is unclear what the Commonwealth's position is on funding programs, of which this is one among a number of block grants. It is possible that commonwealth funding will be reduced. However, I do not envisage that happening.

Hon CHERYL DAVENPORT: Do you have any idea of what the percentage might be?

Dr BANSEMER: It might be up to 10 per cent. However, I do not envisage that happening.

Hon CHERYL DAVENPORT: When will that be finally determined?

Dr BANSEMER: How long is a piece of string? I do not know; it is not in our hands.

Hon CHERYL DAVENPORT: The next agreement is on 1 July; it is not far away.

Dr BANSEMER: Next year's funding is due to start on 1 July, but a number of other negotiations must take place around that. I do not expect it to happen.

[2.40 pm]

Dr PSAILA-SAVONA: With reference to the second question, my understanding is that if the breast assessment centre had gone to King Edward Memorial Hospital for Women, it would have been extremely costly. Therefore, other options had to be looked at; namely, the contracting out of services from Royal Perth Hospital and Sir Charles Gairdner Hospital, or the department having its own independent breast assessment centre.

That is where we are at present. The decision was made that the assessment should be an independent one, provided it could be funded within the system. The purpose of the review is to find out how much it would cost us to build up an appropriate breast assessment centre.

Hon CHERYL DAVENPORT: How much would it cost to set up an assessment centre?

Mr LEFLER: If you are going to set up one from scratch, you are talking \$1m plus. It depends on how complicated the infrastructure is and on the equipment that will be used.

Mr BANSEMER: There is a commonwealth requirement that there be a single breast assessment centre rather than a number of centres to meet the same need.

Dr PSAILA-SAVONA: This is right. For accreditation purposes for Western Australia the services cannot be spread all over the place, otherwise we could lose any accreditation we are seeking. It would be inappropriate to have centres all over the place. It is much better to have one good and efficient centre at one site, if possible.

Hon CHERYL DAVENPORT: The ideal place would then be King Edward Memorial Hospital.

Dr PSAILA-SAVONA: That depends, because most of the oncology expertise is at Royal Perth and Sir Charles Gairdner. One must consider all the factors that go into the building up of an assessment centre: It must be not only where the women are, but also where the services are and could be if the service were to be undertaken adequately.

Hon GIZ WATSON: Teaching hospitals are being asked to do more and more on less and less as they are hit by consecutive budget cuts. What measures are being taken to restore adequate and appropriate funding for hospitals?

Mr BANSEMER: I challenge the first part of the statement: Hospitals are being asked to do more and more, but it is not with less and less.

Hon NORM KELLY: I refer to the \$30m allocation over two years, mainly to Perth teaching hospitals, to address the hospital waiting list. Do the targets that were put in place for June 1997 look like being met? If not, will an increase in funding be necessary to meet those targets?

Dr FONG: The targets we have put in place are proving difficult to meet. That is because of the increased demand on our services in the public sector. However, we have two years to run in this strategy and we are confident of meeting the targets at the end of next financial year. An increase in the waiting list is occurring, but we are also putting far more people off the waiting list in teaching hospitals in particular than before.

Hon NORM KELLY: You refer to the target to halve the waiting list by the end of June next year. There is also an interim target for the end of June this year. How far off that target do you estimate you will be?

Dr FONG: Midway through, we are around 50 per cent off meeting that target. Even though we set that target, we have said all along that the important target we are interested in is the length of time people must wait before they get surgery. One of the things we have been able to achieve is a reduction in the time people must wait for surgery. We are on target to reduce those figures. The other area in which we have improved is in ensuring that all patients who should be seen in fewer than 30 days - that is, the urgent category - are seen. We have achieved good results in that area compared with other States.

Hon NORM KELLY: How advanced is the central waiting list bureau?

Dr FONG: The idea behind the central waiting list bureau is simply that; it is an idea. Where there is unused capacity within the public system, we may be able to move some patients around. That is a sensitive issue because those in the medical profession see patients as being their own. It is a sensitive issue to suggest that we might ask some patients, with their consent, to go to another hospital or to be seen by another doctor because there is a capacity to do so. However, it is something we want to explore. With cooperation between the metropolitan hospitals in particular that strategy might enable us to utilise the unused capacity. There is not a lot of unused capacity in our system, but where there might be, this idea might assist patients to be seen earlier.

Hon J.A. SCOTT: Has it been demonstrated that the privatisation of services in hospitals has been beneficial to patient care, and has it saved money? What ongoing monitoring has taken place in both these aspects of privatisation to ensure improvements are made?

Mr BANSEMER: There has been only limited contracting out or contracting out similar to the contracting out of patient services between Sir Charles Gairdner Hospital and Hollywood in urology and orthopaedics. I believe that has worked satisfactorily from a patient perspective. With any contracting out we monitor and evaluate the impact. Most contracting out has occurred in very recent times and that evaluation is not complete.

Hon J.A. SCOTT: Western Australia's subsidies for family planning services are the lowest per capita of any State in Australia. What steps have been taken to remedy this situation?

[[2.50 pm]

Mr BANSEMER: We fund family planning on the basis of established needs, not comparisons with other States. Each State has a different configuration in how services are delivered. The family planning associations around Australia provide a different mix of services in different States. I cannot say whether Western Australia's subsidy is the lowest of that provided by all States - two years ago it was not - but I know the services provided through the association differ very much State by State. I am conscious of comparisons made between Victoria and Western Australia in which similarities were found. We will assess Family Planning Association funding on the basis of demonstrated need.

The CHAIRMAN: Are you aware that an Aboriginal health clinic is being built at Laverton? Is that a reflection on the Health Department's capacity to service Aboriginal people when a rather large, well-appointed hospital at Laverton cannot deliver those services? It seems that the town does not have room for two such facilities. What is your view on the development? We seem to be getting back to the 1950s with native hospitals and white hospitals.

Mr BANSEMER: As I understand it, the Aboriginal Medical Service facility being built at Laverton is funded by the Commonwealth, which has a program to establish AMS facilities. We are making a great effort to coordinate these facilities with state-delivered services. Increasingly, that coordination is working well. On the figures I have seen, the community of Laverton, both Aboriginal and non-Aboriginal, will benefit from the mix of services in that community.

Hon GIZ WATSON: Currently, there is a waiting list of approximately 200 people, with up to two months' wait, to access the methadone program. What is the Government doing to address this problem and eliminate this waiting list?

Dr PSAILA-SAVONA: It is true that methadone services has a waiting list. However, an extension of professional services which can be undertaken by medical practitioners has occurred within the last six months or so. Two courses were conducted to increase professional knowledge of general practitioners in prescribing and giving methadone to addicts. These doctors are starting to see patients in their own right. However, a central unit with a specialised service will always be needed. If problems arise in general service with which the medical practitioner is unable to deal, reference will be made to the central drug unit.

Hon GIZ WATSON: Does that mean that additional funding will be directed to the methadone program in the foreseeable future?

