



WESTERN AUSTRALIA

Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
SECOND SESSION
1999

LEGISLATIVE ASSEMBLY ESTIMATES COMMITTEE B

Thursday, 27 May 1999

Legislative Assembly

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ESTIMATES COMMITTEE B

The meeting commenced at 9.00 am.

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

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

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

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

[9.00 am]

Division 52: Office of Racing, Gaming and Liquor, \$13 253 000 -

[Mr Baker, Chairman.]

[Mr Cowan, Deputy Premier.]

[Mr B.A. Sargeant, Executive Director, Office of Racing, Gaming and Liquor.]

[Ms J. Ough, Manager Finance and Administration, Office of Racing, Gaming and Liquor.]

[Mr R. Sansalone, Financial Systems Officer, Office of Racing, Gaming and Liquor.]

The CHAIRMAN: For the information of members, this Estimates Committee will be reported by contractors to the Hansard Office. A daily verbatim proof *Hansard* will be available during the afternoon of the following day. The Hansard Office will distribute documents for correction at that time, which must be returned on the A documents sent to members. The cut off date for corrections will be indicated at the bottom of each page.

I caution members that if a Minister asks that a matter be put on notice then it is up to the individual member to lodge the question on notice with the Clerk's office. Only supplementary information which the Minister agrees to provide will be sought within 14 days. If supplementary information cannot be provided within 14 days, the Minister is required to provide advice in writing of the date by which the information will be made available.

It will also greatly assist the Hansard Office if when referring to the Program Statements volumes or the Consolidated Fund Estimates, members give the page number, item, program and amount in preface to their question.

As has been the practice of previous Estimates Committees, members should not raise questions about matters of general concern which do not have an item of expenditure in the Consolidated Fund. The Estimates Committee's consideration of the Consolidated Fund's Estimates of Expenditure will be restricted to discussion of those items for which a vote of money is proposed. We are dealing with estimates of expenditure and that should be the prime focus of this Committee. While there is scope for members to examine many matters, they need to be clearly related to matters of expenditure. For example, members are free to pursue performance indicators which are included in the budget statements while there remains a clear link between the questions and the estimates. It would assist in the Committee's examination if questions and answers can be kept brief, without unnecessarily omitting material information. It is the intention of the Chairman to ensure that as many questions as possible can be asked and answered and that both questions and answers are short and to the point.

[This transcript has been produced by a private contractor.]

The Minister may agree to provide supplementary information to the Committee, rather than asking that the question be put on notice for the next sitting. For the purpose of following up the provision of this information, would the Minister clearly indicate to the Committee which supplementary information he agrees to provide.

Details in relation to supplementary information has been provided to both members and advisers and accordingly I ask the Minister to co-operate with those requirements.

The question is that the vote for Division 52 be recommended.

Ms WARNOCK: Minister, not unexpectedly I guess, I have a lot of questions and so I would like to start off with one of the most interesting issues that is around the portfolio at the moment, page 1178 in Volume 3 and that is about gaming on the internet. I wanted to know what the government was doing, if anything, to regulate gambling on the internet and specifically the casino which was found to be operating illegally out of Perth recently? I understand that there is to be no prosecution and I am wondering why.

I am also wondering whether it is solely a Federal matter perhaps, because I do recall some discussion about this during the estimates hearings last year and I am also, of course, wondering if a cyber casino of some sort gets going, if we cannot regulate it what is it likely to do to local gambling revenue? So perhaps we can start off with that issue.

Mr COWAN: Chairman, if I can just give the committee an indication about how I, as the Minister representing the Minister for Racing and Gaming, would like to see these particular sessions run and that is normally the Minister who is responsible for the issues associated with policy and matters associated with administration and finance are generally directed to officers. It is my preference that officers give a direct answer to the committee rather than answers through the Minister but in this particular case I think it is appropriate for the Executive Officer, Mr Sargeant, to be in a position to give some indication of policy as well as those matters which are purely administrative or financial.

In respect to one issue though that you raised you are quite right. The Telecommunications Act is a Federal matter and as a consequence of that any legislative proposals that are sought to place some imposition on what might be used over the internet or web sites would ultimately be a Federal responsibility, but they are intertwined to some extent because of gambling issues which are very much a state responsibility and, as you would know, in much of the legislation associated with electronic commerce for the internet there have been proposals for commonwealth and state legislation, either in a comparable form or another.

With respect to the gambling issues, I will leave those to Mr Sargeant to respond, if you might, Mr Chair.

Mr SARGEANT: Thank you. If I can just add one further point with respect to the Federal involvement in internet regulation, and internet regulation with respect to gambling in particular. If there is to be gambling there has to be some financial settlement and of course the Commonwealth Government also controls the financial systems as well and a further area whereby if there was to be some regulation, some countries have recommended there be foreign agreements between countries and, again, that is an area whereby the Federal Government has the authority rather than the state.

But nevertheless the state is responsible, as the Minister said, for the regulation of gambling that goes in within the borders and in that regard if a particular internet service provider wished to offer a cyberspace casino and it operated out of Western Australia, then Western Australia would be in a position to regulate the operation of that particular casino.

Ms WARNOCK: Can I ask how we would do that because of what the Minister has said about the Federal telecommunications responsibility?

Mr SARGEANT: We would actually regulate it the same as we would regulate a simple gaming machine sitting anywhere. We could actually go in and we can test what the game is offering and what the rules of pay-out for that particular game are. We can do everything that is normally done with an electronic gaming machine now, except the only difference is rather than you and I having to sit in front to operate that, someone remotely could access it and then play the game but we could regulate that particular machine quite comfortably within our own borders if that is what someone wanted to do.

[9.08 am]

In relation to the publicity that was given to the on line casino allegedly operating out of Perth, investigations that my office conducted indicated that no game was actually taking place. If the committee wishes I can outline how the cyber space casinos do actually operate.

Ms WARNOCK: Yes. If you would because I was confused about why there was to be no prosecution.

Mr SARGEANT: Well, the point that I would like to make, if you look through the papers and I have them here. I actually took copies of the press releases. They kept saying in many respects that the casino was operated through a Perth site. The important point is it was through a Perth site. The most expensive part of anybody's operation in offering a cyber space casino is the computer base or where the intellectual property is. One thing you must remember is they are not going to locate somewhere where they could lose access to that particular computer which controls the regular game and also controls the chips and all the money side. So, therefore, they tend to locate them in jurisdictions whereby they can, for a small fee, get a licence or where there is no regulation. So, that is why you get the Caribbean, you get the Dutch Antilles. This place where they actually locate the machines.

Most people who like to play casinos are very concerned about the extent to which they will receive, firstly, a fair game and,

secondly, they will actually receive the money or that they will not get their own credit card details taken. So, then they look for places like Australia whereby people might get the impression they are playing through a casino regulated in Australia. In actual fact, it is located elsewhere. So, what they normally do - and in this I will not be too particular - they will try and locate a service provider somewhere who will give them a web site in a domicile like Australia which people know that it is a regulated environment.

