



WESTERN AUSTRALIA

# **Parliamentary Debates**

**(HANSARD)**

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LEGISLATIVE COUNCIL  
ESTIMATES COMMITTEE

Thursday, 29 May 1997

# Legislative Council

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## STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

The hearing commenced at 10.00 am.

### **Division 25: Education, \$1 333 957 000 -**

[Hon Muriel Patterson, Chairman.]

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

[Ms C. Vardon, Director General.]

[Mr R. Mance, Executive Director, Resources and Services.]

[Mr P. McCaffrey, Director, Finance.]

[Ms D. Kerr, Executive Director, Education Services.]

[Mr P. Barrett, Acting Director, Facilities and Services.]

Hon N.F. MOORE: The Education budget has increased by \$49m this financial year, which is a 3.8 per cent increase. I will outline some of the features of the budget. Seventy-eight per cent of the recurrent budget is allocated to salaries, wages, allowances and leave entitlements. Therefore, a significant part of the budget goes to paying the people who work in the system. The budget is composed of 87 per cent for direct school costs, 8.5 per cent for direct services to schools and the remaining 4.5 per cent for non-school costs.

Some of the major initiatives in the budget include \$2.8m for an additional 78 teachers and support staff for new schools and increased enrolments. An amount of \$300 000 has been set aside to develop a centre for professional excellence in teaching which will be a significant advancement in respect of the professional advancement of teachers. A further \$17.8m is committed to new technology in schools over the next four years and it will complement the recently commenced \$20m computers in the classroom program. The Government has endorsed a \$600 000 program in response to community concerns about the cost of providing students with graphics calculators. They will be provided to senior high schools and colleges throughout the State.

Vocational programs for years 11 and 12 students is an area in which the Education Department is continuing to move. Approximately 18 000 students will benefit from the allocation of \$3.7m, over four years, for expanded TAFE, industry and school links.

The budget includes \$2.6m, over four years, to establish a literacy net project which is aimed at improving the level of literacy of young people in the school system. An amount of \$500 000 will be spent in the coming year on specialised programs for children who have been identified as having problems with literacy. An additional \$600 000 has been allocated to begin a \$3.1m project to provide for youth at risk of alienation because they are not achieving in the school environment.

School grants have been increased and a \$6.5m commitment, over four years, has been made to increase the per capita payment component of the school grants starting in 1998. For 1997-98 the increase will amount to \$5 extra for each student and from 1999 to 2001 it will increase each year by an additional \$1 per student.

In respect of equity and access, parents of students with intellectual disabilities will have a further option for the education of their children with an injection of \$600 000 into the budget to implement an inclusion program. An amount of \$51m has been allocated to the maintenance of schools, which is an increase of \$4m. The capital works budget, for the second time, is in excess of \$100m and this year more than \$103m has been allocated, of which \$47m is for new works and \$56m is for works in progress. Major building programs will begin in 27 schools and work will be completed in 37 schools.

School watch and security, an area of interest to members, will receive a \$700 000 boost over the next four years. I have outlined some of the highlights of the Education budget and indicated the direction in which the Education Department is moving. I come back to where I started: There has been a 3.8 per cent increase in the Education Department's budget, taking it to \$1.34b.

Hon LJILJANNA RAVLICH: What are the projected savings of the local area education framework which supposedly will put the future of state schools into the hands of parents, teachers and principals and give school communities the right to sell land, amalgamate schools and create new schools?

Ms VARDON: The local area planning framework is a new way of looking at the management of schools on the basis of district supervision. The framework was announced by the Minister for Education yesterday and the document is out for public consultation for three weeks. In response to the question, no savings targets are identified in the local area planning framework document, nor do we have any figures at this stage which could be core targets. That is not the purpose of local area planning.

[10.10 am]

Hon LJILJANNA RAVLICH: Why has there been no consultation with the State School Teachers Union of WA on this major policy direction?

Ms VARDON: The State School Teachers Union was invited to be part of the process as the document was developed. Before the document was finally printed the President of the State School Teachers Union was given a copy and asked to comment. Two of us have offered to brief the executive of the union.

Hon LJILJANNA RAVLICH: Does the local area education framework not abrogate the department's planning responsibility for effectively planning education across the entire education system for the benefit of all children, by simply transferring this function to local school communities?

Ms VARDON: The central policy directions and decisions are strengthened by local area planning. The Minister for Education, advised by the department, has the final say on which local area plans for education will go ahead first and in what order that will occur. The decisions will be better decisions and the capacity of the department to advise the Minister will be strengthened by input from local school communities across the board, parents and others who are interested. The ultimate responsibility for decisions rests with the Minister, but under a system of improved consultation and advice from school communities that involves the teaching community as well.

Hon N.F. MOORE: There is enormous evidence around the world that suggests the closer the decision is made to where it will be implemented, the better it is for the system. Western Australia has a highly centralised system which is at odds with most education systems in the western world. This is a move towards giving decision making to those closer to the action. That trend is common throughout most countries.

Hon LJILJANNA RAVLICH: What will happen to the department's planning section under this proposal and how many jobs will be lost specifically in the planning directorate under these new arrangements?

Ms VARDON: The Minister for Education indicated 170 redundancy packages are available for Education Department staff on a voluntary basis across the State in the central office and district offices. The final structure of the Education Department - that is, the central office and the planning section - will be decided after a process of consultation with staff over the next few weeks. The planning section will remain an important policy setting part of the organisation.

Hon JOHN HALDEN: In last year's Estimates Committee you advised me there would be a discontinuation of services in the area of students at educational risk. You said you would develop an overarching strategy that would be completed by January 1997. What services have been discontinued? Has that overarching strategy been put in place; and, if so, what are the results of it?

Ms VARDON: I believe the response last year was to do with the changes to the targeted programs for the Commonwealth Government and the discontinuing of the priority schools program, in particular. The Commonwealth Government discontinued a number of targeted programs in the sense of their names, but it broad banded the programs. The PSP is encompassed in a major program on literacy. Western Australia has proceeded with the students at educational risk strategy and that work is well advanced.

Ms KERR: The expectation now is that the strategy will be considered by the executive of the Education Department in December this year. The process of gathering information on the hundreds, and probably thousands, of programs the department undertakes to encompass the full range of students at educational risk has taken longer than we expected.

Hon JOHN HALDEN: Last year I was told the Education Department was contracting out four services - the school audit program, full time preprimary at four schools, information and technology, and lawnmowing services for schools. What has been the cost of those four programs as contracted out?

Mr MANCE: Lawnmowing services for schools were previously provided by the Department of Contract and Management Services. It was a service for which we paid that department. A survey showed that schools were generally dissatisfied with that service and with the changes in the services provided by CAMS in that it was outsourcing its non-core activities. The department then let contracts for lawnmowing, mainly in metropolitan schools, given some contracts were already in place in the country. At the same time the department took the opportunity to revise the specifications for that service to include matters such as the aeration and fertilisation of grounds. I can give you some costs now, taking into account that the scope of the work that was done was changed. I do not have the previous figures, but I could provide those on notice. The estimated outturn for this year is \$3.5m and the expenditure for the year to date, as at about three weeks ago when these papers were prepared, is \$2.468m.

Ms KERR: When the answer was given last year, the full time preprimary program was to occur at four schools; in fact, it occurred at five because a further community preschool was involved. The estimated outturn for 1996-97 is \$62 000.

Hon N.F. MOORE: We will take the questions on the audit functions and information technology on notice.

[10.20 am]

Hon JOHN HALDEN: Last year I was told that the lawnmowing service would cost \$2.7m. I am now advised it is likely to cost \$3.5m. Why is there such a significant increase in that area?

Mr MANCE: In discussions the schools sought to have the lawns cut more frequently, so the specifications now include seven additional cuts per annum, plus one to all school ovals. As contracts come and go the prices vary.

Hon E.R.J. DERMER: I note from the capital works projects listed at pages 297-301 that in the suburbs in the City of Wanneroo north of Hepburn Avenue no high schools are listed for expenditure on specific capital works projects in progress. I further note that Clarkson stage 1 and Belridge stage 3 are the only high schools listed as completed capital works projects. Clarkson stage 2 is the only high school project listed as a new capital works project. What is the general strategy of the department to ensure the rapidly growing demand for secondary education in that area will be adequately accommodated in the future?

Mr BARRETT: One of the main reasons there is not a large capital program for those schools is that they are very new. Although Padbury is 10 years old, Belridge was built in the 1990s and Clarkson is a recent school. The department has a proposal for the establishment of a new secondary school at Kinross, but within the regional and local area planning framework there is potential for significant alternatives to be developed in this rapidly growing area to cater better for primary and secondary students across the board.

Hon E.R.J. DERMER: Does the department hold the view that the 1997 enrolment figure of 1 409 students at the Ocean Reef High School means it has reached its maximum capacity?

Mr BARRETT: The potential for Ocean Reef, with the relief that has been offered by Clarkson and will be offered as Kinross develops, is that the number will decline. It is of concern to the department that within a decade the numbers at Ocean Reef are expected to decline significantly as the population of that district ages. This also will be an opportunity to view alternatives that can be developed under the regional and local area planning framework to ensure Ocean Reef and its sister high schools in the vicinity, particularly Belridge, are maintained at viable numbers to offer the best options for students.

Hon E.R.J. DERMER: What is the optimum number of students for the Ocean Reef High School?

Mr BARRETT: I anticipate the numbers will escalate beyond 1 500, and I believe within a decade it will be well below 1 000 students, unless alternatives are provided to keep the numbers at an acceptable level by providing those courses in upper school that children of the area will need.

Hon E.R.J. DERMER: What is the acceptable range or optimum number for that school?

Ms VARDON: In terms of a broad range of numbers for senior secondary schools in Western Australia, we expect in most cases to have long term stable enrolments of 1 000 to 1 200 students, but there are peaks and troughs within that.

Hon E.R.J. DERMER: What does the department estimate the maximum capacity for the student population of Clarkson will be at the completion of the final stage of its development?

Ms VARDON: Looking at Clarkson without alternative relief, the numbers would approximate 1 800 at its peak. If that does not appear to be an acceptable option, the date of establishment of Kinross and any other strategies that may be developed locally I am sure will provide most adequately for the kids.

Hon E.R.J. DERMER: The peak figure of 1 800 is much higher than the 1 200 given as the optimum for a high school.

Ms VARDON: We expect that band to cover the long term stable enrolments but with peaks and troughs.

Hon N.F. MOORE: Obviously schools cannot be built to reach a particular level, with that level remaining forever. The graph of all school populations indicates they rise, reach a peak and then decline. It is almost identical for every school. Obviously, we do not build permanent buildings to cater for the maximum capacity, otherwise there would be vastly underutilised facilities for the remainder of the history of the school.

Hon E.R.J. DERMER: It is understood that the dynamics of the population have an impact and I find the answers useful in gauging how the department is planning to accommodate the rising population in that area.

Hon N.F. MOORE: The member should not reach the conclusion that schools with large populations are necessarily worse than schools with small populations, or vice versa. One of the most successful schools in Western Australia from the point of view of public acceptance is the Willetton Senior High School. It has a large number of students and is a very successful school.

Hon E.R.J. DERMER: What is the estimated date for the completion of the final stage of Clarkson High School?

Mr BARRETT: No firm date has been fixed. As is the normal case for high school construction, it will be built in stages which are phased in as required. I cannot provide a date at this stage, but details can perhaps be provided as supplementary information.

Hon E.R.J. DERMER: When is it anticipated that Clarkson stage 2 will be completed?

Mr BARRETT: I do not have the date immediately to hand, but it can be provided as supplementary information.

Hon E.R.J. DERMER: I presume the department is confident that the maximum capacity of the student population in Clarkson will be sufficient to meet demand in that area?

Mr BARRETT: Yes, we are very confident that will be the case.

Hon E.R.J. DERMER: What is the best estimate on the commencement and completion dates for the Kinross high school?

Mr BARRETT: I do not believe an announcement has been made, but details will be provided if they are available.

Hon E.R.J. DERMER: Is there a time frame?

Hon N.F. MOORE: This is a question for the Minister for Education. Obviously, any announcements will be made by the Minister at the appropriate time. It is inappropriate to ask an officer about the matter in this Committee.

[10.30 am]

Hon HELEN HODGSON: I refer to the audit report in the financial statements. I note it was a qualified report in two major respects. The first is employee entitlements and the other is non-current assets. Has the department set appropriate systems in place to respond to those criticisms?

Ms VARDON: Yes, we have. A qualified audit is always of concern, but there were particular reasons for the qualification relating to changes in standards. The department put systems in place following the exit interview with the auditors.

Mr MANCE: The Auditor General saw the method of evaluation of buildings as the main problem in the department's management of its assets. That has been resolved; appropriate valuation methods and procedures have been discussed and agreed to by the Auditor General, the Valuer General's Office and the Department of Contract and Management Services. One of the problems in the system was that there were very few sites and it was difficult to validate whether they were vested in the Minister or owned by another department. With those records and the work with DOLA, that has been resolved.

The other problem related to service liability and employee entitlements. The response was that, due to the size and complexity of the department, it was unable to disclose its long service liability on a discounted value basis as required by a newly introduced accounting standard - AAS30. The department has engaged an actuary to assist in the calculation of its long service leave liability for the 1996-97 financial statements. One must keep in mind that the organisation employs about 33 000 people.

The department is also introducing a new human resources system called P2000, which will lead to the computerisation of the current labour intensive manual system.

Hon HELEN HODGSON: The tragic fire at Churchlands raises the issue of insurance of school buildings. I understand that the department has a self-insurance policy. I would like an explanation of that policy. Has it been scrutinised by the Auditor General?

Ms VARDON: School insurance is a whole of government policy; the Government insures itself and puts aside contingency funds to pay for great losses, such as the Churchlands fire. Losses suffered by teachers and students are covered in a different way. However, it has been well scrutinised.

Mr MANCE: Building insurance is covered by a whole of government self-insurance policy. Teachers can claim up to \$5 000. If they can prove that their loss was greater - they might have had their own computer or graphics calculator - they can apply through the Director General to the Minister for an act of grace payment beyond that.

Hon HELEN HODGSON: Is the Auditor General happy?

Mr MANCE: Yes, I am not aware of any criticism.

Hon DERRICK TOMLINSON: I refer to the recently announced reorganisation of the Education Department. My questions might cut across those asked by Hon Ljiljanna Ravlich, and I apologise if they do.

I commend the reorganisation; it is based on sound education theory. In fact, an excellent report on rural education published a couple of years ago justifies everything that has been done. I hope this is real devolution of education administration and not merely the devolution of management with real decision making remaining at the centre. That was the criticism of so-called devolution in the past.

If there is to be decision making at local level, and particularly at school level, additional resources will be required to assist school principals, in particular, or school based decision making groups with the "administrivia". What plans and processes will be put in place to reinforce the management structure within schools and to help with school based management? What progress has the department made in differential resourcing so that schools will be resourced on parameters of educational need rather than per capita student enrolment?

Ms VARDON: The systems reorganisation as announced by the Minister yesterday is designed to strengthen the district focus of devolution, thereby providing improved services, support and the ability to make decisions in the districts. It will enable the district office leaders to work in partnership with schools. It is a slow process of reform. The first step in devolution to schools is to ensure that the devolution already in place is sufficiently resourced and that principals are sufficiently trained; that is happening at this time.

Western Australia is well ahead of most other States - if that is any benchmark - in devolution to schools. The principals I speak to - I spoke to some this morning - are keen about the idea of devolution of decision making to districts and district offices, but want a pause on self- management of schools until we have worked through the resourcing issues. The good salary increase that principals won quite recently points to the fact they are able to take increased responsibility for making decisions. However, that is a matter for training.

The management of schools across Western Australia cannot any longer be directed in a whole range of ways directly from the central office. The department must ensure that children and people in country locations get the same standard of service as those in city locations. That is what the district move is all about. School reform cannot happen without good strong leadership; hence the changes to the responsibilities, authorities and delegations of the superintendents, who will now be called "district directors of schools". They will also have a fair bit more clout in making decisions locally.

Hon DERRICK TOMLINSON: I was pleased to hear the Director General refer to the training school of principals, because that has been sadly lacking. We take teachers and make them administrators without appropriate professional development. What is the department doing about school registrars, who are equally in need of training? There we take clerical officers and turn them into middle or lower middle management administrators. What professional development has been put in place for those people?

Ms VARDON: As the member quite rightly points out, to this point devolution has meant more work for the women who staff the front offices. I had this debate with some principals this morning. Quite often I am introduced to the registrar as the person who runs the school, and I respond that she is not paid as much as the principal.

[10.40 am]

Hon DERRICK TOMLINSON: And their status is not properly recognised.

Ms VARDON: Absolutely. I meet with the registrars regularly and speak at their conferences. They are very much a force to be reckoned with in relation to their responsibility for the business management of schools. That is recognised by the principals, who see registrars and bursars as very valuable.

Mr MANCE: The department has allocated \$20 000 for two major conferences and a number of local workshops to assist the registrars in some of the areas that the member has identified. In addition, we are running a number of programs to support them in the MAZE system, which is the technology system in schools. We are working through the realignment strategy to see what better support we can provide locally at the district offices to help schools and registrars with particular needs. In some locations registrars are very experienced and in others there is a turnover of registrars. In some locations it is hard to attract registrars and we try to pick that up in the way we distribute that resource and provide that extra assistance. As part of the negotiated enterprise agreement with the Civil Service Association, one of the agreed outcomes was to review the workloads of registrars in schools. This issue was picked up by the Auditor General last year to see how we could assist them to work more effectively, to lighten their load and to apply the better use of technology communications in their work.

As to the issue about helping schools and principals, the organisation is trying to improve its information access to schools. The department has a wide range of policies and procedures on most things and, through the use of technology and a policy framework, will make that information accessible and understandable to principals and registrars very quickly, so that even if there is an emerging turnover of staff, this information can be faxed and some time can be saved.

Hon M.J. CRIDDLE: On page 301 mention is made of the rural integration program. I am pleased to see \$1.3m is set aside, with \$100 000 for this year. Which schools will be involved in that program for the coming year, with particular reference to Binnu and Latham, which may come on stream next year? I understand the schools at Cadoux, Wubin, Buntine and Watheroo will be dealt with this year.

Ms KERR: We are planning works but I do not have a list with me. I do not believe the list is completely compiled as yet. I will take that question on notice.

Ms VARDON: An amount of \$1.1m will be spent over four years in the provision of integrated programs for preprimary and preschool children to modify classrooms and provide specialist equipment for students at secondary schools. Beyond that, with the Minister's permission, I will take that question on notice.

Hon BOB THOMAS: I refer to the review of school psychology services which was undertaken a couple of years ago. Has any work been done on that or have any recommendations been made yet?

Ms VARDON: The review was completed and the recommendations were discussed. Some of them were reasonably contentious at the time and caused concern among the school psychology service. Since then the recent announcement by the Minister about the reorganisation of services and support for districts has overtaken the recommendations in that report. We are now looking at ways in which the school psychology service can be used more effectively, although at the moment it is very effective, especially in the recent crises we have experienced in Gracetown and at the Churchlands Senior High School. We are looking at the strength and capacity of district offices under a general heading of student support services, of which the school psychologists would be an important part. I have undertaken to consult with the leaders of that organisation very soon to get their views on this matter. However, from the perspective of children and teachers, it is important for school psychologists to provide a flexible service - it is a reasonably anticompetitive discipline - and to concentrate a great deal on preventive work.

Hon BOB THOMAS: The information I have been given is that the school psychology service will be closed. I understand it will no longer exist, and will be amalgamated into the school services.

Ms VARDON: No, the school psychology service will continue. We are looking at the range of services, including school psychology services, which can be included within the broad range of student support services. That would include the visiting teacher service and a range of others that would help children and teachers with particular needs.

Hon BOB THOMAS: Are there any moves within the department to reduce the number of school psychologists employed by the Education Department?

Ms VARDON: No, there are no moves to reduce the number of school psychologists; however, the number of school psychologists is now higher than at any other time. I have indicated the interest generally from school communities in school psychologists being able to provide a very flexible counselling and support service.

Hon BOB THOMAS: I wonder whether the Estimates Committee can be provided with the hourly unit cost of the school psychology service? I expect this question will need to be taken on notice.

Ms VARDON: With the Minister's permission, I will take that question on notice and ascertain the information.

Hon B.M. SCOTT: I will make a preliminary comment to support those of Hon Derrick Tomlinson about the devolution announcements that have been made in the past few days. I am delighted about that. We already have a very good system where parents in early education and community kindergartens have total devolution and it works

very well. I believe parents must have that personal, hands-on involvement in schools for better outcomes. My question refers to the contracting out of the preprimary programs on behalf of the five year olds. What amount was allocated in the budget for the cost of the pilot programs in the child care centres, and how many of those centres have had those contracted out programs this year? Will those programs be monitored? Is there any budget allocation to allow those programs in child care centres to be closely monitored?

Ms KERR: As I understand the question, we are talking about the shared programs of the Education Department and Family and Children's Services where the five-year-olds program is being offered in four community based child care centres. The answer is yes, there are four programs. Unfortunately, I do not have the allocation with me, but it is about \$20 000 plus one staff member, who is configured as two staff members, working at the four centres and there is a central allocation to monitor that program. That is part of \$450 000 which is managed centrally for the full time preprimary and four-year-olds program.

[10.50 am]

Hon B.M. SCOTT: At the moment parents pay nothing for the five-year-olds program and supposedly \$1 a week for four year olds. Is there an allocation in this year's budget, where the four-year-old kindergarten program is contracted out to off site centres, to alleviate parents' paying fees in those centres?

Ms KERR: The Government has announced a common funding model. The common funding model that will be introduced at the start of the next school year will provide a subsidy to community preschools to cover costs that are currently met through fees paid by parents. We are presently working out how that common funding model will operate. The amount will be covered within a budget item of \$520 000.

Hon B.M. SCOTT: A decision was made recently that when building new preprimary centres catering for preprimary and kindergarten classes the cost of adult toilets, rather than child toilets, would be factored in. What are the cost differentials between adult and child toilets? That will have a huge impact on the whole program. A small toilet is much better for developing a child's independence. Was that decision made on a cost basis? The capital works program shows an allocation for toilet replacements.

Hon N.F. MOORE: The toilet replacement item relates to the replacement of toilet blocks in schools.

Ms VARDON: As a policy initiative I agree that small children need small toilets for confidence. I am not sure we have the breakdown of small versus large toilets in the preprimary sector.

Mr BARRETT: An adult pedestal can be bought from a standard hardware shop. A junior pedestal is about three times the price of an adult pedestal because of its special configuration, and I am not sure whether they are made locally.

Hon B.M. SCOTT: The regulations in child care make it compulsory to provide junior pedestals. A key output in the education services program is the registration of non-government schools and independent preschools. Is there a breakdown of the amount of money given to independent preschools?

Hon N.F. MOORE: We are not dealing with that division at the moment. If the member puts that question on notice in the normal process of the House we will deal with it there.

Hon B.K. DONALDSON: I refer to the musical instruments maintenance trust account item on page 305 of the Budget Statements. What is the approach of the Education Department to music studies? I give credit to the Education Department and music teachers at the Geraldton Senior High School for the high standards achieved by youth in the Geraldton area, many of whom are members of the Geraldton Big Band. The Big Band spectacular packs the Queens Park Theatre every year. It appears that the allocation has been reduced this year. Does this money provide such things as recorders, triangles and cymbals? What is the approach to music education in Western Australia? Students these days have tremendous opportunities that were not available many years ago. How are funds allocated between metropolitan and country areas? Music is a vital part of education for students with musical talents, and I would hate to think they were not given a chance to enhance their talents. The Western Australian Youth Orchestra is world renowned.

Ms VARDON: Music education is a top curriculum priority for the system and is well supported through music and arts consultants generally, and through support directly to schools to recognise and value the work of choirs, orchestras and school bands. Churchlands Senior High School is a good example of that. It is a great relief that the music area of the school was not damaged in the recent fire. Some \$36 000 was allocated and all the money available was spent during the year to fund the maintenance and replacement of musical instruments.

Ms KERR: As we have heard, the music program is absolutely world class. The school of instrumental music manages this budget line. It is operated through a hire system. It provides for a full range of instruments - not only



triangles and recorders, even though some recorders are hired out. We are completely committed to continuing the ensemble playing that is a feature of our schools.

Hon B.K. DONALDSON: It is only a small ticket item and all the money was spent. Are any students disadvantaged because they must provide their own instruments? Instruments like saxophones, trombones and clarinets are expensive. What resources are available for children who may not be able to provide their own instruments?

Ms KERR: The amount in the Budget Statements is an estimate. The actual amount operates on student demand. Students are auditioned for the program. If more money is needed in this item to ensure that students have instruments to take their part both individually and in an ensemble it is provided.

[11.00 am]

Hon LJILJANNA RAVLICH: I return to the local area education framework. I am concerned about this policy direction, having been a teacher, a deputy principal and a principal education officer working in a district office. I see it very much as an abrogation of central office planning responsibility - a passing of the buck to local communities. I agree with Hon Derrick Tomlinson that if the Government is to take this line, there is a need for major additional resources to the area. However, I see fewer resources. Staff at central office has been reduced by 170 FTEs; district education office staff numbers have been reduced from 29 to 16, which is a reduction of almost 50 per cent. District superintendents have been reduced from 29 to 21. I am no mathematical genius, but how are we better off - apart from the polished rhetoric - under this local area education framework? Has any study been commissioned on the economic impact of the introduction of the local area education framework; has a cost benefit analysis of it been done? If so, what were the findings? Has a study been undertaken into the educational impact on students of the local area education framework? If so, what were the findings? I was interested to hear the comment by the director general that the local education framework would benefit students in regional areas. I would like a guarantee from the Minister that students in regional areas will be better off as a result. I would also like a guarantee that additional resources will be allocated to students in regional areas.

Ms VARDON: In the lower House last week the Minister for Education made it clear that the final decision for local area planning priorities will be his, on the basis of advice from me, supported by Mr Mance, Mr Barrett and the planning section of the Education Department. The responsibility at the district level, which will be led by district directors of schools, is to gather community opinion and information to come to some consensus views and the development of a plan for education in that district, based on the resources presently provided in the district.

The local area planning document runs a number of models for people to think about. In some cases the process might recognise gaps, or improvements that need to be made. In other cases the planning may not result in that. The priority in the metropolitan area is to look at the issue of post-compulsory education, because no longer can we sustain a large number of senior high schools with declining enrolments at years 11 and 12, thus making it difficult to provide the depth of subjects that young people need to choose from and to lead them into independent living.

The decisions made centrally and by the Minister will be strengthened by the leadership of the district directors of schools, with community input. Community input includes local developers who may have plans to develop a district, the local shires, the provisions planned for independent schools, and a range of information that perhaps has not been provided easily to school communities in the past.

All district office locations will remain open. That is an important point to make. The reduction of district offices to 16 has been brought about by a reduction in the metropolitan area of districts in the broad banded sense. For example, presently in the metropolitan area we have 13 districts but they are clustered in groups of three, with Swanbourne being separate. Through local area planning there may be a need to move a district office location or to open an Outreach program. That would be the case in the new Warren-Blackwood district.

The issue of resources at the district level is one to be taken up in consultation with staff. However, the Minister has indicated that in the restructure the provision of resources to district offices at all locations will be protected and strengthened. Some of the functions people perform and the services provided may be delivered in a different way. We need to consider the curriculum and special needs provisions currently in Perth, and to work out the best way to provide that more effectively through district offices. The intent is to strengthen the provision through districts with all district offices remaining open.

The reduction of district directors of schools from 29 to 21 is brought about by the fact that, for example, the metropolitan districts which are presently in clusters and which have three superintendents each, now have two district directors of schools. That is an effort to manage the ratio between district directors and their responsibility for numbers of schools, to match what is reasonable. In the Pilbara, for example, the responsibility for a small number of schools is balanced by the huge distances; while in the metropolitan area district directors can take on

more schools because not so much time is taken up in travelling. It is a realignment in the sense of the balance of responsibility and improving the capacity to make decisions locally around local issues closer to schools.

The planning section of the Education Department has looked at some financial impacts of local area planning and done some modelling. The financial impact is very much bound up with the nature of incentives that schools and school communities can be offered in order to provide better facilities, more amalgamation of schools, and so on. That has been modelled very carefully and the Education budget taken into account. The prime concern is educational outcomes. The question that has been asked through this restructuring process is, how will it benefit young people in Western Australia? Some of the school reforms that may come forward - I have referred to the post-compulsory area - are all about better outcomes for children in Western Australia, particularly in small schools in the wheatbelt, for example, which feel very isolated from time to time.

[11.10 am]

Hon LJILJANNA RAVLICH: Regarding the second and third questions: What were the findings of the department's examination of the local area education framework regarding cost benefit and education impact?

Ms VARDON: Examples of models are in the local area planning document, copies of which are being distributed today; we will make one available.

Hon LJILJANNA RAVLICH: We were told there were no savings targets. What did the model show?

Ms VARDON: It showed that incentives would be needed for some areas. Improvement can be made to the small schools in the wheatbelt through local area planning, although some extra dollars may be needed there in the first instance. The financial impact as well as educational outcomes are identified there.

I have an example of a successful model in other States and other places. The notion of a provision in any other way for children at level 3 small schools is very difficult. However, they can be isolated with respect to specialist provision and in less time being spent by the principal on administrative responsibilities. One notion which worked successfully in South Australia is where small schools linked to larger schools for administrative and special services support. With the use of telecommunications a broader curriculum could be provided. That is an example of another financial impact and of improved educational outcomes. The notion of savings targets is quite different from an assessment of financial impact of each of the local area plans that may emanate from the community.