Mr BANSEMER: I cannot say absolutely at this point of our budgetary process, but it is my expectation that there will be additional funding for methadone in 1997-98.

Hon KIM CHANCE: I return to the question we were looking at earlier regarding the number of staff employed on short term contract. Is there an increase in the trend of employment of HDWA staff on short term contract?

Mr BANSEMER: Regarding the Health Department staff specifically, no. There is a trend in some hospitals in some categories towards that form of employment, but it is a trend and not a matter of policy.

Hon KIM CHANCE: That is interesting. We seemed to be searching for examples of concern in that matter in answer to a series of questions from Hon John Halden, but it is difficult for us to give examples without identifying people. One case involving public identification was that of the manager of Geraldton health services - a matter canvassed in the media. The current manager was brought from Kalgoorlie on a six-month contract, and all of us welcomed that choice of health service manager as an individual. However, the community questions why a six-month contract was deemed appropriate given the degrees of difficulty to be sorted out at Geraldton Regional Hospital; it looked like a two-year problem. The answer given at the time by the Minister was that new arrangements were being put in place for that class of employee, and I was happy to accept that explanation. However, he was recently reappointed on a relatively short term contract. Why do we need to introduce this level of instability?

Mr BANSEMER: The person involved is being reappointed now. It is not a short term contract.

Dr FONG: That is correct; the selection process is complete for the Geraldton Health Service and it is a five-year contract.

Hon KIM CHANCE: I am delighted to hear that; I am happy if that is the trend.

Hon SIMON O'BRIEN: In light of the experimental heroin program of the Australian Capital Territory Health Department, what is the WA Health Department's view on legalised heroin being made available to addicts? Are there plans for any similar trials in Western Australia, and what is the professional view of the trial's worth.

Mr BANSEMER: The Health Department as such does not have a view - it is a policy matter and the Minister has made his view clear. Although we will observe with interest the ACT trial, if it proceeds, it is not planned to have anything of that kind in Western Australia.

The CHAIRMAN: Is there any money in the current budget for a new gas fired boiler in Kalgoorlie Regional Hospital laundry and, if not, why not?

Mr BANSEMER: It is not possible to answer that question. It is taken on notice.

Hon J.A. SCOTT: Immunisation is very topical. The South Australian Health Commission on 12 March 1997 issued figures for 1996 of 1 094 cases of whooping cough, of which, 51 per cent of the inflicted children had been fully vaccinated, 6 per cent had not been vaccinated and 43 per cent had been partially vaccinated or had no documentation. There were 14 case of measles, of which seven children were vaccinated and seven were not vaccinated. Can the Western Australian Health Department provide equivalent figures for 1996 indicating the vaccinated and non-vaccinated rates for babies who contracted measles and whooping cough in WA so an effective assessment can be made of the vaccination program?

[3.00 pm]

Mr HILL: We can provide on notice the data for measles but not for whooping cough. We have not attempted to ascertain that data - the South Australian Health Commission has - through a survey which is specifically targeting the issue of immunisation status in patients for whooping cough. We are planning to do that on a regular basis but we would not do it as a matter of routine.

Hon CHERYL DAVENPORT: Has the State entered into an agreement with the Commonwealth to take on the whole of the aged care health service? Consultation is currently taking place over moving to fee for services for the

home and community care services that are being carried out by the State office of HACC in conjunction with the HACC network in Western Australia. One of the papers that I have seen suggests that for full pensioners there would be a safety net in place at \$30 a week. That idea has gone right around the HACC network in Western Australia. I do not know how widely it has gone in relation to frail aged citizens, but it is pretty scary. How far has that progressed? Will the imposition of fee for service for HACC services be pursued, whether the commonwealth-state agreement been signed and proceeded with?

Mr BANSEMER: In respect of aged care, there is no agreement at the moment, primarily because the Commonwealth has put no proposal. I do not envisage there being such an agreement in the reasonably foreseeable future. The commonwealth position is that growth in HACC needs to be funded from fee increases and in some cases the introduction of fees. That matter is being worked through with the Commonwealth. The parameters of the situation are as the member has indicated.

Hon CHERYL DAVENPORT: These sorts of conversations between the State and Commonwealth have been going on for two or three years. Every year when we get close to the end of June, everybody wonders whether it will be this year. Do you have any idea how long we will have to wait to know for certain whether the State will take on responsibility for those services? I believe not only HACC services totally but also nursing homes and hostel services are involved.

Mr BANSEMER: It is no longer clear that the Commonwealth is seeking to have States take over those services. It has always been made clear by the Western Australian Government that the financial arrangements of such an agreement would have to be settled. They have never been seriously discussed.

Hon CHERYL DAVENPORT: Is there any possibility this year of an increase in the funding for home and community services in Western Australia, or will funding remain basically at the same rate as last year?

Mr BANSEMER: With a caveat around what might happen in respect of funding and the growth of fees which, as I have indicated, is by no means settled, if there is any growth, it would be modest.

Mr KIRKWOOD: Commonwealth funding is basically the same as last year.

Hon DERRICK TOMLINSON: In the capital works program works in progress, including Armadale-Kelmscott, Kalamunda, Narrogin and Pemberton, were deferred for the coming financial year. Although I understand the issues of commonwealth-state financial relationships which might have influenced that, it is still of concern, particularly since Armadale-Kelmscott and Kalamunda are both in the east metropolitan region and, therefore, I have a vested interest. There is genuine concern, particularly in the Armadale region, about the decision to defer. Even though those projects have been deferred, they still remain in the forward estimates for future financial years. Can we with any confidence look forward to the reinstatement of those projects earlier rather than later?

Mr BANSEMER: The Kalamunda project has been deferred. Without wishing to split hairs, the Armadale-Kelmscott project has not been deferred. There is a commitment that the Armadale-Kelmscott project will be carried out in this term of government; it is scheduled to commence construction in 1998-99. Kalamunda involves a smaller project. We are looking to bring that forward, if circumstances permit, but there can be no commitment to that. There are two others in the same category, as the member will be aware.

Hon DERRICK TOMLINSON: Your answer indicated some difference in treatment between Kalamunda and Armadale-Kelmscott in that you said Kalamunda had been deferred. As I understand it, even though there is no allocation for planning fees in 1997-98, some consideration is still given to whether the redevelopment of Armadale-Kelmscott should be at the existing site on Albany Highway or another site. Is that being progressed?

Mr BANSEMER: There is an analysis of needs in the area. I do not believe there is any question that there will be a facility at the current Armadale-Kelmscott site. That does not mean there may not be an additional facility in the region at some point in the future.

Hon DERRICK TOMLINSON: "In that region" covers a big area, particularly since you are talking about a region which may encompass Bentley Hospital. Are you referring to the vicinity of Armadale?

Mr BANSEMER: The south east corridor.

Hon DERRICK TOMLINSON: So you are talking about something between Bentley and Armadale?