So, a particular service provider provides a web site. They will then supply them with two or three PCs - whatever number they need - to actually maintain some details of what their concern is about. What those PCs do, they have information to advertise the particular casino to give the impression that everything that is going to go through that casino actually goes through that particular PC. The advantage why they send the PC to the local site is that they can send it to a place in Perth, or Melbourne or Sydney, and then from overseas they can actually download data and actually maintain that web site and do everything offshore through telecommunications to keep the site up to speed. However, there is no gaming binary code. There is nothing on that machine for gaming. So, what happens is if I am anywhere in Australia or overseas and I click on to the name of this casino it will come in and say the site in Perth or Melbourne and it will say, "Do you want to play a casino?" If I say, "No", when then you just log out. If I say, "Yes", they will ask you to fill in an application form. Once you click the button that says "Submit" or "Action" they then all shoot that information off to the Dutch Antilles or to the US. They will then process that information, your credit card details, and if you are acceptable they will then send you some code by e-mail, but not through the local service provider but direct back to the player and then that gives them a code to access the game. Now, if that person wants to play, when they come in and now they are legitimate and they press an icon on the thing that says "Play the casino", it will come to a Perth site but immediately shot off to the Antilles, to the Caribbean and somewhere. Then they are playing direct between where the player is and the Caribbean. When the player finishes they will actually be shot back to Perth to log off, or Melbourne or Sydney, and then they go back. So, the person gets the impression they are actually playing through a Perth site but all the Perth site or Melbourne site is doing is being really a gatekeeper that gets them in and shoots them off to where the computer is.

Ms WARNOCK: So, do you think that we need to warn people here in Western Australia about that because we talk about it being a Federal matter as far as the regulations are concerned. You have pointed out that people want to go through Perth and Australia because everybody knows that it is a well regulated country. It is one of those countries that has a lot of regulations about all sorts of things. Do we need to warn people about this here?

Mr COWAN: I think that warning has already been given. In many instances some of the - - although that incident has been related by Mr Sargeant I think it has been made reasonably clear by the Office of Racing and Gaming.

Ms WARNOCK: Gambler beware.

Mr COWAN: That gamblers should be aware of what is happening and really I do not think there is anything else that should be the responsibility of the office. They have alerted people to how this occurs and where it occurs and as a consequence of that it is still very much the prerogative of the potential gambler. We have not yet reduced ourselves to a nanny state to that extent.

The CHAIRMAN (Mr Baker): Minister, if I may, just on the same issue, who are the individuals behind the cyber space or internet casino?

Mr COWAN: I am not in a position to answer that. I am not sure whether you have that information.

Mr SARGEANT: Do you want to know the actual individuals behind that example?

The CHAIRMAN: Well, yes, the one that was recently closed down. If, for example, it was a company that was operating, who were the people behind the company?

Ms WARNOCK: The one in Nedlands is the one we are talking about.

Mr SARGEANT: The Nedlands was only a normal internet service provider.

The CHAIRMAN: Yes.

Mr SARGEANT: The actual owners and the company was off shore. Now, we have got no jurisdiction off shore. So, we have not pursued it off shore.

Ms WARNOCK: Ace On Line is the one we are talking about.

Mr SARGEANT: They are the local internet service providers.

The CHAIRMAN: Who are the local people or contacts, so to speak?

Mr SARGEANT: Well, that was the Ace on Line people.

The CHAIRMAN: Who are they though?

Ms WARNOCK: Well, Lawrence Fowler is listed here as a - -

Mr SARGEANT: The principal of the company is Mr Gary Allpike the General Manager of Australian Communication Excellence. We are only concerned as to whether gaming was actually being conducted within the Western Australian jurisdiction and it was not.

Ms WARNOCK: It was not?

Mr SARGEANT: It was not. The machine was not capable of offering any gaming product at all. There were two machines. We confiscated them. They are located in my office and they were interrogated by one of my staff to ensure that there was no gaming going on on those machines.

The CHAIRMAN: Just by way of clarification, you mentioned one name. There were no other persons associated with the Nedlands operations as far as you are aware?

Mr SARGEANT: Well, at this stage we have only been to the one individual. We wanted to establish whether gaming was being conducted. There was not any gaming going on there.

The CHAIRMAN: You did not make any inquiries regarding the people overseas?

Mr SARGEANT: We did not pursue that further. All that we did do was through the binary code to establish that the gaming that was being redirected to the site was redirected somewhere outside of Western Australia. That was all my concern was.

The CHAIRMAN: Just as a related question, as well, are you able to confirm or deny that a chap by the name of John Kizon was directly or indirectly involved in either the site here or the operation overseas?

Mr SARGEANT: Well, I would have to invoke the secrecy provisions under the Gaming Commission Act and say that all I can do is give information which is public. One item, I think, detailed in the investigation is public and I cannot deny it.

The CHAIRMAN: Thank you.

[9.15 am]

Ms WARNOCK: Thank you. I would like to pursue another issue now, if I may, if people do not mind me moving off, because there is another juicy issue around the portfolio as well, but do you want to go on with the cyber gambling?

Mr BRADSHAW: Yes. With the cyber gambling, it is probably not having casinos set up in Western Australia or Australia, it is probably the people who are using it. So is it illegal for people in Western Australia to actually access that through the Internet, and maybe dealing with an overseas company? If it is illegal, how do you catch them and how do you stop them?

Mr SARGEANT: The latter question answered itself. How do you catch them? If you are prepared to increase my budget for 1.4 million people, then I will tag you every day to watch it. We have not had a test case but what you must remember is that the current legislation was designed to regulate gaming which is on-shore, you can see the machine, etcetera. It was not designed to regulate Internet gambling. We believe though that if we are able to catch somebody gambling in a public place, in a hotel, we have got all the power we need to prosecute, but I am unsure whether we would have that in the case of an individual at home. I had to ask myself how do we put to good use our resources to actually try to prosecute people in the privacy of their homes, but in a public place, in a hotel or a club, it is a different exercise. I believe we could rely on our current powers, but it is like everything else; until you test it, you never know. The Act was never designed with that intent.

Mr BRADSHAW: Following on from that then, because of the fact that people will probably start to access gambling through the Internet, what are the future predictions or projections for the TAB? How will they be affected if people start going to the TAB in New South Wales or some other gambling form or opportunity rather than going through the local TAB?

Mr SARGEANT: In relation to the TAB, you must remember the TAB is already on the Internet. We are providing an Internet service from the TAB for gamblers. There are only two TABs in Australia offering that; that is New South Wales and Western Australia. So we are providing that service now. If you look at the growth of the TAB over the last few years, we have been very successful in maintaining our position in the market. The question you are asking really is, if we allow casino style gaming on the Internet, what impact that would have on gaming which we do regulate and take substantial revenue from. I have not ascertained what the impact of that will be but it is a matter of government policy, which is being worked through, as to how we do approach the Internet issue - it is tied in with pornography and all those sorts of issues - and the state has to determine its final position on that one.

Ms WARNOCK: If I may move on to another issue, although I dare say since the other one is interesting we may wish to come back to it, I am interested to know through you, Minister, what has happened to the case against the TAB in regard to alleged credit betting. As I understand it, credit betting through the TAB is illegal. I have had lots of calls about this particular matter lately suggesting to me that credit betting has indeed been going on through the TAB and I would like an answer about that.

Mr COWAN: I have been given advice, Mr Chairman, and I take it you are talking about the one action; Mr Craig Rosendorff?