Hon LJILJANNA RAVLICH: Given that the model was basically done on district high schools - I fully appreciate the difficulty of offering a comprehensive curriculum in district high schools, having spent a number of years as a deputy principal of district high schools - are there models which indicate that this is the right approach for senior high schools? How much research has been done on the economic impact or cost benefit of introducing this local area education framework at a systems level, including senior high schools?

Ms VARDON: My previous response concerned small primary schools of which seven or eight, with good telecommunications, could be linked to a district high school or bigger primary school.

We are able to assess costs and the financial impact on models that may come forward, but to accurately assess the last dollar and cent we must wait until the plans come from the community as this is about community input. An important component of the responsibility of district directors of schools is to cost each of those local area plans so that a proper assessment of savings incentives and reinvestment can be made. Reinvestment is a key part of this.

With reference to cost benefit analyses of the post-compulsory area, greater efficiencies will be achieved by providing a greater breadth of curriculum and potentially reducing the costly numbers of small classes in some schools in this State which preclude, as it does elsewhere, the provision of the best comprehensive curriculum to all young people. The proposal is also about offering a competitive and modern curriculum to aid parents' choice.

Hon E.R.J. DERMER: I am grateful for the advice I received earlier about the proposed capital works projects for high schools in the City of Wanneroo, north of Hepburn Avenue. I would be grateful for any other advice about proposed capital works for high schools that the Education Department may have in mind for north of Hepburn Avenue within the bounds of the City of Wanneroo.

Mr BARRETT: Several sites are set aside for high schools under the metropolitan region scheme and dates and times for the establishment of those are dependent on further residential developments in the area. We are examining a site at Mindarie. As further planned schemes develop in the future appropriate primary and high school sites will be set aside.

Hon MURRAY MONTGOMERY: The director general may recollect that not long after she took up her position she visited Albany as there was a move afoot to amalgamate the two government high schools. She said that

consultation would take place within the community and an internal Education Department review would be undertaken to see whether that should take place. Has that decision been made? What is the decision? What impact will it have on next year's budget?

Ms VARDON: No, that decision has not been made. However, further work is being carried out. A new project officer has been appointed to Albany to work with a team involved in discussions and consultation around the future of the secondary provision in Albany. I have some personal views on that. The two schools will need to work with their community in developing a local area plan by the end of this year. We then refer to the Minister to make the final decision. The Minister is very keen to proceed and for local area planning to be an active process in some areas, and Albany is certainly one such area because discussion has taken place there for some time.

[11.20 am]

Hon MURRAY MONTGOMERY: You hope to have some decision from the community to be referred to the department and the Minister. From then, how long will it take before a decision will be made, and when will it be implemented? Will it be 1998, 1999 or 2000? What would be the lead time if that decision came back recommending an amalgamation?

Ms VARDON: It is difficult to give an exact date. To give some general sense of direction, the document and the statements say we want it to be a priority plan and in place by 1999. Therefore, reasonably speedy action is needed, and it would be difficult to achieve that aim. The final configuration of secondary provision in Albany may be an amalgamation of two schools, a separate senior campus or some shared facilities. A range of models could be proposed. The non-government provision in Albany is fairly strong also, and plans exist to improve that provision - a fact we take into account.

Hon BOB THOMAS: You said that a committee was in place to consider this matter but I understand that it has been dissolved and replaced; the new one is the Albany Secondary Education Review Committee. Why was that replaced; was it because the terms of reference changed?

Ms VARDON: When I visited Albany last year, it was clear that the initial negotiations were not going well and that a fresh start was needed. The terms of reference for the new group established by the Minister take into account the direction of the local area planning. I do not have the terms of reference with me or in my head, but they are consistent with community consultation and gathering information broadly from the non-government providers in the area and linking in with and converting to the local area planning process.

Hon BOB THOMAS: A strongly held view in Albany is that nothing should be done on the super school issue until the trial in Geraldton has been evaluated. The view put by all candidates in the last election was that a review of the trial should be conducted and Albany's needs should be assessed and compared with the review of the Geraldton trial at the end of five years.

Ms VARDON: That is what local area planning is about. The outcomes in Geraldton will be monitored closely and will be part of the information available to all communities. It will be a very transparent evaluation. It will outline what is good, and what should be improved upon, as well as what the parents think. It will be valuable information. Early indications are that enrolments at Geraldton Senior Secondary College in years 11 and 12 have increased considerably, compared with the combined enrolments for the previous two years for the two schools. Anecdotal evidence from parents indicates that they have decided to keep children in the area rather than send them to Perth to boarding school at great expense.

Hon HELEN HODGSON: I can find no reference in the Budget Statements to the languages other than English program, although it is referred to in the annual report. Is any funding available for specialist teacher training, and how are specialist teachers worked into the staffing formula? Where does the funding come from for the LOTE program; is it federal or state funding or from some other source? Also, what funds are set aside for additional resources for children in those programs?

Ms VARDON: The LOTE 2000 strategy is a major state government initiative announced in March 1995 in response to the Commonwealth Government's national Asian languages and studies in Australian schools strategy. The strategy was allocated \$14m in the first three years from 1995 to 1998. Therefore, 1996-97 is the second year of the implementation of that project.

Ms KERR: In 1996-97, \$420 210 was available for teacher training, and we expect that to increase substantially during 1997-98. Regarding LOTE teachers being worked into the staffing formula, five specialist LOTE allocations have been given above the primary staffing formula; LOTE is part of the secondary staffing formula and schools work out the number of teachers of LOTE they need according to student demand. The amount of state funding for LOTE is \$2.3m, and commonwealth funding is \$1.96m. Every primary school which starts a LOTE program is given a

specialist amount of \$500 for extra resources to support children in the program. However, amounts are also allocated by schools through their school program funding.

[11.30 am]

Hon JOHN HALDEN: How many workplace agreements have been signed by the Education Department?

Ms VARDON: We would need to take that question on notice.

Hon JOHN HALDEN: Having obviously acknowledged that there are workplace agreements in the education system, is the signing of a workplace agreement endorsed by the Government a requisite to employees participating in flexible remuneration packaging?

Ms VARDON: Yes. I assume the member is talking about salary packaging.

Hon JOHN HALDEN: I am. Is it policy to have salary packaging? What issues does the department allow to be factored in? For example, does it allow for home mortgage repayments, school fees, home office expenses, self-education expenses, child care fees, motor vehicle leases or anything else?

Ms VARDON: The two factors in the education system's salary packaging are superannuation and motor vehicles; that is all.

Hon JOHN HALDEN: I understand that the situation has not as yet been resolved when an employee with a salary package is injured at work. Are they entitled to only the cash component of their salary and not the non-cash component?

Ms VARDON: We will take that question on notice.

Hon JOHN HALDEN: Is the department exempt from fringe benefits tax or any other commonwealth tax? If so, which taxes?

Ms VARDON: It is not exempt, apart from sales tax.

Hon JOHN HALDEN: What are the perceived benefits of salary packaging both to the employer and the employee from the education system's perspective?

Ms VARDON: My perspective and that of the workers involved would differ according to their age and financial circumstances. However, the benefits are certainly in the flexibility in relation to superannuation and the ability to manage and reduce the costs of running a family car. It is very much an individual perspective. Superannuation packaging is more attractive to the older employees.

Hon SIMON O'BRIEN: I am aware of a couple of instances in the metropolitan area and a couple in non-metropolitan areas where primary schools have been accommodated in leased buildings. This has been done to establish schools before they are built by the department. In particular, I refer to the primary school now operating in leased accommodation at Secret Harbour. Now that it has been up and running for a while, is it proving to be viable? Have there been any problems with the tenancy? Have there been any shortcomings in relation to the provision of facilities and equipment for the students? In view of the experience so far, would the department look favourably at further similar lease situations in new districts if they were suggested in the future?

Ms VARDON: Yes. The member is referring to the schools in shops and schools in houses program. That program, which has been undertaken only in a limited way, has very strong parent and student support. In fact, one of the difficulties could be that children might enjoy going to school in a shop or a house and moving them out could be troublesome. It says something about flexible accommodation solutions. There is strong support because that facility has been established earlier than it would have been otherwise. Parents have appreciated that.

The department is looking at further leasing arrangements to ensure that neighbourhood schools are developed earlier so that the school spirit, culture and ethos are established and community participation occurs earlier than it would if the children had to go elsewhere and come back to purpose built accommodation.

Hon SIMON O'BRIEN: Where might there be further such examples?

Hon N.F. MOORE: The Minister might wish to announce them himself. I am not aware of any at present.

Hon SIMON O'BRIEN: I refer to page 300 of the Budget Estimates. Provision is made for an additional stage at Warnbro High School. By how much will the extensions increase student capacity and when will that \$35m project be completed?

Mr BARRETT: The stage to be undertaken within the 1997-98 and 1998-99 program will be completed by the beginning of 1999 and will approximately double the existing accommodation.

Hon SIMON O'BRIEN: Provision has also been made for additions or improvements to Applecross and Rockingham high schools, among others. What is involved and when will it be completed?

Mr BARRETT: It is a similar time frame in relation to both of those schools. Both capital works programs emphasise technology and improvements to the administration areas of the schools. The Applecross project, which is larger, will also include some subject areas. Those issues will be negotiated with the school and discussed further as architects are appointed and programs are progressed.

Hon SIMON O'BRIEN: The budget allocates \$9m for new primary schools. I would like some detail of where they will be and when they will be constructed.

Mr BARRETT: The \$9m is an allocation for schools on which construction will commence at the beginning of 1999. The full details have not been finalised. This is a preliminary allocation for works scheduled for 1997-98, and it will cover development of documentation to enable construction to commence just prior to the completion of the financial year. As can be seen from the cashflow, most of the funding would be expended in 1998-99 for the beginning of the 1999 school year.

[11.40 am]

Hon N.F. MOORE: As a matter of principle, the decision on the allocation of funds to new primary schools is taken as late as possible to make sure that the most recent demographic information is available.

Hon SIMON O'BRIEN: I understand that the department's use of the Internet, in particular for students, is on the increase and possibly dramatically so. Will the Minister indicate how expensive that is in the overall picture? What sorts of security systems are in place to ensure that levels of access to the Internet in schools are appropriate to ensure that we do not get cost blowout?

Ms VARDON: I will answer broadly and then ask Ms Kerr to fill in some details. The provision and use of the Internet is the result of the Government's \$20m computers in the classroom program, which was announced last year. The commitment is to connect every government school to the Internet by the end of the year. It will make a considerable difference to the way in which schools can communicate with each other and other work sites. As to the information on security, a national direction provides a catalogue of the appropriate Internet services for schools. Work is continuing on that. We have representation with it. The best security is the teacher's supervision, to make sure that appropriate programs and information are accessed.

It is a very large area, particularly when one comes to identifying and managing intellectual property. Most systems have not yet come fully to terms with that. We have given schools guidelines. We are very aware of the area. It is a matter of moving with the changes that take place. Security is in place through guidelines, teacher supervision and the national move to look at a national catalogue of appropriate Internet services.

Ms KERR: The curriculum contains a three year Internet project. We have allocated \$2.5m annually. This will allow schools to either purchase or lease a new computer, purchase a modem and pay for a connection, plus some Internet time, to a local Internet service provider. Schools have been made very clearly aware of the cost of Internet time. They know how to manage it to ensure that their school budgets are not blown out by Internet costs. Security against hacking is quite another issue and one that we have dealt with through the Internet in schools policy. The policy makes schools very well aware of the need to ensure that the Education Department information systems are quarantined from Internet hacking.

Hon BOB THOMAS: On 5 May I wrote to the director general and foreshadowed that I would ask some questions about a special education unit at Mt Barker Primary School. Does the director general have the information that I requested?

Ms VARDON: I am sorry but I do not have that specific piece of correspondence or the information. We could provide it later.

Hon BOB THOMAS: I will read the questions out so that they are on notice. I had hoped to ask some questions on them. Once the director general hears them she may be able to give some general background. The letter reads -

What staffing resources were provided to the Unit in 1996?

What staffing resources were provided to it in 1997?

Did the Unit's student population change between 1996 and 1997 and if so did the level of disability increase or decrease?

What was the reason for the 0.4 FTE increase in aide time -

That happened several weeks ago -

- and who made the decision?

What was the total amount allocated to Special Education in WA in each of the budgets 1995-6, 1996-7 and 1997-8?

How many Special Education:

Teachers

Teacher's Aides

were employed by the Education Department in each of those years?

Does the Education Department have a policy of providing sufficient Teachers Aide time for Special Ed students when they spend time integrated in other classrooms?

The amount of teachers' aide time provided to the unit decreased in 1996-97, although there was a small increase at the beginning of the second term. What was the rationale for the decrease and what might the unit expect for the second semester?

Ms VARDON: I am informed that the letter has been received and is being responded to through collaboration between Mr Mance's and Ms Kerr's areas of finance and curriculum to give the most specific response possible to those questions. That response should shortly be with the member. It could be taken on notice or provided through the normal correspondence process. Certainly our staffing formulae are based on the number of staff enrolments to students. I can guarantee that response will be with the member fairly quickly.

The CHAIRMAN: Those questions will be placed on notice.

Hon BOB THOMAS: I would prefer that the information be provided to the Committee rather than to me directly. I indicated in the letter that I would ask those questions in this Committee and asked for that information to be provided here. Could it be provided to the Committee?

Ms VARDON: Yes.

Hon B.K. DONALDSON: One of the major achievements listed on page 293 states that an interim sponsorship and promotion policy for government schools was finalised and, subject to the necessary legislative changes, would probably occur. Is the department in a position at this stage to be more specific or give a broader outline? The mind boggles at a period of conflict between Adidas and Nike and with "away" uniforms displaying Hungry Jacks or McDonald's. Would students be able to have their own sponsorship? Who would be in the melting pot to be able to sponsor schools, especially professional coaching groups in sporting fields? Is the department able to outline these promotion and sponsorship arrangements?

[11.50 am]

Ms VARDON: The policy on schools' sponsorship is presently with schools as a draft policy for a teachers' and parents' response. The issue of the policy becoming firm or divested of its draft status depends on the amendments to the State Trading Concerns Act. The sponsorship dollar is a very limited dollar in my experience. The concerns that people have about McDonald's high schools or whatever will not come to pass. McDonald's tends to sponsor big national education programs if it sponsors anything educational. At this time McDonald's sponsors the Musica Viva program across Australia and does that successfully.

Sponsorship is to support schools and to regulate schools to ensure ethical sponsorship and that sponsorship is not provided for recurrent needs rather than individual one-off needs. I assure the member that it is being done in a very small way. I have not seen a lot of sponsorship money going into schools. However, businesses like to donate to schools and work with schools and be part of that community. It is important to encourage that.

The other area where systems like ours could seek sponsorship deliberately is through some of the partnership arrangements that other systems have managed to get with big technology firms to improve technology in schools. The latest high school built in Canberra has a partnership with Fujitsu. That high school is state of the art and

benefits everyone. I will make a copy of that draft school sponsorship policy available. It is long overdue because schools have been indulging in this activity for a long time.

Hon DERRICK TOMLINSON: On page 296, the Program Statements refer to the evaluations proposed for 1997-98 and the Aboriginal literacy program. The reason for the evaluation is stated as being "formative evaluation of systemic and local literacy initiatives and school and systemic factors contributing to the relative success of these initiatives". It sounds like a PhD thesis, full of jargon to intimidate the uninitiated. What we know from the results of MSE testing across schools in the system is that too few Aboriginal children achieve at or progress beyond years 3 and 5 levels of literacy and numeracy, whether they be remote area or urban area Aboriginal children. What is really being done at the systems level to address Aboriginal schooling?

Ms VARDON: Many initiatives are being carried out by the system to improve outcomes for Aboriginal students. Aboriginal education in Western Australia is one of the Government's key priorities for improvement. An Aboriginal systemic school is being developed to provide better cultural recognition and reinforcement for Aboriginal students. We are putting in place Aboriginal literacy programs which will improve outcomes for students in that area. We have refocused the work of Aboriginal education workers on home-school liaison work rather than taking up teaching duties. That will have a critical impact on retention rates. Already we are seeing some differences.

Retention rates for Aboriginal students is another issue. That is tied in with not only home-school liaison work but also tracking Aboriginal students around the State and making sure that we are able to work out where the children are and whether they are missing school, and ensuring they get to school. Transport is critical. Recently I was in Wiluna and went on the school bus run with the principal and others to bring the children to school. That was an interesting process but a successful one in this case. It means a lot of hard work for the Aboriginal leaders in the community and for the non-Aboriginal school staff.

A key issue for Aboriginal children is their health. It has caused me concern to realise that health problems can get in the way of learning. That is happening right across Australia. That is improving because we are working with the Health Department to make sure that otitis media is dealt with as soon as possible so that we do not have to wire classrooms for sound so that children can hear.

Ms KERR: We have had English literacy and numeracy programs in place for some time. We have seen a very minor improvement. These words mean that we will look at the program, see the parts of it that are working, and see whether we can come up with ways to increase Aboriginal literacy and numeracy. One of the exciting areas that we are pursuing in a joint project with Edith Cowan University is to look at the impact of Aboriginal English. What would be involved for Aboriginal students who speak Aboriginal English as their first dialect is being literate in Aboriginal English first, and then being involved in the code switching to standard Australian English. Our indications are that if Aboriginal students who speak that dialect as their first dialect have their first literacy education in that dialect, they experience success.

The basis for success in giving them a strong basis for becoming completely skilled in standard Australian English comes from their teachers and their understanding that Aboriginal English is not just a primitive English, but a different dialect with different linguistic structures.

Furthermore, in the otitis media area, the health changes will be significant. However, until those changes bite, our research indicates that we will have to work on about 97 per cent of our Aboriginal kids who have some form of hearing impairment. How can their education improve if they cannot hear what their teachers and peers are saying? We are embarking on an otitis media program. Over the next three years we will see otitis media Aboriginal workers in districts and we will see amplification of classrooms where that is needed.

Hon DERRICK TOMLINSON: This relationship between education and health for Aboriginal children in particular is critical. We cannot address the educational needs of these children without addressing the health, nutrition, and housing issues. Certainly, we can address health and education together. You have talked about otitis media. What we know about Aboriginal children, not only in remote communities but also in rural urban settings, is that they have endemic respiratory and parasitic infections. The question of nutrition of Aboriginal children is not adequately addressed.

I would like to hear that the Education Department is working with other agencies towards an integrated program to address these issues. Until we address all the issues and look at the chart holistically we can forget specialised teaching programs because the child is in no condition to learn. When the special Aboriginal education programs were funded through the Schools Commission, schools had the financial resources to take the initiatives which Wiluna is pursuing now in its transportation.

Fifteen years ago the Wiluna Primary School was feeding the children when they came to school. They then had, firstly, the children's attendance; secondly, children with full tummies; and, thirdly, children whose physical needs

were being attended to. They could then address their intellectual and social development. What is the Education Department doing to address the integrated needs of these children?

Ms VARDON: The Government has a series of initiatives in place to bring together Family and Children's Services, the Health Department, the Police Department - we are talking about young Aboriginal children who feel alienated - and the Education Department in a way that breaks down interagency barriers. That activity is focused on district offices and it is one of the prime responsibilities of the district directors of schools. The programs in schools are very much individual in terms of a particular school's needs. Wiluna is still showering and feeding the children when they come to school and washing their clothes every day to send them home in clean clothes. There is a fundamental issue involved. We are working jointly and doing what we can. The prime responsibility of education is to address the initial needs where we can and then take care of literacy and numeracy needs to help young people move through. Retention is critical; it is the biggest issue.

[12 noon]

Hon DERRICK TOMLINSON: And truancy.

Ms VARDON: I include truancy in retention in this instance. There are some key transition points where the enrolments drop away.

Another area we are moving towards is promoting successful practice and the successes of some of the Aboriginal children, which are considerable. It is my view that treating the whole issue of Aboriginal education, health and welfare as a welfare issue is fine and it is important, but we must also focus on successes because it is about self-esteem. They must have role models to encourage them to achieve.

The Minister recently launched the Aboriginal studies through Aboriginal curriculum program. It has a lot to do with self-esteem, knowledge and culture and we expect all schools to take up that. Although this fits with another part of the portfolio, we are also offering scholarships to young and older Aboriginal people to assist them to move into teaching careers. Role models at all levels are very important. It is all happening, but the important part for the department is the literacy and numeracy needs of children.

Hon M.J. CRIDDLE: A member of my family has been teaching in these areas for about five years. The issue that comes back to me is the need for flexibility in the whole system. Not every area is the same. My daughter has taught in three schools and each one has been different. Aboriginal people have different problems regardless of whether they live in a dry community or otherwise. There is a need for flexibility in the curriculum and in the range of issues mentioned by Hon Derrick Tomlinson. I hope the department recognises the need for flexibility and has faith in the people teaching in remote schools.

Ms VARDON: We have enormous faith in the teachers in remote areas. A previous government initiative was the remote teaching service package which amply rewards those people who choose to teach in remote areas. Over a year it has provided consistency and stability in staffing in remote schools. Some of the leaders in the remote schools are Aboriginal people. Members may have seen the recent story in *The West Australian* about the Cosmo Newbery school which is led by an Aboriginal woman, Verna Voss. It is promoting successful practice.

When I visited the land schools and others the flexibility was clearly evident in terms of the whole school community sharing activities for that community. Some happened to be educational activities, but there were others, including sporting activities. I remember leading the potato dig at one community which involved the teachers, parents and the children. It is certainly happening.

Hon TOM STEPHENS: In reference to the remote teaching service package, there were some benefits for the schools which were the beneficiaries of that program. I welcome that initiative, but it has also produced unresolved problems that need immediate resolution. The initiative has not picked up the Wyndham and Mt Magnet schools. The package is militating against stability in schools with a large number of Aboriginal students and a lack of continuity among the teaching staff. This must be addressed in any review of that program. I am pleased that in some schools the Aboriginal communities are allocating their resources through the community development employment program to back up the Education Department's initiatives. It is not only the Education Department, but also the communities, which are allocating resources to provide for the washing of clothes and the nutrition program.

I am pleased that the Aboriginal studies program has been able to resist the assaults by people like Senator Ross Lightfoot who have opposed it and that the program continues to be implemented in all schools, including those for Aboriginal children and the wider community.

I am alarmed that the department is still involved in studies, such as the one referred to by Ms Kerr at Edith Cowan University. Twenty-four years ago a definitive report on this question was prepared by Dr Susan Kaldor, Ann Davidson, Stephen Muecke and others. It included recommendations which should have been implemented. That



report is still percolating through the department and that is alarming. The department is involved in a process of report making rather than implementation. It should be insisting that people understand Aboriginal English as a prerequisite for the advances referred to by Hon Derrick Tomlinson. It takes a long time for these proposals to be put in place. We should end reports and implement and resource the recommendations that have been before the department for as long as 24 years - in this case with reference to Aboriginal English.

I understand that in the Gascoyne the schools of the air are assembled in Carnarvon. Considerable alarm is being felt throughout the remote regions of Western Australia about communications between schools of the air and pupils. Specifically trickling through to those communities is advice that efforts will be made to replace the analog satellite decoders with digital decoders, thereby making the analog equipment redundant.

This issue was raised with Ms Vardon in the Legislative Assembly and it continues to seriously affect all schools of the air families. Regrettably the school communities have not heard from the Education Department anything official about the processes to which the students will be subjected or when the changeover will occur. They urgently need information on what will be the cost of the technological change. I heard today that each station could be up for costs in the order of \$1 000 to \$2 000 once the program has been effected.

I urge the director general, two weeks after it was first raised in the Assembly - I understand that the schools are anxiously awaiting this advice - to make it known when she will advise parents of the impact of the program. Will she assist with programs aimed at bulk buying the technology to reduce the cost, or offer advice regarding the implementation of the change? In the Legislative Assembly Estimates Committee hearings she indicated that she would explore avenues aimed at reducing costs and providing financial support for those communities. What further information can she relay regarding that offer? What alternative technology such as new satellite phone technology could be available to reduce these costs? Are we looking at Canada's situation to see whether we can take advantage of whatever is in that country? What steps will the director take to ensure that regional people in Western Australia will not suffer again as a result of this technological change?

Hon N.F. MOORE: I respond to the strident speech from the Leader of the Opposition which is typical of him.

Hon TOM STEPHENS: These are important issues for your constituents as well as mine.

[12.10 pm]

Hon N.F. MOORE: This Government has done more for remote education than any Government in history. It is time Hon Tom Stephens recognised that. He paid lip service to the retention of teachers in remote parts of Western Australia, which has improved dramatically under this Government. His Government created schools throughout Western Australia with no thought of how they might retain teachers there or whether they would be appropriate to those communities. They were set up, one after the other, for a variety of reasons. When this Government came into power it had to do something about that because of the enormous turnover of staff and the inability to provide ongoing, worthwhile education through lack of planning on the part of his Government for 10 years.

Hon TOM STEPHENS: Your system is not working.

Hon N.F. MOORE: That program means that very remote communities now have potential for stability of staffing, which is the most important aspect of the whole issue. Hon Tom Stephens complained about Wyndham and Mt Magnet. The department is moving towards making it easier to staff those schools.

Hon TOM STEPHENS: Not fast enough.

Hon N.F. MOORE: We inherited an enormous debt from your Government; yet within the terrible constraints it provided to us financially, we were able to make a significant improvement in remote area education in Western Australia. A significantly increased amount of money has been spent. Hon Tom Stephens should go to the Leederville centre and see where the money has been spent. He will find it is being spent in the right direction. He criticised a report that has been around for 24 years. His Government was in power for 10 of those years; yet he wants this Government to accept the blame for something that is not its fault.

The CHAIRMAN: Order! Members should keep to questions and answers.

Hon N.F. MOORE: In his typical style, Hon Tom Stephens has ignored the fact that for the 10 years his Government was in power it did nothing for remote area education. It allowed it to disintegrate almost to the point where nothing was being delivered. When I became the Minister for Education I inherited a distance education system that was in turmoil. Nothing was happening. It had gone from being the best in Australia to the worst. Now it is being fixed up. Hon Derrick Tomlinson was asked to review that. To a large extent his excellent report has been implemented by this Government to ensure we are providing something for country and remote area students that was not provided for the 10 miserable years of the Labor Government.

Hon TOM STEPHENS: You got sacked as Minister.

Hon N.F. MOORE: Hon Tom Stephens can say whatever he likes. I have no doubt that what I did in remote education will make a significant improvement to the lives of children in Western Australia whom Mr Stephens ignored for 10 years of Labor, during which time he was Minister for Services for five or six minutes. His Government should hang its head in shame over its distance education policies in Western Australia.

Ms VARDON: The school of the air radios issue continues. The decoder is a different issue from the radios. The issue of satellite dishes rests with the communications industry. As we are explaining to parents, the carrier has indicated it will provide a long transition time from analog to digital; a switch will not be thrown on and off.

Two weeks ago I was in the Murchison meeting parents in Meekatharra, Carnarvon and Hedland. I and the head of the School of Isolated and Distance Education explored these issues with parents. We stayed on a station to see how people would be affected. We are examining how we may be able to alleviate some of the increased cost. It is not as bad as it has been painted.

A country incentives package aimed at improving the lot of country teachers who are at schools which are not designated as remote is presently being considered by all schools. Educators in all systems believe that practice is best informed by contemporary research. Outcomes and research change over time according to society's needs and new information.

Hon TOM STEPHENS: That report draws the same conclusion as the one just referred to by your officer. Twenty-four years ago the same recommendation as that shared with the House by the officer was made to the department, regrettably under my Government, but also under the present Government. Existing reports are not being implemented; yet we undertake more reports. Reports are not the problem. There are many reports in the field of Aboriginal education, including that prepared by Hon Derrick Tomlinson. Action is required.

[12.20 pm]

Hon LJILJANNA RAVLICH: The director general was quoted in *The West Australian* of Friday, 23 May as saying that 95 per cent of primary and secondary schools conducted drug education programs which covered all types of drugs, and that an emphasis was given to alcohol, tobacco and analgesics. The department expanded the syllabus in 1994 to include the dangers of injected drugs, used syringes, hepatitis and HIV-AIDS. Drugs in schools seems to be an area of great contention, basically because people's views differ about how widespread the problem is in schools. It would appear that prior to any strategy being put in place on how to address this apparently growing problem, the nature of the problem needs to be known.

How much has been allocated in the budget to assess the extent to which drugs are a problem in schools? If no allocation has been made, what does the Minister intend to do about the growing problem? What allocation is made in the budget to drug education programs? How would one know what to allocate without perhaps understanding the extent of the problem? Where, and to what extent, is drug education part of the school curriculum? Do we say drug education is taught in schools when form teachers gloss over the subject in five minutes in form classes, or do we have in a curriculum a unit called "drug education" which explains to children the adverse effects of using drugs? I very much agree with Hon Derrick Tomlinson's comments regarding greater interagency cooperation, particularly in dealing with hard drugs in schools. How much interagency work has been done in an attempt to tackle this growing problem in schools?

The CHAIRMAN (Hon Muriel Patterson): Would the Minister like to expand on the Task Force on Drug Abuse set up by the Premier? Does that encompass schools?

Hon N.F. MOORE: You have done a very good job yourself, Madam Chairman. In view of the time, we should talk more specifically about what is happening in schools. I have no doubt the director general will mention work carried out with other agencies. However, you, Madam Chairman, are right; the Premier has taken a strong personal interest in this problem and the Task Force on Drug Abuse as part of its strategy recognises the need for interagency collaboration. A lot of work is being done in that area.