Mr BANSEMER: No, if there is another facility, I think it will be further to the west and south in the growth areas.

Hon DERRICK TOMLINSON: When will we get some indication of a decision on the siting of that regional hospital?

Mr BANSEMER: The member has introduced the term "regional hospital" and I do not foresee a regional hospital.

Hon DERRICK TOMLINSON: The hospital for the Armadale-Kelmscott region.

Mr BANSEMER: We have a hospital on the Armadale-Kelmscott site. Plans are in place to commence construction in 1999-2000. I expect it to happen. There is the possibility of the need in that area for another facility in the southern area. That is the bit I am uncertain about because we have not done the planning.

Hon DERRICK TOMLINSON: The existing hospital will be redeveloped to a standard and, in addition to that, you anticipate, depending on the outcome of the survey of needs, another hospital may be needed in the south east corridor?

Mr BANSEMER: It would be another facility. It may not be a general hospital like Armadale-Kelmscott, but a day surgery facility or multi-purpose service. We do not have the results of a needs survey. The construction starts in the year 1999-2000 and the last part of the planning will be finish in 1998-99.

[3.10 pm]

Hon DERRICK TOMLINSON: The commencement date is now irrelevant if we are not sure what we will build.

Mr BANSEMER: It is not a question of what we will build. We are quite clear within the planning work that still needs to be done about a facility on that site. What we do not know at this stage is whether that site should become the locus for the services in that broad area. We might need a second geographically different facility in that area because of the growth taking place to the west and south of Armadale.

Hon DERRICK TOMLINSON: Mr Bansemer picked me up on the use of the term "regional hospital". He is now using the term "facility", and has indicated that that could range from a medical centre or day surgery to something else. Is the department talking about the need for a hospital to service the south east corridor, whether it be on the existing site or somewhere else?

Mr BANSEMER: There will be a hospital on the Armadale-Kelmscott site. There might well need to be other facilities in the area, but they might or might not be on the Armadale-Kelmscott site.

Hon BOB THOMAS: How many beds will be on that site after the redevelopment?

Mr FONG: The idea of hospital and health facilities is very much a changing paradigm in terms of what health services look like. They will change in the next 12 months, and particularly in the next two or three years. The department believes that there will be beds on the Armadale site. How many is yet to be decided because the modalities of care and treatment are changing. The number of beds is reducing in facilities throughout the world. The site will have the appropriate number to service the needs of that community as determined by the analysis.

Hon BOB THOMAS: I would like that question taken on notice.

It was proposed that an MPS be provided at Pemberton next financial year. However, I now understand that that has been delayed for a number of years. What is the new proposal and what is the reason for the delay?

Mr BANSEMER: There is no new proposal. The reason for the delay is financial; we could not continue it in the program with the level of funds available.

Hon BOB THOMAS: How long has it been delayed?

Mr BANSEMER: One year.

Hon BOB THOMAS: So it will go ahead in 1999-2000?

Mr BANSEMER: Yes.

Hon NORM KELLY: If the Armadale-Kelmscott site is to be redeveloped and another facility is to be built, will there be a reduction in the services currently available? If there is no definite time frame for the construction of a new facility in the region, there could be a shortfall in the services provided in the interim.

Mr BANSEMER: I do not believe that will be the case.

Hon NORM KELLY: So there will be no decrease in the services provided at that site?

Mr BANSEMER: To the contrary, the department is looking to increase the services provided in that area.

Hon NORM KELLY: On that site?

Mr BANSEMER: I do not believe there will be any reduction in services on that site. However, the current level of services will not meet the increasing needs of the area, and they must be met. The open question is whether they are best delivered from that site or elsewhere.

Hon NORM KELLY: Therefore, the second facility will be in line with the increasing population in the region?

Mr BANSEMER: No, but that is certainly a large part of it. The method of delivery of services is changing very rapidly. An easy example to use in explaining this change is satellite dialysis. It would be silly to create a dialysis centre on that site to meet the needs of the area when we might need three or four smaller units spread throughout the area. That is why I am hedging: I do not know the answers to those questions.

Hon NORM KELLY: What is the time frame for construction of the redevelopment?

Ms MORTON: The major part of the construction will take place in 2001 and 2002.

Hon KIM CHANCE: In the Assembly Estimates Committee last week we learnt that the Northam hospital performed almost twice as many surgical procedures as had been anticipated. We have also learnt that in the same period the Kwinana-Rockingham hospital was instructed to decrease the number of elective surgery procedures performed for budgetary reasons. Have any other hospitals been similarly instructed to reduce the number of elective surgical procedures performed for budgetary reasons? If so, which hospitals and were any teaching hospitals?

Mr BANSEMER: I do not believe any hospital was instructed to reduce its services for budgetary reasons. Without wishing to appear semantic, the hospitals were asked to stay within their budget. A number, including Rockingham, looked at their elective workload. The department has a list of the hospitals that were outside their budget. I do not know which hospitals curtailed elective work, nor the degree to which they did so. I am aware that there was some restriction at Rockingham.

Hon KIM CHANCE: I take the point that it was a decision made by the health service or hospital itself in response to a requirement. However, the end result will undoubtedly reflect on the number of elective surgical procedures performed. I am concerned about what appears to be an increasing number of cases on the waiting list. The trend is towards an increase in the of cases on the elective surgery waiting list. In February 1994 the number was 10 601 and in February 1997 it had increased to 12 858. Is the amount of money which is directed towards attempting to reduce the waiting list for elective procedures being spent effectively, and if so, why is there a steady increase in the number of cases on the elective surgery waiting list?

[3.20 pm]

Mr BANSEMER: The amount of work done by the hospitals is increasing steadily, when we take it in aggregate. At the same time, it is difficult to reduce waiting lists. The only conclusion one can draw is that the demand on public hospitals is increasing significantly. We believe it is increasing at a rate of approximately 3 per cent per annum and has been doing so for the last three or four years. There is no reason to expect the growth in demand to diminish.

Hon GIZ WATSON: I refer to the methods of eradication and management of Argentine ants and the chemicals used in that management. I understand that for a number of years Agriculture Western Australia has been developing a low hazard bait and has conducted field trials in Bunbury. If the Argentine ant bait currently under trial by Agriculture WA were released on the market for use, what would be the risk to health and the environment compared with the use of the currently registered organophosphates and other pesticides registered for their control in this State?

Dr PSAILA-SAVONA: The registration of pesticides belonged to Western Australia until two or three years ago when the National Registration Authority, a federal authority, took over responsibility for the registration of pesticides. Any pesticide that is used in this State has to be registered with the NRA. Before it is registered it goes through a full toxicological assessment which includes not only efficacy, but also safety of the pesticide. Nothing is put on the market to be used until it has been stated that it is efficacious and safe. It does not mean that experiments cannot be carried out, but they must have permission and a permit from the NRA.

Hon GIZ WATSON: Is there a problem with the use of current termiticides and are statistics available on the number of complaints or poisoning incidents?