Ms WARNOCK: Yes. That is the matter I am referring to.

Mr COWAN: I understand that Mr Rosendorff's statement of claim has been amended a number of times since that claim was first lodged and there has only been one status meeting before the Registrar of the Supreme Court. We would not expect that matter to be argued in the Supreme Court for quite some time.

Ms WARNOCK: I am interested to know, Minister, whether credit betting has been going on. Unless I am misreading the Act myself, it is actually illegal and I am concerned at the thought that credit betting may have been going on.

Mr COWAN: As you know, the TAB does not permit credit betting.

Ms WARNOCK: It certainly should not permit credit betting.

Mr COWAN: No. If individuals who were responsible for the management of TABs were foolish enough to do that, then that is a matter that the TAB would treat very, very seriously.

Ms WARNOCK: Are you saying that under those circumstances the TAB itself would not be responsible? Is that what I am hearing here?

Mr COWAN: It certainly is not permitted and on that particular basis they would be doing something that is not permitted.

Ms WARNOCK: The individual agents would be doing something that is not permitted. Is that what you are saying?

Mr COWAN: That is correct. The position that the TAB will take is more one that Mr Sargeant can better answer but I have given you information about the situation regarding Mr Rosendorff and I have reinforced the fact that the TAB does not permit credit betting. If Mr Sargeant can be permitted to give some further elaboration, if that is necessary, and you feel that would be an advantage, then perhaps he should do that.

Mr SARGEANT: I can confirm the TAB does not condone credit betting in any format. One of the advantages of the amendment which was made in 1996, and which the parliament approved, was to take the regulation of the TAB from being a self-regulated organisation to being one being regulated by the Betting Control Board. Whilst we do not have extensive resources, the Betting Control Board had a priority to regulating or improving some matters to do with bookmakers and some issues there have been addressed. We also wanted to address some matters to do with on-course totalisator which have been addressed. In the last few months we have been turning our attention to the TAB agencies and we addressed the issues which the Betting Control Board is taking a direct interest in and we are doing audits on the TAB agencies to ensure that they are not permitting credit betting. There may be some instances whereby things are not 100 per cent according to the TAB rules but I can assure you that the TAB itself, with the management of the board, does not encourage, condone or authorise any form of credit betting.

Mr COWAN: Mr Chairman, you can see the TAB does accept some responsibility for that particular issue and is dealing with it.

Mr BRADSHAW: Further to that, I notice under Major Achievements the introduction of EFTPOS facilities for the receipt of fees and charges. I could interpret that as credit betting in the fact that people generally borrow on their credit cards and under those circumstances, if you really tested it, I can see that being a credit betting in a sense. Secondly, I know we should not be nanny state but putting temptation in people's way by having EFTPOS facilities available means they run out of the cash they might normally bet with and suddenly think "Oh, well. If I double up my bet with my credit card, I might be able to get the money back I have lost", particularly after they have had a couple of drinks. I do have some problems with thinking that people are going to become a bit more further in debt as a result of EFTPOS betting.

[9.22 am]

Mr COWAN: I do not think facilities would be any different from the use of EFTPOS systems in any purchasing system. You might say that on the spur of the moment, the pressure might be too great for a person who - - I do not know whether you can be addicted to gambling, but - -

Mr BRADSHAW: I think they can.

Mr COWAN: - - you can have a very strong gambling habit. I suppose that should a person receive credit ...(Inaudible)... you are in a serious situation or the agency certainly would be. I would be interested to know, myself, whether or not there are any limitations placed on the amount of funds that could be placed on any particular bet using EFTPOS. Perhaps it would be an advantage to this committee if Mr Sargeant could give some indication.

Mr SARGEANT: Can I answer that question in two forms? I can talk about the EFTPOS reference in the estimates as with my own agency and what we are proposing to do is actually facilitate the receipt of money to make it easier for people to pay. Not only can you come in and use a card to pay rather than carry cash, but we are moving toward having direct credits into our accounts and we also make payments directly credited into bank accounts. That is the main issue I am talking about here.

Mr COWAN: I look forward to the day, Chairman, when a TAB agency has in its window a "No cash on these premises."

Mr SARGEANT: On the contrary, it is one of the objectives of the TAB because they are one of the targets for robberies for having so much cash. So the EFTPOS has advantages. The TAB has trialled a couple of agencies but the TAB is not into EFTPOS at present. There are proposed amendments which have been publicly referred to in the press and I know some reference was made through the budget speech that there will be some amendments coming before the Parliament to facilitate the use of facilities like EFTPOS but the intention is not to allow people to use credit cards to actually gamble.

Ms WARNOCK: If anybody would like to return to any of the others I am sure we could do that, but I do want to direct

your attention to another issue that is exercising the minds of people in the racing and gaming business. I am referring to the controversial figure, George Way.

The CHAIRMAN: If I can just interrupt you, could you just refer to the page number and the dot number?

Ms WARNOCK: I just find myself unable to discover the page number about this particular issue, Mr Chairman, but I think if we all look at the pages of the budget we will be able to find it by the end of the hour. Minister, there is a problem for some parts of the racing industry of course because as we all know, the WATA has allowed Mr Way back onto the tracks whereas the WATC has not. When I was in the bush recently, someone said to me "This is a problem for stewards who work in both fields", and there certainly is concern among some people - within the racing industry more particularly - about the possible activities of Mr Way, if I can put it that way, and the difficulties it might cause for stewards on race tracks or in areas where both trotting and racing are using the same personnel. Is the Government concerned at all about Mr Way?

Mr COWAN: I think the Member for Perth knows far far better than I do that the administration of both racing and trotting is the responsibility of two separate statutory entities, the West Australian Turf Club and the West Australian Trotting Association. Matters related to the events that you have just spoken about really are the responsibility of the West Australian Trotting Association.

Ms WARNOCK: I am aware of that, Minister, but I am wondering if the Government has any concerns?

Mr COWAN: I would imagine if the Government expressed its concerns publicly, you would be the first person to tell the Government not to intervene in the delegated authority of the West Australian Trotting Association. So it is very much a matter which is the responsibility of the West Australian Trotting Association and that is a question that you should direct to the Chairman of the West Australian Trotting Association, not to the Government.

Mr CUNNINGHAM: I have been down the track on the Way case and I do not want to go down that track again. I want to return to the Rosendorff case. There is a belief in legal circles that the TAB has a case to answer regarding the Rosendorff case. Is this true?

Mr COWAN: Given that this matter is before the Supreme Court, it would be very difficult for either myself, representing the Minister, or for any officer of the Office of Racing and Gaming and Liquor to actually respond to that. I prefer not to give any answers on that in this case.

Mr BRADSHAW: With regard to the returns from TAB turnover on the different codes, greyhounds, racing and trotting, how are they going in comparison to previous years as far as percentages of return are concerned, on a West Australian basis, not an Australian basis, if you can do that? If not, on the Australia wide basis of TAB betting?