Ms VARDON: The interagency work is reflected in the various programs - particularly the drug awareness program - put in place by the interagency task force working around district offices picking up the other work I mentioned. As the member said, in schools we tackle all issues to do with drugs through the curriculum, with emphasis on harm minimisation. We have a very strong health education syllabus which implements drug education programs. We also provide curriculum consultancy to agencies which support school drug education through the health and physical education learning area.

A very wide range of programs is directed to drug awareness and trying to stop use in schools. However, by its very nature, this is a difficult issue on which to acquire the perfect statistics. As demonstrated by recent events, young

people attempt to keep secret from parents and teachers the level of drug use, sometimes with tragic results. The work done by our school counsellors and school psychologists is critical in this area as young people confide in them. The sharing of information through interagency work is also important as it breaks down the territorial boundaries. Nothing is worse when learning that a student died of a drug overdose than to find that a social worker knew about it in another department but the teacher did not, as has happened in other places. Some key messages must be read.

Considerable resources are put into programs through curriculum materials and teachers themselves. Western Australia has a strong focus on the area and a modern non-Pollyanna-ish view of drug education and the danger of drug use in schools. Despite the other issues, alcohol remains a big concern.

Hon LJILJANNA RAVLICH: I do not believe the director general has answered my specific questions.

Hon N.F. MOORE: She probably had trouble remembering them all as the member went on for about 15 minutes. It would help if questions were asked individually.

Hon LJILJANNA RAVLICH: I thank the Minister. How much money has been allocated in the budget to assess the extent to which drugs are a problem in schools? During the course of the director general's response, I discovered that no specific drugs curriculum is provided - the program is part of the health education curriculum. How many class hours might a student spend in school learning specifically about drugs? Also, how are we allocating resources to a drug education program when we do not understand the extent to which we have a problem? This will depend upon whether money has been allocated in this or a previous budget to assess the extent of the problem.

Ms VARDON: With the Minister's permission, I would like to take the first question on notice and provide supplementary information as we would need to look at the proportion of teachers' salaries, school expenditure, curriculum materials and research time which individual schools allocate to assess the degree of drug use.

Hon LJILJANNA RAVLICH: How do we know how to allocate to the drug education programs; is it just hit and miss, or is a formula followed?

Ms VARDON: It is carefully researched set of programs. National and international research indicates the degree of drug usage by young people. The Western Australia Child Health Institute is a leader in assessing the degree of drug use through various child health surveys. That is critical information for us, and we have worked very closely with that body. The issue of secrecy around drug use is still a big concern for parents and teachers.

Hon N.F. MOORE: There are two issues involved, one being drugs in schools. I remember a former Minister for Education, Bob Pearce, telling me that there was no such thing as drugs in schools - they did not exist. He and I both knew at the time that that was not the case. The second issue is the role of the Education Department in education about drugs. This is not about drugs consumed or sold in schools, but drugs sold and consumed in the community of young people. The drugs task force has done an enormous amount of research into the extent to which drugs are being used by young people and has made some recommendations about what should be done within the education system to ensure that young people are aware of the problems associated with drug use. Therefore, I draw a distinction between the two. The department is responding through its programs to the views of the drugs task force on whether drugs are being consumed or sold on school premises. I suspect there is some exaggeration about that in the minds of some people, but it is very difficult to quantify because these things take place in secret.

[12.30 pm]

Hon MURRAY MONTGOMERY: I refer to the publication today of the initiatives that have been taken by the Minister and the Government in the area of devolution of district superintendents. Agricultural education was not highlighted. About 10 or 12 schools and colleges across the State handle agricultural education, and I know that the former Minister for Education, Hon Norman Moore, supported the view that superintendents of agricultural education were a necessity and should be on the same level as other superintendents around the State. Has this been considered, or can it be considered in future policy; if not, why not?

Ms VARDON: Yes. The position of coordinator for agricultural education will certainly remain. While there needs to be some recognition of this program, it is a small program which is best handled through one coordinator, and that position, along with many other positions, is being considered for reclassification. A strong representation has been made to me from the principals of the agricultural colleges about that issue, but we will no longer call them superintendents.

The CHAIRMAN: I thank the Minister and each of his officers. Some questions from the committee and from Hon Tom Stephens have been placed on notice, and they will be forwarded to you.

*Sitting suspended from 12.32 to 2.00 pm*

**Division 55: Justice, \$290 985 000 -**

[Hon Simon O'Brien, Chairman.]

[Hon Peter Foss, Minister for Justice.]

[Mr G. Byron, Director General, Ministry of Justice.]

[Mr K. Payne, Executive Director, Offender Management.]

[Mr D. Daley, General Manager, Community Based Services.]

[Mr G. Gibson, Director, Policy Programs and Projects, Offender Management Division.]

[Mr T. Simpson, Executive Director, Corporate Services.]

[Dr. R. Fitzgerald, Executive Director, Policy and Legislation.]

[Mr A. Jamieson, Acting Director, Financial Management.]

[Mr R. Foster, Executive Director, Courts.]

[Mr R. Lindsay, Deputy Director, Legal Aid Commission.]

Hon N.D. GRIFFITHS: I refer to page 491 and "Appropriation and Forward Estimates" and note that there is no change in the amounts authorised by other Statutes for the years 1997-98 to 2000-01. Does the Minister for Justice stand by those forward estimates? Are they accurate?

Hon PETER FOSS: I think it is a strange question. These amounts come out by other Statutes. They are a charge against the revenue. They are normally worked out by the Treasury Department. They do not come through our department; they are a direct appropriation by Parliament.

Hon N.D. GRIFFITHS: I refer in particular to the allocation for criminal injuries compensation. How can the Minister for Justice reconcile those figures with what is proposed for the appointment of additional assessors and the gearing up of the criminal injuries backlog?

Hon PETER FOSS: As I said, these figures come from Treasury. It makes those assessments; we do not put that part in. It is a charge made by Parliament and it does not come through our department.

Hon N.D. GRIFFITHS: The forward estimates therefore have very little real meaning.

Hon PETER FOSS: I do not think so. One way or another the correct amounts will be worked out. There may be a variation as to their division from year to year. However, it is the appropriate amount per year as a whole.

Hon BOB THOMAS: I have become aware that the certificate of general education which is provided to prisoners and which was funded by the Department of Training through the TAFE network will no longer be provided free of charge. It is my estimate that if the prison service were required to pay for this course, it would cost about \$50 000 a year, or \$24 000 or \$25 000 per semester, in a prison the size of that in Albany or Bunbury. This has come about because of the changed funding policy of the Department of Employment and Training. What steps does the department intend to take to continue providing that education service, or will it be lost to the prison service because of the cut in the Department of Employment and Training funding?

Mr PAYNE: Later this afternoon I will have a meeting with the Chief Executive of the Department of Training. The comments that have been made by members of staff of both departments, as I understand and he has heard them, are incorrect. No arrangements have been made on funding or withdrawal of funding. Both departments are working to continue the services and no decision has been made on funding.

Hon BOB THOMAS: Apparently the Department of Employment and Training will now fund TAFE colleges on key areas such as the trades and other courses like that. The general education side of things attracts a lot less funding than those key areas. When the new funding regime comes into place on 1 July this year a lot less money will be available for the certificate of general education and therefore there will be a lot less scope for the Department of Employment and Training to provide that assistance to the prison. I think the prison service recruited a lecturer to come into the prison and deliver that education. The ability for the ministry to implement that program will be curtailed after 1 July.

[2.10 pm]

Mr PAYNE: At this point we do not have any indication from our staff or from the Department of Training that any of the programs that are in place will be curtailed. We have our own education officers and an accreditation scheme

with TAFE that some of the prisons become campuses of TAFE colleges. Many of our instructors in the prisons are accredited TAFE trained people. It is working out the balance. We have no official indication from TAFE that there will be a withdrawal of funds. I raised the issue last week with the chief executive officer and he indicated that was not the case. That discussion will continue at four o'clock today.

Hon BOB THOMAS: I will take it up with DET tomorrow.

Hon DERRICK TOMLINSON: I refer to page 496 of the Budget Statements. It is anticipated that changes to the sentencing legislation will increase demand for prison accommodation. My recollection is that in 1992 a decision was made to defer a new prison for the metropolitan area, which I think was scheduled for commencement in 1995. I note in the reference to the capital works program on page 521 there is no mention of a new prison for the metropolitan area, although there are several references to increasing prisoner accommodation. On page 524 it is stated that \$8m is allocated to additional prisoner accommodation - existing prison. Out of that amount \$2m is scheduled for expenditure in 1997-98. An amount of \$500 000 has been allocated to new adult metropolitan prison - planning. Could we have some elaboration and elucidation on what is intended with that program?

Mr PAYNE: There are several steps that take additional prison beds into account. In the last year there have been significant increases in beds in regional prisons - Roebourne, Greenough, Eastern Goldfields and Bunbury. The Government received a report from Australian Correctional Services on the anticipated number of beds required in the following five to 10 year period. The Government is considering that report at the moment. The money allocated in the budget is to look at the existing parameters in the metropolitan area to see whether there can be an extension in the number of prison beds in the metropolitan area. The funding is all for the extension of those beds. The emphasis is on increasing the number of beds available for remand prisoners. The pressure on the prison system is that at the moment remand prisoners have to be accommodated across the system. All the female remand prisoners cannot be accommodated at Bandyup and all the male remand prisoners cannot be accommodated at the remand centre. The idea behind the planning is to rationalise and, if necessary, to increase the number of beds so that remand prisoners are kept in one area.

Hon DERRICK TOMLINSON: Page 524 separates quite clearly "additional prisoner accommodation - existing prisons" with a total estimated cost of \$8m of which \$2m is scheduled for expenditure in the coming financial year. A separate allocation of \$500 000 is shown for "new adult metropolitan prison - planning". It suggests you are talking about additional beds in existing prisons and are proceeding to the planning of a new adult metropolitan prison.

Hon PETER FOSS: That amount is there, but a decision on whether there will be a new metropolitan prison has not been made. Money is available so we can do it, but until the decision is made to do it, we will not spend the money. If we decide to do it, we do not have to wait another year.

Hon N.D. GRIFFITHS: When are you going to make the decision, one way or the other?

Hon PETER FOSS: If we knew that we probably would have made the decision. One of the things about decision-making is that you know when you are going to do it when you have made the decision.

Hon KEN TRAVERS: Is it possible for the report on the review, to which the Minister referred, to be made available to the committee?

Hon PETER FOSS: Not at the moment. It is a Cabinet document. It has not yet gone to Cabinet and it is not appropriate for it to be made public at this stage.

Hon KEN TRAVERS: If a decision has not been made to build a new prison have any sites been ruled in or out within the metropolitan area?

Hon PETER FOSS: No. It is one of the problems we have when people make those statements. We have not considered sites. If we did we could immediately rule some in or out. That is not a stage we have reached.

Hon KEN TRAVERS: Other members on the government side have ruled out sites. I wanted to find out whether they had any knowledge of what will happen.

Hon PETER FOSS: We could easily do it. There are obvious places it would not be built.

Hon KEN TRAVERS: Is a site in the northern suburbs a possibility?

Hon PETER FOSS: I do not think anybody has suggested it.

Hon KEN TRAVERS: Is there a possibility of it being north of the city?

Hon PETER FOSS: I suppose we could put it on the moon. That is feasible. No-one has seriously suggested such a prison.

Hon KEN TRAVERS: Is the Minister saying the site will not be in the northern suburbs?

Hon PETER FOSS: Nobody has suggested it.

Hon KEN TRAVERS: I refer to item 14 on page 520. What are the new business opportunities for the sale of information held by the Registrar General's Office?

Hon PETER FOSS: The member is suggesting the result has already been found. I do not think any such opportunity has been found. Perhaps we can have more elaborate and pretty birth certificates.

Hon N.D. GRIFFITHS: Will you be signing them?

Hon PETER FOSS: Only if I am asked to do that by the Royal Association of Justices of the Peace and provided they importune me sufficiently for me to do so.

Hon KEN TRAVERS: Does anyone have any idea of the areas that would present opportunities?

Hon PETER FOSS: No-one here has any idea, but I am sure the Registrar General would. I did not think to bring him today.

Hon GIZ WATSON: I refer to the funding of the Legal Aid Commission. At a recent Legal Aid symposium in Perth Minister Foss stated he had arranged for the entire Legal Aid appropriation to be given to the Ministry of Justice and Legal Aid will then enter into a purchaser-provider contract in the same way as he understood the Commonwealth intends to do. Why has the appropriation not been handed directly to Legal Aid?

Hon PETER FOSS: The member answered the question herself.

Hon GIZ WATSON: What is the additional cost of this extra handling process?

Hon PETER FOSS: None.

Hon GIZ WATSON: What will be the role and powers of the Ministry of Justice in this proposed arrangement?

Hon PETER FOSS: Its role will be to make sure we get proper accountability and better value for money than we are getting. One of the problems under the current Legal Aid administration is we hand over the money and that is the end of any capacity to demand a proper expenditure of the money in terms of efficiency. The only form of accountability at the moment is the obligation to show it has been spent on legal aid; not whether it has been spent efficiently on legal aid. The possibility of the Auditor General doing a survey is one thing that could happen. There is no accountability directly to the Government or the Parliament in terms of how efficient it has been. We do not have the same capacity as a department to ask how something is happening or whether it could be done more effectively. We hope to get from that better expenditure of legal aid among a wider variety and range of people and less money being ineffectively spent.

[2.20 pm]

Hon GIZ WATSON: Does the Minister agree that the Legal Aid office should remain an independent statutory commission answerable to the Parliament?

Hon PETER FOSS: For its decisions relating to who should be granted legal aid it should; otherwise it should be accountable through the Minister to Parliament.

Hon GIZ WATSON: Given that the Minister said there will be a need to supplement legal aid, why has no budget allocation been made for this supplement?

Hon PETER FOSS: I have not suggested there be a budget allocation for supplementation.

Hon GIZ WATSON: Given that the Government is imposing additional costs for the delivery of legal aid -

Hon PETER FOSS: There is no such given. I sincerely hope we will reduce the costs of legal aid.

Hon GIZ WATSON: If additional costs result from the removal of subsidies such as government housing subsidies for people involved in legal aid, how will this shortfall be made up?

Hon PETER FOSS: I am not aware of that.

Hon N.D. GRIFFITHS: At page 514 I note the difference between the 1996-97 and 1997-98 amounts and note that the sum of \$203 000 is an allocation for Dietrich payments. What is the allocation for the forthcoming financial year?

Hon PETER FOSS: Dietrich payments do not work initially through Justice. It is by way of application for ex gratia payment.

Hon N.D. GRIFFITHS: I know how it works. What is the allocation?

Hon PETER FOSS: It does not go through the Ministry of Justice. I do not know how Treasury accounts for it.

Hon N.D. GRIFFITHS: This year it has ended up with the Ministry of Justice. What will happen next year?

Hon PETER FOSS: A person who obtains from a court a stay order on the basis he is indigent and faces a serious charge which may lead to loss of freedom can apply to the Government for an ex gratia payment to fund his defence. That is then examined by the Crown Solicitor, as are all ex gratia payments. He then advises me whether, and how much, should be granted. On that advice I take it to Cabinet. If Cabinet accepts that advice it authorises Treasury to raise a new item under the Treasurer's Advance Authorization Act. Until that occurs there is no provision because it is an extraordinary payment arising from an application for an ex gratia payment.

When Treasury allocates that money to a department to expend it, in the case of Dietrich applications, it is an extra appropriation under the Treasurer's Advance Authorization Act to my department. That is then authorised by Parliament. It used to be done when the final appropriation was picked up under Supply.

As it is not an appropriation at this time - it is an extraordinary payment which can arise on separate occasions - it does not appear in a particular allocation. Treasury may have a general allocation for which it allows TAAs, of which many and significant amounts are made throughout the year. The Ministry of Justice does not allow for it in an allocation because it does not budget for it; Treasury budgets for it and it is authorised through Parliament.

Hon N.D. GRIFFITHS: At page 514 of the Program Statements under major achievements for 1996-97 a number of matters are referred to such as a roster rotating salaried criminal lawyers through a duty lawyer program, and implementation of a number of new programs, including domestic violence community education and programs to target disadvantaged persons with legal problems. Given what the Minister said regarding his proposed purchaser-provider model, is he able to assure the Committee that each of the programs specified in that subheading will continue?

Hon PETER FOSS: Again that is very much dependent on what happens with the Commonwealth. As you know, in the past we had one fund which was funded 60 per cent by the Commonwealth and 40 per cent by the State.

Hon N.D. GRIFFITHS: It is 55:32 per cent.

Hon PETER FOSS: That is the total Budget versus the grant budget. It will be interesting to see what the Commonwealth will do about that income, particularly how its demands will work out regarding moneys put back in. We are wondering whether the Commonwealth will insist on getting credit back for any money recovered by the Legal Aid Commission. We regard income for legal aid as just that; not something to be returned to the Government which has provided the major grant.

If we were to take that money it would continue to remain with the Legal Aid Commission as opposed to its being deductible. You are right about the change of the figures.

We are negotiating with the Commonwealth on how we can expend the money that will come from it. One of the objections I have to this whole system is that commonwealth money must be spent on commonwealth matters. Some of these issues have the capacity to be either commonwealth or state matters which is where the situation becomes ludicrous. It will cause problems if people are performing functions which may be a mixture, or from time to time either commonwealth or state functions. We need to know what some of the commonwealth requirements will be. We still do not know precisely how the commonwealth scene is functioning in practical terms; it is not able to tell us.

Hon N.D. GRIFFITHS: With just one month to go.

Hon PETER FOSS: It is not for want of asking.

Hon N.D. GRIFFITHS: I accept that. Is the Minister able to tell the Committee and the public whether there are any areas of service of the Legal Aid Commission which will be quarantined from cuts?

Hon PETER FOSS: A strategy has been developed for how we will respond in the event of the worst case scenario; that is, receiving the lowest amount of money and the most restrictive guidelines for expending it. It is a strategy only at this stage because we are still trying to get information from the Commonwealth. I do not believe the Commonwealth knows or that it has thought it through, otherwise we would not be involved in this exercise. I do not want to reveal our worst case scenario because it is just that, and I do not want to reveal to the Commonwealth

our intentions. It is for very good reason: As we are still negotiating with the Commonwealth, it may wish to take advantage of our suggestions if they are made ahead of time. Until they are signed up, I do not want to say anything. I am sorry, but the last thing I want to do is to tell the Commonwealth the possibilities I have in mind.

[2.30 pm]

Hon N.D. GRIFFITHS: No doubt I will be asking a few questions about that after 30 June.

Hon PETER FOSS: I hope we will know by then.

Hon N.D. GRIFFITHS: We should know by now.

Hon PETER FOSS: We should. I do not know whether the member has ever dealt with the Commonwealth, but it is not always easy to get clear answers from it.

Hon KEN TRAVERS: I realise the historical parts of this question may need to be taken on notice. How many contracts have been awarded for the provision of addiction behaviour training in prisons and juvenile detention centres since February 1993? Is it possible to outline any allocated this year? Who has been awarded this or these contracts? What was the respective value of this or these contracts, and what savings or additional costs have resulted from the provision of each of these services by private contractor instead of by government? What mechanisms are in place to monitor the performance of private contractors for service provision instead of by government?

Hon PETER FOSS: We can partially answer that, as it is the subject of a question on notice in the House already, and the rest will be taken on notice.

Mr GIBSON: The major contract has been awarded through the Premier's Task Force on Drug Abuse, which recommended the employment of three non-government agency workers to make contact with juvenile and adult offenders while in custody and to link them with outside agencies. The workers come from the Palmerston Drug Research and Rehabilitation Association, Cyrenian House and Holyoake. The contracts with those three agencies are to work in prisons and juvenile centres. That is the main contract let for substance abuse this year.

Some small contracts have been awarded by which people come into regional prisons and provide programs, including contracts with Aboriginal services. I will provide them as supplementary information.

Hon KEN TRAVERS: Do you have any idea of the savings or additional cost accrued by the provision of these services by private contracts rather than through government?

Mr GIBSON: None of the services brought in was to achieve savings; it was a matter of their cultural appropriateness or the fact they lived in the regional areas, such as Albany and Broome. The contracts provided through the Premier's task force were provided not to save money, but to provide linkage between the prisoners and non-government agencies when people leave prison. None of these contracts had the goal of saving money.

Hon MARK NEVILL: I am concerned about the supervision of juvenile offenders in my electorate, particularly in its northern parts. Inadequate staffing is provided in that area. Some unfilled vacancies, such as that at Halls Creek, have been unfilled for some time. There is a belief in the community that some of the young offenders are being "dumped" in some of these remote communities. Also, a juvenile correction facility in the northern part of the State is needed to deal with some hardened offenders. What is planned in the budget to improve the situation?

Mr DALEY: I can respond to some parts of the question, especially in relation to the juvenile offenders in the community in the north west. As a result of the amalgamation of the management structures of the adult corrections and juvenile community based services, we will look to efficiencies to enable us to strengthen the office at Kununurra with the placement of an office manager and upgrade the number of staff in the area. Also, we will separate the management of that office from the management at Broome, which was the regional management service which conducted rotational visits to the area. Presently we hope to generate internal savings and efficiencies to enable us to make the changes in the next six months.

We do not see it as Aboriginal kids "dumped" in the community. Presently the adult system has a number of supervision contracts developed with Aboriginal communities under which no person enters a community without the agreement of the council, and a suitable person is assigned by the council to provide day to day supervision, with backup visits to the communities weekly, fortnightly and, in the most remote cases, no more than monthly. We are trying to ensure that standards similar to those relating to adult offenders apply to the supervision of juvenile offenders. I am not in a position to answer the question on detention facilities in the north west.

Mr GIBSON: Discussion occurred recently in Broome with some community representatives of people of the western desert in relation to the possibility of their becoming involved in placing and looking after not only young people, but also young adults in remote locations. Discussion will take place with the Western Desert Lands Council



in the next few weeks at Port Hedland as soon as people are ready to talk to us. No model has been agreed to, and a number are being looked at in relation to an Aboriginal work camp type of arrangement. At this stage, the discussions have just started. We saw the number of problems with such placements before, but they are keen to continue discussions and a meeting will be held in Port Hedland in the next few weeks.

Hon MARK NEVILL: It is not difficult to place an Aboriginal youth in an Aboriginal community if you ring up the chairman and offer him \$150 a week to look after the child, but a week later the chairman will have disappeared. The theory and what happens in practice are two very different things.

Mr GIBSON: We have had discussions on that issue. Placements as such create some difficulties and issues under discussion include setting up a camp without a lot of support, and without allowing for movements in the area and deaths in the area, and without giving thought to how to manage a young person who does not want to be there - the discipline issues involved. The people involved were keen. The initial approach was to take people into the communities and believe everything would be all right; however, they now clearly understand that many issues need to be addressed which we must work through with them. The discussion quickly led to the point that it is not only them doing something for the ministry, as it needs to be a partnership in the aspects the communities cannot manage, such as the heavy end of discipline. We are moving to discuss it with the councils as soon as we can.

Hon N.D. GRIFFITHS: I trust this question relates to page 494, under communications, services and contracts. I refer to the advertising campaign which commenced in November, or thereabouts, last year as a result of the so-called three strikes legislation under the caption "burglary means gaol". How much was budgeted for that campaign, and when was the campaign approved? In what Legislative Assembly seats were billboards placed, and what was the cost of the advertising which took place between 14 November and 14 December 1996? I appreciate that this question may need to be taken on notice.

Hon PETER FOSS: We will take that question on notice.

Hon N.D. GRIFFITHS: On page 497, the fourth dot point refers to the current number of Western Australians estimated to have Alzheimer's disease as 10 000 to 14 000 people. It states that with the continued ageing of the population this number is expected to double, representing 9 to 11 per cent of the entire population of seniors within the next five years. It states also that the implications of the growth of people with Alzheimer's disease will result in more Western Australians in need of guardianship and administration services. I refer also to page 492, which states that the FTE allocation for the Guardianship and Administration Board is 14 for 1996-97 and 12 for 1997-98. I raised this last year, and perhaps also the year before, and I was told that it was an error in the Program Statements. What is the position now?

[2.40 pm]

Hon PETER FOSS: I recollect that some people who were there on a temporary basis were shown as permanent. The permanent establishment is 12; I will check that. This area is also under statutory review, and that may provide an opportunity to look at what we are doing.

Hon N.D. GRIFFITHS: If the position with respect to these Program Statements is the same as it was last year, will the Minister ensure that next year they show the intended result?

Hon PETER FOSS: The problem is that the authorised number of FTEs has to go into the estimates, because that is what the organisation is allowed to have, but the actual situation is that it has an additional two FTEs.

Hon N.D. GRIFFITHS: That has been the case for years.

Hon PETER FOSS: Until somebody gives us authorisation for two more FTEs, we cannot put them in.

Hon N.D. GRIFFITHS: Get the authorisation! The next dot point states that end of life decision making has become an issue for the Office of the Public Advocate as guardian of last resort. Is that a statement of government policy?

Hon PETER FOSS: No. End of life decision making comes under the Minister for Health. It certainly has not been resolved through the Public Advocate's Office.

Hon N.D. GRIFFITHS: Is that a statement of government policy?

Hon PETER FOSS: It is a statement of fact.

Hon N.D. GRIFFITHS: Do you embrace the statement?

Hon PETER FOSS: It is not a matter of embracing it. It is a statement of fact. You do not embrace facts; they either exist or they do not.

Hon N.D. GRIFFITHS: You may assert it is a fact.

Hon PETER FOSS: It is certainly perceived as a fact by the Public Advocate.

Hon BOB THOMAS: Facts are subjective.

The CHAIRMAN (Hon Bob Thomas): I seek some clarification of the previous answer. I do not quite comprehend the situation with full time equivalent staff in the guardianship and administration area. I thought the thrust of Hon Nick Griffiths' question was that in view of the anticipated increase in the demand for services in this area, why had the staff level been decreased? I thought that if the workload was projected to increase, it was unlikely that the staff level would decrease. Perhaps I do not understand the difference between full time equivalents and average staff levels.

Hon PETER FOSS: FTEs can be used in two ways. They are principally used by Treasury as a control mechanism with regard to the number of people that an organisation can have. That is where the estimates for the following year come in: They are the authorised FTEs for that organisation. That may differ from the actuals, which represent the factual situation. The problem here is that the figure of 14 indicates what actually happened last year, and the figure of 12 indicates what has been authorised for next year. There is every possibility that the actual FTEs every year will be 14 but the authorised FTEs will be 12. The way in which these accounts are kept is that the estimated FTEs will always be what has been authorised and the actuals will be what turned out to be the case. I did not invent this; it has been around for a long time!

Hon N.D. GRIFFITHS: It sounds as though you did!

Hon PETER FOSS: I am one of the people who say there should be a better method. It was invented by the former Government to give people some indication of staffing levels. However, it is often totally inapplicable because of the use of contract services, which do not come under FTEs. For example, the estimated FTEs may be two but the actuals may be 42, and expenditure for contract services may be estimated to be \$4m and may end up being nothing, because everything goes into employed people rather than contract people.

The CHAIRMAN: The amount of funding for that program is about the same as last year. Is it correct that the thrust of the question was a concern about whether the program was adequately resourced?

Hon N.D. GRIFFITHS: Yes, in part. The same situation arose last year, where the budget papers did not reflect the actual situation with this program. No doubt it will be the same next year, but I hope that will not be the case.

Hon PETER FOSS: I do not disagree.

The CHAIRMAN: When I was a subprogram administrator with 108 staff, no-one at my head office could explain it to my satisfaction either.

HON MURIEL PATTERSON: I am concerned about Pardelup Prison Farm. From time to time we hear about its possible closure; members receive letters from the council and everyone panics about it. If that prison were closed, that would be a retrograde step, because the prison population is well accepted within the community and is an important part of the economic wellbeing of the community. These prisoners must be located somewhere, and it would be a pity to take them out of this rural town that needs this assistance, particularly when they are so well accepted.

Hon PETER FOSS: I was asked the same question today by some prison officers, and I will give the same answer. We do not intend to close Pardelup. Albany and Pardelup prisons have turned out to be role models for the whole of Western Australia, and we intend to expand their responsibility. It is well worth our paying attention to what those prisons are achieving to see whether we can improve them. We are conscious of the ability on occasions to improve the capacity in the metropolitan area by moving people to regional prisons. There is a limit to that, because we cannot send people there if it will cut them off from visitors, but many prisoners do not have visitors even in the metropolitan area. Moving those prisoners out of the metropolitan region would have no effect on the number of their visitors. Apart from the fact that we have additional capacity in regional areas, we are looking at moving more people into regional areas.

[2.50 pm]

Hon MURIEL PATTERSON: The system is very good for some people and is one of the good news stories from our prison system. We have found that a number of people have become known in areas and have been able to get jobs, even if only for a short time, which has helped them integrate back into the community.

Hon PETER FOSS: I agree. Albany Regional Prison and Pardelup Prison Farm have certainly been success stories. We are looking to expand their capacity and give them more opportunity to try new ideas. Have no fear with Pardelup; we think it is good.

Hon KEN TRAVERS: Hon Derrick Tomlinson asked about the expansion in the number of prisoners on remand in the metropolitan area. He also asked what the ministry was looking at to expand the numbers in the current system. What sorts of options and issues is the ministry looking at? Is the question one of building extra accommodation within the current boundaries of the prisons, double bunking or other methods?

Hon PETER FOSS: One of the first things we have to look at is why there has been an expansion in the number of remand prisoners, because some people are being inappropriately remanded. We have raised the question with the Chief Stipendiary Magistrate, who has certainly raised it with the magistrates. We are still receiving reports of people who are being given an obligation to obtain sureties where quite plainly they should not and people who are being remanded in custody for offences where one has to ask why. Certainly we intend to give feedback information to the magistracy so that they can look at it within their own arrangements to see whether an appropriate practice is being followed. Therefore, the first aspect is the inappropriateness of some remands.