Dr PSAILA-SAVONA: Every pesticide can be dangerous but every pesticide can be used safely. It is the use that is important. We always preach safe use of chemicals rather than whether the chemicals are safe. The pesticides the member referred to are hazardous and in the wrong hands could lead to problems. This State has a register of pesticides operators, who have to be well trained and able to show expertise in the use of chemicals. It comes back to the safety of use rather than whether they are safe chemicals.

Hon GIZ WATSON: Are any statistics kept on the number of poisoning instances?

Dr PSAILA-SAVONA: I am not aware that there have been any instances of poisoning from pesticides or the use of termiticides to which the member referred. I would be prepared to seek more information.

The CHAIRMAN: The question is taken on notice.

Hon CHERYL DAVENPORT: I refer to page 445 of the Budget Statements. I congratulate the department for creating the position of an Aboriginal liaison officer, women's health, to address the needs of Aboriginal women and their families through advocacy, liaison and outreach services. Has that position been established for very long and what sort of services does it offer the community?

Mr HOUSTON: I am uncertain for how long the position has been established, but it is a position which is meant to provide a broad range of access services to Aboriginal women to give them the opportunity to access mainstream services which are available to the rest of the community. It will act as their advocate to provide feedback to the service about how they can change what they do to suit the needs of Aboriginal women.

Hon CHERYL DAVENPORT: Is the position in Perth and does the officer have access to regional and remote communities?

Mr HOUSTON: There are a number of positions specifically looking at Aboriginal women's services. For example, the Perth Aboriginal Medical Service has a specific program, as do a number of other programs in the State.

Hon CHERYL DAVENPORT: My next question relates to dot point three on the same page. I note that the plan to provide new culturally appropriate services to promote health enhancing or risk reduction behaviours in adults and youth who reside in the Swan area was not implemented because funds were diverted to areas of higher priority. Is that service to be provided this year or are there not enough funds to go ahead with it?

Mr HOUSTON: The program will go ahead this year. I expect contracts for the service between the Swan District Health Service, the Perth Aboriginal Medical Service and the Office of Aboriginal Health to be signed shortly. The program will commence this financial year with the recruitment of around 15 Aboriginal health workers. The program will move into full gear in the coming financial year and it will run for a three year pilot. At the end of the pilot it will be evaluated.

Hon CHERYL DAVENPORT: Will it operate out of the Swan District Hospital?

Mr HOUSTON: The program provides for the decentralisation of services and the provision of a range of new family based services in the Swan area. It is a joint proposal between the Swan District Health Service and the Perth Aboriginal Medical Service. Some of the services will be delivered on the site at Swan District and others will be delivered from another facility in that region.

Hon M.D. NIXON: I refer to page 459, subprogram 1.9 - Digestive, Endocrine and Immunity Disorders. The last paragraph states -

For digestive diseases, Aboriginal males had a death rate 5.2 times that of non-Aboriginal males; Aboriginal females had a death rate 4.3 times that of non-Aboriginal females. Deaths resulting from diabetes have more than doubled for Aboriginal males in the last five years; for Aboriginal females it has increased by 50% over the same period.

What is the reason for this dramatic increase in this problem over the last five years?

[3.30 pm]

Mr HOUSTON: There are a number of reasons behind the increase. Most mortalities from diabetes result from the onset of lifestyle diseases in Aboriginal communities. Diabetes in Aboriginal communities is principally diabetes type 2, which is a correctable disease. Changes in diet, mobility patterns, family dynamics, issues of availability of food and other supplies in rural and remote areas all impact on the onset of diabetes in Aboriginal communities, as does the availability of primary health care services to detect and treat those problems. A broad range of factors is involved; however, the main factor is the change in lifestyles.

Hon M.D. NIXON: Has that change occurred in the past five years or has it taken a fair time to catch up?

Mr HOUSTON: The impact of lifestyle diseases in Aboriginal communities has been growing for a number of years. For instance, in south eastern Australia diabetes and other lifestyle diseases are significantly higher in Aboriginal communities than they are in the south west. The trends give us reason for concern and cause us to embark upon programs that will try to identify those people who are at risk and provide the screening and treatment services at a time that will prevent the onset of diabetes within Aboriginal communities.

Hon M.D. NIXON: Page 443 refers to a number of health promotion activities. It states that injury control surveys were undertaken, including one survey to assess community attitudes to gun ownership and control from which an educational campaign might be developed. I presume this evolved from the gun buyback scheme. Have the original surveys come up with any worthwhile results?

Dr GILL: We decided to defer that program in view of the national gun buyback scheme.

The CHAIRMAN: Is that not a program for this year?

Dr GILL: We were considering it for this year. We have not finalised the exact protocol for the evaluation.

Mr BANSEMER: We will take that question on notice, because I believe we undertook a survey in this current financial year, and this refers to that survey.

The CHAIRMAN: If that is the case, will you provide the Committee with the results of the survey?

Mr BANSEMER: We can make available a report on gun control.

Hon NORM KELLY: Could the department provide statistics on the rates of smoking broken down into age group and gender over the past 10 years?

Mr BANSEMER: We have information that is broken down in that way. If it is available, it is easily done.

Hon NORM KELLY: What is the reason for the decrease in the budget for smoking and health programs over the past five years?

Mr BANSEMER: The problem with health education programs that are related to smoking is that they can run out of steam. One must keep rethinking how to get the message across. Healthway provides significant educational and promotional material for this. The department complements that and we can give the member information on how things fit together.

Hon KIM CHANCE: Last month we gazetted Health Meat Inspection and Branding Amendment Regulation No 3, 1997. That regulation will permit the employment of meat inspectors by the abattoir owner or the meat processor directly, rather than the current system of independent inspection. I would like confirmation that meat processors are included along with abattoir operators. In other words, will we follow Victoria where companies that produce metwurst and other such deadly combinations are able to employ their own inspectors?

Dr PSAILA-SAVONA: Yes, they would be covered by the same standard, which is the Australian Standard relating to all red meat processing. As from 1 January 1997 all abattoirs, small goods premises and boning rooms are required to have supervisors who are trained in implementing the hazard analysis critical control points system. Under a quality assurance system companies may be allowed to employ their own meat inspectors. However, in this State a policy decision has been made that no company meat inspectors will be employed unless there is at least one departmental or local authority meat inspector as well. The Minister gave an assurance that that policy is extremely unlikely to change without some definite indication that there will be improvement in the system.

Hon KIM CHANCE: Could Dr Psaila-Savona expand on the requirement for at least one state employed inspector to be on site? Does that mean that in a processing works or abattoir that requires the services of only one inspector, he must be a state employed inspector?

Dr PSAILA-SAVONA: That is correct. However, there are three very small abattoirs which do not have any inspectors.

Hon KIM CHANCE: I understand that situation.

Dr PSAILA-SAVONA: They must have at least one departmental or local authority meat inspector. Therefore, if they have only one inspector, that should be the departmental or local authority inspector.