[9.30 am]

Mr SARGEANT: I refer to the annual report for the 1997-1998 year. The TAB has indicated over the last five years the growth in turnover. In 1994 it went up 12.48 per cent; in 1995, 6.15 per cent; in 1996, 6.28 per cent; in 1997, 2.85 per cent; in 1998, 8.4 per cent, and this year it is running up in excess of five per cent. What that has seen is the distribution to the codes increase and if I go back to 1994, it is a base year of \$38.1m and this year it looks like being in the vicinity of \$49m. This year the code is going to get a 14 per cent increase in the distributions this year alone so anybody in any man's language could argue that there has been some very good performances via the TAB in recent years and I am afraid we still get murmurs of unhappiness.

Mr AINSWORTH: Minister, my question relates to liquor licensing. I have been particularly interested in the processes involved in determination or otherwise of applications for liquor licensing and the quite good judgments, in my opinion, that have come down in a particular series of cases in my electorate but I am interested in the Major Initiatives which are mentioned here on page 1181, Development and implementation of the integrated liquor licensing system. I am just wondering if you could give us an explanation of what is envisaged in that particular initiative?

Mr SARGEANT: We currently have a system which keeps records of our liquor licensees and approved managers on a system that was DBR which was once a part of the TAB, but that is a different story. That system has been active for many years in the office and it outdated and in this day and age it is near the end of its life and with the year 2000 problems we have decided to rewrite the system and update it to a full database system. So that is just a computerised system we are actually introducing into the office to replace an existing system and give us better access to information. Currently, if an officer has a query from a client and they want to look at their licence information or they want some financial information they have got to change screens to do it. They cannot actually change very quickly and it is an outdated system.

Mr AINSWORTH: So it is really just a new upgraded recording system as opposed to a different process?

Mr SARGEANT: There is no change in the process at all. The process is determined by the Act and the Act has not been amended of recent.

Mr AINSWORTH: It just was not clear in the budget papers as to what was actually meant by that.

Ms WARNOCK: With reference to page 1184, when will all these national competition policy reviews of various gambling and liquor Acts be completed and when will we see the results of these? I have had calls from various people involved in the industry who are keen to find out when those various reviews will be completed and when we will see the results? People want to know what the results of those will be. When will they be made public so that people who are involved in various issues related to those various reviews can know?

Mr COWAN: I do understand that the Betting Control Act 1954 and the Totalisator Agency Board Betting Act 1960 are already out in the public arena for public absorption and comment but with respect to the other two, perhaps Mr Sargeant can give us an indication of just how they are progressing.

Mr SARGEANT: Other than the Liquor Licensing Act, all the other Acts have been reviewed from within the office and they have been referred through to Treasury for consideration by government. Those reviews were carried out after putting an advert in The West Australian and the Sunday Times seeking for people to make submissions on them and they have been done internally with some limited exposure to some of the parties involved and they have gone through our office and now in through Treasury to be considered by government. The Liquor Licensing Act we have only put a draft into Treasury and I would say that is still probably two or three months before we finalise it within the office.

Ms WARNOCK: But will they be made public so that people in the industry can see what the result is?

Mr SARGEANT: The Minister for Racing and Gaming resolved to make the Betting Control Act and the TAB Betting Act one public. I cannot say what he will do with the others but he can make it publicly available.

Mr COWAN: It is generally accepted within government that those matters which are the subject of national competition policy review should have some exposure to the public and capacity for the public to make some comment on. To my knowledge most of the reviews that have been conducted have been made available at least to an industry where it is an industry based act that regulates an industry. The industry has certainly been given access to the review and its findings and recommendations and ...(Inaudible).... reviews that have been completed. I do not anticipate there is going to be any great difficulty with that. Chairman, I would take that question as something that does require some supplementary information and I will undertake to have the Minister for Racing Gaming provide some advice about his intention in respect to those issues.

The CHAIRMAN: That is noted, thank you, Minister.

[9.37 am]

Mr MARLBOROUGH: Minister, on the liquor licensing aspect I wonder if I could be advised as to if there have been any prosecutions in the last 12 months against licence holders for the supply of liquor to people who are obviously intoxicated and/or for any actions taken against licence holders who are operating outside the normal opening and closing times, and is there an ability to vary those opening and closing times throughout the state and if there is, what is the process they go through? My particular concern is that last week I visited Newman. I spent two days there to find out the problems that have beset the Aboriginal people in that community for many, many years are still major concern where excessive drink is used and at meetings I had with the Newman Council and with other people I discovered that the one licensing outlet in the town of Newman was opening at 6 o'clock in the morning selling liquor. That was a problem. There was another licensing outlet - I think the Capricorn roadhouse - selling cartons of beer to severely intoxicated people at some outrageous price. I think the price I had quoted was \$40 a carton.

There has been some publicity about these problems in a number of areas of the State. What is the government doing about it and has there been any prosecutions? How are prosecutions generated against people who, from my observation, are simply exploiting people who are suffering from problems with alcohol. I thought the Act was meant to take some notice of that, where people were affected by alcohol. Has there been any charges? How is it being policed and is it a matter that is under review in the new Act?

Mr COWAN: I am not in a position to be able to give advice on that and in order to ensure that we give accurate information - - the first part of the question, with respect to have there been any prosecutions for offences relating to the serving of alcohol to intoxicated people is something that I would like to provide in writing form as supplementary information.

The CHAIRMAN: That is noted, Minister.

Mr COWAN: With respect to the specific issue related to Newman, I am sure you are aware that there has been a recent meeting with the Director of Licensing at Newman and I think it would be appropriate if Mr Sargeant has information about the outcome of that meeting to relay it to the committee.

Mr SARGEANT: I am not sure whether Mr Marlborough attended the same meeting that Mr Geoff Aves attended?

Mr MARLBOROUGH: No, I was not at a meeting ...(indistinct)...

Mr SARGEANT: Haydn Lowe from the Aboriginal - -

Mr MARLBOROUGH: I was at that meeting.

Mr SARGEANT: Mr Geoff Aves were there as well.

Mr MARLBOROUGH: Right.

Mr SARGEANT: I sent him up there to be part of that particular meeting so he was aware of the problem. With respect to hours, the 8 am start would be legal if it was a liquor store. Hotels can open at 6 am. So, in that regard the trading hours are within the provisions of Act. It is possible for any licensee to apply for an extended trading permit to vary those hours

but they are not automatically granted. If there is an application for an extended trading permit the police are advised and their input is sought. With regard to any prosecutions, they would emanate from police action. I cannot, as the Minister indicated, tell you what the police have done in regard to any prosecutions. I will have to supply that as supplementary information. I know that the Director has raised with one of the Assistant Commissioners the fact that the police probably are not using that new provision in the Act regarding serving intoxicated persons. It was put in by the Parliament to be used and he has made his point known that it is being used insufficiently by the police.

The CHAIRMAN: Minister, if you can just confirm that the information will be provided by way of supplementary information.

Mr MARLBOROUGH: Thanks for that. I can understand the police having a role to play but I would also have thought that the Office of Race and Gaming would also have a role to play. If one presumes you have sent your senior officer up there last week because you are aware of what is obviously a very serious problem in the Newman area, is it the intention of the department to review licences that are presently held in that town in terms of the way they are operating either in terms of opening and closing times and in terms of how those licensees are running those licences. Everyone in the town tells you the way they are operating is affecting particularly the Aboriginal community who are living on the outskirts of the town next to the Capricorn roadhouse. You would be aware they are back to living in car bodies and they are camped within 100 metres of the Capricorn roadhouse. That is because they are willing to supply them at any time with a drink - night or day - at a given price. So, what I am saying is it may be easy to say it is a role for police. What is the licensing of the legislation doing to bring about standards where this sort of thing is not allowed to happen.