The second matter we are looking at is greater assistance to people to obtain bail. Sometimes the reason for their being in remand is the inability to satisfy bail conditions; the bail conditions may be appropriate but the person is unable to arrange bail. We have found that with assistance it is often possible to obtain bail for those prisoners. It is difficult for them, but maybe with our assistance it could be easier. That is another way to address the question, so that we reduce the numbers of people on remand. Another method is to increase the capacity within the current perimeters.

Hon N.D. GRIFFITHS: Has the Minister given consideration to the amendments to the Bail Act and whether a guideline judgment should be sought?

Hon PETER FOSS: We are looking at amendments to the Bail Act anyway. I do not believe this particular problem would be solved by amendments. I have discussed today the possibility of a guideline judgment. We have not yet found the court too willing to give guideline judgments. I would certainly consider that, if we were not able to do it within the magistracy's own capacity. It is a matter of the odd person not following what I would say is the established practice of the magistracy as a whole. I hope the magistracy themselves are capable of dealing with it, without our having to go to the Supreme Court to obtain a judgment that tells the magistrates. As a generality, they know what should be done. Where the differences are taking place is quite discernible.

Hon N.D. GRIFFITHS: On the question of remand, on page 500 under the heading of offenders managed in custody, we have the average muster for 1996-97 and for 1997-98. Similarly, for juvenile offenders managed in custody respective figures are given. Is the Minister able to give respective figures in each of those categories for prisoners on remand; if not, could the question go on notice?

The CHAIRMAN: We will take it on notice.

Hon DERRICK TOMLINSON: Hon Muriel Patterson indicated that some of her constituents wanted a prison kept open. Minister, some of our mutual constituents want a prison kept closed. Will the Minister give some indication or reassurance that there is no budget allocation for the reopening of Barton's Mill Prison, not even a budget allocation for planning which will not be spent if it is decided not to reopen the prison?

Hon PETER FOSS: Unfortunately, we are not even considering it.

Hon N.D. GRIFFITHS: I have a number of questions that I could put on notice. On page 501 the sixth dot point deals with regional domestic violence strategies. What is the FTE allocation for that?

The CHAIRMAN: That is taken on notice.

Hon N.D. GRIFFITHS: The next dot point refers to a pilot program being run jointly with the Police Service and the Disability Services Commission. Will that be continued in 1997-98; if so, what is the FTE allocation?

Mr JAMIESON: We have one FTE between ourselves and the Disability Services Commission.

Hon N.D. GRIFFITHS: What is the Ministry of Justice's component?

Mr JAMIESON: It is 50 per cent of one FTE.

Hon N.D. GRIFFITHS: Is that for next year?

Mr JAMIESON: An evaluation will be undertaken over the next three months. The service is expected to continue during the next financial year while it is evaluated.

Hon KEN TRAVERS: Has the ministry looked at or carried out any investigations to determine the effect of the Labour Relations Legislation Amendment Bill 1997 on the ministry's functions?

Hon PETER FOSS: We do not expect there to be any.

Hon KEN TRAVERS: Not even industrial action in the ministry?

Hon PETER FOSS: I do not think so.

Hon KEN TRAVERS: No effect on the remand prisoner level?

Hon PETER FOSS: I do not see why there should be. The perception is due to a misplaced attitude as to the effect of the industrial relations legislation amendments.

The CHAIRMAN: Is the Minister in a position to give answers to those generic questions which were provided earlier?

Hon PETER FOSS: I think they were sent to the committee.

The CHAIRMAN: Thank you for that, Minister. Five questions from the standing committee will be placed on notice. There is a series of 11 questions from Hon Tom Stephens. I have six questions, each of five parts, provided by Hon Nick Griffiths. They will be placed on notice and sent to you.

Hon PETER FOSS: Obviously I would like an opportunity to have a look at them. I wonder whether it could be noted that I have not seen the questions. I will look at them to decide whether I wish to object to answering them. Assuming I do not object to answering them, we will take them on notice.

The CHAIRMAN: I thank the officers for their attendance at this committee hearing today.

[3.00 pm]

**Division 47: Productivity and Labour Relations, \$7 327 000 -**

[Hon Mark Nevill, Chairman.]

[Hon Peter Foss, Attorney General.]

[Mr J. Lloyd, Chief Executive Officer.]

[Mrs J. Cooper, Acting Executive Director, Fair Workplace.]

[Mr T. Macneall, Manager, Finance and Administration.]

The CHAIRMAN (Hon Mark Nevill): I will commence with a few questions. Page 21 of the annual report says that during the year no charges were laid in relation to legislation breaches. How much funding is allocated in the budget to investigate complaints of legislation breaches?

Mr LLOYD: I do not have a precise figure for the amount that is allocated to investigate breaches. That activity is covered by the fair workplace program and it is a significant part of that program's activity.

The CHAIRMAN: I ask that that question be taken on notice.

HON PETER FOSS: It may be difficult to dissect that because it is not a discrete program.

The CHAIRMAN: An estimate would be fine. Was any legislation breached for which the department is responsible?

Mr LLOYD: During the year the department would receive a number of complaints from people alleging failure of employers to comply with workplace agreements or awards. I anticipate that some of those complaints will involve potential breaches of legislation. The department investigates those. We are finding that most employers, when a complaint is drawn to their attention, rectify the omission or the error and make good the complaint. That is one of the reasons there have been very few prosecutions in the past year.

The CHAIRMAN: Have any charges been laid in the past year?

Mrs COOPER: Several complaints are currently before the court, one in relation to legislation breaches.

The CHAIRMAN: Has there been a charge?

Mrs COOPER: Yes.

The CHAIRMAN: Mrs Cooper referred to several complaints. How many complaints are involved?

Mrs COOPER: Two are awaiting hearing dates and several others are awaiting approval to prosecute.

The CHAIRMAN: Is the department developing a prosecution policy?

Mrs COOPER: A prosecution policy is already established within the organisation.

The CHAIRMAN: Can the Committee be provided with a copy of that policy?

Mrs COOPER: Certainly.

The CHAIRMAN: Does the department find it a challenge to maintain credibility as an impartial and effective provider of advice and mediation between employers and employees?

Mr LLOYD: No. There are no particular difficulties that I can detect in that regard. As I say, in recent years employers, in particular, have become better informed about their obligations and responsibilities and in the vast majority of cases they seem to respond quite well to concerns the department might point out to them.

The CHAIRMAN: What criteria are used to determine whether a prosecution should be initiated following a complaint of a breach of legislation?

Mrs COOPER: A range of things are taken into account including whether there is a reasonable prospect of conviction, issues of public interest, whether there are alternative means to dealing with the matter, and the cost of bringing the complaint. There are a number of other criteria which I cannot call to mind immediately, but they are all expressed in our prosecution policy.

The CHAIRMAN: Does the department employ any persons with legal qualifications?

Mr LLOYD: Some staff have legal qualifications, although I do not know the exact number.

The CHAIRMAN: I ask that the question about the provision of a more accurate figure be taken on notice.

How many matters were referred to the department's solicitors for legal advice on whether there was sufficient evidence to prosecute?

[3.10 pm]

Mrs COOPER: I do not have that.

Hon PETER FOSS: We will take that on notice.

The CHAIRMAN: I asked the question because there have been very few cases.

How does the lack of prosecution action compare with the resources provided to the Building and Construction Industry Task Force, which has been involved in prosecutions not only under the Industrial Relations Act but also under the Criminal Code?

Mr LLOYD: The task force is not covered by our portfolio, it is in the construction and building related portfolio.

The CHAIRMAN: Is that the responsibility of the Minister for Works?

Mr LLOYD: Yes, I think so. They have a staff of about three. The fair workplace program has 42 staff, 21 of whom would be involved in inspectorate type activities. The comparisons probably stand up. The staff in the fair workplace program of my department are required to cover the majority of the State's work force throughout the various industries and localities. The building industry task force is a highly active industry with a lot of industrial disputation. That is about all I can say. That is the rationale for the numbers.

HON TOM STEPHENS: What is the Building and Construction Industry Task Force's connection with your agency?

Mr LLOYD: There is no ongoing daily connection. One person, who is employed by the department, has been seconded to the task force and we pay his salary.

Mrs COOPER: We pay part of his salary.

Hon TOM STEPHENS: Is that officer one of only three people in the task force?

Mr LLOYD: Yes.

Hon TOM STEPHENS: Does he work with police officers?

Mr LLOYD: I am not familiar with the operations of the task force.

Hon PETER FOSS: It is a little difficult to ask us about another portfolio.

Hon TOM STEPHENS: If the department is paying his salary I want to know what the officer is assigned to do while working with that task force. Is he assigned to work with special constables?

Mr LLOYD: I do not know. When an officer is seconded to another agency there is normally some agreement between the CEOs. I do not know the ins and outs of the tasks they undertake.

Hon TOM STEPHENS: Do you accept responsibility for the officer?

Mr LLOYD: I accept budgetary responsibility. I have agreed to fund part of his remuneration.

Hon TOM STEPHENS: What was the agreement between yourself and the task force in reference to his duties?

Mr LLOYD: There was none. It was before my time. My knowledge of secondments is that there is a discussion between the two agencies when one agency might ask for an officer. If we have excess officers available, an agreement is made. The receiving agency says that an officer can be used in its organisation and asks whether we agree to release that officer for a task.

Hon TOM STEPHENS: Would you please take on notice and advise what task that officer has been assigned?

Hon PETER FOSS: I object to this question. All that can be asked of Mr Lloyd is what is the secondment arrangement.

Hon TOM STEPHENS: What were the arrangements made by this CEO or his predecessor?

Hon PETER FOSS: It was a secondment and part of his salary would continue to be paid by the department.

Hon TOM STEPHENS: The CEO said he does not know what the arrangements were. Could the CEO advise the Committee the specific tasks that were agreed to by his predecessor and what was the purpose of secondment?

The CHAIRMAN: If the CEO is not aware of what duties the officer is doing he can take the question on notice.

HON LJILJANNA RAVLICH: What percentage of DOPLAR's budget was allocated in 1997-98 to the area of occupational health and safety? How many occupational health and safety officers are employed by DOPLAR to investigate occupational health and safety on work sites across all industry in Western Australia? Are these occupational health and safety officers the same as industrial inspectors and if not what is the difference between the two? How many industrial inspectors are employed by DOPLAR?

Mr LLOYD: For most of the question the member might have the organisations confused. The occupational health and safety functions of government are provided by the Department of Occupational Health, Safety and Welfare, which is a different organisation from DOPLAR. DOPLAR employs 21 industrial inspectors.

Hon LJILJANNA RAVLICH: Page 796 of the Budget Statements refers to a proposed evaluation of the workload of industrial inspectors in the light of the experience with the application of new industrial relations legislation and states that further legislation that will be introduced to Parliament will have an impact on the workload of industrial inspectors. Is the Government proposing a fourth wave and if so, when? If not, what further legislation is likely to be introduced? How is the new legislation likely to impact on the workload of industrial inspectors and are we likely to see more or fewer industrial inspectors on Western Australian work sites?

Hon PETER FOSS: No; and not applicable.

Hon LJILJANNA RAVLICH: I do not understand the response.

Hon PETER FOSS: The member asked whether there would be a fourth wave; the answer is no, so the second part of the question is not applicable.

Hon LJILJANNA RAVLICH: The second question related to the impact of the new legislation.

Hon PETER FOSS: To which new legislation is the member referring?

Hon TOM STEPHENS: That which your Minister describes as the fourth wave.

The CHAIRMAN: The new legislation that is referred to on page 796 of the Budget Statements.

Hon PETER FOSS: That is the Fielding report. The member is being a bit cute here. I do not mind answering direct questions, but not cutesy questions which have little bits in them that assume all sorts of facts. If the member wants to know whether the Government is contemplating bringing in legislation to implement the Fielding report, the Minister has made it clear that is his intention. I understand it is the intention of both employers and employee representatives that legislation be brought forward. That is the legislation that is referred to.

The CHAIRMAN: The Minister is making assumptions. The budget papers indicate that further legislation is to be introduced. I am not aware that it has anything to do with the Fielding report. I have never read it. It is a reasonable question to ask.

[3.20 pm]

Hon PETER FOSS: I have said that. I object to cutesy comments.

The CHAIRMAN: I will decide which questions are out of order, and which are cute!

Hon LJILJANNA RAVLICH: I do not understand what was cute about the question. I have asked whether there will be any new legislation and how the new legislation is likely to impact on the workload of industrial inspectors. I imagine that many workers are interested in the same question, and they are the people whom I represent in this place. Please do not consider this as cutesy: Are we likely to see more or fewer industrial inspectors on work sites?

Hon PETER FOSS: The answer I gave earlier was that the legislation to which the member referred is the implementation of the Fielding report. That was an appropriate answer. The review is being carried out to determine whether there will be an increase in workload. Whether there will be more industrial inspectors will be determined as a result of that review.

Hon LJILJANNA RAVLICH: That would have been a more appropriate response the first time.

Hon TOM STEPHENS: Is the department prosecuting Barrett Painting? Will the department consider doing that, and have charges been laid?

Mrs COOPER: Not to my knowledge.

Hon TOM STEPHENS: Is it correct that three cases are under consideration?

Mrs COOPER: Two are awaiting a hearing date.

Hon TOM STEPHENS: Is Barrett Painting one of those?

Mrs COOPER: Not to my knowledge.

Hon TOM STEPHENS: It appears that the department is becoming increasingly top heavy and has fewer people to address complaints from work sites. Do you have a response to that observation?

Mr LLOYD: Since I arrived in November I have restructured the department and reclassified the executive positions up one or two levels. That has not led to a reduction in the number of positions at the lower levels. It is a normal process of evaluating the work of executive officers in the structure, the tasks they undertake, and so on. The Public Sector Management Office assesses the positions and sets a level.

Hon TOM STEPHENS: Why is it, then, that when people ring the department to gain access to inspectors, they are regularly told that the waiting time for complaints to be investigated is in the order of many months? Why are they told that the complainant would do better to go to the unions to have the complaints pursued? Is there some policy reason for this advice being given regularly?

Mr LLOYD: I am not aware that policy advice is being given. If we receive a complaint it is always treated seriously and investigated as expeditiously as possible.

Hon TOM STEPHENS: Does that take nine months?

Mr LLOYD: No.

Hon TOM STEPHENS: What is the time frame for opening a file?

Mrs COOPER: The average time for a file to be opened is in the vicinity of five months.

Hon LJILJANNA RAVLICH: How many of the 21 industrial inspectors are allocated specifically to the building and construction industry?

Mr LLOYD: None.

Hon LJILJANNA RAVLICH: How are the 21 industrial inspectors allocated to the respective industries?

Mrs COOPER: We do not allocate industrial inspectors to specific industries. The work is allocated to individuals based on the current workload. The industries are not normally a consideration.

Hon LJILJANNA RAVLICH: What is the role of an industrial inspector? What do they do when they are not inspecting industry?

Mrs COOPER: As expressed in the Industrial Relations Act, the role of an industrial inspector is to secure the observance of the Act. Primarily, most of their work is associated with that.

Hon GREG SMITH: I refer to the capital works programs on page 797. How will the wageline telephone system function and who will benefit from it?

Mr LLOYD: The wageline telephone system is available to employees and employers to inquire about their entitlements or obligations under an award, industrial agreement or legislation. We receive about 135 000 calls each year, split roughly half and half between employers and employees, with perhaps slightly more employees than employers making use of the free information line.

Hon SIMON O'BRIEN: As I understand an earlier answer, industrial inspectors generally are sent out, on a rotational basis, according to the workload. Does that mean that they are not restricted to one area but are rotated between a variety of different industries and workplaces?

Mrs COOPER: Primarily they are rotated. Obviously sometimes people develop more skills in one area; and in some cases we might consider giving those people the bulk of the work in one industry. Generally we try to achieve equity across the allocation.

Hon SIMON O'BRIEN: I am not casting any aspersions, but I am thinking about possible corruption as a result of overfamiliarity. I do not suggest for a moment that any corruption occurs, but that is the purpose of my question. Are industrial inspectors deliberately moved from one area to another so that they do not always return to the same factory or workshop?

Mrs COOPER: I do not know that we receive too many complaints from the same factory or workshop. I do not think that the figures would show many occasions where an inspector deals with the same employer consistently. A deliberate effort is not made in that regard.

Hon SIMON O'BRIEN: Is the workload and program of inspections for the industrial inspectors generated by complaints exclusively, or do you play a proactive role and say that this year iron works or chemical works will be inspected? Possibly there is a need for that, because often people who need help in some workplaces are too scared or do not know how to ask for it.

Mrs COOPER: In the past 12 months we have undertaken a proactive role in several industries - the retail and hospitality industries - in an effort to provide some information to employers and employees about their obligations. That has been additional to our normal response to the complaint load. We also provide a range of educational material.

Hon SIMON O'BRIEN: An earlier answer indicated that it took five months to open a file. Does that mean the time taken to respond to a complaint or to begin the investigation?

Mrs COOPER: The period is from the date the file is opened, when the person comes in to make the complaint, until the complaint is resolved.

[3.30 pm]

Hon SIMON O'BRIEN: I misunderstood that. The five months is an average period to resolution from go to whoa?

Mrs COOPER: Yes.

Hon PETER FOSS: A misunderstanding occurred earlier about that matter between the questioner and the person who answered the question. That period of five months is not to the opening of a file but to the closing of a file from opening.

The CHAIRMAN: One of the objectives on page 793 of the Budget Statements under program 3.0 on fair workplaces is to resolve industrial complaints and to ensure industrial laws are upheld. Is the department involved in assisting any other department or agency in investigating or enforcing those laws or in gathering evidence for prosecutions under laws other than laws for which the department is responsible?

Mr LLOYD: Not to my knowledge.

The CHAIRMAN: Is the department's involvement in criminal prosecutions inconsistent with that objective?

Hon PETER FOSS: What objective?



The CHAIRMAN: The objective to ensure that industrial laws, rather than criminal laws, are upheld?

Hon PETER FOSS: The answer to the previous question was no.

The CHAIRMAN: I am referring now to the involvement in criminal prosecutions, not industrial prosecutions.

Hon PETER FOSS: To which criminal laws are you referring?

The CHAIRMAN: A number of laws have been used. In recent years prosecutions have been done under, I think, section 96E of the Industrial Relations Act. Most have been unsuccessful. Now there seems to be a move to criminal prosecutions. Has that been a deliberate change of focus for the department?

Mrs COOPER: No. Some of the matters for which we are responsible under the Industrial Relations Act carry a criminal burden of proof. They are the matters to which we are referring.

Hon PETER FOSS: We dealt recently with the fact that some penalties under the Industrial Relations Act are civil penalties and some are criminal penalties. That could be where the confusion arises.

The CHAIRMAN: Is it correct that some prosecutions that have been brought by the department under, I think, section 96E of the Industrial Relations Act have failed, and the department has then pursued the same matter under the Criminal Code?

Mrs COOPER: No, not the Department of Productivity and Labour Relations. To my knowledge we have never pursued anything under the Criminal Code.

Hon PETER FOSS: As a matter of practice, I do not think it could.

The CHAIRMAN: What criteria are used to determine whether an industrial inspector has resolved matters that are subject to investigation?

Mrs COOPER: The matter is resolved when we have recovered the money that was the extent of the claim or when the parties have resolved the matter among themselves, or when we discover there is no award coverage or there is not a valid claim.

The CHAIRMAN: Does the department have a policy of targeting any particular area of industry where compliance with awards and other statutory requirements may be inadequate?

Mrs COOPER: Yes, we are targeting the retail and hospitality industries.

Hon TOM STEPHENS: Is that targeting aimed at ensuring employers know that new flexibility is opened up in order to reduce their wages burden?

Mrs COOPER: No, that targeting is specifically in relation to award obligations of employers. Obviously if other questions are asked of industrial inspectors, they might convey the information. However, the primary objective is to ensure employers are aware of their award obligations.

Hon TOM STEPHENS: Which arm of your agency is engaged in promoting the opportunities that have emerged through changes to industrial relations law for employers to reduce their wages burden?

Mr LLOYD: In the Fair Workplaces program we have introduced a new service, the workplace liaison officer service, to promote choice, and particularly to promote agreements, to employers. We are targeting in particular small business employers. We are not out there suggesting and promoting a reduction in wages. The program is for employers to be advised about what choices are available to them and particularly how they go about entering a workplace or industrial agreement.

Hon TOM STEPHENS: How many officers are involved in that activity?

Mr LLOYD: Five positions have been created, but at the moment we have filled three of those.

Hon TOM STEPHENS: What level are those positions?

Mr LLOYD: They are level 5 in the administrative structure.

Hon TOM STEPHENS: Do the officers who target the hospitality and retail sector conduct a dissimilar activity?

Mr LLOYD: Yes, it is a dissimilar activity. We have introduced the workplace liaison officer service. However, we encourage all our inspectors to be more facilitative and proactive when they go out; to not necessarily just respond to a complaint to investigate time and wages records, but to take the opportunity when they are at a workplace to inform people about their choices and about good practice.

The CHAIRMAN: Is it a real problem in the retail and hospitality industry where employers have employees on workplace agreements that when those agreements expire after, say, three years, the employer continues paying employees at the workplace agreement rate and does not get around to renewing the workplace agreement?

Mr LLOYD: I am not aware that we have detected any trend in that regard. When the term of an agreement expires, it continues until a new agreement takes its place.

The CHAIRMAN: Many small businesses do not get around to renewing them.

Mr LLOYD: That would happen to some of them, but we have not detected that as a major trend. We have found that employers realise employees are an important resource and that it is worthwhile having them committed to the organisation. In most cases employers take the time to renew the agreements.

Hon TOM STEPHENS: Do the workplace liaison officers have any role in pinpointing whether problems require investigation or prosecution?

Mr LLOYD: No, their role is to promote choice to employers and provide information about agreements and their rights and obligations. If they are in a workplace and if they detect the employer may not be complying with his obligations, they will draw that to his attention, but their role is not to prosecute.

Hon TOM STEPHENS: Are they not obligated to take their observations back to an investigative section of your department?

Mr LLOYD: No.

[3.40 pm]

Hon TOM STEPHENS: Do they turn a blind eye to any problem and leave it?

Mr LLOYD: No, they do not turn a blind eye, but they point out to the employer the obligations he has and the consequences of not attending to it.

Hon TOM STEPHENS: But the employer could ignore that?

Mr LLOYD: The employee is then entitled to make a claim, but they do not come back and report the matter. That is because we are trying to build a degree of trust in the service.

Hon TOM STEPHENS: With the employers?

Mr LLOYD: Yes, with employers.

Hon TOM STEPHENS: I think you have that.

Mr LLOYD: We believe it is important that people promote the agreements and more people are going to agreements. We got strong information initially from a number of quarters that if they reported people, the credibility of that workplace liaison service could be quickly undermined.

Hon TOM STEPHENS: Do you think that, if an employee observes that someone from DOPLAR has drawn the matter to the attention of the employer who has ignored it and a blind eye has been turned by the department, the confidence of the employee might be shattered? No doubt the confidence of the employer in the department is bolstered.

Mr LLOYD: The employee would have the right to make a complaint and pursue the matter.

Hon TOM STEPHENS: To the same department from which the officer has come and ignored the problem?

Mr LLOYD: That is true, but a different officer would take the case.

Hon LJILJANNA RAVLICH: I refer to the \$1.28m for services and contracts listed under recurrent expenditure at page 787. Does this include the cost of contracting out works and services or is that amount simply for services such as maintenance of equipment? If it is for contracts, how much of taxpayers' money will be spent by the Government on a contract to promote the Labour Relations Legislation Amendment Act?

Mr MACNEALL: It comprises both. A small proportion is for contracted out services, such as payroll services which have been contracted out across government, vehicle fleet management and so on. In the main it is for the latter.

Hon LJILJANNA RAVLICH: Will any of that allocation be used for a contract designed to promote the Labour Relations Legislation Amendment Act 1997? If it will, where will the money for that purpose come from and how much?

Mr LLOYD: The amount of money to be expended on the promotion of the new legislation and its source have not yet been finally determined.

Hon LJILJANNA RAVLICH: Approximately what amount will be involved?

Mr LLOYD: My experience with campaigns of a similar nature in the past indicates it will be in the region of \$200 000 to \$300 000.

Hon LJILJANNA RAVLICH: What form can we expect these promotions to take? Have tenders been called for any part of this public relations exercise? If so, how many have been received and when will the contracts be awarded? Given that the Government is of the view that it is such a fantastic piece of legislation and is very good law, why do we need this public relations exercise?

Hon PETER FOSS: One of the interesting things is that a tremendous amount of false information has been spread about the legislation by the unions. It has been so effective that even the members of the Legislative Council have tended to rely upon that rather than finding out for themselves what the legislation is about. I have even found members relying on a scurrilous pamphlet by the State School Teachers Union which totally misrepresents the legislation. It has been necessary to inform the public because of the concerted effort by the unions to totally mislead the public of Western Australia about the content of the legislation. Inevitably, it is important to do this so that the people can find out what the legislation is really about.

Hon TOM STEPHENS: What is the newspaper and electronic advertising schedule for the Government's publicity campaign on the Labour Relations Legislation Amendment Act? Can that schedule be made available to the Committee?

Mrs COOPER: It has not yet been finalised.

Hon TOM STEPHENS: Is there a draft schedule?

Mrs COOPER: Not at this stage.

Hon TOM STEPHENS: Is there a proposal?

Hon PETER FOSS: An answer is an answer. The member cannot keep changing the wording to ask the question in a different way.

The CHAIRMAN: Does the department provide any funds to the Western Australia Police Service for the prosecution or investigation of industrial matters from which criminal charges might arise?

Mr LLOYD: Not to my knowledge.

Hon TOM STEPHENS: Does the department advertise in union magazines in order to make information available to employees? If not, why not?

Mrs COOPER: We have placed an advertisement for a number of years in the trade union training directory.

Hon TOM STEPHENS: Is there any reason the department does not place advertisements in magazines that go to all employees from the unions across this State?

Mr LLOYD: We have limited funds and union membership is at an historically low level. Therefore, in judging how to get the message to employees and employers there is probably some question about the efficacy of going through union publications.

Hon PETER FOSS: The suggestion is an interesting one and I will bring it to the attention of the Minister, who can determine whether the cost benefit analysis would justify advertising in union magazines.

Hon TOM STEPHENS: Will the Minister also suggest that the Minister for Labour Relations includes in all future advertisements an excellent photograph of himself in conjunction with the text?

Hon PETER FOSS: I will request that.

Hon LJILJANNA RAVLICH: My previous question was not answered to completion. Given that money for a contract to promote the Labour Relations Legislation Amendment Act will come from the \$1.28m to which I referred, I am interested to know what form these promotions will take, whether tenders have been called for this public

relations exercise, how many expressions of interest have been received and whether any contracts have been awarded.

[3.50 pm]

Mr LLOYD: The money is not part of that \$1.28m. The design and features of the campaign have not been finalised, nor has the funding and its source.

Hon TOM HELM: I refer the Committee to page 793. Will the department be using the services provided by both employer and employee organisations in ensuring that employers and employees are working flexibly in meeting employment obligations? The budget includes funding for 51 FTEs for 1997-98. Does that include money to employ people already in the industrial relations area?

Hon PETER FOSS: There was a suggestion by the Opposition that we should not be using the unions.

Mrs COOPER: The department already uses a variety of methods to disseminate information. In the past couple of years, it has been engaged in a joint arrangement with the Master Cleaners Guild and the Miscellaneous Workers Union to provide the correct award information. It is not discounted.

Hon N.D. GRIFFITHS: I refer the Committee to page 788. Are the matters listed in relation to the system changing being promoted by the department?

Mr LLOYD: That is more a recognition of what the department sees as sources of change in the way work will be done in the future. This area is not static; we anticipate continuing change in these areas. That will affect the way work is done and, therefore, the attitudes of employers and employees to work and to managing change in industrial relations in the workplace.

Hon N.D. GRIFFITHS: Is that paragraph the department's view of the effect of government policy in this area?

Mr LLOYD: No; it is what the department sees as the change that will take place in the workplace because of a whole range of pressures and issues - a more competitive economy, information technology and so on. It is change that is well beyond the influence of government policy.

Hon TOM STEPHENS: Is a file always opened at the receipt of a complaint?

Mrs COOPER: If it is a formal complaint, a file is opened.

Hon TOM STEPHENS: What is the reference to five months?

Mrs COOPER: It is a reference to the time from when the file is opened to when it is closed.

Hon TOM STEPHENS: Is it an average?

Mrs COOPER: Yes.

Hon TOM STEPHENS: What are the maximum and minimum times?

Mrs COOPER: I could not say off hand. Sometimes it is a matter of a few weeks before it is closed and sometimes it takes a little longer, usually because of a complex issue.

Hon TOM STEPHENS: Is it possible to have made available to the Committee the detail of the calculation in relation to the five months? How many files have remained open for an extended time?

Mrs COOPER: It is, but I would like a specific period.

Hon TOM STEPHENS: How was that figure calculated?

Mrs COOPER: We can provide that information.