Hon M.D. NIXON: Does Victoria have the same requirement for a local government or government inspector?

Dr PSAILA-SAVONA: I am not aware of the situation in Victoria, so I cannot answer that question.

The CHAIRMAN: That question is on notice.

Hon M.D. NIXON: If they do not kill meat or handle products to the same standard, why is that product allowed into Western Australia?

Dr PSAILA-SAVONA: It is a problem that some States do not have the same standards as Western Australia. Therefore, it is theoretically possible that kind of meat could come to Western Australia. However, these are very

small operations which can barely look after their own interests in that State. The chance of their being able to export to another State is extremely limited.

[3.40 pm]

Hon KIM CHANCE: I have another question on that issue about administration. In the context of a privatised meat inspection system, just who is the customer and where does the inspector's responsibility lie? I will refer to one sentence from an article by Beatrice Faust in *The Weekend Australian* of 5 and 6 April 1997 in which she commented on a recent outbreak of disease in Victoria. She said -

The privatised system of inspection creates lethal confusion as to who is the customer, who is the object of the inspector's responsibility and who should benefit from food inspection.

In the light of what is proposed in Western Australia, is it likely that such confusion may exist in processing works in Western Australia?

Dr PSAILA-SAVONA: I must explain that irrespective of whether they are company, departmental or local meat inspectors, they are appointed by the Minister under the meat inspection and branding regulations. Apart from the fact that they have a duty to live up to their professional knowledge and expertise, under the law they are responsible to the Minister. They are employed by the company if they are company meat inspectors in the same way as the departmental or local ones are employed by those authorities; however, irrespective of who employs them, we must rely entirely on their professional integrity. Where a departmental or local authority meat inspector is on the same site as a company meat inspector, the final say about the safety of meat lies with the departmental or local authority inspector. The penalty for any major indiscretion is that the meat inspector will lose his or her designation from the Minister.

Hon J.A. SCOTT: Over the past five years there has been a significant rise in the remuneration of visiting medical practitioners. Is an increase in the budget forecast in this area? If so, how much is it expected to increase in the next and future budgets?

Mr BANSEMER: There is no current provision in our budget for an increase. I expect any rise to be dealt with by productivity offsets.

Mr KIRWAN: The visiting medical practitioners - that is, the independent fee for service practitioners in predominantly non-teaching hospitals, as opposed to salaried sessional staff and employees predominantly in our north west and teaching hospitals - will be covered by an agreement which we are half way through. The Australian Medical Association and the Minister have signed the heads of agreement. It has annual increases based in November each year. That flows from the application of the medical fees index calculated by the federal AMA. Increments apply each year. We are having some interesting negotiations on that currently. We have chosen to apply some of the increases, and also to request the AMA to consider some decrease and the holding of fees, which the Federal Government has implemented. Interestingly enough, the AMA has agreed to decreases in some of the areas where the technology has changed.

Hon J.A. SCOTT: I understand a work practices charter of some sort was drawn up for the visiting medical practitioners. Has this resulted in any overall improvement in the delivery and cost of services by the VMPs?

Mr KIRWAN: As part of the visiting medical practitioners' agreement, for the first time we introduced a range of objectives; for example, the application of quality principles. We are in the process with the AMA of a mid-term review of the current agreement. From what we are picking up at this point in our survey work, it would be fair to say that some of the responses are mixed; however, there have been increases in the number of visiting medical practitioners who are completing their forms in a number of areas which were specifically targeted. It is too difficult at this stage to say whether there are any qualitative and quantitative across the board increases. That may be because of the codifying of requests and the focus on a number of clinical quality initiatives, which have helped. The agreement focuses on those types of reforms. A range of other reforms are included in the VMP agreement, on which it will be assessed before it is either renegotiated or amended.

The CHAIRMAN (Hon Mark Nevill): What limits are placed on the functions and powers of hospital boards? I understand the last radiologist who left Kalgoorlie Regional Hospital earned about \$600 000 in a year. What capacity do these boards have to clamp down on some of the charges made by visiting medical practitioners and other people on the public health system?

Hon BOB THOMAS: How much of that would have been Medicare?

The CHAIRMAN: That is my next question.

Mr BANSEMER: The board's responsibility is to ensure the policy and agreements are adhered to. It has the responsibility to ensure control is exercised over the rate of servicing and that rates of remuneration are as agreed. The boards are not in a position to vary either the policy or the agreement.

The CHAIRMAN: Can advice be given to the committee of the amounts paid in each year either under state or through federal programs to radiologists in country hospitals over the past three years for each year?

Mr BANSEMER: In aggregate?

The CHAIRMAN: No, per person.

Mr BANSEMER: We can go part way with that.

The CHAIRMAN: Which part can I not find out?

Mr BANSEMER: We can do it by radiologist practice; but not by radiologist.

The CHAIRMAN: Can the number of radiologists in the practice be identified?

Mr BANSEMER: We can probably identify radiologists in the practice, but not necessarily where they provided their services at any time.

The CHAIRMAN: I can put that question on notice.

Mr BANSEMER: We will provide what information we have.

Hon J.A. SCOTT: Last year the Perth photochemical smog study and the haze study were released. Considerable research on epidemiology has been conducted overseas. I am concerned that those studies were not included in the report. In light of the increasing air pollution in Perth plus the considerable amount of smoke in some of the towns in the south west caused by the Department of Conservation and Land Management burns, has the Health Department any plans to check the effect of air pollution on people's health contained in the research in this area carried out overseas, especially epidemiology studies? Can the Health Department take any action if a considerable health problem has been shown to be caused in this area?

[3.50 pm]

Dr PSAILA-SAVONA: It is virtually impossible to mount a proper epidemiological study in Western Australia to assess the health aspects associated with air pollution, for a number of reasons. One is that we are very small; and, despite the fact that we tend to hear that there is substantial pollution in the State, the pollution is of a small nature except in episodic situations. Second, it would virtually be impossible to find a controlled population to be able to compare the exposed people with another group that is not exposed. A number of studies have been carried out elsewhere, especially in the United States, which correlate quite well with the effect of pollution on people with especially respiratory diseases, and especially on people who are most at risk in certain situations, such as asthmatics, the elderly or frail, depending on the pollution in question.

The study you referred to indicated that there was a possibility of an increased number of deaths which could be associated with exposure to air pollution in Western Australia. However, as I have indicated elsewhere, that study bases its supposition on levels which are at a higher level of pollution than exists in Western Australia. We are never living in a sterile environment. We are exposed to pollutants all the time, even in this room. Given the lower pollution levels in Western Australia I do not think one could extrapolate the number of likely deaths from what is occurring in other States and countries.

The CHAIRMAN: Has the department had any concerns about the vitamin A therapy program at Sir Charles Gairdner Hospital, given that the three major world studies show an increase in lung cancer following certain vitamin A therapy? What action has been taken if there is any concern?