Mr COWAN: The role of the police is in the matter of prosecution and we were not handing something across and saying, "This is a police responsibility." Prosecution is; but with respect to those issues that you have talked about, quite obviously the office is concerned because it has sent officers up there.

Mr SARGEANT: That is why the Director of Liquor Licensing was part of that group to see what can be done. Conditions can be placed on their licences. Their hours can be varied to suit the circumstances and I think the Director has demonstrated a willingness to do that in other remote areas.

Mr MARLBOROUGH: Where do you need the request to be generated from?

Mr SARGEANT: From the community. It can come from the local authority. It can come from local residents. It can come from the Director of Public Health. So that is why our officer went up there to see what could be done and to look at the conditions that could be placed on them. What he seeks to do, particularly with the licensees, is get a commitment from licensees in that area to be committed to the solution because what we do not want is, for example, for four licensees to agree to something and one be a renegade and not abide by it. It will then become an issue of having to prosecute. There is an issue there that has to be resolved and we are looking at it from the point of view of how we can tailor the licence to suit the community.

Mr MARLBOROUGH: So, what you are saying is the role of the department is to seek agreement rather than look at what the problem is and if agreement is not reached to put in place the legislative processes or standards. If there is the ability within the Act is it your intention, if you cannot reach agreement with those licence holders, for the department to say, "Right, as of this day this is how liquor licensing will work in Newman."

Mr SARGEANT: That is correct.

[9.44 am]

Mr AINSWORTH: Minister, on page 1178 under significant issues and trends the fourth dot point relating to the possession of gaming machines outside of the casino, is that implying that there are now gaming machines outside of the casino or is it referring more to requests by a range of people for that to happen?

Mr SARGEANT: Yes, it is the constant request that not only does the liquor industry, in particular hotels and licensed clubs, seek to have access to gaming machines, so it would require a political decision and also amendments to legislation, but also there are a number of machines which could be introduced that would not contravene the Burswood Island agreement and which could be issued to a charity to actually introduce. The Gaming Commission is saying no to those. We take a very firm line about the ability for people to gamble through access to gaming machines in hotels and licensed clubs. It is two-pronged. So there is the thrust by the hotels and licensed clubs as well as some of those individual entrepreneurs who have machines which they know could be introduced under the current legislation, but the Gaming Commission policy is no.

Mr BRADSHAW: What do you call the machines in hotels that people actually gamble on, if they are not gaming machines? How do you audit then that a percentage of the money is given out to community organisations? Is this done in any specific way or is it at the whim of the publican as to how the money is given out?

Mr SARGEANT: Those machines are a video lottery terminal. The previous question said about gaming machines and I said it is two-pronged. Not only have you got the industry wanting them but there are some machines we could put into hotels which would not contravene the agreement with Burswood Island and would enable charities and sporting clubs to operate them. So those video lottery terminals are similar in that vein. The point to bear in mind though is that the gaming legislation in WA is premised on there being no gaming for private gain or for commercial undertaking. The only two exceptions to that are the casino and the two-up school in Kalgoorlie. Every other gaming in WA is basically for community

benefit. Lotteries. Where does the benefit go? The community. The TAB. The benefit goes to the racing codes. It is possible for any sporting club or charity to get a permit for a gaming night to offer bingo, to take out what we call a continuing lottery ticket, which is beer tickets where you go to the bar. The Gaming Commission said there was a possibility to transform that particular game onto a machine format, which is what we have there now, called video lottery terminal. Rather than buying it over the bar and breaking it open, we are saying put the money in, press a button and it will just electronically break the ticket open. So those are the machines that are available.

The hotelier has basically no rights to those machines or the profit from them directly. Ultimately the profit goes to the charity. However, the Gaming Commission, through the regulations, has recognised that the supplier of the machine would be looking for some sort of return. They recognise that the hotelier would be looking for some return, but the charity as a minimum must get 10 per cent of turnover and that is audited. The balance is paid up. 70 per cent goes to the player, leaving a balance of 20 per cent to be distributed.

Mr BRADSHAW: How is the money distributed? Is it just at the whim of the publican?

Mr SARGEANT: No. The money should go to the charity. The publican is only entitled to costs. An organisation that might own the machines might decide to get XYZ charity to put them into a hotel. The Act says you must make sure 70 per cent goes back to the player, 10 per cent must go to the charity. Therefore that leaves you with 20 per cent for a split between the hotelier and the owner of the machine. If a sporting club was to buy the machine itself, then it gets a greater margin. I did omit the most important bit. 6 per cent comes to Government. So 10 per cent goes to charity. That leaves 14 per cent to be split between the hotel and the owner. If a charity owns the whole machine and runs it totally, or a sporting club, they can get 24 per cent of the turnover. The hotelier has no rights to that money at all.

Mr BRADSHAW: From the profit of providing the service?

Mr SARGEANT: Providing the service and that is negotiable. The maximum they can get is 14 per cent in those circumstances between the two.

The CHAIRMAN: Minister, can you advise as to how that 10 per cent figure, the bare minimum for charities in terms of profit-sharing, compares with legislation in other states and territories of Australia?

Mr SARGEANT: It depends. You cannot compare apples with apples. In other states, they have the full-blown gaming machines where the turnover is far more superior. When we introduced those machines, we actually related it back to the break-open bingo ticket format and that is where the comparability is carried across to make sure they do go. Most gaming machines in Australia return 90 per cent to the player. We are saying 70 per cent to the player. Of the 100 per cent, 90 per cent goes to the player. 10 per cent is then used to give about a third to the Government, a third to the venue and a third to the owner of the machines. That is the broad ratio there. That is the Victorian model with TABCorp, and Tattersalls who own the machines.

Ms WARNOCK: Can I just pursue the matter that my colleague the Member for Peel raised about the liquor licensing hours and how they are regulated? We have put through the Act. We know what the Act says, but I was at a Community Policing meeting in Northbridge yesterday and concerns were raised about two things; about the late hours at which some clubs were now able to open and the result of that for the rest of the traders on the weekend was that there were drunks on the street at 8 o'clock in the morning when everybody else was coming to work and trying very hard to get on with their lives. The concerns were a combination of the late hours and also the fact that there is an injunction on people who have liquor licences saying that you should not serve people once they are drunk. Everybody has signs in their premises these days saying "We are a responsible servers." It is quite clear to me, judging from the kind of comments that were being made at this policing meeting in Northbridge yesterday that some people are not responsible servers, and I am anxious to know whose responsibility it is to pursue the matter of the fact that these people are definitely not responsible servers. There are large numbers of drunks pouring out of various places onto the streets and making a nuisance of themselves for other people who are there, who clearly should not have been served as much alcohol as they have been. Now, how can this be pursued? There is a reluctance amongst some other licence holders to dob in their mates, if you like. There seems to be a reluctance to take any action against other people, but it is clear that people who carry out businesses in the area are becoming extremely annoyed by the large numbers of very anti-social people on the streets late at night.