Hon LJILJANNA RAVLICH: Under the new Labour Relations Legislation Amendment Act 1997 an employer can now deny union officials access to records of time and wages on the grounds that the employer is of the opinion that access to the records by the representative of the union would infringe the privacy of persons who are not members of the union. The employer therefore must produce records to an industrial inspector within 48 hours of being notified. This means that some workers might be waiting weeks or months before an industrial inspector is available to look at the situation. How will the Government ensure that employees are not disadvantaged by this situation? How much money has been allocated in the 1997-98 budget to train industrial inspectors so that they know what to look for in respect of breaches reported by workers, given that unions will no longer have right of entry to work sites under this draconian law? How much money is currently spent on training industrial inspectors?

Hon PETER FOSS: This member continues to sprinkle misstatements of fact and opinion through her questions.

Hon TOM STEPHENS: You do that with your answers.

Hon PETER FOSS: Only when I am forced into it. The member has made a statement, and it appears to be the basis of the question, that this provision of the Act will mean that there will be considerable periods of delay. That is not correct. I find it very difficult to answer the rest of the question given that false premise. The Act provides that the employer will produce the records to an industrial inspector within 48 hours. That is not a considerable period. If the member wishes to ask the other questions without making that point, she should do so and I will answer. I must object to the member making statements upon which I must base my reply. It is rather like asking me whether I still beat my wife. I do not agree that this is a correct question. I will not answer questions that require me to agree with those statements.

Hon LJILJANNA RAVLICH: The Minister is almost implying that once a complaint has come to an industrial inspector action will be taken within 48 hours. It is one thing to receive a complaint; my concern is how long it takes for that complaint to be acted upon. What additional training has been given to industrial inspectors to ensure that they are up to the task? There are 21 for the whole of industry in Western Australia.

Hon PETER FOSS: I am quite happy to answer questions.

[4.00 pm]

Mr LLOYD: I cannot provide a precise financial figure on the amount spent on inspectors. However, this year we will spend 1 per cent to 1.5 per cent of the salaries budget on training across the department, and training inspectors will be part of that.

Mrs COOPER: In addition to the money we intend to spend this year, last year we put all our inspectors through a TAFE accredited certificate course of statutory investigation and enforcement.

Hon TOM STEPHENS: Is the drafting of the regulations of the Labour Relations Legislation Amendment Act part of the department's activities?

Mr LLOYD: Yes.

Hon TOM STEPHENS: What is the allocation of resources to that drafting of regulations?

Mr LLOYD: It would be part of the policy in legislation program. I expect a number of people will work on it at different stages; but one officer will be dedicated to it while the task is under way, with other assistance as required.

Hon TOM STEPHENS: Is it true that in the past the regulations have been drafted in collaboration with the Trades and Labor Council?

Mr LLOYD: That is before my time. I do not know what happened in the past. I have only been here since November. I am unaware of the previous practice.

Hon TOM STEPHENS: So at the moment you are not involving the Trades and Labor Council?

Mr LLOYD: Not at this stage.

Hon TOM STEPHENS: Will the regulations be necessary for the pre-strike ballots section of the Act to be implemented?

Mr LLOYD: Regulations are required for that section.

*Sitting suspended from 4.03 to 4.15 pm*

**Division 36: Western Australian Tourism Commission, \$30 580 000 -**

[Hon Bob Thomas, Chairman.]

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

[Mr S. Crockett, Chief Executive Officer.]

[Mr J. Aquino, General Manager, Operations.]

[Mr B. Easton, Chief Executive Officer, Rottnest Island Authority.]

[Mr. N. Brown, Business and Corporate Development Manager, Rottnest Island Authority.]

Hon TOM STEPHENS: For what will the \$327 000 under the heading of "upgrade" be used?

Hon N.F. MOORE: To what is the member referring?

Hon TOM STEPHENS: I will find the line item. I did not keep the page reference. Does Mr Easton know to what I am referring?

Mr EASTON: Yes, I do.

[4.20 pm]

Hon N.F. MOORE: I must know what the question entails. I have the responsibility to answer it. Let us have the question first and we will work out the answer.

Hon TOM STEPHENS: In the Budget Statements there is a reference to \$370 000 under the heading of "upgrade". I want to know to what that figure relates.

Hon N.F. MOORE: To what is the member referring?

Hon TOM STEPHENS: I have taken an extract from the Budget Statements. Can the Minister or the head of department pick up a figure of \$370 000? If not, I will come back to it.

Hon N.F. MOORE: We need a reference. There could be a number of entries of \$370 000.

Hon TOM STEPHENS: Are there that many upgrades on which that amount is being expended?

Hon N.F. MOORE: A lot of money is being spent at Rottnest. A significant upgrade of the island has occurred over the last 12 to 18 months.

The CHAIRMAN (Hon Bob Thomas): Did Mr Easton say he is aware of where that reference is in the Budget Statements?

Mr EASTON: Yes.

The CHAIRMAN: In that case we will have the answer to the question now.

Hon N.F. MOORE: With respect, I do not want to get into an argument with you, Mr Chairman, but I am responsible for the answers given in this hearing. Mr Easton may know, but it is important that the question is asked in a proper way so I know what it is.

The CHAIRMAN: I ask the Minister to confer with Mr Easton because he has the reference.

Hon N.F. MOORE: I am asking that Mr Easton does not give the answer until I know what the question is.

The CHAIRMAN: I am not asking Mr Easton to give the answer; I am asking the Minister to confer with him to find out where the reference is in the Budget Statements so that Mr Stephens can put that question to him now.

Hon N.F. MOORE: Perhaps we could not only give the answers, but also ask the questions. There are a number of areas to which around about \$300 000 is allocated. It would be better if Mr Stephens finds what he is referring to.

Hon TOM STEPHENS: Under new works there is a figure of \$319 000 for infrastructure. For what have those funds been allocated?

Hon N.F. MOORE: New fire-fighting equipment, jetty, shade and weather structures and the refurbishment of jetties other than the main jetty.

Hon TOM STEPHENS: Is the Minister saying that the amount of \$327 000 does not appear in his figures?

Hon N.F. MOORE: There is a figure of \$327 000.

Hon TOM STEPHENS: For an upgrade?

Hon N.F. MOORE: Yes.

Hon TOM STEPHENS: Only one?

Hon N.F. MOORE: I have not read through all the documentation.

Hon TOM STEPHENS: With reference to the upgrade for \$327 000, for what upgrade is it?

Hon N.F. MOORE: It is for holiday accommodation maintenance and upgrade. It is ongoing work such as the painting program, asbestos replacement program and waste management.

Hon TOM STEPHENS: That was easy, Minister. Under the heading of "new works", on what will the \$170 000 be expended?

Hon N.F. MOORE: A new public toilet block at Thomson Bay and improvements to other public buildings such as the works depot.

Hon TOM STEPHENS: Is any upgrade proposed for the general store?

Hon N.F. MOORE: Not specifically.

Hon TOM STEPHENS: Does that mean not at all?

Mr EASTON: By not specifically, we mean we are carrying out such an extensive upgrade of the landscape in and around the main mall area. We are endeavouring to clean up all the buildings, including the area behind the bakery which adjoins the general store. Although there is no specific item aimed at upgrading the general store the overall improvements to the landscape upgrade will generally improve its appearance.

Hon TOM STEPHENS: Does that come out of the \$170 000?

Mr EASTON: No.

Hon TOM STEPHENS: How much will be spent on this area?

Mr EASTON: There is no specific allocation of funds for the general store, but in excess of \$300 000 will be expended on landscaping the area north of the bakery.

Hon TOM STEPHENS: Does that include the area surrounding the bakery?

Mr EASTON: Immediately north of the bakery, yes.

Hon TOM STEPHENS: At the back of the bakery?

Mr EASTON: No, it is the area north of the bakery. The area at the back of the bakery will be improved generally as part of the landscape upgrade.

Hon TOM STEPHENS: Was information about that program available publicly?

Hon N.F. MOORE: Do you mean the total upgrade of Rottnest?

Hon TOM STEPHENS: The area around the bakery and general store.

Mr EASTON: Now that the funds have been approved through this budget process, we have appointed a consultant landscape architect. That firm is now developing a concept plan and the first copy of it is about to go to the Minister. The Minister has not seen it at this stage. It has literally just been drawn.

Hon TOM STEPHENS: Who is the architect?

Mr EASTON: Blackwell and Associates Pty Ltd.

Hon TOM STEPHENS: Presumably the environment around the bakery and general store will be much more attractive and will improve the business prospects of the area considerably?

Mr EASTON: The whole settlement area will be considerably improved. The general presentation of the island means all the businesses on the island will be better presented.

Hon TOM STEPHENS: Especially that business, which will have a considerable amount of work done on it?

Mr EASTON: No, not as part of the \$300 000. The intention is that the area immediately north of the bakery which is terribly degraded - the old tennis court area - will be upgraded. That is the area we are about to commence work on following the completion of the entrance to the island.

Hon TOM STEPHENS: If anyone was aware of that program being envisaged in advance of the information that is released to the Committee, they are at a considerable advantage in pursuing the opportunity to trade out of those premises?

Hon N.F. MOORE: I find this line of questioning quite extraordinary. Hon Tom Stephens is implying that because the Rottnest Island Authority is spending money on fixing up Rottnest it will somehow or other advantage some traders. We have spent over \$3m on upgrading Rottnest which will mean more visitors will go there and enjoy it and consequently the business operators may benefit by virtue of the fact they have more customers. Is Mr Stephens

suggesting we downgrade the place in the hope they will get fewer customers so we are not seen to be advantaging somebody who might be in business on the island?

The CHAIRMAN: I said the question was out of order and we do not need a statement from the Minister.

Hon N.F. MOORE: I did not hear you say that, Mr Chairman.

HON NORM KELLY: The first dot point on page 944 refers to events which will be held in Western Australia. Reference is made to an estimated value of over \$73m. The second dot point refers to an estimated benefit to the State of \$15.4m. Will the Minister explain how the economic benefits to the State are calculated and whether they include income for accommodation, and if so, whether they also take into account foreign ownership of hotels in Western Australia?

Hon N.F. MOORE: Mr Crockett knows the details and I will ask him to answer the question.

Mr CROCKETT: The \$73m refers to conventions and incentive business. The calculation is based on the estimate of the number of people who attend either the convention or the incentive in that given number of successful bids. That number is multiplied by the average spend figure per delegate, which is calculated from a national study giving that figure. It is a direct reflection of the spend figure by visitors. The second figure of \$15.4m which relates to events is calculated on the specific events. A research study is conducted on an event after it has been held. Those studies vary from event to event. The basic premise is that they do a survey of participants and attendees to determine a per day and length of time spend and that calculation is made as an economic spend on the State.

[4.30 pm]

HON MARK NEVILL: On weekends no-one from the Tourism Commission is available for people seeking information. Has any consideration been given to having someone available on weekends to deal with tourism questions?

Hon N.F. MOORE: The Tourism Commission is not open on weekends; it is a normal business operation. However, the Perth Travel Centre, in Forrest Place, is within the CBD. It operates during shopping hours; therefore it is open weekdays and Saturday and Sunday afternoons.

Hon MARK NEVILL: Tourist bus operators are often paid to visit certain shops and stalls. Trade can vary dramatically depending on where tourist bus operators take their passengers. I understand the Fremantle Markets' trade has dropped by about 40 per cent since January. Can anything be done to stop businesses paying tourist bus operators to favour their establishments?

Hon TOM STEPHENS: You should check the Perth Mint; it has it down to an art.

Mr CROCKETT: We are not specifically aware of particular operators who do that. I gather you are referring to various incentive payments to operators to frequent destinations. They are probably informal arrangements between businesses and operators.

Hon MARK NEVILL: Having busloads of people visiting only a few premises and avoiding others because of kickbacks can dramatically affect turnover.

Hon N.F. MOORE: It is a concern. A response in one of the surveys we did in South East Asia about people's attitudes to Western Australia was that we did not have a good restaurant scene because of insufficient places at which to eat. Perth has more restaurants per capita than most other places in the world. Bus operators were taking people to the same destination every night. That is not good for our tourism image. If we can do anything about it we will. However, if they are not breaking the law there is not much we can do about it.

Hon MARK NEVILL: Nothing is on the Internet on backpackers, nothing is in the annual report and nothing is in the infrastructure strategy study. I cannot find any information about them. They represent about 20 per cent of visitor business in Perth, half of which is international and half state. The Tourism Commission is falling down in that area. I suspect there is some need for input into that area by the board of the Tourism Commission. You are tending to look after the top end of town and neglecting that area.

Hon N.F. MOORE: I do not believe the Tourism Commission is ignoring backpackers. Many are at the top end of the market based on the amount of money they spend. They do not spend it on accommodation but on other things, which makes them very sought after tourists.

Hon MARK NEVILL: They come here to party.

Hon N.F. MOORE: It depends on who you are talking about. The backpacker market is broad. Some are professional people who come here for a long period and do not want to spend a lot of money on hotels. However,



they spend a lot of money on travel and ventures while they are here. On the other hand many backpackers are young people who have no money but stay for a long period. They are an important part of the market.

Mr CROCKETT: We do not market specifically to the broad range of backpackers as a niche group. You will notice in our marketing plans, particularly in the "Partnership to Success" annual marketing strategy for the industry, a strong focus on high yield tourism versus volume profitless tourism. Backpackers came into the high yield category by the nature of their length of stay. The right end of the backpacker market is large per day expenditure. They are targeted as part of that group and are an important part of our strategy. We undertake a number of initiatives to target that group. That same marketing strategy identifies Japan. The only market we are targeting in Japan is the FIT market, which is the fully independent market and which, in our terminology, is mostly made up of backpackers.

In the Budget Statements we refer to a new initiative for the electronic distribution system. We have taken a lot of time to consider how we will put that in place. Over the next four years it will be implemented and will pick up the categories of market you are talking about. We have not progressed down that path much because we realised the primary use of the Internet must be as a selling tool and not just for information. We are awaiting CRS and other linkages with regional tourist bureaus.

Hon MARK NEVILL: New Zealand seems to have specific packages and programs aimed at backpackers. The New Zealand Tourism Commission funds the board at the airport where the travel brochures are kept. Here the Federal Airports Corporation charges about \$50 a week for information pamphlets to be kept on the board. The Tourism Commission could do many good things if it focused more on that area.

Hon N.F. MOORE: We take on board your advice.

Hon TOM STEPHENS: Has the Elle Racing Syndicate entered a yacht in the Whitbread Round the World Race?

Hon N.F. MOORE: I understand that entries are required to be submitted before 1 June.

Hon TOM STEPHENS: Sunday.

Hon N.F. MOORE: To my knowledge no entry has been made yet.

Hon TOM STEPHENS: Are you expecting one?

Hon N.F. MOORE: I do not know. Mr Harvey, the proprietor of Elle Racing Pty Ltd, is responsible for entering the yacht. I do not know whether he will make an entry. If he does, that will be great; if he does not, that will be his decision.

Hon TOM STEPHENS: What will be the consequences for the Western Australian investment if he does not enter it?

Hon N.F. MOORE: I do not want to speculate on that now. We have a contract with Elle Racing Pty Ltd. As I said in the House, I made an opportunity available for the Leader of the Opposition, Dr Gallop, to examine the documents and the contract. He declined that offer. Crown Law advises that it should be kept confidential at this time. However, in the event that Mr Harvey does not enter a yacht, the Government will consider his decision and what are the responsibilities of both parties under the contract. The appropriate action will then be taken.

Hon TOM STEPHENS: Is the Minister prepared to take on notice whether the contract will be made available to this Committee?

Hon N.F. MOORE: The contract was sought by the Leader of the Opposition, Dr Gallop, under freedom of information. The Tourism Commission's FOI officer ruled it should not be made available because of commercial confidentiality. I understand that has been upheld by an internal review. I understand an appeal is being lodged by Dr Gallop and *The West Australian*. That will be assessed by the FOI Commissioner. In the event she rules it should be made available, it will be. Otherwise it will not be made available.

Hon TOM STEPHENS: I place on notice my request that the Minister make available to this Committee a copy of the contract. If he cannot, why not?

Hon N.F. MOORE: As I told the member, I will not make it available now. If the FOI Commissioner rules that it should be made available publicly, that will be done.

Hon TOM STEPHENS: It should be made available if this Committee requests that it be made available.

Hon N.F. MOORE: Hon Tom Stephens can leave the question on notice. However, according to the advice of Crown Law it would be potentially detrimental to the interests of Western Australia to make that document public at present because of the nature of the contract.

The CHAIRMAN: Hon Tom Stephens wants the Committee to pursue that matter. He can write to the Committee, and we will consider it at our next meeting.

Hon TOM STEPHENS: Have any Elle advertisements been used in an advertising campaign in Australia or overseas?

[4.40 pm]

Hon N.F. MOORE: They have started in the Eastern States.

Mr CROCKETT: The first wave has been conducted in Sydney and Melbourne.

Hon TOM STEPHENS: What has been the response to the advertising?

Mr CROCKETT: So far, based on anecdotal evidence only, the response has been very positive. The research we had in place for all our advertising campaigns to gauge effectiveness on consumer awareness commences shortly and we can look at their effect on consumer awareness once we have that result.

Hon TOM STEPHENS: Did the research identified in the advertising campaign, at a cost of \$424 000, include market testing of Elle Macpherson in South East Asia?

Mr CROCKETT: No, it did not. It included market testing of the commercials produced, but it did not specifically include market testing of Elle Macpherson. In fact, most of the research was conducted to specifically determine the potential audience to whom we needed to direct the advertisements, what they were attracted by and the motivating factors. The research was to determine the major points to be included in the advertising.

Hon N.F. MOORE: The advertisements to be shown in South East Asia will not show a great deal of footage of Elle Macpherson; she appears in one of the advertisements depicting the Mindarie Quays dolphin attraction, but the main advertisements in which Elle Macpherson plays a major role will be shown in the Eastern States and Europe.

Hon TOM STEPHENS: I gather that the involvement of the yacht fits in as part of the \$10m advertising campaign?

Hon N.F. MOORE: We spent some \$10m on the Brand WA campaign, which is the overall program promoting Western Australia. Elle Macpherson is quite a small part of that program. That advertising strategy came from the in-depth research to which Mr Crockett referred which identified a number of problems we have in the international marketplace. The Brand WA strategy is about addressing the specific issues raised through the research. Quite a large proportion of the Western Australian Tourism Commission's budget is directed to promoting Western Australia, and the Elle Macpherson commercials are but a part of that program.

A sponsorship deal was made between the Tourism Commission and Elle Racing Pty Ltd in relation to the yacht, which is part of a separate contract which I have already discussed.

Hon TOM STEPHENS: Is that aimed at ensuring media exposure for Western Australia at the stopover points of the Whitbread Round the World Race?

Hon N.F. MOORE: That was part of the contract with Elle Racing Pty Ltd in the event of the yacht sailing; when the contract was entered into, it was assumed it would sail. Part of the arrangement was for Ms Macpherson to make public appearances at four stopover locations during the race itself.

Hon TOM STEPHENS: Do you have a contingency plan if the yacht is not to sail in the race?

Hon N.F. MOORE: We simply will not have an Elle Racing yacht sailing and stopping at those points; in which case, she will not be required to be there.

Hon TOM STEPHENS: So it will not stop in Fremantle?

Hon N.F. MOORE: The race will stop in Fremantle. The Leader of the Opposition must understand that the Whitbread race starts in September this year and visits Fremantle in November. When the negotiations were undertaken on this race, Fremantle was included as a stopover point. However, it was made clear to us that unless Australia enters a yacht in future Whitbread races, the likelihood of a stopover in Fremantle, or indeed in Australia, would be significantly diminished. As it is so important for Western Australia from an economic point of view to have the race come to Fremantle, we were enthusiastic supporters of Elle Racing Pty Ltd's proposition which gave the capacity to say to Whitbread that we have an Australian entry. It came together when we were seeking an Australian entry to ensure the future of Fremantle as a stopover point. The race will stop here this time. If we do not have a yacht in the race, Whitbread will decide whether to stop in Fremantle in future races.

Hon TOM STEPHENS: Did you speculate on where they might stop if they did not stop in Fremantle or elsewhere in Australia on the way through the Southern Ocean?

Hon N.F. MOORE: It is not for us to speculate.

Hon TOM STEPHENS: It is a little hard not to stop somewhere in Australia on the way through those waters.

Hon N.F. MOORE: We operate on the basis of what the organisers tell us they are contemplating. We want them to come to Fremantle, as the race stopover has \$12m in economic benefit for Western Australia for the duration of the stopover. It is not insignificant. It is very much supported and appreciated by the local business and community of Fremantle.

Hon TOM STEPHENS: Let us hope that the Government got into bed with a businessman who will put a yacht into the race.

Hon N.F. MOORE: We hope the yacht sails. If it does, it will be a magnificent attraction because people will follow its progress because of the publicity it has attracted. If it does not race, it will be unfortunate.

Hon NORM KELLY: Can the Minister explain the delay between the nature based tourism strategy's release and implementation?

Hon N.F. MOORE: I understand that the draft report was released for public consideration and we received a number of responses to that draft. A final document has been prepared which we have yet to release as we were relying on funding for implementation. The member will be pleased to know that this budget contains \$100 000 to kick it off on 1 July, and \$200 000 in the two years beyond that. I expect that we will finalise the detail of the strategy and make it public very soon.

Hon NORM KELLY: When you say "very soon", are you talking, say, a month?

Mr CROCKETT: Some of the initiatives we are working on pre-empt the fact that the strategy will be formally endorsed. As the funding is in place, we hope to kick off the first couple of initiatives in the first couple of months of the next financial year.

HON M.J. CRIDDLE: Tourism will be one of our most valuable industries in the future. Page 947 of the Program Statements outlines the development of professionalism and quality assurance in this industry. How will that impact on our work force, and what programs are put in place to train people?

Hon N.F. MOORE: The Western Australian Tourism Commission has entered into an arrangement with the Tourism Council of Australia (WA Division) in supporting its attempts to become the peak industry body as the provider of tourism in Western Australia. The arrangement between the commission and the TCA involves quality assurance for providers of tourism services. Various providers will be accredited in programs we are putting in place. The member is right in saying that tourism has the potential to be a huge industry in Western Australia, but we need to ensure that the service is first class - some services are not always first class yet. It is fundamental to ensure that we deliver the quality services people come to expect wherever they travel in the world these days.

[4.50 pm]

Mr CROCKETT: The program will be a leader in the Australian market. It is based on industry self-regulation through the council as an association representing all industry. It is tiered for all levels - from single operators, to ensure they meet the requirements, to the highest level of five star hotels. It will link in with the national quality assurance standards for coach operators, hotel operators, health operators, and those sorts of things. It will be fully integrated. It will be the pilot program for the national level, so the added benefit for Western Australia is that we will be the leader in the national program and recognised as such.

Hon TOM STEPHENS: I refer to the \$3m of private sponsorship that will be raised by the marketing manager of the Rally Australia unit. What accounting mechanisms are involved in that process, and why are public servants involved in raising private sponsorship?

Hon N.F. MOORE: Rally Australia was acquired for Western Australia by the previous Government. It is probably our most significant event, but it does require a large amount of investment by the Government of Western Australia and the private sector. The economic return to Western Australia is significantly greater than the number of dollars spent on running the rally. Rally Australia is considered by most participants to be the best rally in the world. The event that is held at Langley Park is unique. This is the tenth anniversary of that rally, and I hope it will be a super special occasion this year.

Mr CROCKETT: The \$3m of private sector support is secured in a number of ways. It includes entry fees from the general public, some aspects of television advertising, and the purchase of signage and corporate hospitality. Most of that sponsorship is secured by a simple mass direct mail out to people who may be interested in taking up those opportunities. There is also an element of direct sponsorship in the form of a naming sponsor or various supplier sponsors, and they are secured in the normal way by making presentations to companies which are perceived as wanting the opportunity to invest in that form of advertising. In other areas, the sponsorship constitutes merchandising, catering concessions and the like.

Hon N.F. MOORE: Rally Australia is operated by the Tourism Commission. Therefore, employees of the Tourism Commission are involved in running that event, and part of their activities is to obtain sponsorship.

Hon TOM STEPHENS: I refer also to the World Mining and Energy Games. Is it a normal process for the Tourism Commission to provide funding to assist a private company to bid for such events?

Hon N.F. MOORE: Yes. People put propositions to the Tourism Commission through EventsCorp for assistance to run events. The job of EventsCorp is to assess the potential of those events against a range of criteria, which relate essentially to tourism issues and whether there will be an economic or tourism benefit to Western Australia. Each submission is assessed on its merit. The Hopman Cup, which is another EventsCorp supported event, was the brainchild of an individual and his company, and the former Government, quite properly, entered into an arrangement to support that event. I have already talked about Rally Australia, which the Tourism Commission runs through a subcommittee.

The World Mining and Energy Games was a proposition put to EventsCorp by a private group which wanted some support. EventsCorp regarded it as a potentially good event and made available \$125 000 for the first occasion on which it was run in Western Australia in 1995. Most of the money spent on running that event was provided by the promoters of the event. That event did not meet the expectations, but I spent some time yesterday talking to Mr Tolhurst, the promoter of that event, who claims that some of the publicity he has received in recent times about the success of that event was wildly exaggerated, and he believes it was quite successful. He has sought funding to run that event again. EventsCorp has decided not to support it on this occasion, and I expect that Mr Tolhurst will now take it to some other place, perhaps South Africa or the Eastern States.

Hon TOM STEPHENS: Am I right in saying that \$25 000 was allocated to Mr Tolhurst so that he could make a submission to the Tourism Commission, and he then succeeded in getting \$100 000 to run a games event in which there were no competitors?

Mr CROCKETT: I am not sure about the initial \$25 000 and the wording of the question, but initially some funds were made available to put the bid together, and the bid constituted primarily determining whether the major mining and energy companies in the world were interested in a games based on the principle of the world firefighters' games and the world policemen's games - a well-founded principle of creating a games event around a particular industry sector. A subsequent amount of money was provided to assist in the management of the games, but it was decided to go ahead with the games in their entirety. It did have a significant number of competitors, although not as many as were anticipated, and there was a significant amount of private sector sponsorship.

Hon TOM STEPHENS: What is a significant amount?

Mr CROCKETT: I cannot remember the figures, but I can give them to you.

The CHAIRMAN: That question is on notice

Hon N.F. MOORE: EventsCorp must assess every possibility that is put to it. Many people put propositions to EventsCorp for assistance to run events which do not receive support at all; and, on occasions, the expectations are not met. In the next six to 12 months in Western Australia, some 12 international events will be held, most of which have been organised under the auspices of EventsCorp. It is a highly successful organisation in acquiring and promoting events. The number of events that are held in Western Australia is probably in excess of the rest of Australia combined.

I am pleased that Hon Tom Stephens is so interested in this because I have written to him and other members today drawing their attention to the Best on Earth in Perth program to be run over the next 12 months, and I hope he will go and witness some of those events and get the same sort of pleasure that most other people get out of them.

Hon TOM STEPHENS: Does that involve any business friends or acquaintances?

The CHAIRMAN: That question is out of order.

Hon N.F. MOORE: The Tourism Commission at the time that Mr Tolhurst sought support contained such luminaries as Helen Creed from the Miscellaneous Workers Union.

The CHAIRMAN: That question and answer are out of order.

Hon NORM KELLY: With regard to the accommodation supply and demand study, I have received a few criticisms that there is not an adequate star rating system in Western Australia for hotels. Will the evaluation that will take place this year look at the implementation of a star system, and also at the fact that the word "hotel" has a different meaning in Australia than in other countries and much of international tourism is led by what is meant by the word "hotel"?

Mr CROCKETT: The study is primarily to develop a supply and demand model to address the issue of the boom in hotel accommodation during the 1980s and the subsequent oversupply and drop in rates and occupancies. We will look at the balance between supply and demand on the basis of star ratings, which has been a critical issue. It has been identified that we have had not enough four star rooms and too many five star rooms. The number of rooms is critical.

The star rating is currently the responsibility of other organisations, and as part of the development of that model we will be raising with hoteliers the use of the star rating to try to bring it into line with international markets so that the supply-demand model will be more accurate.

[5.00 pm]

Hon NORM KELLY: Is the commission working with other States as well? This will not really work unless the system is Australia wide.

Mr CROCKETT: The strategy is to try to link it up with other States, much as we have done with quality assurance. Because of the real impact of bad supply-demand matching, we feel that it is important that we progress as quickly as we can and hope that we can encourage the other Australian States to follow suit.

Hon TOM STEPHENS: The Aerobica event has \$117 000 that the Western Australian Tourism Commission contributed, together with funds from Healthway and Sports Medicine Australia of about \$28 000. Did the WATC take steps to ensure that it was aware of the full amount of government money that had gone into the private entrepreneur's funding sources before it allocated the \$117 000? If the event is expected to make a profit, to whom do these profits go, and how much of the loan money have the organisers of the event contributed?

Mr CROCKETT: Generally speaking the answer as to whether we are aware of other sponsors is yes, when they transpire. Often we are the first to be involved in securing the event. Therefore when our level of assistance is set, we are not always aware of all the potential sponsors who may come in. Part of the organisers' responsibility is to secure their own sponsorship, so they will try to get sponsorship from whomever they can.

Hon TOM STEPHENS: You do not care if sponsorship comes from another government source?

Mr CROCKETT: We are interested in that. They tell us in all cases when it comes from other sources. Another government agency's decision to contribute towards an event may be different from ours. Many agencies in the business of health message sponsorship, for example, fund for reasons other than tourism. However, we fund specifically for tourism, which is our primary objective.

Hon TOM STEPHENS: What about the profits?

Mr CROCKETT: All of our contracts have a provision for what happens in the case of an event making a profit. I cannot recall exactly what are the provisions of the contract.

Hon TOM STEPHENS: Could you make that available, plus the answer to the question of how much of their own money the organisations contribute to the staging of events?

The CHAIRMAN: Those questions are on notice.