Dr PSAILA-SAVONA: You are right. Two very large studies were undertaken. One is called the FIN study and the other is the IARC study and both indicate that people who have been treated with vitamin A - especially betacarotene - had an adverse reaction in the sense there seemed to be an increase in lung cancer.

Hon BOB THOMAS: That is a synthetic product, not the natural betacarotene.

Dr PSAILA-SAVONA: I will answer that in a minute. However, there has been no study, as far as I know and as far as I can estimate, which indicates these effects seem to have any association with retinol, which is a pro-vitamin. With regard to the synthetic and the natural product, again no studies have been carried out to allow us to compare the synthetic with the natural product.

Hon BOB THOMAS: What about Professor Musk?

Dr PSAILA-SAVONA: Professor Musk has not undertaken that study. He has been undertaking in Western Australia treatment of a group of people who have been exposed to asbestos, either at Wittenoom or severely occupationally exposed. He has been treating people with retinol or a mixture of retinol and betacarotene. He has not compared the synthetic with the natural product. From my knowledge of the literature, nowhere in the world has such a study been carried out.

With regard to the funding, the department is looking very sympathetically at the possibility of extending the vitamin A program under a number of conditions. The conditions would be that no betacarotene would be used, only retinol; that the people who have been exposed at Wittenoom or those who have had substantial exposure would be included in the study; and that the study would also continue to be assessed on a yearly basis. We have asked Professor Musk and his research workers to provide the appropriate protocol. We are at the stage of negotiating with the research workers on how this will be conducted.

Hon BOB THOMAS: Professor Musk has been trialling natural betacarotene, and he has been able to compare his results with the overseas studies which used the synthetic product. He has found that the incidence of cancer is far lower here than in those overseas studies. I cannot understand why you say there can be no comparison.

Dr PSAILA-SAVONA: With respect, I do not think you are comparing like with like. The two studies referred to by the Chairman were very large studies which used, I believe, synthetic betacarotene, whereas the trial that Professor Musk has been carrying out is by comparison small and the protocols were not the same. It would be very difficult to compare what Bill Musk has found in Western Australia with the international studies.

Hon BOB THOMAS: More than 2 000 people were on the vitamin A program here, and not all have been using betacarotene; some have been using a placebo. What was the size of the overseas studies?

Dr PSAILA-SAVONA: It would be well into the tens of thousands rather than the thousands. I cannot provide an exact number. I believe one was 45 000 and the other was 70 000, but those figures are not precise.

Hon KIM CHANCE: Recently a regulation was gazetted under the Poisons Act which had the effect of restricting the scope of medical practitioners who are able to prescribe certain drugs used in dermatology. I did not bring the information with me but the regulation was, I think, gazetted on 11 April and tabled on 29 April. Are you familiar with the range of drugs involved?

Dr PSAILA-SAVONA: I believe you are referring to isotretinoin. Under the Poisons Act and its regulations a number of medications must be and are regulated. The regulations differ depending on the medication. With isotretinoin, for instance, it is clear that the medication must be used by a medical practitioner who has specialised in dermatology. It is not available to be prescribed by a medical practitioner unless the Commissioner of Health provides an authorisation. That authorisation for isotretinoin, as far as I can recall, has never been shared with people who are non-dermatologists. The reason is that isotretinoin has very serious side-effects.

Hon KIM CHANCE: Can I give you a call about that next week so we can talk it through?

Dr PSAILA-SAVONA: Certainly, with the permission of my Minister.

Hon MAX EVANS: I table the two booklets requested by Hon John Halden.

The CHAIRMAN: We have further questions on notice from the committee and from Hon Tom Stephens.

Sitting suspended from 4.00 to 4.15 pm

Division 65: Department of Land Administration, \$67 795 000 -

[Hon Simon O'Brien, Chairman.]

[Hon Max Evans, Minister for Finance.]

[Mr C. Williams, Acting Chief Executive.]

[Mr M. Smith, Manager, Financial Services.]

[Mr W. Rose, Acting Director, Land Operations.]

Hon MAX EVANS: I now table the generic questions.

Hon BOB THOMAS: Have the Aboriginal groups which lodged the native title claims on the south coast amended the claims so that they are removed from farming land and put exclusively on vacant crown land such as parks and reserves?

Mr WILLIAMS: I do not know the detail. I have seen media reports that some adjustments have been made to those claims. As you may know, DOLA does the mapping for native title claims. Nationally, 406 claims have been accepted, of which 209 are in Western Australia.

I will provide on notice some maps which illustrate the complexity of detail and the number of individual claims.

Hon MARK NEVILL: What are the general implications of those two decisions? What impact have they had on DOLA's revenue?

Mr WILLIAMS: They have had a major impact. Eighty per cent of the land area of Western Australia has been claimed. I have a map that shows the extent of the claims in Western Australia. The process involving DOLA is twofold: We assist with the mapping of claims as they are lodged. That has major resource implications for us. Before taking any action on crown land we must comply with the requirements of the commonwealth Native Title Act. That consists of first checking the history of the land to establish tenure. If it is former freehold land, we are not obliged to comply with the notification and other requirements of the Native Title Act. As you may know, the amount of freehold land in Western Australia is about 7 per cent.

In most other cases a fairly extensive investigation of the history of the land tenure is involved. Any future action such as land development involves meeting the commonwealth Act's requirements, the first step of which is notification of our intention to take what is called a future act, under the commonwealth Act. Native title claimants may then lodge objections to that act. In fact, that notification may trigger a native title claim. Given that most of the State has already been claimed - 80 per cent at least - not many more claims are being lodged. Typically, notification is done by existing native title claimants.

Depending on the action, a right to negotiate process occurs. DOLA conducts negotiations with native title or potential native title claimants. That is proving to be a resource intensive process. At this stage 400 land acts are being assessed which require processing under the Native Title Act. We have given notice on 213 of those land proposals and will probably give notice of a further 15 actions every fortnight for the foreseeable future. In each case, if objections are lodged and the right to negotiate is triggered, we must engage in negotiations with native title parties on all those actions.

There has been a fairly major resource impact on the organisation in two ways. We have had to allocate specific resources in the organisation to manage that native title processing. We have a unit of about 10 people on that work full time, as well as many other officers who are involved part time. Native title business has retarded our normal stream of bringing onto the marketplace developed crown land. New land is not being fed into the system for the public to purchase, particularly in key areas such as Broome, Kununurra and Kalgoorlie.

[4.20 pm]

Hon MARK NEVILL: What impact did that have on your revenue?

Mr WILLIAMS: Normally our revenue stream is from crown land sales. The budget papers for the 1997-98 financial year show that for towns and suburban lots it is estimated to be some \$19m. I expect that to decline markedly in future out-years. It has already declined slightly from last year. I am not sure of the previous year's figure. There will be a gradual turning off of the tap of the revenue stream from sales.

Hon BOB THOMAS: There must come a time when they pick up again, as some of those claims are shown not to be successful and other land comes on for sale?