[9.51 am]

Mr COWAN: Chairman, that is still very much a policy issue and once again I am reluctant to accept that is a total government responsibility. We accept that hoteliers and other licensees have a responsibility in respect of the conduct of patrons on the premises and some would assume they would expect a continuation of the conduct of patrons off the premises. However, in the main from the complaints that are made generally there is a response from government through the Office of Racing and Gaming to indicate that there have been a number of complaints about noise levels and the behaviour of patrons leaving the premises. We see those in the press quite frequently. That is not so much the responsibility of government but a combined responsibility of the licensees, the patrons, government and other authorities.

Ms WARNOCK: Yes, but it is clear there are licensees not carrying out their responsibilities under the Act which says that they should be serving people responsibly.

Mr COWAN: I am not sure that it is clear that many people are not. There have been instances where that has been the case and I believe the relevant officers have acted reasonably promptly.

Mr SARGEANT: It is a matter that we can take on board for the office as an issue and address some of the activities that people are engaged in when they leave the premises because under the Act the licensee is responsible for people once they do leave the premises. The problem that licensees would argue is that people do not always get the liquor from that particular licensee; they can move on.

Ms WARNOCK: As was the case with Ziggy's.

Mr SARGEANT: I would like to correct one point made by the member in relation to the hours cabarets or clubs can now open. Clubs are able to operate until 6 o'clock in the morning. Those hours have been in place since 1988, so it is not new, it is just extending their hours slightly. That issue has been raised and we will take it on board.

The CHAIRMAN: Minister, if I may, in relation to the same issue, does the office have any plans to seek to limit the extent of the 10 year period referred to in the Ziggy's case through an amendment to the Act?

Mr COWAN: Again I would have to take that issue on board, Chairman. It is a policy matter. It would not be appropriate for the officers to answer that. It is a matter that the Minister for Racing and Gaming would need to respond to and again I will undertake to ensure that a response is given to the committee as supplementary information.

The CHAIRMAN: Members, are there any further questions concerning division 52?

Ms WARNOCK: Yes. I cannot let the Minister or his officers off that lightly. I refer to page 1184. What sort of benefits to customers in the state are expected from fixed odds betting which is listed, as I understand it, for introduction this year?

Mr SARGEANT: The TAB does not yet have the authority to undertake fixed odds betting and members of Parliament will obviously debate the issue when it comes before then, and hopefully soon, but there is a demand from people in relation to fixed odds betting on sports, in particular. They prefer fixed odds rather than a parimutuel totalisator bet because they never know what the dividends are whereas fixed odds means they know what they are going to get. From the point of view of the benefits to the industry, it means the TAB can maintain its position in the market as a viable revenue source for the racing industry.

Ms WARNOCK: Since there are no other questions from my colleagues, there is another matter I would like to address. At page 1185, the number of licence and permit applications determined in 1998-99 is 4000 and the target for 1999-2000 is 4000. What are all these licence and permit applications? What do they include? People may be surprised to see such a large number of licence application being determined.

The CHAIRMAN: Could the Minister indicate whether or not that includes renewals of existing licences?

Ms WARNOCK: Yes. You will recall there was an enormous amount of concern about an allegedly huge number of liquor licences.

Mr COWAN: I just assumed that they were the licences that one applied for at any particular event.

Ms WARNOCK: That is what I really wanted to know, Minister.

Mr COWAN: If we have a breakdown of those figures, we will supply it now.

Mr SARGEANT: The question that related to page 1185, that is the actual Gaming Commission. These are applications for raffles, bingos. If we look at the number of liquor applications on page 1180, we see about 8300 applications there. That includes not only applications for new licences but also for approved managers, extended trading permits and occasional licences for one off events. That is why there are high numbers of applications.

Ms WARNOCK: Is the concern of people in the liquor industry warranted, that there is an enormous number of applications? I must admit 8000 sounds an awful lot to me.

Mr SARGEANT: As I said, the majority of those would be applications for approved managers, changes in personnel involved with a licence, extended trading permits, occasional licences. We issue a number of occasional licences for activities that go on in the community.

Committee adjourned at 10.00 am

Division 11: Commerce and Trade, \$94 286 000 -

[Mr Sweetman, Chairman.]

[Mr Cowan, Minister for Commerce and Trade,.]

[Ms L.A. Smith, Executive Director, Corporate Business Operations, Department of Commerce and Trade.]

[Mr R.D. Grounds, Acting Chief Executive Officer, Department of Trade and Commerce.]

[Dr S.D. Meek, Executive Director, Science and Technology, Department of Commerce and Trade.]

[Mr M.S.J. Collins, Executive Director, Office of Information and Communications, Department of Commerce and Trade.]

[Mr J.M. Loney, Executive Director, Industry Development Division, Department of Commerce and Trade.]

[Mr P. Amaranti, Executive Director, Department of Commerce and Trade.]

[Mr R.E. Marshall, Project Director, Jervoise Bay Project, Department of Commerce and Trade.]

[Mr M.G. Stevens, Team Leader, Executive Support Team, Department of Commerce and Trade.]

[Dr R.A. Field, Chief of Staff, Office of Deputy Premier.]

[Ms L. Mackin, Senior Adviser, Office of the Deputy Premier.]

[Mr M.I. Beach, Senior Adviser, Office of the Deputy Premier.]

[Ms M.M. Gauci, Policy Officer, Office of the Deputy Premier.]

Mr COWAN: There are a number of various departments and agencies that come within my responsibility; the Department of Commerce and Trade, the nine Regional Development Commissions, the Centre for Applied Solar Energy and also the Small Business Development Corporation. Could I have some advice from you as to whether you intend to set any time limits so that each of those agencies will have some time for discussion, or whether you will just let the questions flow to the extent where at the end of it all those agencies who, through alphabetical order, are at the end of the list of agencies for whom I have responsibility there may be no opportunity for discussion.

The CHAIRMAN: Minister, I will not try and prescribe times. The committee is aware that there are various segments to your portfolio and several divisions that we need to wade through. At various times I will just make the point that we should be drawing a certain division to a close to allow sufficient time to go into the next division without trying to be too structured about it all.

Mr COWAN: Thank you. As is also my practice, Chairman, again with your permission I would seek to deal with, perhaps, some general matters if the questions are asked and certainly those that relate to policy but with respect to administration or finance matters then I would appreciate it if the officers could give a direct answer to the committee.

The CHAIRMAN: Thank you, Minister.

Mr BROWN: Mr Chairman, my question relates to page 183 under the heading, Appropriation of Forward Estimates, and the first line there in relation to the items appearing under Recurrent for the 1998-99 financial year. The estimated actual expenditure for the financial year is \$45.3m and the budget last year had a budget estimate for the year of \$52.2m which means the spending is something about \$6.8m or \$6.9m underspent in the budget allocation of last year.

Can the Minister explain the reason for the differential in those two figures and how that has come back.

[10.09 am]

Mr COWAN: There are a number of projects or programs within the department where funds were allocated and it is not likely - it is possible but it is not likely - that they will be spent. As you appreciate, at some time or another there has to be the printing of a budget document. In this particular instance some funds for Scitech, for example, have not been fully expended. Some debt servicing costs were lower than anticipated. The regional headworks funds was another area where there was not significant expenditure or expenditure to the extent budgeted and there is also one other land purchase which may or may not be transacted prior to 30 June but which is for a significant amount.