Hon N.F. MOORE: This event is on this weekend and is the International World Aerobic Championship to be held here in Perth. Quite obviously an organisation called Healthway, which is seeking to get across a health message, would sponsor an aerobics event because of its nature and the relationship it has with health. A number of other activities are going on in association with the aerobics championship. It will be a very big weekend for people interested in the sport.

The CHAIRMAN: I thank the officers from the Tourism Commission for their contribution. We will put on notice 11 questions which relate to the lines of inquiry the Committee is conducting and some from Hon Tom Stephens, which he has asked of every agency.

**Division 9: Treasury, \$380 402 000 -**

[Hon M.J. Criddle, Chairman.]

[Hon Max Evans, Minister for Finance.]

[Mr J. Langoulant, Under Treasurer.]

[Mr R. Illich, Director, Budget Management, Treasury Department.]

[Ms A. Nolan, Assistant Under Treasurer.]

[Mr G. Hay, Acting Assistant Under Treasurer.]

[Mr D. Collister, General Manager Finance, Westrail.]

[Ms K. Mulligan, Management Accountant, Westrail.]

[Mr A. Roberts, General Manager, Finance and Administration, Water Corporation.]

[Mr N. Ninkov, General Manager, Corporate Strategy, Western Power Corporation.]

The CHAIRMAN: I welcome the Minister and his advisers. Would the Minister provide answers to the generic questions within three working days?

Hon MAX EVANS: Yes.

Hon MARK NEVILL: Has any estimate been made of what the sale of BankWest has saved the State in interest payments this year compared to the loss this year of revenue that would have been gained if the bank were still in partnership with the State?

Mr LANGOULANT: The estimate of the net reduction in interest costs to the consolidated fund was in the order of \$82m in a full year. Therefore, there would be roughly \$82m of savings in the cost of interest in the year 1997-98.

Hon MARK NEVILL: Does that include the advance from the Commonwealth in the form of the interest saving grant?

Hon MAX EVANS: The interest saving reduces the debt. One of the big reasons we looked at floating BankWest was that the Reserve Bank was about to require us to double our capital in line with other private banks. That would represent another \$400m to \$500m. In addition, there would be an ongoing liability. Those are the real reasons; the other savings were a benefit at the end of the day.

Hon MARK NEVILL: As a result of the change of Government and with the new financial federal-state agreement, in which areas has the State a better deal and in which areas has it a worse deal? Is the Minister able to quantify it?

[5.10 pm]

Mr LANGOULANT: The principal improvement came about as a result of the introduction of the real per capita guarantee to our financial assistance grants which were part of the State's agreement to the competition policy arrangements. They have been in place for about two years now. That has probably been the most significant change in commonwealth-state finances over the past two years. During that time we have been making a fiscal contribution to the Commonwealth to assist it in getting a better budget outcome. That amounted to about \$59m in 1996-97 and slightly over \$60m in 1997-98. It winds back to about \$30m in 1998-99 and it is then terminated. That is probably the most significant change in commonwealth-state funding in recent times.

Hon MAX EVANS: In other words, we got a wonderful benefit, but we gave it all back. If the member has any friends in Canberra he might write a letter to them, as I will, and tell them that the first time they get \$1.5b in excess funds, it should be paid back to the States because that would help us enormously.

Hon MARK NEVILL: Does that mean that there were offsets to the SGIO sale and what we received from the BankWest deal we had to give back?

Hon MAX EVANS: We were lucky because we knew the SGIO sale was going ahead. We put the BankWest deal on hold. Tasmania sold off a very small asset and got a tax compensation. It was about to sell off a larger asset - I think it was an insurance company - but it did not go ahead with it because it would not have received any tax savings.

Mr LANGOULANT: The States were entitled to compensation for income tax forgone on the sale of either a bank or an insurance company - one or the other, but not both.

Hon MARK NEVILL: Mention was made in previous comments of the competition reform payments. In the documents I notice \$21m is expected from that source this year. Specifically what are we getting that for?

Hon MAX EVANS: At the Premiers' Conference last year or the year before when approval was being sought for this competition policy, it was worked out that the Federal Government would make billions of dollars from the whole deal because all States would have to sell power and gas at a much lower price. It would involve more company taxes. Prime Minister Keating originally offered \$150m for the first year, increasing to \$500m. At the last moment, he decided to lift the initial amount to \$200m. When we were advised of the \$150m I told the Premier that it was not very much; it represented only 25 per cent of our telephone bills. When the amount was lifted to \$200m, it represented 10 per cent of our telephone bills. That is all we got out of it. It increases to \$600m in the year 2001-02.

Hon MARK NEVILL: Does that mean Western Australia gets that 10 per cent irrespective of whether we privatise our power system?

Hon MAX EVANS: It is not from privatisation; it is for complying with the competition policy, looking at the public interest and going through the whole process. It is not about selling anything at the moment.

Mr LANGOULANT: I can provide a little more detail. The States entered into certain obligations under the competition policy arrangements which are associated with the competition payments to which the member refers. In terms of qualifying for the first tranche, some of the obligations we must meet include a review of our legislation to identify any anticompetitive provisions it might have and how we intend to undertake a review of those. We must introduce principles for the application of competitive neutrality arrangements to our major trading enterprises that are operating in commercial markets and we must indicate how those arrangements will be implemented. There are also arrangements associated with the application of the competition policy to local government. Then there are reforms in the area of gas, transport and water, although the water reforms become more significant in later tranches of these competition payments.

Hon MARK NEVILL: The revenue section shows \$11.8m from the Western Australian Development Corporation for this year. What is that revenue generated by?

Hon MAX EVANS: From memory, it is repayment of the last capital. Originally there was about \$25m in capital. There were a lot of debts and some things were sold over the years, but I am not certain what they were. This is the final distribution of the assets. I think some money is still owing in the Exim account for some of the cattle stations. We are still settling a couple of claims there. Virtually the money goes from one place to the other, and from memory there is not much money left in this area.

Hon MARK NEVILL: There is also \$4.04m from Exim as a separate line item.

Mr LANGOULANT: That is the Treasury expectation. We expect that the remaining legal obligations associated with Exim, just as with WADC, will be completed in 1997-98. The Minister is correct in that it relates to a legal proceeding about a cattle operation. Once that is completed, we expect to wind up Exim and the remaining funds will be returned.

Hon DERRICK TOMLINSON: My question follows on from those of Hon Mark Nevill. On page 1020 of the budget papers a sum of \$21m is indicated as commonwealth recurrent grants. I am interested that this is shown as a general revenue grant, not a specific purpose grant. Therefore, I assume it is not earmarked in a sense that a specific purpose grant is. From what Mr Langoulant said, even though it is shown as a general revenue grant, conditions are applied to it. The grant must be allocated to those purposes. Even though it is not earmarked in the sense of a specific purpose grant, there are constraints on the discretionary authority of the State for expenditure of it.

Mr LANGOULANT: That is not quite correct. The moneys are provided to us for general purposes. They are not earmarked for a specific use, such as specific purpose payments might be under the Medicare arrangements or the commonwealth-state housing arrangements for example, where the moneys must be used for specific purposes. However, the moneys are provided on the condition that the various obligations we entered into in 1995 have been met. For that purpose the national competition council was established as part of the competition policy arrangements. It will undertake a review of the degree of implementation by the State of the various obligations that were undertaken in 1995 and make recommendations about whether these competition payments should be paid.

Hon DERRICK TOMLINSON: That is a very nice distinction. Some examples were given of what schools or hospitals or whatever are spending on state functions at the direction of the Commonwealth -

Mr LANGOULANT: Yes.

Hon DERRICK TOMLINSON: - by comparison with what Mr Langoulant calls various obligations that the State entered into to receive the incentives to take part in the national competition policy. I understand the difference

between specific purpose payments and general revenue grants for various obligations, to use the same terms. The State is now allowed a great deal of discretion as to how the moneys are used as incentive money for participation in the national competition program.

Mr LANGOULANT: I will agree with the member to the extent that the moneys are not as freely provided by the Commonwealth as, for instance, the financial assistance grants are, particularly in terms of the real growth in those payments. There are obligations on the competition payments. The member is right in identifying that.

[5.20 pm]

However, we are free to use the moneys, having met the obligations, as the Government wishes, which is the distinction. It is the clear distinction between a specific purpose payment and these payments.

Hon DERRICK TOMLINSON: Are similar incentive payments available to local government?

Hon MAX EVANS: No. That has been raised by local government. The \$21m is a lousy bit of money for what is done. My tobacco control legislation has been approved by Treasury and Cabinet.

Hon DERRICK TOMLINSON: The Minister has obviously been lobbied by the same people as I have, because, while there is this focus on ensuring that all government and private sector activities are competitively based, the complaint from local government is that it too is encouraged to become competitively based according to the national competition policy. However, it gets no incentives from either the Commonwealth or the State.

Mr LANGOULANT: Local government does not receive the competition reform payments as are shown here. However, as part of the competition policy arrangements, the per capita component in the growth in our financial assistance grants, which are shown above the \$21m, is also linked to the State meeting the obligations of the national competition policy arrangements. At the same time as we entered into these arrangements in 1995, local government financial assistance grants were also increased by a real per capita component. The per capita component for local government at that time was its incentive payment to implement national competition policy. The thing that has changed in 1997-98 is that the Commonwealth Government has withdrawn the per capita component of those grants to local government. It is a one year withdrawal of those funds. The per capita growth resumes in 1998-99. Local government has an argument with the Commonwealth over its withdrawing its incentive payments for the implementation of the national competition policy.

Hon DERRICK TOMLINSON: Thank you for that. Is there some way I can get a reference so that I can provide it to my local government lobbyists?

Hon MAX EVANS: We will arrange that. When the Federal Government gives something, it takes it from somewhere else in the system. It never comes out of its bank. When New South Wales and Victoria did a deal over the Medicare Agreement a few years ago, all the other States had to pick up the shortfall. The Federal Government made no contribution.

Hon MARK NEVILL: I presume the tax equivalent receipts have come across the board as a result of the Hilmer changes. Did they all come in on 1 January? Are the amounts estimated for 1997-98 for a half year or am I wrong?

Mr LANGOULANT: The introduction of these tax equivalent payments has been ongoing now for the best part of two years. Western Power and AlintaGas were the first two that came in, on 1 January 1995. They have been introduced as a result of the reform program which the State has been introducing for government enterprise operations. It so happens that the application of these competitive neutrality requirements to the trading enterprises was also recommended by the Hilmer committee. They have been introduced progressively.

Ms NOLAN: The entities came into the TER system on a range of dates. AlintaGas and Western Power commenced when they were corporatised in 1995. The Water Corporation came in on 1 January 1996, and the port authorities on 1 July 1996, as did the Bunbury and the Busselton Water Boards and Westrail. The member sees some timing effects because TERs are lagged under the Australian tax system. We use the same payment schedule as that which occurs in the Australian tax schedule. Therefore, there is some lagging of payments and the entities came into the system on a variety of dates. They are now all in. Rather, the last one to come in is the SGIO, on 1 July 1997.

Mr LANGOULANT: There were a number of entities. For instance, the Gold Corporation has been operating under the tax equivalent regime system since 1987. BankWest under its old guise of the R&I Bank was operating under tax equivalent arrangements for some time, as was the SGIO. There has been a progressive implementation across the entities.

Hon MARK NEVILL: Has that been a fairly big revenue raiser for Treasury over the last two Budgets?



Hon MAX EVANS: No. There was a statutory levy of 5 per cent for AlintaGas and Western Power. There was not much in it because CSOs come into it also. We have not made much money out of it.

Hon MARK NEVILL: So, the levies have gone?

Hon MAX EVANS: Yes.

Mr LANGOULANT: All of the old 5 per cent statutory corporation levies have been replaced with dividend arrangements and these tax equivalent regimes. We have introduced these regimes across the trading enterprises on a broad revenue neutral basis and, as the Minister indicated, we have also introduced community service obligations and the payments for community service obligations. They, too, have been configured together with the dividend and tax equivalent arrangements to be on a broadly neutral basis to the Budget. The net increase in the revenue has been very marginal. For some of the trading enterprises, particularly the ports, we have taken the tax equivalent payments and re-injected them into those organisations as equity injections as a means of strengthening their balance sheets. In net terms, the change has been small from the arrangements that preceded the tax equivalent regime.

Hon MURIEL PATTERSON: What action has the agency taken to ensure that the controls over the recording of public property are adequate?

Mr LANGOULANT: As the Minister said, the Government property register has been introduced over the last couple of years. That has provided the most comprehensive register of asset holdings that the State has had. In addition, the progressive implementation of accrual budgeting arrangements has helped in focusing agencies on properly identifying their asset base, and also the introduction of the whole of government reporting that has been in place for three years again places a focus back on what asset base the agencies have. So a number of systemic improvements are occurring in the financial reporting of agencies. That ensures that asset base control is being improved.

Hon MURIEL PATTERSON: Has everything been listed?

Hon MAX EVANS: There are 180 000 blocks on the government property register with 136 000 titles. Most appraisal systems for the valuation of land have been all right. Over five years we will check all the properties on the register. It has not been completed to the last dollar and cent. We have done the survey for fire insurance purposes. However, our valuers will go out to value what is on the blocks. It is nearly \$10m overall. As a result of this, one department found out the other day that it has tens of millions of dollars more land than it thought it had because it was not on its register. We have now picked up all the land owned by government. Under the Land Administration Bill, which was in the House a few weeks ago, the Government will create a certificate of title for every one of its blocks of land in the same fashion as the private sector so people can search them better and find out more about them.

[5.30 pm]

Hon SIMON O'BRIEN: I understand an appeal on the franchise fee for tobacco products is currently before the High Court.

Hon MAX EVANS: Two cases have been instituted by wholesale cigarette distributors in the Eastern States - Ha and Lim and Walter Hammond and Associates Pty Ltd v the State of New South Wales - that the tobacco franchise fee is a tax and is unconstitutional. We charge a fee for a licence to sell cigarettes based on sales in the previous month. That is 100 per cent of the cost of cigarettes. In another recent case Arafura challenged the fuel tax. However, it ran out of money and that case collapsed.

Hon SIMON O'BRIEN: It is not a tax, it is an excise.

Hon MAX EVANS: It is a franchise fee to allow one to sell cigarettes.

Hon SIMON O'BRIEN: What is the potential financial impact? How soon would the impact be felt, and what would be the consequences for state finances if this appeal were successful?

Hon MAX EVANS: We received \$295m from the tobacco franchise this year. An amendment to the Limitation Act has been introduced to the Parliament as a defence against recoveries of taxes and other imposts. If the Capital Duplicators case in December 1993 on X-rated videos had gone against the State, it would have affected tobacco, alcohol and fuel franchises. Former Prime Minister Keating said he would introduce legislation but that did not go through, and the current Federal Government has not proposed any legislation at this stage. Western Australia will rely on the Limitation Act; however, some States do not even have that.

Mr LANGOULANT: To give the member an appreciation of the extent of this problem, if the worst case scenario were to arise and the High Court ruled that all franchise fees were excises, the impact in 1997-98 would be slightly

more than \$600m; that is, \$600m of our discretionary revenue or state own source revenue out of \$3b. It is a significant item on the horizon in commonwealth-state relations.

Hon JOHN HALDEN: I seek some clarification about the role of Treasury in relation to contracts and contracting out of tenders - sometimes they can be interchangeable. What is the Treasury's role in that area in the whole of Government?

Mr LANGOULANT: Treasury has a number of roles to play. We undertake those at different times. We are intimately involved in the development of the guidelines that form the basis of the competitive tendering and contracting process that government agencies undertake. The guidelines will assist agencies in the correct procedures for costing the various tenders, particularly the in-house tenders, so there is a truly competitive comparison between in-house and external bids. Treasury has a role in assisting agencies identify opportunities for making savings in their budgets. That can include contracting services, and where there would be savings to those agencies. Treasury has participated in a number of assessments of tenders as they have been submitted. We have also participated directly in undertaking whole of government tenders.

In addition, Treasury is involved in privatisation arrangements. Treasury was a significant contributor to the assessment of the BankWest privatisation process, which was a tender process. It will be similarly involved in the sale of the Dampier to Bunbury gas pipeline. Treasury has participated in a number of other smaller sales both in conducting the tender and in the assessment of the tender.

Hon JOHN HALDEN: Did Mr Langoulant say that the guidelines had been developed or are being developed?

Mr LANGOULANT: Guidelines are in place. Treasury has been most closely involved with the costing guidelines; that is, the guidelines which agencies refer to in costing their in-house bids, and which they use to assess different bids from both the public and private sectors in those tender processes. We constantly review those.

Hon JOHN HALDEN: What role does Treasury play if those guidelines are breached or not adhered to?

Hon MAX EVANS: If the agency gets it wrong, Treasury brings it into line. If the agency is competing in the private sector, there must be some guidelines to ensure it is not fiddling the books to make certain it retains the contract.

Mr LANGOULANT: Our role is one of assisting agencies to ensure that guidelines are properly applied. If there is a departure from that, it is a matter for the Supply Commission and Contract and Management Services to ensure adequate compliance.

Hon JOHN HALDEN: Would they notify Treasury if there was a problem?

Mr LANGOULANT: Yes.

Hon JOHN HALDEN: Did Treasury have any involvement with the Elle contract, and did it comply with those guidelines?

Mr LANGOULANT: We did not have any specific involvement.

Hon JOHN HALDEN: Will the Under Treasurer check whether that contract adhered to those guidelines? I am making a request, through the Chairman, that the Treasury look at the Elle contract to assure the Committee that it adhered to Treasury guidelines. The answer is either yes or no.

Hon MAX EVANS: I suggest that be put direct to the Treasurer.

Hon JOHN HALDEN: I asked through the Chairman whether the Elle contract adhered to Treasury guidelines in this area.

Hon MAX EVANS: We are at cross-purposes as to the role of Treasury to look at it. This is a matter for Contract and Management Services, or has the member asked the question of that department already?

Hon JOHN HALDEN: I deliberately waited for Treasury. The first question I asked was about Treasury's role in contracts, contracting out and tendering. There is a contract with Elle. The Under Treasurer told me that Treasury had developed guidelines in these areas. All I am asking is whether that contract adhered to Treasury guidelines. It is a simple request. However, if it causes some pain say no; if not, say yes.

[5.40 pm]

Hon MAX EVANS: I come back to the use of the words "contract, contracting out and tendering". They look at the financial deals to look at the costing, not at the cost of the deals.

Hon JOHN HALDEN: If that is the answer, I am happy.

Hon MAX EVANS: The member should put the question to the Department of Contract and Management Services or the State Supply Commission.

The CHAIRMAN: We can leave the question as it is. If the Minister chooses not to answer it, we cannot do anything about it.

Hon JOHN HALDEN: Can I put it on notice?

The CHAIRMAN: It is taken on notice.

Hon HELEN HODGSON: Does Treasury have anything to do with the management of the ComsWest contract?

Mr LANGOULANT: Not on a day to day basis.

Hon HELEN HODGSON: Is that question more appropriate for the Ministry of the Premier and Cabinet division?

Mr LANGOULANT: That contract is administered by the Department of Contract and Management Services.

Hon HELEN HODGSON: You said, not on a day to day basis. Do you have any oversight of the guidelines for that contract?

Mr LANGOULANT: This is an opportune time to clarify Treasury's role. It does not provide an auditing or a policing role. That is what the State Supply Commission, the Department of Contract and Management Services and other bodies undertake. The answer to the member's question is no.

Hon JOHN HALDEN: I refer the Under Treasurer to comments that were made in the Press about the Kingstream project. Concern was raised about the State's vulnerability in underwriting that project. Has the Minister or the Under Treasurer reviewed that project and the comments which were made and has there been any change in that concern?

Hon MAX EVANS: There are four aspects to the project - roads, water, rail and harbour. From memory, Geraldton harbour can be used for cargo up to a certain tonnage. The changes to the rail and road systems must be financed. We are looking at the private sector to do a deal to build a specialised harbour. We will need to use the commercial rate per tonne as a benchmark to determine the tonnage we will need before we proceed with a new harbour. It is like a take or pay policy on gas. If it requires 10 million or 12 million tonnes to break even, a supplementary factor could be needed. AUSI Steel and Asia Iron could be involved and they could increase the tonnage. It is a bit like the Burrup Peninsula in the north west, where the tonnage increased. There could be a compensation factor. The Government would not be financing it.

Hon JOHN HALDEN: The Government would be underwriting it. Has Treasury's view on its concerns, which were expressed in a leaked document, changed?

Hon MAX EVANS: I do not know anything about that. I do not know what the member is talking about. The member can put a question on notice and we might be able to provide an answer.

Hon JOHN HALDEN: The State, by virtue of underwriting that project, could be placed in considerable financial vulnerability in the short term. Has Treasury looked at that situation since that statement was made and does it still consider the State could be vulnerable in terms of the project, and to what extent in dollar terms?

Hon MAX EVANS: Since the original pipeline the State has been underwriting major projects. There is a debt factor on borrowing money. The Burrup Peninsula is underwritten on a guaranteed take or pay policy. We have about \$300m of prepaid gas there which has been financing that. There is only a certain time frame in which that can be used. This project still has to be agreed to. No agreement has been reached. They are saying we can be vulnerable to claims. That is no worse than what has been done in recent years. It will be a normal business risk if one knows what will take place. I understand the main underwriting would be in the income stream, which is what we did with Burrup. That was deregulated and the price of gas decreased.

Mr LANGOULANT: In terms of Treasury's role there are a number of aspects of this project which are being brought to finalisation. They will be taken to Cabinet in the relatively near future. That will be the time we will do our review, as we normally do of all these projects, and provide advice to Cabinet.

Hon HELEN HODGSON: On page 1020 there is a specific purpose grant under "Commonwealth Recurrent" of \$100 000 for Aboriginal employment and career development. To what program is that allocated?

Mr LANGOULANT: Revenue for this particular scheme is used to meet expenditure incurred by state and public sector agencies on Aboriginal public sector employment programs. Agencies currently involved in the program include the Department of Aboriginal Affairs, Family and Children's Services, Homeswest and Perth Dental Hospital.

Hon HELEN HODGSON: Is it across a broad range of departments, not just within Treasury?

Mr LANGOULANT: Yes, that is right.

Hon MAX EVANS: Last night Syd Shea said in this place that the Department of Conservation and Land Management is the second largest employer of Aboriginal people and its name should be included in that list because it would receive funds from that scheme.

Hon JOHN HALDEN: I come back to the issue of contracts and guidelines. I refer to the Joondalup Health Campus. I understand Treasury monitored that contract. Were the Treasury guidelines of the time adhered to for that contract?

Mr LANGOULANT: The member is correct in saying Treasury was involved in advising on the various tenders that were put forward. The features of this tender, because it was in the nature of a build, own and operate scheme, were different from what would normally be the form of tender arrangements that fit neatly with Treasury's costing guidelines. Essentially it was a privatisation arrangement. Benchmarks were established for the service the public sector could provide and they were used as a reference point in assessing the various bids. Treasury was involved in providing advice on that range of matters.

[5.50 pm]

Hon JOHN HALDEN: Was the lowest bidder the winner of the contract?

Mr LANGOULANT: My recollection is that it was. It was a bottom line outcome.

Hon JOHN HALDEN: I thought that the bottom line outcomes were variable depending on the components. I thought also there was a degree of conjecture between the tenderers that it was open ended. How do you estimate the bottom line?

Mr LANGOULANT: The estimates are based on cost of service deliveries. That is the ultimate measure we use for all tenders, particularly when benchmarking against public sector service deliveries. The components in any tender arrangements can vary. The critical point is the overall cost of service delivery and whether that is the best outcome. My recollection is that the successful tenderers were the lowest bidders. I will confirm that.

Hon MAX EVANS: The member should place that question on notice.

Hon MARK NEVILL: The estimate for act of grace payments at page 1006 for 1996-97 is \$620 000. Does that figure include money that might need to be found for legal aid for indigent people facing a serious criminal charge? If not, how can such people be funded?

Hon MAX EVANS: The appropriation for next year is \$400 000, and the estimated outturn is \$620 000. Act of grace payments are payments which are not payable in pursuance of the law, or not payable under a legal liability. Although not legally bound, the Government makes these payments when it considers that it has a moral obligation to compensate for loss or damage, or has a responsibility to relieve a person or body from financial hardship when it would be proper and just to do so. From the amount of \$620 000 payments are expected to be made to certain people.

We will take the question on notice. I answered a question the other day regarding financial compensation. Those matters are not always covered by workers' compensation. Treasury puts submissions to Cabinet, and all act of grace payments are approved by Cabinet.

Hon MARK NEVILL: I am not sure that you understand what I am talking about. The Ministry of Justice budget does not provide for such payments for Dietrich cases.

Hon MAX EVANS: These are not act of grace payments; they are supplementary payments.

Hon MARK NEVILL: If indigent people do not receive funding for court cases, the charges will be adjourned indefinitely. There must be provision for that somewhere, and I thought it would fall within act of grace payments.

Mr ILLICH: The previous practice has been to go to Cabinet with Dietrich cases. Cabinet-approved supplementation is provided directly to the Legal Aid Commission.

Hon HELEN HODGSON: I note that some grants are made to charitable and other public bodies. Perhaps this question falls outside your brief. I gather submissions have been made to obtain funding for the Women's Centennial Suffrage Conference. Has a submission been made to Treasury?

Mr ILLICH: My recollection is that the request was referred to the Women's Policy Development Office for consideration. That was a recent submission.

Hon HELEN HODGSON: I have referred to the budget papers relating to the Women's Policy Development Office but I do not see any reference to that conference.

Hon MAX EVANS: The Budget is set up in February-March. Some items come in after that time and receive approval.

Hon HELEN HODGSON: I heard about the conference in March.

Hon MAX EVANS: It would take some processing for the Women's Policy Development Office to seek approval and, subject to acceptance, the supplementary funding to be found.

Hon JOHN HALDEN: What role does Treasury play in the allocation of FTEs to departments and in the management or control of FTEs?

Mr LANGOULANT: We do not manage FTEs in the same way as we did in the past. We manage agencies' budgets to their bottom line outcomes. FTEs are one of the resource inputs that agencies have available to deliver their outputs. We do not specifically monitor FTEs.

Hon GREG SMITH: At page 1019 under revenue I note that the estimate for 1997-98 for LandCorp is \$8m. No figure is supplied for the estimated actual for 1996-97. Does that reflect a sale of assets or land by LandCorp? Has native title prevented LandCorp from releasing land, and if so, what is the projected cost to LandCorp?

Ms NOLAN: The \$8m is a tax equivalent payment on LandCorp's profits. It has nothing to do with land sales; it is the profit on its operations overall. I am unaware of the cost or profit impact of native title on LandCorp.

Hon MAX EVANS: LandCorp has taken over mainly metropolitan land, such as at Joondalup and East Perth. The tax equivalent rate is paid in the year after the profit is made.

*Sitting suspended from 6.00 to 7.00 pm*

**Division 40: Transport, \$680 032 000 -**

**Division 41: Main Roads, \$43 851 000 -**

[Hon Muriel Patterson, Chairman.]

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

[Dr C.R. Whitaker, Director General of Transport.]

[Mr G.S. Martin, Executive Director, Metropolitan Transport.]

[Mr R. Drabble, Commissioner of Railways.]

[Mr M. Wallwork, Acting Commissioner of Main Roads.]

[Mr D. Warner, Director, Corporate Services, Main Roads WA.]

Hon TOM STEPHENS: I understand you intend closing more vehicle licensing centres. When will the closure of licensing centres be completed?

Hon E.J. CHARLTON: Hon: No final decision has yet been made on future closures. The three that were referred to in the announcement have been closed. We are considering others. However, that will be done only when an appropriate alternative arrangement is in place. Australia Post is one alternative which is already being used. Further closures are pending the development of alternatives through computer technology and the Department of Transport being directly on line to alternative outlets. Any more closures will mean that a service has been upgraded. That will include not only using Australia Post but also accrediting other retail outlets to provide the service to the public.

Dr WHITAKER: The overall objective is to offer a better quality of service and more alternatives to our various customers. In addition, people will be able to pay over the phone by credit card early in the financial year. We are considering a range of possibilities to make it easier for people to pay their accounts.

[7.10 pm]

Hon TOM STEPHENS: Will you put the licensing services out to tender? Are you saying there will be no more closures in the metropolitan area?

Hon E.J. CHARLTON: That has not been identified at this point.

Dr WHITAKER: That is right; that matter has not been identified at this time. A major review of all licensing activities is being undertaken to determine alternative methods of service delivery into the future. From that will come the answer on our needs in licensing centres. That work will occur over the next 12 months.

Hon TOM STEPHENS: Are further closures in the metropolitan area still an option?

Dr WHITAKER: Certainly, simply because we have not yet mapped out the future design and needs for licensing centres.

Hon TOM STEPHENS: The service provided by those licensing centres could be replaced by Australia Post in some cases, but might that replacement include a retail chain?

Hon E.J. CHARLTON: Yes; for example, it could include chemists. It could include also retail fuel outlets, because they sell virtually everything at all times of the day or night and they would provide a greater opportunity for people to do their transactions. That is part of the review. The Department of Transport may pay a commission to people delivering that service. The department would ensure the outlets have accredited personnel who are qualified to deliver the service to the public.

Hon TOM STEPHENS: What is the time frame for the implementation of that plan?

Hon E.J. CHARLTON: It will occur over the next year. A range of matters is included in that. The department will seek something better to replace the licensing centres. We would not want to do anything unless we had something that would provide a greater service to the vehicle owner or licence holder. We also want to ensure the provision of additional services that people are not used to, such as arranging their licence by telephone if they do not want to go anywhere to do it.