Mr WILLIAMS: That is our fervent hope. As I said, 209 claims have been lodged. So far none of those in Western Australia has been determined. We are at the beginning of what I suspect will be a very long process.

Hon DERRICK TOMLINSON: I refer to the hoary chestnut of the transfer of the Department of Land Administration office to Midland. I thought that transfer had been accomplished and was functioning satisfactorily. However, a concern has been raised from settlement agents about a requirement - it could be of their own making or of the Real Estate Institute of WA's making - that settlements be completed within the one square mile of the Perth central business district. In part, that is a consequence of the decision made to split the office to retain some of the registration in the central business district. Is there any reason settlements could not be facilitated elsewhere, in particular, in Midland, since the head office is there?

Mr WILLIAMS: I am not familiar with titles administration in detail. We have a Perth business office that is able to receive and lodge documents. The requirement to which the member refers may be a requirement of the REIWA standard conditions of sale and is not something within DOLA's control.

Hon DERRICK TOMLINSON: It is entirely within the control of the agents?

Mr WILLIAMS: As I understand it, that requirement is a REIWA standard conditions requirement.

Hon DERRICK TOMLINSON: The answer is that it is something that can be managed: It is up to the agents and it has nothing to do with DOLA?

Mr WILLIAMS: Yes.

Hon MARK NEVILL: When does DOLA intend to go to net appropriations?

Mr WILLIAMS: We have been negotiating with Treasury on that matter. We have some net appropriation arrangements with Treasury already for our remote sensing operations at Floreat. Some revenue is retained from that business operation where we are selling satellite imagery information to the private sector. We are also negotiating with Treasury on other DOLA business to bring in a net appropriation arrangement. We hope our international program will pay for itself by 1999. There are other areas in which there is the possibility of net appropriations being brought about. We are exploring those with Treasury at the moment.

Hon MARK NEVILL: The uncertainty in your revenue because of the High Court decisions will require great budgetary and management controls to get an accurate handle on what you will receive through those net appropriations. Do you feel you have that under control?

[4.30 pm]

Mr WILLIAMS: The impact of native title is difficult to forecast. We are at the beginning of the process. As each case is negotiated, we become more familiar with the likely time lines. We have land stocks such as those pieces of land sold under the property disposal proposal, which we administer directly or on behalf of other agencies. Most of that land, particularly that of other agencies, is in the metropolitan area and typically does not have native title constraints on its disposal. Therefore, revenue stream is not affected by native title considerations. That may be one source of scope for net appropriation management. An example of a possible source would be our disposal of surplus school sites for the Ministry of Education under an agency arrangement.

Mr SMITH: Regarding net appropriation, we will look closely with Treasury at the revenue streams we can predict more accurately. It may be that capital land sales will not be included in the initial net appropriation and we will keep to departmental revenue in the first instance.

Hon M.D. NIXON: Page 559 of the Budget Statements, in the second dot point, refers to the contract for the publishing and distribution of the metropolitan street directory, which was offered through competitive tender and was awarded to WA Newspapers Limited for five years, with savings of \$200 000 per annum in printing costs achieved. What was the base figure on which the saving of \$200 000 was made?

Hon MAX EVANS: We will take that question on notice.

The CHAIRMAN (Hon Simon O'Brien): The committee is conducting a line of inquiry to establish the processes agencies have adopted to implement appropriate information technology systems for their functions and needs. Has the Department of Land Administration ensured that any problems associated with the year 2000 have been addressed?

Mr WILLIAMS: Yes, we have conducted a fairly extensive review of that issue for the organisation. We are asking the manager of our systems development to look at the matter fairly closely. We have a number of contracts with private sector organisations to manage application developments within the organisation and that is something we are asking them to investigate. Consultants have been engaged to look at the issue within the organisation.

The CHAIRMAN: When do you expect them to report to you?

Mr WILLIAMS: I do not have an exact time for that, but within the next few months we should have a better understanding of the implications involved. The preliminary advice is that the organisation faces no significant issues, but we are actively managing that aspect.

Hon MAX EVANS: DOLA would have little activity in that respect. It may have some data, but it is not bringing forward information.

Mr WILLIAMS: I am cautious about being optimistic, but I am confident.

The CHAIRMAN: Do you have systems to ensure proper accountability for outsourcing of information technology needs?

Mr WILLIAMS: Again, we have an information systems division which looks after the strategic planning for our information systems requirements. Matters of accountability are managed closely and regularly. It occurs at the corporate executive level within the organisation; therefore, I am confident that we are managing the accountability requirements of our system development and day to day applications.

The CHAIRMAN: Do Department of Land Administration employees have access to the Internet and, if so, do you have procedures in place to ensure appropriate levels of access?

Mr WILLIAMS: Employees have access and the process of approving access to the Internet is conducted at a fairly senior management level. In my case, within my usual division, approval is given for access at a director level. It is done on a business case basis. A form must be filled out giving the reasons for the request, so the manager making that decision has good information. Also, we are taking steps to put in place systems and software which control access to certain sites.

We have some advice on that issue and we are making sure access to the Internet is policed. I understand that we also have a capacity to monitor the hits, as it were, on sites by employees, in the same way that we can monitor telephone calls. That is regularly monitored. I am confident that our controls in that area are fairly good.

The CHAIRMAN: I referred to the monitoring of the need to replace or upgrade IT in the agency to address technological change.

Mr WILLIAMS: The Department of Land Administration prides itself on being a world leader in certain technological developments. As you may know, Mr Chairman, we have won a number of awards for technological developments. At the moment we are concentrating on the integration of systems to try to reduce dependency on mainframe systems and to move towards newer, more accessible technology. We are also very focused on achieving customer benefits from any technological changes that we make, so that customers will have better access to information, systems and services that the organisation provides.

Hon MAX EVANS: A couple of days ago I was discussing the government property register. We are about the only State that has a government property register such as that at DOLA. It can throw up all the information on titles and who owns them. The information comes from DOLA in the first place and enables the Valuer General to develop a property register. The uniqueness of our system makes that possible.

The CHAIRMAN: What are the adequacies of the levels of IT training for the department's employees?

Mr WILLIAMS: I cannot give facts and figures about that, other than to say that it is a very high priority in an organisation that is as technologically advanced as DOLA. I am not sure of the percentage of our employees who have access to a terminal, but it is very high relative to most state government agencies. People are being encouraged via on-the-job training and formal systems courses to become more computer literate and to make use of our technological systems. I could provide more detailed information about the training involvement within the organisation.

The CHAIRMAN: We can put that on notice.

Mr SMITH: Part of the clearance for any new system that DOLA implements requires that people who are using the system have adequate training. We are in the process of establishing Internet training for people who need it, so that we can get the maximum benefits from the new technology. For people who need to use the information, the systems are not put into production until the staff are properly trained.

Hon MARK NEVILL: This may be a policy question, but are there any proposals to incorporate the Valuer General's office into DOLA or vice versa?