As members would know, the government has decided that all land sales should take place at valuation as opposed to some book value and as a consequence of that some land purchases which the Department of Commerce and Trade has been involved will be purchased by the department at valuation and whether or not that proceeds prior to the end of this financial year is dependent entirely upon the transaction itself but that is what is the difference.

Mr BROWN: If I can just pursue that a bit further. The budget estimate for this financial year is \$50.8m.

Mr COWAN: Yes.

Mr BROWN: In the budget papers of last year the forward estimate for 1999-2000 was \$52.3m. So, in looking at that there does not appear to be any provision in the budget figure of this year for the, if you like, catching up on monies which have not been spent this year. It is not as if a whole stack of this \$7m has been rolled into the next year's budget and therefore we have seen the next year's budget allocation move from the forward estimate of \$52m to the budget allocation of \$59m. What we have seen is the budget allocation of the forward estimate of \$52m reduced to \$50m. So, could you explain how that fits in relation to the matter.

Mr COWAN: The member is quite correct. Although the department manages its finances using a fund where on occasions we are funded - and some of those funds are quite fluid particularly funds that might come from the Commonwealth - the dispensation of the funds for programs might not necessarily fit that particular financial year but if there is any correction where, as the member has identified, there has been a reduction in the actual as for the estimated actual then that would come in the form of supplementary funding for the department.

With respect to the budget for this year we are currently debating I think the Premier made it very clear in his budget speech that whilst there was a significant increase for funding for health, education and portfolios associated with the Ministry of Justice, police and, in addition to that, employment and training, some of the other government agencies were required to

take a reduction in their budget based on what forward estimates might have indicated. In that instance, the Department of Commerce and Trade was one of those agencies which did have to accept a reduced amount of funds.

Mr BROWN: The Deputy Premier last year was kind enough to enable his officers to give me a detailed breakdown of budget figures in terms of rather than the sort of global heads amounts but what that all meant in detail and where the allocations were then proposed to go. Based on those figures it does not appear that they have actually gone there or all of them have gone there. I wonder if you could provide for me a detailed budget breakdown again in relation to where the actual money has gone in relation to which of those heads of expenditure rather than a global amount that we might talk about, for example, with science and technology. Last year the department provided for me a breakdown in terms of precise amounts of money - for example, how much went to Scitech, how much went to WA Innovation program - and I wonder if I can get that by way of supplementary information in terms of both the budget allocation and what was actually spent or is anticipated to be spent in relation to which line item.

Mr COWAN: I am quite sure the member has looked at page 209 and at that particular page he will see that there has been a breakdown of those particular programs within the department's operations.

I am pleased to hear, Chairman, that the additional information and the briefing that was offered to you by the department was of some value. On the basis that we can continue what was done last year, we will make available not just to one member but to those members of Parliament who seek it in the way that does not mean we are going to have 50 members of Parliament all having individual briefings. Chairman, we would be quite prepared to indicate outcomes but this year because of the change in the budgetary format the various departmental split in the different project areas are already indicated on page 209.

[10.16 am]

Mr BROWN: Deputy Premier, I appreciate the fact you will give a briefing but can it be provided by way of supplementary information in terms of the schedule because it then goes onto the record?

Mr COWAN: It is public information. There is no difficulty with that, Chairman. We will provide supplementary information.

Mr AINSWORTH: Page 187, Output 1. One of the major shortcomings in this country over many years has been that we develop good ideas, our science and technology is very good, but we then do not seem to be able to go to the next step of developing some of these ideas; they go offshore, partly because of a lack of venture capital. Has there been any movement at all through your department to try and attract a greater degree of venture capital to help further develop some of these ideas, these technologies and scientific discoveries or whatever, into a more commercial stage so that we, as a nation, and particularly as a state of Western Australia, retain a greater percentage of the benefits of those developments?

Mr COWAN: Chairman, for a long time the department - and I do not know if "department" is the correct word - has supported the technology innovation management group that was established some years ago for the purpose of providing support to businesses and individuals who had innovative projects or inventions. Part of their role is not only to assist with patenting but also to provide some assistance to proponents for capital that they might require to develop their particular projects. The technology innovation management group operates independently from government, even though government subscribes some funds to its administration and it has done particularly good work. The member for Roe raises an issue about venture capital. That is something that we have advocated in Western Australia and should be given greater attention but certainly we would never dedicate public monies for venture capital. We have promoted the concept of venture capital coming to Western Australia. You might recall that the Federal Government, through its IIF program, indicated that it was prepared to issue five licences for venture capitalists to operate in Australia. Regrettably none of those licences were granted in Western Australia. I might also add, at the risk of sounding churlish, Chairman, that two of the licensees were unable to raise the \$10m that was necessary for them to operate so, as a consequence, that particular program, while it was a fine concept, has had a fairly shaky start. The availability of venture capital is a difficulty for Western Australian business and that is becoming quite noticeable, particularly with the information economy where quite often there are some very good ideas. As an example, a Melbourne based company, LookSmart, has just won a contract to provide services to Microsoft. The contract is for \$US120m and it requires \$US60m capitalising. So there are some huge opportunities. However, while we are conscious of it, and we ask the Federal Government to give us some support by establishing one of the venture capitalists in Western Australia, our support is limited to the support that is given to technology innovation management.

Mr JOHNSON: Minister, on page 185, in relation to the Y2K millennium bug, I am delighted to hear the comments that we are leading Australia in our preparedness for going from 1999 to 2000. My own personal view is that there is a lot of hype with the situation, going from 1999 to 2000. The more modern computers and programs are certainly geared up and configured to go without any problem at all. It is the older computers and programs where there are problems. There are companies that actually go into the computer systems of the government agencies and corporations to check whether or not their programs are capable of going from 1999 to 2000 and whether the hardware is actually configured to go from 1999 to 2000. Has there been any feedback from those companies as to whether they are in a good position? Has there been any feedback as to whether any work needs to be done on computer systems, particularly in government agencies?

[10.24 am]

Mr COWAN: Chairman, I will give a quick outline of the policy with respect to Y2K and then ask Mr Stephen Collins, the

executive director of the Office of Information and Communications, to give an answer to the more direct question about our ability to assess the compliance of government agencies. Quite some time ago the State Government began a campaign of awareness raising to alert people in the private sector to the Y2K issue. In addition to that, some changes were made to the reporting requirements of CEOs in that they had to report to their Minister on the efforts undertaken by their particular agency to ensure that operations within their agency were in fact Y2K compliant. The Auditor General had also done some work on requirements and we have now increased the level of reporting from quarterly to every second month, if my memory serves me correctly. So the individual CEOs have a responsibility to ensure that their operations are Y2K compliant. In relation to the work that has been done by the government agencies, it is more appropriate that the response comes from Mr Collins, so with your permission, Chairman, I would ask Mr Collins to indicate what the government agencies have been doing in that respect. There is one thing, however, and that is that the Federal Government has wanted some uniformity in respect of the way in which reporting takes place. I am not sure that is going to work because they have columns which require you to indicate how many different appliances have been tested and the extent to which they have been prepared or improved. If you have a look at the column, Statement, and if you look at the Royal Perth Hospital, you will see that 95 per cent of the equipment has been tested and 99 per cent has been found to be right. I do not think prospective patients will be terribly satisfied with that. If they are going on to dialysis or going on to a particular machine in that hospital, their question will be "Will that machine work?" I will now ask Mr Collins to provide a detailed response.