For a considerable period vehicle inspections in country areas have been done by private operators under contract to the licensing division. Those sorts of opportunities exist to ensure people do not have to travel as far and that they have a greater opportunity to obtain the service. I emphasise that the accreditation of private operators will be strictly adhered to to ensure they not only contribute to a better service, but provide it in an accountable way.

Hon LJILJANNA RAVLICH: A major achievement in registration and licensing on page 988 of the Budget Statements is the introduction of a network of major vehicle dealers authorised to conduct limited licensing transactions on their premises. This facility will remove the need for dealers to visit licensing centres for more transactions and allow onsite registering and transfer of vehicles, which will benefit both the dealers and their customers. There are also some savings to the department from this initiative. How much will be saved by this initiative? What is meant by vehicle dealers being authorised to conduct limited licensing transactions on their premises? Does this mean some dealers will be able to approve safety standards in second-hand cars and license them for on-selling to the public? If so, how would the public benefit? I refer particularly to customers who may end up with a shoddy second-hand car that has been rapidly processed by a second-hand car dealer who wants to fob it off and on-sell it. On the face of it this initiative puts community safety at risk because it may result in substandard cars being licensed by dealers and being placed on the roads and, therefore, presenting a risk to the community generally.

Hon E.J. CHARLTON: As with most things in life, what you read does not really give the true picture. The reason for this initiative is to enable car dealers to license a vehicle or complete a vehicle transfer when a vehicle is purchased. They have a computer terminal on their premises that provides a direct link to the licensing division and enables them to complete that transaction. It is another customer service for the motoring public.

There is no complication in safety standards because all vehicles that are sold must be checked prior to sale. Safety is not compromised in any form.

Dr WHITAKER: I will have to provide the answers to most of those questions by supplementary information. The savings are in two regards: First, and significantly, there are savings to the dealers. They do not have to send people to licensing centres to take their place in a queue each time they sell a few new cars. The dealers have been warm in their reception of this initiative. It is good for them. Second, there will be savings to the department. We will have to calculate that and provide it by supplementary information.

Hon LJILJANNA RAVLICH: How many public servants have lost their jobs as a result of the rationalisation of licensing centres?

Dr WHITAKER: The only job losses that have occurred have been through the discontinuation of contracts; in other words, only contract staff who have been working for the department and who have simply not had their contracts renewed. No permanent public servant has lost a job as a result of the rationalisation.

Hon LJILJANNA RAVLICH: How many contracts were not renewed?

Dr WHITAKER: I will confirm that by supplementary information. My recollection is that it was in the vicinity of 50.

Hon E.J. CHARLTON: This is an important issue. This process is judged on the service provided to the motoring public and it is about the quick turnaround of business. Although a reduction will occur in the number of jobs in the licensing area overall, other jobs will be created outside Transport by people who are delivering the same service. They will not be employed by Transport, but by the organisations to which I referred earlier.

Hon LJILJANNA RAVLICH: Of those 50 contracts that were not renewed, how many were in the country?

Hon E.J. CHARLTON: We can detail that response. It would be minimal because licensing centres in the country were not part of the closures that occurred. They were predominantly in the three locations that were publicised at the end of last year.

[7.20 pm]

Hon B.K. DONALDSON: The matter I raise has caused me a great deal of frustration over two years. In 1995 a review was conducted by Main Roads, with which Peter Waugh was involved, which cut across a large number of roads in the metropolitan area, including dual and single carriageways. The first road to be dealt with away from that review was the Alexander Drive-Walcott Street speed limit review, of which I had a copy. It has been a source of a great deal of frustration as I have not been able to get answers from anyone on this matter. The Minister has been very supportive, and we are due to speak to Dr Ken Michael in the near future. The Commissioner of Police on talkback radio said that Main Roads sets the speed limits. I am glad it does, as it designs the roads and has the engineers and expertise for that task. The speed limit on the freeway was increased from 90 kilometres an hour to 100 kmh, and I supported the Minister on that initiative 100 per cent. It has been a great success. During the time of the review, which was spread over 12 weeks on different roads, observance cameras were set up which caused some nervousness among drivers as they thought someone else was spying on them, not Main Roads. This facility was about gathering information. I wrote to Peter Waugh about Marmion Avenue from Karrinyup Road to Ocean Reef Road not being part of the review, and I received a reply saying it would be a separate review and was being looked at. A great deal of inconsistency has been evident in the speed limits assigned to roads, and this may be due to changing traffic patterns or improved road design. Sometimes we spend a lot of money on roads and do not review the speed limit. I have been pursuing this with great vigour for some time. What is the outcome of the review and when are we likely to see some results? Although Main Roads sets speed limits, I believe the limit must be sent to the Police Service for comment. What is that process? Other roads should be included in a comprehensive review, and some speed limits may need to be increased and others reduced.

Hon E.J. CHARLTON: It is a very important question on an important issue. We have tended in this State, possible in the whole of Australia, to have a very regimented speed limit system in place applying across various roads and traffic movements which do not strictly relate to the type of road and conditions under which motorists operate. In layman's terms, one tries to set the speed limit at 85 per cent of the speed at which the motor travelling public would comfortably travel. A number of proposals have been made to reduce the speed limit to 40 or 50 kmh, and discussion on this has been held across Australia on national road speed uniformity but the idea was rejected by Australian Transport Ministers. We have embarked on trying to ensure that the right speed limit applies to the right road.

An initiative identified on a priority basis will be 40 kmh speed limits when passing schools. Appropriate signs are being made at the moment, and the program will be completed over a three year period on a priority basis to the 1 100-plus schools in the State. We have also embarked on our new road safety education program; it was launched last week.

Returning to the member's point about the review, dual carriageways have the capacity to move traffic faster and I agree with the member that we need to review speed limits.

Mr WARNER: Some changes have been made, or are in the process of being made, on a raft of roads. I do not have the details with me but we will provide that as supplementary information. The matter is under review. We take speed limits to the Police Department as a result of enforcement issues. If a speed limit is unreasonably low or high, the police would have problems enforcing it. Main Roads sets the speed limit and conducts the assessment on safety and the speed at which the public can reasonably operate. We will provide a full update on the current status.

Hon E.J. CHARLTON: It is imperative that Main Roads gets this response forthwith. I will arrange a meeting with the honourable member and any other interested members on the outcome of that review.

Hon GREG SMITH: I follow the same lines as Hon Bruce Donaldson, but I refer more to remote areas where we have some good roads running through the middle of nowhere. In every other part of government, enormous pressure

is applied to improve productivity; that is, achieving more in less time. It seems ridiculous that with our modern motor vehicles and massive amounts of money spent on excellent roads we must drive at certain speeds when travelling from point A to point B. No productivity increases can be found there. People from Europe come to Australia and cannot believe our roads. They are used to the Autobahn, travelling in four lanes at 140 kmh. I would like to see statistics on whether more accidents occur in Germany as a result of that speed limit. Tens of thousands of people, basically law abiding citizens, are booked on our roads each year. I draw attention to a statement made yesterday by the Attorney General; he said that disregard for speed is as much as anything an indication of attitude: If people are not prepared to obey the law in that area, they will disregard it in others. We should make it as easy as possible for people to live within the laws of the State. If tens of thousands of people are breaking the law, something is wrong with the law.

[7.30 pm]

Hon E.J. CHARLTON: The situation in this State must be changed and two things are necessary to achieve that: First, there must be a change of attitude about driving safely, and that covers a range of things. The Government has introduced a comprehensive education program for children from kindergarten to year 10, that is properly coordinated and structured in every school across the State. It deals with not only driving habits, but also how to be a safe passenger, cyclist, motor cyclist, and pedestrian. Twenty or 30 years have already been wasted but over a long term there should be a change of attitude towards driving. The next part of the equation is to train people to drive rather than to obtain a licence. There is a significant difference. I am sure all people in this Chamber took enough lessons and read the highway code sufficiently to pass a driving test and get a licence. That does not mean we all knew how to drive. That situation has deteriorated in the past 20 years. I anticipate that a new driver training program will be ready in October this year. It has been worked on for 12 months in consultation with the community, and it involves a range of aspects dealing with attitude. The task force felt that attitude was the number one issue. That will be delivered to the public. People will be allowed to provide the driver training course only if they are accredited. They will operate under the most stringent conditions to ensure every person receiving that tuition is able to drive at the end of the process. When that is in place, further consideration can be given to other initiatives that may be necessary.

I have placed on the record on numerous occasions the need for properly monitored trials, involving the Road Safety Council, police and those involved in motoring in this State, to identify sections of road where the speed limit can be changed to encourage people to get to their destinations in the safest way.

Two aspects of driver safety that have been totally neglected in this State in recent times are fatigue and drugs. We have talked about seat belts, speeding and alcohol but little emphasis has been placed on fatigue and no emphasis has been placed on drugs. When the Road Safety Council has finalised its deliberations and reported to the Government, its findings and recommendations will be made public. Action must be taken because of the increasing number of people affected by drugs who are killed or injured. I am told that one-third or more of pedestrians killed or injured on our roads are affected by drugs. It is totally unacceptable that these pedestrians are not being tested for drugs, and we have no information about whether drugs have contributed to their death or injury. The same applies to drivers. When all these major initiatives are under way, we will proceed with some of the other initiatives.

Hon KIM CHANCE: It is possible that the speed limits on some roads in remote areas, such as that between Paynes Find and Mt Magnet, are the same as those applied to the road east of Northam, for example. A speed limit of 110 kmh might be reasonable east of Northam, but it is clearly absurd on the road I have mentioned and on hundreds of kilometres of Western Australian roads in remote areas.

Notwithstanding the advice the Minister has given the committee, is there room on a trial basis for an increase in the speed limit to 130 kmh? That is no faster than the speed limit that is legally enforced. On the roads to which I have referred the chances of being picked up for speeding when travelling less than 130 kmh are fairly low. I discussed with Bob Wiese when he was Minister for Police whether a comparison had been done between the Northern Territory and the north and north west of Western Australia on the level of accidents, mortality and morbidity. The broad scale comparison clearly indicated the Northern Territory had a much higher accident and morbidity rate, but has a comparison ever been made with the accident rate on roads in Western Australia where similar conditions exist?

Hon E.J. CHARLTON: Obviously I do not have that information with me tonight. I think it is available and I will certainly provide it to the member if it is. I also endorse his comments and his assessment of the situation. We shall know the outcome only when a proper trial has been conducted. That is the only way to define those matters. At the moment we are not comparing apples with apples because the Northern Territory has no speed limits on its roads. Of course, if the speed limit is raised, it does not mean people will necessarily travel 10 or 20 kmh faster. People will travel at the speed they consider is safe. As part of that process we can make value judgments. The Government wanted to establish the priorities, which are education, driver training, and ensuring road safety measures will be



conducted in an organised manner. It would have been wrong to start at the end of the process rather than put the emphasis on those matters.

Hon TOM STEPHENS: Since the introduction of the fines enforcement legislation how many motor vehicle drivers' licences have been suspended and how many motor vehicle registrations have been suspended? Under what circumstances are the motor vehicle registrations suspended, and is discretion exercised on whether to suspend? If so, by whom is that discretion exercised and using what criteria?

[7.40 pm]

Hon E.J. CHARLTON: I believe that comes under the Justice portfolio.

Hon MARK NEVILL: I refer to the provision of infrastructure for the Oakajee industrial park. The Iron and Steel (Mid West) Agreement Bill refers to the cost of the port, which will be significant, and to the cost of additional rail works. I am not sure whether roads are included - I suspect not. Those costs will have to be parked somewhere until it is determined whether the port will be viable. Do you welcome those costs with open arms? I gather they may affect the profits of Westrail and the Geraldton Port Authority.

Hon E.J. CHARLTON: Any costs will be part of any government commitment to the project and will not be part of Main Roads' or Westrail's operations. A process is taking place to assess the viability of that project. It is intended that the Port of Geraldton will be used in the interim, and some road upgrading will be required to service that port in the short term. We can only speculate until a final decision on costing and timing has been made. It will not come from the current allocations of Main Roads or Westrail but will be the responsibility of government as a whole.

Hon MARK NEVILL: Will the debt be allocated to the Transport portfolio?

Hon E.J. CHARLTON: At this stage that has not been determined because no decision has been made, but if a capital investment were required, it would not be the day to day responsibility of the Department of Transport.

Hon GIZ WATSON: What expenditure has been allocated for the proposed Bridgetown bypass for 1997-98?

Mr WARNER: It is in the budget papers. The council has agreed to the alignment, and a working group has been set up with outside consultant facilitation to allow the community to participate in the design options, on the basis of trying to achieve a solution which satisfies the majority of the concerns of the community.

Hon E.J. CHARLTON: We will try to provide the details of the cost during this session.

Hon GIZ WATSON: What works program will this funding finance?

Hon E.J. CHARLTON: The funding that has been identified is to complete the project as it is part of Main Roads' responsibility.

Hon NORM KELLY: Does the department have any procedures in place to assess the economic effects on small businesses of carrying out roadworks without advance warning to those businesses?

Mr WALLWORK: Wherever possible, and that is in almost all cases, we give full notice and have discussion with all affected parties. It would surprise me to learn that there are cases where that has not occurred.

Hon NORM KELLY: I am referring to the installation of a median strip late last year on Great Eastern Highway in Belmont. That had a substantial impact on the small businesses along that section of road, and it has been conveyed to me that much of that impact could have been avoided if those businesses had been given advance warning so that they could advise their customers.

Hon E.J. CHARLTON: That was a long running saga, and the communication and consultation was with local government authorities in the area, where we considered various options over a long period. In hindsight, as I have said to representatives of those small businesses on a number of occasions, we would like to have done it better or differently. However, at the end of the day we had no option. It was not an option to do nothing. The number of traffic accidents was increasing, with at least one accident a day along that stretch of road. It was a state road but local government roads intersected it, and local government is sometimes reluctant to take initiatives to create left-hand turn only outlets and so forth. Therefore, it was decided to put a median strip in the road. All of that road is due for an upgrade, and ultimately the remainder of that road will be upgraded in the same way as the section closer to the city.

Hon NORM KELLY: I have no argument about the roadworks that were done - it is obvious that they were needed - but will the department implement strategies in future so that a similar program will not impact so heavily on the small businesses in that area?

Hon E.J. CHARLTON: It is a valid point, and we have stated publicly that that will be done and we look forward to doing it. The action we took was the result of our frustration at the high volume of traffic going to Tonkin Highway and the airport and the increasing accident rate. We will do everything to ensure that that does not happen in future, but sometimes the traffic volume on suburban streets virtually doubles in one or two years and we must take action to deal with that issue.

Hon NORM KELLY: Is special consideration given to businesses that are willing to donate funding for roadworks?

[7.50 pm]

Hon E.J. CHARLTON: That has not happened, and no private money has been involved. Since the median strip went in, there has been some speculation that it might happen but the reports are quite untrue. All of the roadworks funding is provided by Main Roads. We have been able since to put in a couple of openings and some right-hand pockets. The principle is that Main Roads is very happy to put in exits and entries for businesses provided there is enough room to put in a turning pocket so that we can maintain the flow of traffic in the two lanes. In that section of road, buses and other vehicles stop in the left-hand lane and vehicles stop in the right-hand lane to turn right into virtually every driveway.

Hon LJILJANNA RAVLICH: Revenue collection management is itemised on page 974. It appears that the Government has reduced FTEs by 73 from 381 in 1996-97 to 308 in 1997-98, while making a saving of only \$219 000. This is from a Government that prides itself on good economic management. How can it be efficient for 73 people to lose their jobs at a saving of only \$219 000?

Ms PAYNE: The savings as a result of the staff reduction amount to \$1.1m, but because many other items impact we can see only the net result on that page. Overall the program expenditure has gone up but that is because of corporate service overheads and other initiatives.

Hon LJILJANNA RAVLICH: On the face of it the figures look very bad. If the lack of reduction in expenditure is accounted for by overheads, what sort of corporate service overheads are we talking about? It is still bad because we are losing jobs.

Dr WHITAKER: Corporate service overheads have increased overall by \$2.623m. I can give the member some items that comprise that figure. The first is the additional rent due to our moving many parts of our department into a consolidated site at 441 Murray Street in the central business district, which is costing \$508 000. The second item is that previously some of our rent for Pier Street and Mount Street, where we have premises at the moment, was shown on the programs but it is now in corporate services, so that is just a book transfer. The third item is the increase in the base allocation for asbestosis payments. Workers' compensation has increased by \$208 000. General salary increases are \$198 000. Until we move into the Murray Street premises, we are continuing to pay rent on the Nedlands property which we have just sold, which amounts to \$386 000. There are some 14 additional FTEs costing \$630 000. In summary that represents \$2.623m in additional cost to corporate services.

Hon KEN TRAVERS: On page 991 under the heading on evaluations conducted in 1996-97, a key result is that a train service survey indicates approximately 18 per cent of patrons evade fares. In the past when fare evasion has come up the response from the Department of Transport has been that the figure is significantly less than this. Has there been a significant increase in the level of fare evasion being detected or is it an acknowledgment that the amount of fare evasion is higher than previously thought? What steps are being taken to ensure that fare evasion will not continue? Is the department prepared to consider things such as permanent barriers at major train stations to control fare evasion?

Mr MARTIN: The 17 or 18 per cent figure was the result of a very detailed survey over a week when all passengers were checked. There are three components of fare evasion: First, people not having a ticket; second, people using a concession fare when they are not entitled to, so they have a ticket but not the right one; and third, people overriding the time or distance on the ticket they are holding. The proportion of each of those three is about equal at approximately six per cent. I cannot answer for previous surveys, but I suspect that they have not been as thorough. Most of the figures would have related to people not having tickets rather than having the wrong ticket or overriding on a ticket. Westrail has about 80 people who ride the trains and patrol the stations, checking tickets on a random basis. Infringement notices are issued to people who have been found not to have the right ticket. We do not believe at this stage that permanent barriers would be justified. The capital cost of fitting out 55 train stations with permanent barriers would be substantial. The number of staff at each station to catch people who are trying to jump the barriers would be substantial as well. We are not contemplating it now.

Hon E.J. CHARLTON: It is a very important question which has many ramifications. We believe we can do best by adopting the line that Greg Martin has suggested to tackle fare evasion because the people checking tickets are also providing additional security. More people are being trained who will add to their numbers. One of our aims

is to ensure not only that people obey the law by paying their fare when travelling on the train, because not paying is obviously unfair to fare paying passengers, but also that they are able to travel in safety. We have already embraced initiatives to ensure that people can do that, not only on the trains but at bus stations, bus depots and bus ports. We are committed to it and will employ additional people to ensure that it happens. Although the rest of society progressively might go off the rails, as it were, we will not have the safety of our train and bus passengers jeopardised. I want to ensure that the heavy hand of the law and protection by properly trained people will be available to ensure their safety. Almost every person who has committed a violent misdemeanour on our trains has been apprehended.

[8.00 pm]

Hon KEN TRAVERS: The Police section of the budget contains reference to a national survey which highlighted that more respondents feel unsafe rather than safe after dark on public transport and walking or jogging locally. One of my concerns is that the police seem to have a formal liaison arrangement with the transit police, who seem to be highly trained, but the private security guards do not receive the same level of training as the transit police. What will be done about that?

Hon E.J. CHARLTON: I can assure the member that they do receive the same level of training; part of their training program is conducted by the Police Service.

Hon KEN TRAVERS: Private guards and others?

Hon E.J. CHARLTON: Yes. If the member were to see these people in action he would note their physical presence and the way they are trained.

Mr DRABBLE: The difference in the training of Westrail employees, contract employees and private security guards is primarily related to train operational matters. Training courses are conducted by Edith Cowan University, TAFE and the Police Department, and they are identical for Westrail employees and private security guards. These people are well trained and well equipped to handle the incidents that arise on the urban train system. The police understand that security in public places at night is a matter of concern to the community. That is the reason we have put so many security people on trains and stations at night - to alleviate the concerns of the travelling public.

Hon KIM CHANCE: Page 587 contains reference to Main Roads' source of funds. The estimate of commonwealth grants and advances for the coming financial year is obviously a very optimistic figure, running from an estimated actual of \$64.2m up to \$96.4m. I understand that that has something to do with the bid the State has submitted and its expectations. How will that line item be affected by the significant cuts in commonwealth funding announced in the last Budget? The information I have suggests that national highways funding, which in Labor's last Budget was \$834m, will fall to \$697m. In part, that cut in funding is the result of diversion of funds to the roads of national importance program. I know, and the Minister suspects but would not want to admit it, that that is nothing more than a political slush fund for marginal seats in the Eastern States. In addition, the total commonwealth allocation to roads has been reduced by \$8m. Whichever way we cut the cake, and whether we are cynics or realists, it does not look like a good result in the coming year for road funding in Western Australia. What effect has the commonwealth Budget had in respect of this line item?

Hon E.J. CHARLTON: The member would have been absolutely right if he did not have such a good Transport Minister in Western Australia, who does not give in to Federal Governments about national highways, road funding and black spots.

Hon KIM CHANCE: We will remind you if it does not work.

Hon E.J. CHARLTON: The member is right: The allocation from the Federal Government is totally inadequate. I think I used the words, "It is an old and tired system." I do not think it will get any better; no Federal Government seems able to come to grips with its responsibility for national highways. I asked for no more than adequate funding for the national highway; I acknowledge that the state roads are the State's responsibility. I have simply asked the Federal Government to allocate proper funding for its own road for which it sets its own standards. That funding has been inadequate in the past, and particularly in recent years. We expect to do a little better next year. The member should keep in mind that often we are seven or eight months into the year before we know what we will get from the Federal Government for road funding.

Mr WARNER: The state budget allocation is \$86m. Our advice from the Federal Government is that we will get approximately \$71.7m. Figures in the state budget papers are based on our expectations at the time. The current level of need in relation to national highways is about \$130m a year. We did not submit a request for that amount, although we need it; we submitted a figure we thought was reasonable.

Hon KIM CHANCE: I think Mr Warner said the figure is \$86m. The figure I referred to is the \$96m on page 587.

Mr WARNER: There is an additional \$10m for roads of national importance. Western Australia is getting \$40m over four years for two projects: The Mitchell Freeway and the Mt Keith-Wiluna road. In addition, the State has received \$4.1m for black spots, which is a slight increase on last year's figure of \$4m. While the expectations were not met, the allocations are better than the commonwealth's forward estimates from the previous year. We will certainly have to trim the national highway works to meet that budget.

Because there is such a backlog of activities, we have been diverting state funds into national highways work in anticipation of funding from the Commonwealth. That has been successful in the sense that, where surplus funds have been available because of a slow down in expenditure by other States, Western Australia has benefited. We expect to receive additional funds this year because of that. At the moment, we have received an additional \$6m, and there might be more when the national program is wound up on 30 June.

Hon TOM STEPHENS: The value of the surplus land for the Northbridge tunnel was originally stated as \$19m. However, on 28 November 1995, the Minister for Planning told the Parliament the surplus land was valued at \$40m. Why has the value of the surplus land been halved?

[8.10 pm]

Mr WARNER: The original estimate for the city northern bypass project was \$335m, which included an allowance of \$35m for land. The amount in the budget papers shows an estimated expenditure at this time of \$371m, which is \$17m or 5 per cent above the original estimate. The increase of \$17m is made up of additional land costs, some of which resulted from the extra land needed and some from increased prices we had to pay above the estimate of \$3.7m. The estimate of \$335m was as of November 1994, and an allowance of \$4.8m was made between November 1994 and 1997 based on the consumer price index.

There have been some changes to the scope of the project, as well as an allocation of overheads to the project. Those two items amount to \$8.5m. The changes in the scope result from the decision following public consultation to provide an underpass at East Parade, a bridge at Rivervale, the Belmont Park footbridge and some service enhancements, which amounted to \$2.6m. The overheads of \$5.9m represent less than 2 per cent of the total of \$371m. Those are the result of changes in accounting practices in Main Roads Western Australia, which were made after the original estimate, so that corporate overheads and planning costs could be better attributed to the project.

Hon E.J. CHARLTON: The last point needs further clarification. Main Roads allocates a proportion of corporate overheads on a pro rata basis. In this situation it is an averaging exercise in the first place and non-specific. In a project of this size there will be some variation. Further, we are continually responding to the public and the community about additional infrastructure they would like to see to enhance the project, which was beyond the responsibilities of the contract when it was let. We will continue to do that because at the end of the day, as occurs with all other roadworks, we always provide a number of initiatives day by day to meet the public demands to provide a safer and better environment.

Hon TOM STEPHENS: Is it likely that additional overheads or allocations will flow to the project?

Hon E.J. CHARLTON: We will take it day by day to respond to the community. We have just let the second contract for the continuation of the project which includes work from the bridge to the interchange at Orrong Road. One of the things that has come forward in that proposal is to have an interchange adjacent to the Belmont Park Racecourse. We must decide whether that should be put in now or later. Those initiatives could result in additional costs over and above the contract price.

Hon TOM STEPHENS: Is the interchange to which the Minister referred the Great Eastern Highway-Orrong Road interchange?

Hon E.J. CHARLTON: No.

Hon TOM STEPHENS: Does the \$352m include the cost of that construction?

Hon E.J. CHARLTON: Yes, it does. It also includes additional roadworks that are complementary to the project. The total figure includes a whole range of additional roadworks that are not central to the city northern bypass.

Hon TOM STEPHENS: Have tenders for the maintenance costs been completed? If not, when are they likely to be? If tenders have been completed, what are the maintenance costs and which company has been awarded the maintenance contract?

Hon E.J. CHARLTON: Part of the contract is a 10 year maintenance program, which is incorporated in the price. Over that period the successful company will maintain the project as well.

Hon TOM STEPHENS: Is that in the additional tender?

Hon E.J. CHARLTON: Yes.

Hon TOM STEPHENS: Is the \$50m extra required for the entry and exit roads linking the tunnel to the Mitchell Freeway and East Parade? Why is that included in the \$352m?

Hon E.J. CHARLTON: I will answer the query, rather than detailing the figure. All projects are funded by the total amount identified by Mr Des Warner earlier. Entry into East Parade and the Mitchell Freeway is part of the project, whereas the duplication of the Loftus Street bridge was planned and budgeted separately, but is just another example of additional works that are complementary to the project. This is not just about building a tunnel, but about linking a road with the Mitchell Freeway; interacting with all the arteries along the road; ultimately building a new bridge across the river and an interchange at Orrong Road; and other works including widening the road to put in a bus lane on the Causeway which will relieve traffic in that area. As a consequence, public transport and other initiatives will also be enhanced.

Hon KEN TRAVERS: I refer to the Belmont Park interchange. Why has that decision been made? I draw the Minister's attention to the haze and smog studies conducted last year by the Government and the announcements by the Minister for the Environment that there would be an air quality management plan. Why are we encouraging additional pollution by adding another interchange, which will result in the increased use of cars, when there are already good public transport facilities to the Belmont Park Racecourse? I am sure all members will know there is a high consumption of alcohol at the races. Surely we should be encouraging people to be using public transport, particularly to get to and from places such as the Belmont Park Racecourse. It seems to me that one half of the Government is talking about improving Perth's air quality while the other half is encouraging its deterioration.

Hon E.J. CHARLTON: That opinion is not shared by many of us. This is why these issues must be put in context and why I always offer members an opportunity to have an exchange of views on these issues. The answer to the two points is that, firstly, the public transport to the racecourse and other areas is being enhanced by this road. We are looking at improving the air quality as a consequence of this initiative. I make this point: If there were a road through Northbridge now and we were to close it down and force all the vehicles through the city of Perth - that is, along Riverside Drive - people would say that that was a scandalous proposition, totally unacceptable and totally irrational. We are doing quite the reverse: We are taking out of the city the vehicles that are using it as a through-way, and are realigning the road with proper controls and benefits that will improve the traffic flow. With improved traffic flow comes an improved environment. The only reason for considering an interchange at Belmont is that that is a large area of land that has been identified for possible future development, although not by this Government. It has been identified for future use other than that for which it has been set aside. We do not want to dig up a road that we have just built in the last few years. It would cost a lot more. We are considering, in consultation with local government and a range of people, whether it should be put in now. The same can be said about the freeway south. It has always been the intention to put in the interchanges so that when the road is built it can be done without additional costs. We have to decide soon whether we will do it.

[8.20 pm]

Hon B.K. DONALDSON: Under major achievements for 1996-97 on page 980 of the Budget Statements, the last paragraph states -

initiating projects to influence travel decisions aimed at encouraging greater use of public transport, walking, cycling and telecommuting.

I presume the last one means working from home. What projects has the department undertaken to increase public transport use? Is parking space at the railway stations becoming a problem as patronage increases - I presume the figures have increased - or are the bus interchanges used more frequently? Are people tending to leave their cars at home? I notice there has been a small increase of \$21 000 in ferry service subsidies. Is there any interest in further services being developed on the river or would we have the same problem with access to parking? The department has probably done studies. We have a natural waterway. People use ferries in Sydney as they do taxis and buses. I wonder, with the excellent facilities we have in Western Australia for building ferries, why we do not have a design capable of using the Swan River.

Hon E.J. CHARLTON: We are buying a new ferry. It should be ready in a month or two. That will replace one of the existing ferries. It is being built locally. We would like to see the river used more. However, we have to enable that vessel to move faster than 8 kilometres an hour, otherwise it takes too long and is not attractive to people. We will have to identify sections of the river which can be used solely by ferry service vessels, not the general public. The limit has been set to protect the shores and the river. We also want to encourage more people to use the public transport system. The metropolitan area is almost the size of Sydney but with a quarter of the people. That makes it difficult for the department to provide an efficient public transport system at low cost. We should not be trying

to put in place a system which encourages people to leave their cars at home. People should be able to drive their cars a short distance to a Park 'n' Ride at a shopping centre for instance, and then hop on public transport to go to the city, educational facilities, medical centres and sporting venues. They should then be able to return to their cars and, if they have not done their shopping, do their shopping, get in their cars and return to their homes.