[4.40 pm]

Hon MAX EVANS: When I became a Minister in 1993-94 a paper was produced by somebody inside DOLA, who may be sitting here today. It worked out all the facets of one department being incorporated into the other. I was against that because I felt the Valuer General needed a certain amount of independence for his work. It was worked out that there was not enough space for the staff of DOLA in their huge palace. They found later they had too much space. I decided with Hon George Cash that we would not incorporate them. They are two separate organisations; it just so happens that they deal with the same product at the bottom of the list, which is the certificate of title.

Hon MARK NEVILL: What arrangements does DOLA have for public liability insurance on crown land that is not managed by other government agencies?

Mr WILLIAMS: It does not have public liability insurance. However, in the past couple of years, ahead of its being a requirement of all government agencies, DOLA has conducted a risk assessment. It engaged private consultants to provide advice on its exposure. That process is continuing with a very thorough audit of its exposure to a range of risk factors, and that is 90 per cent complete.

That includes the risk the member is alluding to of people sustaining an injury on either vacant crown land or unvested crown land of some form. A number of Supreme Court cases have resulted in damages being awarded against the Crown for injuries sustained by persons on crown land and that has highlighted the problem. The member might be aware of the Dale case, where someone was awarded \$1.8m a year or so ago. There was another case on Rottneest Island where similar injuries were sustained and similar damages awarded. Incidents such as the Gracetown disaster and Weebubbe Cave collapse have reinforced that difficulty. DOLA took immediate action to ensure that suitable signs were erected, access to the site was restricted and warnings were issued, particularly to caving organisations and tourism outlets, to ensure people are aware of the problem. It is a vexed issue that the States are examining in some detail.

Legislatively, the new Land Administration Bill, which is currently before this Chamber, contains provisions limiting the liability of the Crown to cases where the Crown has taken some action in respect of the land; that is, it limits crown liability.

Hon MAX EVANS: In December last year the Government had risk management auditors investigate every department. That was driven by me and headed by SGIC. We had no real idea whether we were overinsured or underinsured. We are now calling for policies - SGIC is only the middleman. There was too much cover at the lower levels and not enough at the top. We will be able to arrange better coverage for \$1m or \$2m less.

Hon MARK NEVILL: Is that part of the legislation introduced last year in relation to risk cover?

Hon MAX EVANS: Yes. It has all been done.

Hon MARK NEVILL: I understand DOLA has outsourced its electronic data processing in conjunction with three other agencies. What has been done to ensure proper control and management practices?

Mr WILLIAMS: DOLA is now in a joint venture with other agencies of Government in relation to mainframe computers.

Mr SMITH: DOLA has a contract known as BDMW in conjunction with the Department of Contract and Management Services, the Water Authority and Main Roads. The agencies got together to ensure, from a professional point of view, that the risks were covered. All of the technical aspects were settled in a consortium approach. That contract enabled economies of scale in managing the mainframes. It allowed a little more depth to the arrangements because each individual agency did not need to have its own application.

Mr WILLIAMS: The contract for such a large information system was detailed and there are very tight controls over the contractor for service delivery and outcomes. The contractor must meet his obligation to provide the necessary services. The systems which have been developed within DOLA have provided staff with the required expertise and they make sure that appropriate controls are in place. I could provide the details.

Hon MARK NEVILL: No, that is not necessary.

Other members may have received the letter from which I will quote -

As you are well aware in searching for Land details there are often different avenues that need to be taken, and as your system seems to have no Fuzzy Logic at all, one small deviation from your precise identity or description automatically charges the customer even if no record is found or useable.

Is that a valid criticism and should a more flexible system be in place?

Mr WILLIAMS: Land titles is not my area of expertise and I do not have anyone on the team who has that expertise. I will take the question on notice, but I will reply in general terms.

The system I think the person is referring to is a mainframe application which is not user friendly. If one has an inquiry about land title details, it is true that on a mainframe one must get the dots in the right place. If they are in the wrong place, one will go down the wrong path.

The CHAIRMAN: The question will be taken on notice.

Hon M.D. NIXON: At the bottom of page 569 of the Budget Statements under "Government Capital Asset Sales" there is an estimate of \$56.7m for Westrail land. What does this land package consist of?

Mr WILLIAMS: I do not have that information to give the member now, but I can ask Westrail to provide the information. The reason this figure appears in the DOLA accounts is that the proceeds of the sale of surplus Westrail property is credited to the lands territorial account. DOLA provides some advice to Westrail on those disposals, but it runs its own property disposal program.

Hon MAX EVANS: Westrail has 22 000 blocks of land which are being valued by the Valuer General. Outside consultants are being used. I mentioned earlier that \$91m worth of land is not on its books. Some of the land is in the country. The land at Kewdale covers a large area. I hope that a lot of this money will go towards the replacement of rolling stock. These days we can sell assets and then buy assets or repay debt. It will probably cost \$10m to subdivide and provide sewerage to the land.

The CHAIRMAN: The question has been taken on notice.

What action has DOLA taken to ensure that controls over the recording of public property are adequate? I am not referring to real estate, but to major and minor assets.

Mr SMITH: DOLA has a fixed asset system in place in which all assets are identified. We do a regular stocktake to make sure the assets are registered. As part of the new financial management system to accommodate accrual accounting, DOLA has a fixed assets module. It is a fully integrated system. As soon as an asset is purchased it is recorded in the fixed assets module. The system no longer relies on somebody manually coding in the details. Basically we feel fairly comfortable with that module. We have not had any audit problems with fixed assets.

Hon MARK NEVILL: The annual report operating statements include revenue from the sale of land previously vested in another agency. That land has no carrying value in the accounting records of the Department of Land Administration; however, the land would have had a value in the accounts of the original agency. Does this have the effect of increasing DOLA's operating revenue without showing the cost of the land?

Mr SMITH: We are addressing that issue at the moment. With Accounting Standard AAS29 and accrual accounting the agency that has control of an asset must list it in its balance sheet. We are dealing with this issue with the Education Department. The Education Department wants to sell assets. However, the revenue comes through DOLA's books as revenue from the management of the crown estate. We have had meetings with the Education Department and Treasury to come up with some consistent policy to ensure that when the asset goes off the balance sheet of an agency and comes through DOLA's books it is adequately accounted for. It is an issue that accrual accounting has raised. It was not a problem with cash accounting. We have some way to go in an accounting sense to get it right.

Hon MAX EVANS: With 836 000 blocks of land there were 836 000 titles. In the old days public buildings were built by the public works department on crown land, so no-one ever worried about who owned the land because they did not have balance sheets. That is one of the sorting out jobs the Valuer General must undertake to find out who is using this land today. Over a period the department will review certificates of titles, and all crown land will be designated as belonging to the department rather than the Crown per se, which has been the case since schools were built last century. The Perth Boys School is probably still on crown land. It will be sorted out.

Committee adjourned at 4.54 pm