Hon KEN TRAVERS: That is if it is still there!

Hon E.J. CHARLTON: That is the other part of the equation. We must provide cheap, efficient, safe, quality parking and then people will use it. That is what we want to achieve. We have put in place a 10-year plan for public transport which incorporates the new buses, with frequency. People should not have to look at a timetable. They should be able to arrive at the Park 'n' Ride at any time of the day or night and board a train or a bus in five or 10 minutes. That is the game plan. I have discussed that with other Ministers around Australia. We are miles in front as far as having a vision is concerned. We have to put it into place.

Mr MARTIN: The member asked a question that requires a very comprehensive answer. The first question related to influencing travel decisions to encourage greater use of public transport and non-driver only modes of transport. A number of initiatives are being put in place. One currently being run within my division is a pilot program involving nine organisations in the CBD which are encouraging staff to car pool. Training, education, and inducement or incentive are given to people to trial that. We are trying to see whether we can influence behaviour. That is a new area. However, we are not sure how it will go. We are trying to change behaviour rather than provide more infrastructure and we think that is important. That does not mean we are not providing infrastructure; we are improving public transport and we are increasing the cycling network in the current program.

The Park 'n' Ride parking areas along the northern suburbs rail line are very well used; the northern suburbs rail line is very well used. We are trying to improve the bus feeder services by making them more frequent and more timely to match train times. Another thing that is popular is people being dropped at the station to connect with trains. We are planning to ensure that future stations are located more in urban centres so there is more walk-on traffic than currently exists in the system.

The member's third question related to ferries. The patronage of the South Perth ferry increased dramatically in the last financial year by about 11 per cent. The new contractor on the South Perth ferry extended his trips to Coode Street, which was not in the original contract. That was done at no additional cost to the Government.

Hon KIM CHANCE: Does that service continue?

Mr MARTIN: Yes, it does. The increased cost to which the member referred is minimal given that we have provision within the contracts for public service operators to have an incentive for increased patronage. That is in our interests and in their interests. They are reimbursed on a particular index rate for fuel costs and suchlike.

Increased river use is very appealing. However, the difficulty is that unless it is competitive with motorcars and other public transport in speed and convenience, it is unlikely to take off. We would be pleased to assist somebody who wanted to take the initiative. However, we are not prepared to fund it at this time.

[8.30 pm]

Hon B.K. DONALDSON: I know the Department of Transport has looked at the Singapore model for car pooling. Unless there are more than two people in a vehicle during restricted times, wardens take down car numbers and a fine arrives in the mail. The Mitchell Freeway is clogged from 7.15 until 9.00 am. The situation will get worse as development is extended northward. Has the department considered the Singapore model where single occupant vehicles are prohibited from certain areas, and those people who break the rules create employment for people who stand by the side of the road and record their vehicle registration? That would create plenty of employment opportunities for old politicians!

Mr MARTIN: The Singapore model is studied by many people; however, Singapore has some special social circumstances. The department is focusing more on the notion of trying to provide priority lanes or, in future, priority parking for people who load up their cars rather than drive as single occupants. It is important to make alternative forms of transport more competitive with the car. We are considering increasing the frequency of the rail service, improving feeder services by buses, and having priority bus lanes. These sorts of measures will ensure genuine competition for the motor car.

Hon GREG SMITH: I commend the Minister on the decision to allow triple road trains to operate in the bush. Has there been any increase in road maintenance costs associated with triple road trains since they began operating?

Hon E.J. CHARLTON: The study on extending the areas in which triple road trains operate, which was conducted prior to their implementation, found that road wear was reduced because the same amount of tonnage was being

carried by fewer vehicle movements. Therefore, road maintenance costs are reduced. As a consequence of that we have made judgments about the tonnages on our roads. There has been a 10 per cent increase in the tonnage traversing Western Australian roads, through increased activity in Western Australia.

As a result of other government initiatives, for the first time in its 117 year history Westrail has recorded a profit, and there has been a record movement of product. We are working overtime to increase rail movements - obviously there is only road transport in the north of the State. We have seen improvements in the volume of product moved by both road and rail.

Hon GREG SMITH: Has there been any measurable increase in the number of road accidents that can be attributed to the introduction of triple road trains?

Hon E.J. CHARLTON: No, it is the contrary. Triple and double road trains have the lowest accident rate per kilometre travelled in the nation. That is one of the other reasons that we are encouraged to increase the areas in which they operate.

The CHAIRMAN: What is the situation with passing lanes on the highway from Kojonup to Albany? I know it is planned for the future; I would like it to be now.

Hon E.J. CHARLTON: Plans are in place for passing lanes on Albany Highway and all other major roads. Off the top of my head, four are planned in the next couple of years.

The CHAIRMAN: It cannot still be a couple of years, that is what the Minister said last year.

Hon E.J. CHARLTON: The answer will be the same every year, because as we complete passing lanes more are added to the list.

Mr WALLWORK: In round figures that is right. However, on the Perth-Albany road the higher total traffic usage is at the Perth end of the road, and we have been putting overtaking lanes at that end. We are planning to continue that program through to Albany.

The CHAIRMAN: I have found increasing numbers of trucks using the road and I would like to be able to pass them now and again.

Hon E.J. CHARLTON: I agree. All I can say is, "Watch this space".

Hon GIZ WATSON: How was the decision made to prioritise the \$30m upgrade to the Port Hedland to Woodie Woodie road?

Hon E.J. CHARLTON: Product has been brought out on the road from Woodie Woodie into Port Hedland for about 50 years. The amount of tonnage has varied over that time. Every year the company, Main Roads and local government contribute to maintaining that 220 km of road. I have had the pleasure of driving on that road. It is generally accepted as the worst road in Australia. The maintenance cost for vehicles and therefore the cost of bringing that export product into Port Hedland is horrendous. The life of trucks and tyres is very short. It was given priority for two reasons: First, to reduce the cost of cartage so that more product will be exported. That benefits not only the companies but also the taxpayer because everybody gets a slice of the cake. Second, it is planned that the road from Port Hedland to Marble Bar, and ultimately through Nullagine, will be sealed one day - at the rate we are going it will be long after I am gone. The new road directly east of Marble Bar will become part of the Marble Bar to Port Hedland road.

The other aspect is safety, which is of immense importance. People travelling on that road cannot see for miles after a vehicle travelling in the opposite direction passes them. That applies to other roads; for example, the roads from Wiluna to Mt Keith to Meekatharra and from Mt Magnet to Leinster. People have been killed on those roads this year because they have not been able to see the road when a vehicle travelling in the opposite direction passes them.

[8.40 pm]

Hon GIZ WATSON: Will CRA Exploration Pty Ltd be contributing to this cost and the ongoing maintenance of that road?

Hon E.J. CHARLTON: No, not at this stage because it is not involved in the area. The plan is that the current users of the road will contribute \$15m. That amount will be subscribed by mining companies. If, in the future, CRA becomes a user of the road it will meet its share of the cost.

Hon LJILJANNA RAVLICH: A most disturbing aspect of the budget was the quite substantial reduction in the taxi user subsidy scheme, which decreased from \$3.4m to \$2.9m, a 25 per cent reduction. Why was it cut? Who are the main users of the scheme? What will be the impact of these cuts on those people? How have the savings been made?

Hon E.J. CHARLTON: It is quite the contrary. The budget figure we identified in the last few years has been \$2.4m. It is not the direct responsibility of the Department of Transport, but the medical profession, to assess and identify the people who are accredited to take advantage of the scheme. The department budgets for what it anticipates will be the requirement. As part of an agreement with the Disability Services Commission the allocation to the assistance program has increased from 50 per cent to 75 per cent. As a consequence of that and because of the people we expect will take advantage of it, in the order of \$6m will be allocated. That is not included in the budget, but the department has the responsibility to provide that money even though it was not its decision; it was a decision by the medical profession. The member may ask from where the department will get the money. It will work that out with Treasury.

Hon LJILJANNA RAVLICH: Does that mean the Department of Transport will pay \$2.9m and the Disability Services Commission or the Health Department will pay the rest?

Hon E.J. CHARLTON: It will all come from Transport.

Mr MARTIN: The 1996-97 figure of \$3.4m comprises \$2.9m which was budgeted by Treasury for that purpose and approximately \$500 000 which had to be found out of other Transport funds. The figure of \$2.9m for 1997-98 is the same amount that was provided this current year. The department's expectation is that with the new scheme starting on 1 July, the cost will be \$6m. The member is right in concluding that the department has been funded to about half the expected cost of the scheme for the coming year. Subject to Treasury not providing that additional funding, it will have to be found from within the Transport portfolio.

Hon LJILJANNA RAVLICH: If the department had foreshadowed it might cost up to \$6m, why did it not ask for that amount?

Hon E.J. CHARLTON: When the department put this in place the budget papers had been prepared. Obviously the Budget is a long time in the making and all the figures for the Transport budget had been provided by Transport when it decided it wanted to go down this path. Therefore, it will ensure that it will provide the amount of money to meet the requirement.

Hon LJILJANNA RAVLICH: Do we have a guarantee that there will be no reduction in the service?

Hon E.J. CHARLTON: There will be no reduction and it is important we acknowledge that. In fact, it will increase. To demonstrate that, the Commonwealth Disabilities Commission has acknowledged that Western Australia is leading the way in responding to the transport needs of people with disabilities. That applies to the taxi user subsidy scheme and the Government's commitment to local buses and multipurpose taxis.

Hon LJILJANNA RAVLICH: I am very pleased to hear that.

Hon KEN TRAVERS: It is generally accepted that bus operators have a fairly high level of stress associated with their job. There have been a number of changes in the last couple of years, particularly with increased driving hours under the new award conditions and changes to scheduling, which has resulted in shorter breaks between driving. Is there any ongoing monitoring of, or studies into, the level of stress on both MetroBus and private operators? Is there any monitoring of the level of sick leave; if not, why not?

Hon E.J. CHARLTON: The sick leave taken by the private operators was about 1 per cent of that taken by MetroBus employees. I think it had something to do with job satisfaction.

Hon KIM CHANCE: How long did it stay that way?

Hon E.J. CHARLTON: It has continued in that vein. There has been a great improvement in MetroBus, as well. I look forward to greater improvement in the employee-management relationship in MetroBus in the near future. It has now completed downsizing its head office, and all management, with the exception of a small team of 18 or 20 people, operate from each depot. Therefore, issues raised by drivers about the workplace - their pay packet being slow in arriving or lost, or their not being paid overtime - can be dealt with on the spot. In the past, employees had to go through a bureaucratic system and it was one of the reasons there was no job satisfaction and people became stressed. I applaud MetroBus for what it is doing. Employees of MetroBus tell me that now their problems can be immediately sorted out with management because they operate from the same building.

[8.50 pm]

Mr MARTIN: I am unable to answer the specifics of the question. The operators contract to the department for the provision of services, so the employment conditions and working arrangements are those of the employers. We are not the employers of the operators. The Minister has answered the question relating to MetroBus.

Hon KEN TRAVERS: Would you consider undertaking a study of stress levels?



Mr MARTIN: If a request were made by the operators we could assist, but the operators are responsible for the employment of staff and the welfare of drivers. Our primary concern is that the operators comply with the labour relations laws and conditions of employment. It is up to the operators to monitor how well they handle their employees. It is not the responsibility of the department.

Hon E.J. CHARLTON: We have made a commitment, which we will fulfil with increasing enthusiasm, to ensure that bus drivers are properly protected from the unruly and stressful incidents that other people create within the public transport system. We will stop at nothing to ensure that those drivers can drive in safety. We will ensure that the major bus depots and interchanges - as well as train stations - are properly manned with security staff who can take action against anyone who jeopardises the safety of drivers or passengers. Yesterday's incident when a passenger grabbed the steering wheel of a bus was a sad affair because the person suffers from some incapacity and did not know what he was doing. However, we will not tolerate unruly behaviour on any public transport.

Hon KEN TRAVERS: In the other place the other day questions were asked about the failure of a number of buses to pass licensing tests set by the department. The response was that the failures were caused by minor matters and more major items. In the Transperth days, a series of checks had to be carried out by operators before the buses left the depots. That included a check of indicators, lights, and fuel. Are private operators these days required to have similar checks carried out before the buses leave depots? Is the department conducting any investigations? How can buses with faulty light globes, and so on, leave the depot without being tested by the department?

Mr MARTIN: The questions in the Assembly were about the nature of the defects that were being found. The member is aware of those. The department does not have inspectors sitting in the depot inspecting buses. The obligation of the operator is to ensure that buses are kept in good condition. We asked the licensing division of the department to go through the buses with a fine tooth comb, and the officers did that. In many cases when the inspector was going through the bus those defects were picked up and dealt with on the spot. The impression is that people were being reckless with buses on the roads, but that is not the case. They checked every detail before the buses were licensed and they ensured that they were okay. There has been no negligence on the part of the operator or the department.

Hon KEN TRAVERS: My question related to the series of requirements by Transperth for bus operators to meet before they took a bus out of the depot. I know that in one case recently the lights and indicators were not in working order. Are the operators required to carry out those checks, and if not, why not? The licensing process happens once a year, but the buses leave the depot every day with faulty indicators and lights, and that is a dangerous situation.

Hon E.J. CHARLTON: If it were true, it would be a dangerous situation, but it is not true. I will supply the statistics on miss-trips, breakdowns, and the faults associated with that, during MetroBus operations in the past. If people were aware of the number of miss-trips that occurred under the one-operator regime, that would hit the headlines every day. These matters are drawn to the attention of the public because people now have an opportunity to make comparisons. We must acknowledge the significant improvements achieved by MetroBus and the private operators. Operators and depots compete with each other because they do not want to let their standards fall.

The department carries out inspections, without the operator being aware of it, to ensure that the failures referred to do not recur. Checks are made on drivers' uniforms to see whether their names are clearly marked, and so on, and whether the bus displays the correct number. A variety of inspections are carried out, for the benefit of the travelling public. We should also acknowledge that some of the buses are 23 years old, and like many other vehicles on the road they have passed their best years of operation; they do not perform as well as they used to. When I am driving around Perth I take notice of the condition of the buses. I look at every bus, and I always try to pick out the cleanest. When I do I wonder who is the operator. I have noticed a vast improvement in the cleanliness of the vehicles. The member may care to go through the statistics.

Hon KEN TRAVERS: Do you monitor the number of accidents involving buses, both private and MetroBus? Can you provide statistics as far back as 1993? Is it a condition of the private operator's contract that he pay for the cost of repairs to a bus after an accident?

Mr MARTIN: That is a cost for the operator. I do not have the figures on accidents from 1993 onwards. I will supply that as supplementary information.

The CHAIRMAN (Hon Mark Nevill): By how much will the State subsidise the shipping services to the Kimberley next financial year?

Hon E.J. CHARLTON: \$4.3m.

Hon KIM CHANCE: I am delighted to see Ross Drabble here from Westrail. It is a great pity that we do not consider Westrail during the budget estimate debates. Westrail and other organisations such as the Water

Corporation, AlintaGas and Western Power are great publicly owned enterprises. It is a tragedy that we are not able to look at Westrail in the same way as we look at other publicly owned agencies. I understand why we do not, but I am disappointed. In September 1995 Westrail passenger service staff agreed to waive award entitlements and to work 12 hour shifts in order to give Westrail flexibility to run the *AvonLink* train service effectively. Does the Minister acknowledge the effort the Westrail staff made in doing that? Does he recognise that ultimately the staff insisted on returning to the letter of the award in November 1996 when the promised productivity pay increases were not delivered? How can the Minister justify privatisation for that part of the service on the basis that the staff were not prepared to be flexible? On the balance of that information they delivered flexibility, but went away from the flexibility arrangements because they were not rewarded as promised.

[9.00 pm]

Mr DRABBLE: We apply a set of broad principles at Westrail in relation to work practices with all work done. We are indifferent to whether work is done under award arrangements, workplace agreements or by the private sector. Whichever of those three options produces the best result for taxpayers is the one we pursue.

It is not correct that on-train staff provided flexibility to make that service efficient. They offered some concessions on award arrangements, but not enough, nor in total what we believed was necessary to run the operation at best practice. We had dialogue with those people for I think three years. One of our key requirements was to have people based in Kalgoorlie. One of the high costs of running the on-train services is the away from home expenses, because people based in Perth spend a lot of time in Kalgoorlie to meet the return trip. We could not get those flexibilities out of our people. Bans continued by the on-train staff and we continued to hear criticism from the users of the service about the quality of service coming from those people. We therefore tested the market to find competent companies that were prepared to handle that work.

We also tested the market to see what prices we could expect from a private enterprise operator. We confidently expect that we will save more than \$500 000 as a result of the process we are now undertaking. We are satisfying two criteria: Firstly, we are introducing proper and contemporary work practices with a private operator; and secondly, we will deliver benefits to government and taxpayers of more than \$500 000 a year.

Hon NORM KELLY: I notice that you have done passenger satisfaction monitoring over the past year or so and plan to continue for the next year. Is that monitoring of just MetroBus, or private operators as well as MetroBus? Has there been a marked difference between the service provided by MetroBus and private operators?

Mr MARTIN: The last survey was done about March-April last year. At that time only one private operator had started work in one contract area. The balance of the private bus operators commenced in September. Passenger satisfaction for 1997 is being monitored now; we expect some results later in June. This will be the first chance we have to detect whether there is an increase or decrease in relative satisfaction with our bus services and whether there is any differentiation between the operators.

Hon NORM KELLY: Does the monitoring include only people who use bus services?

Mr MARTIN: Yes, it is based on passenger satisfaction.

Hon NORM KELLY: Are there any plans to broaden the scope of the monitoring and monitor people who do not use bus services so you can pick up why they are not using the services?

Mr MARTIN: At present the department is developing a 10 year public transport plan. We think it is valuable for us to have a forward view over 10 years of specific things we want to do. It is a broadly based plan that will involve the collection of information, including information from non-users to find out whether we can do things to attract them to public transport.

Hon NORM KELLY: On the broader scale the transport plan must be integrated to take in the use of rail, private cars and bicycles.

Hon E.J. CHARLTON: The department has just completed a survey of people in areas that would be serviced by a new railway from Kenwick to Kwinana, Rockingham and Mandurah, which is a government policy. The survey was broad and people from 16 years upwards were consulted. The response was good and it will enable the department to evaluate current public transport users and non-users. The response was overwhelmingly in support of that innovation.

Past polling of people has shown that satisfaction with timetables and service in the public transport system is significantly higher in users than non-users. It appears that people who do not use public transport do not have as good an understanding of the services that are available as people who do.

Hon BOB THOMAS: Last year the then Minister for Planning, Richard Lewis, indicated that Main Roads Western Australia estimated it would recoup about \$40m from selling the land above the Northbridge tunnel. An answer to an earlier question indicates that figure has been revised to \$19m. What is the reason for that review downwards? What effect will that have on the project?

Mr WARNER: The \$19m saving in the budget papers under Main Roads is on land owned by Main Roads. The \$40m would include all government land, including land from the Ministry for Planning.

Hon BOB THOMAS: Is that for land above the trench?

Mr WARNER: Yes, there is surplus land outside the tunnel area. Land on top of the tunnel down to a certain height above the lid of the tunnel will be available for sale or public use. That accounts for the \$40m.

Hon BOB THOMAS: Is that a total of \$40m for all that land? Will Main Roads own only \$19m- worth of that land?

Mr WARNER: That is correct.

Hon E.J. CHARLTON: The redevelopment of that land is the responsibility of Planning. Main Roads and Transport are not involved in that redevelopment.

Hon BOB THOMAS: The train services subsidy on page 976 of the Budget Statements was \$110.5m last year and it is estimated to be \$112m this year. What additional services are being provided this financial year which justify the allocation of an extra \$1.5m? What was the cost of providing passenger rail services in 1994-95 and 1995-96? Does Westrail present to Transperth a budget of proposed expenditure each financial year? If so, will the Minister provide those budgets for 1995-96, 1996-97 and 1997-98? If no budget is provided, how does the Department of Transport control the extent of its liabilities to Westrail? Of the \$112m paid to Westrail, how much is paid for track maintenance, the provision of security guards, and the operation of the *AvonLink* system? Do the moneys paid to Westrail include payment to train the security guards employed by Chubb used on the passenger service?

[9.10 pm]

Hon E.J. CHARLTON: We will take those questions on notice.

Hon KIM CHANCE: In respect of the privatised passenger service staff, how many are expected to be based in Perth, Kalgoorlie and Northam?

Mr DRABBLE: We have just been out to tender and have not seen the submissions at this stage. We looked for the location of some of the staff in Kalgoorlie from the successful tenderer as we presently have no staff in that location. One of the advantages of putting the operation of on-train staff in the private sector is that we can put jobs in the Kalgoorlie region and prospectively at Northam.

Hon KIM CHANCE: Do you think you will be able to answer that question in the time scale of the Committee? Is it not worth putting on notice?

Mr DRABBLE: We will not know within that time, but the member will be pleasantly surprised when contracts are awarded.

Hon KIM CHANCE: I will be pleasantly surprised when they are let in Merredin. Recently the Minister acknowledged that a former Westrail employee, Max Bird, was seconded by his current employer, John Holland Construction and Engineering Pty Ltd, to work with Westrail. The Minister advised that Mr Bird was performing the duty of inspector superintendent of Westrail and was specifically engaged to monitor and inspect the work of John Holland. Why was Mr Bird put on an employee exchange program, and do you acknowledge that Mr Bird would probably have great difficulty exercising independence in respect of monitoring the work of the company paying his wage?

Hon E.J. CHARLTON: I would be happy to answer that question at any time, but I doubt it is appropriate in the Estimates Committee.

The CHAIRMAN: Pages 976 and 977 of the Budget Statements indicate that the bus service subsidy will increase by \$4m in the next financial year. Page 977 outlines that the amount allocated to metropolitan transport increased by \$28m. When looking for what constitutes that \$28m increase, one sees two categories under operating costs expenditure of "grants and subsidies to public enterprises-local authority". Is that a unintended duplicate or are they different items with the same name?

Dr WHITAKER: The member refers to the increase of \$3.920m in the bus subsidy. This relates mainly to new or increased provisions for the operation of the CATS bus service in the Perth central business district. It also relates to the commencement of the public transport enhancement program. There have been various other decreases and

the net requirement is an increase of \$3.9m. That was compared with the figure at page 977 which showed an increase of almost \$28m, and the difference between the two was queried. There are some additional features in the second figure: The development of three transport master plans for \$1.5m, investment in the coming year of almost \$25m on new buses, the extension of the Kwinana Freeway bus lane at \$4.5m, the new circle bus route at \$2.2m, and a contribution to the Perth bicycle network of almost \$1m. The second figure includes additional items.

The CHAIRMAN: Under operating expenditure there are two categories with the same title.

Dr WHITAKER: The first appearance shows a figure for next year of \$1.906m. That is expenditure on the regional airport development scheme. The next one relates to maritime expenditure and includes a \$250 000 payment for the Bunbury timber jetty, \$212 000 for the Fremantle Port Authority recoups for Nav aids, and \$101 000 for the National Maritime Safety Council. That is offset by some decreases in other subsidies. It is maritime, whereas the first figure was for aviation.

The CHAIRMAN: The second group of figures do not add up to \$11m.

Dr WHITAKER: I will take that question on notice for the total amount.

Hon KIM CHANCE: I refer to the maritime program 3.0 at page 986. Reference is made to works on boat harbours at Bremer Bay and Exmouth. I have recently observed inadequate facilities in Broome. Is any work being done on planning for a marina complex or improvements to berthing and slipping at Broome?

Hon E.J. CHARLTON: Work is being done mainly in consultation with the Broome port. As the member knows, the Government has put in place local advisory boards for Broome and Wyndham while they are still under the control of the Department of Transport. With cooperation from all members new maritime legislation will be passed later this year whereby those two ports will be identified in their own right. It is anticipated that all ports that currently are covered by individual Acts will come under one Act. As part of that, the Government would like to develop additional boating facilities in Broome. It can be done that way or independently through the Department of Transport, as Bremer Bay and Exmouth have been done. The first step is to get a facility associated with the jetty in Broome, which would provide a service to the charter boating industry and the fishing industry as an interim measure.

Hon KIM CHANCE: Has any progress been made towards enforcing a requirement that intercontinental shipping in Western Australian waters have continuous ballast water flushing facilities in order to protect the marine environment against the introduction of exotic marine pests? That may be a question for the Minister for the Environment.

[9.20 pm]

Hon E.J. CHARLTON: It has been on the agenda of Transport Ministers for the past two or three meetings that we have had. We support a national approach to this problem. We believe there should be uniform regulations around Australia with regard to international shipping, and we are expending our energies in that direction. That was taken another step further at the meeting last week, and we are looking forward to a resolution that a national uniform system be put in place.

Hon NORM KELLY: Page 976 indicates a healthy increase in cycling subsidies and grants of about 50 per cent. I know the cycling fraternity is pretty happy with the amount of funding. How much of that funding is directed towards extension of cycleways and how much towards safety aspects, particularly given that last year the road toll for cyclists doubled?

Hon E.J. CHARLTON: All of this funding is directed towards improving cycleways and dual pathways. Main Roads contributes to that as well, so there is also funding in the budget of Main Roads which contributes to the cycle plan. Safety is very much part of the new Office of Road Safety and the Road Safety Council. The total increase in the number of deaths last year basically comprised an increase in cyclist and motorcyclist deaths rather than driver and pedestrian deaths. That matter is also an important part of the education initiative that was launched yesterday. I will be pleased at any time for the member to visit the Office of Road Safety and the Road Safety Council to discuss their initiatives. We also have task forces within the community to complement the road safety initiatives.

Hon GIZ WATSON: I refer to estimated traffic flows and planning. What consideration does the department give to the inevitable decline in petroleum fuels in the next 15 years; if no consideration is given, why not? Does the Minister consider that the predictions of future traffic flows should be downgraded, particularly for Servetus Street, the city northern bypass and the Loftus Street duplication?

Hon E.J. CHARLTON: Obviously this is an important issue to many people in the community and there must be an in-depth assessment to enable people to be informed about what is likely to happen. We want to take an

all-embracing attitude to this matter. That is why we have embarked upon a significant 10 year public transport program, where we will leave no stone unturned to encourage people to use public transport. We do not think we will get people onto public transport simply by talking it up. We need to put in place a quality alternative to using the car.

With regard to the fuel situation, part of our commitment to buy a new fleet of buses is to enter into a 12 year contract so that there is some continuity of new vehicles coming on stream, and members can then make comments about our new bus fleet being of equal quality to those in the new CAT system. People can look forward to the sort of quality that we have with the new CAT system, although obviously they will not be the same type of buses because they will fulfil a different task. We researched the sorts of fuels that public transport vehicles would be using. Last year we went to Europe and questioned bus manufacturers very deeply about the options we would have available to us for the power source of vehicles. Prototypes are being tested in practice and on the workbench for different power sources. The result of that was a conference. I would have liked to see a thousand people attend it. As much as we publicised it we did not get that attendance.

The CHAIRMAN: Which conference was that?

Hon E.J. CHARLTON: The conference was held at the technical centre at East Perth. We brought people from all over the world to participate in it, so that we could get the best expertise for seriously dealing with the issue. We are absolutely and totally confident that alternative fuels will be used in the future. However, that will come only with the mass usage of new vehicles to economically sustain their development and use. We have encouraged the tenderers who will be tendering for our new buses to put forward alternative power sources that they could be confident of providing. We have to measure the cost of the vehicle against the cost of the operation. We would like to be participating in some new technology and developments. New sources will replace the current fuel types that some people do not think will be available. Therefore, the roads, busways, transit ways and railways that we are putting in place will be used well into the next century and beyond.

Hon GIZ WATSON: When the department compares the cost of public and private transport, does the costing include the cost of pollution, policing of private vehicles and health costs associated with road accidents; if not, why not?

Mr MARTIN: We certainly see that as part of the promotion of public transport in the discussion about the 10 year plan. One of the items that has not been promoted strongly is the real costs of operating a car. They obviously include the full costs that an owner-user finds. There is also a good argument for adding the external costs.

Hon E.J. CHARLTON: We have projected an increase in the number of people using public transport.

Mr MARTIN: The mode share of people using public transport is about 6 per cent. The target for the 35 year mark, or the 2029 mark, is 12.5 per cent. We are looking to double the percentage of people travelling on public transport over the next 35 years.

Hon E.J. CHARLTON: This is an important issue. We can set targets but, if we do not do something to complement them and try to achieve them, they are obviously only figures on pieces of paper. The doubling is not a doubling of the numbers but of the percentage. In that time the growth will be threefold. If we can surpass that, that will be great. We did not pluck that figure out of the air; we systematically arrived at it by putting a plan in place, along with a range of complementary initiatives. If anyone has some good ideas about how we can increase patronage, we would welcome them.

Hon KIM CHANCE: Perhaps the Minister will offer an onsite briefing in relation to alternative fuels. I would be interested in that.

Page 992 refers to evaluations conducted. Is the department anticipating any legislation as a result of the government-industry approach to managing heavy vehicle driver fatigue?

Hon E.J. CHARLTON: No. This has been widely discussed and debated with people both inside and outside the transport industry. We believe we will achieve the best result with a code of practice. That will need to be adhered to and it is the department's role to ensure that people observe the code of practice.

*Committee adjourned at 9.32 pm*

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