Mr COLLINS: We have for some considerable time, certainly since 1997, been getting agency reports that ask them to report on a range of activities beginning with "Have you a plan?", "Has it been independently audited and assessed?" down to "What percentage is complete?" Thus far \$165m has been committed by individual government agencies of which \$110m has been spent. The state of readiness is a matter for each individual agency because it depends on their individual architecture. We do have a comprehensive group of agency chief executive officers, led by the Director General of the Ministry of Premier and Cabinet, which is in the process of meeting regularly in order to assess where the risk lies. We have a comprehensive action plan that has identified those areas where there are risks and where there are gaps and those matters are being addressed by a number of us in a number of ways.

Mr JOHNSON: With the \$100m that has been spent so far is that on new equipment or new programming? How much of that is actually for companies that go in and specialise in checking through? I know we are spending money, and that is fine, I do not have a problem with that. If it is for new equipment, new programs, I do not have a problem with that, but do we have an analysis as to the amount of work that has to be done to correct what would have been our existing system?

Mr COLLINS: All of that is remediation work of some sort. We do not have a breakdown as to where it sits in terms of consultancy and hardware and software, but in practice virtually all of it will be in the hardware area and the software area. A very small percentage of it will have been in the consultancy assessment areas. The vast majority will be in areas where there are particularly old mainframes that cannot be Y2K compliant.

Mr JOHNSON: Are there any computer programs still running on Cobol program at all?

Mr COLLINS: Very few. There are some but they are in the process of being remediated.

Mr BAKER: Minister, my question relates to the second dot point at the bottom on page 188. It refers to the new support agreement for Scitech having been negotiated. Could the Minister please advise as to whether the government has any proprietary interest of any description in the Scitech Discovery Centre? Could he also explain the fundamental terms of the support agreement and advise as to whether the \$12.75m to be advanced over five years is in the nature of a loan or a grant, and if it is a loan, when will it be repaid?

Mr COWAN: Chairman, the details of the Scitech Discovery Centre support agreement would be better answered by Dr Sue Meek of the department. The Scitech Discovery Centre does require quite a lot of financial support from the government for its administration and for the rental on the premises in West Perth. It also supplements the money, which is in excess of \$2m a year, with support from the private sector, particularly industry and some of the programs that it runs. If you look at the different programs that are being run by Scitech, a great percentage of the investment in the programs comes from the private sector. With your permission, Chairman, I would ask Dr Meek to give some indication of where the funds that are committed by the state in that Scitech Discovery Centre support agreement are likely to be appropriated.

Dr MEEK: As per the previous support agreement, the vast majority of the allocation to Scitech is towards operational costs, such as salaries, and also the construction of new exhibitions. That is an area where Scitech is attempting to in fact recoup some costs by then on-selling exhibitions and so forth. There is a slight increase on a per annum basis from previous allocations and that reflects allocations under the State Science and Technology Policy towards assisting Scitech to actually increase its reach outside the metropolitan area into regional areas.

Mr BAKER: Is it a state-owned entity, so to speak, or not? Does the government own it?

[10.31 am]

Mr COWAN: It has a board of management and that is incorporated. It is not state owned. I can assure you of one thing, if the state withdrew its funding, it would not exist. So we have some sense of responsibility for it, but the board dictates what exhibitions it will undertake. It dictates the entry fee for students and it does all of the day to day administration and management, but certainly the support that is given to Scitech by the State Government means that it does exist.

Mr BAKER: But is it a body corporate incorporated under the Corporations Law or under the Associations of Corporation

Act? I am just curious as to the nature of its legal entity, whether or not it is privately or publicly owned. I think you indicated it is privately owned.

Mr COWAN: I am not that sure we can give you an answer that is 100 per cent accurate. So I would take that question and provide supplementary information about the structure of the board of the Scitech Discovery Centre.

Mr BROWN: Mr Chairman, in terms of proceeding, is it intended to go across the table in terms of this matter?

The CHAIRMAN: That would be ideal. It is just that I have three questions queued up.

Mr MARLBOROUGH: Can I suggest to the Chair that we had this problem yesterday? Traditionally, the committee process has been for the Opposition to ask questions. I just think the fairest way in regards to a queue of questions is to run it as question time and that is to go each side of the table.

The CHAIRMAN: From 10.30 on we have an opportunity, Minister, to have a morning tea break. Whether we go out in rotation or en masse is up to you and the members around the table.

Mr BROWN: There are some questions on Scitech so now might be an appropriate time to ask them. I note on page 185 there is reference made to details of major policy decisions impacting on the agency since the 1998-1999 budget and the additional amount is \$650 000 provided for in the budget estimate and both the forward estimates. What will be the total amount paid to Scitech in the 1999-2000 financial year?

Mr COWAN: Chairman, page 209. The budgeted amount is \$2.5m. The money that has been paid to Scitech this financial year is estimated to be \$2.45m and I do not see any prospect of that being varied. I think that is correct.

Mr BROWN: Can you explain then the \$650 000 on page 185? I cannot work that out. The Minister issued a press release on the 28th of July 1998 and said that the \$2.5m would be contributed this financial year, which is presumably the 1998-1999 financial year, and that progressively that would rise from \$2.5m to reach \$2.7m in 2003. Accepting that figure is in the budget papers, how is the \$650 000 explained, that appears on page 185?

Mr COWAN: As best as I can explain it, Chairman, at the time we were negotiating the budget, that amount of money was still being determined as to whether it or should not be paid. It has to be because it is part of the agreement with Scitech. So it is now, as I understand it anyway, money that was not likely to be spent at the time the budget was being produced, which is March, April. It will now be spent.

Mr BROWN: This \$650 000 was included in the \$2.5m?

Mr COWAN: Yes.

Mr BROWN: Which you did not think you were spending at the time the papers were drawn up, which you now have to spend but it is not an extra cost?

[10.38 am]

Mr COWAN: Let me see if I can eliminate the confusion. Chairman, as you would be aware, when budgets are framed and when they are printed there is usually some degree of issue between the treasury officials, who are responsible for the printing of the document, and those different government agencies with respect to the expenditure of funds which have been appropriated. In this particular case, whilst there might have been a document that was prepared it was prepared on the basis that \$650 000 was not included in expenditure on the Scitech Discovery Centre. Because that money had been earmarked and was, in fact, to be spent that money had to be reinstated and that is why you will see the explanation in the budget papers because there had to be a reinstatement of the \$650 000. As far as column figures or a book entry is concerned, one government agency decided that we would not be spending that and when it was discovered that we will be - and we did - then it had to be reinstated.

Mr BROWN: What was the \$650 000 dispute over?

Mr COWAN: If my memory serves me correctly, Chairman, the original agreement with the Scitech Discovery Centre was for a figure - I believe it was \$1.8m - and there was either a rent review or additional costs associated with the Scitech Discovery Centre and they would be in the preparation and development of exhibitions that as a consequence further agreement was reached that that is what would be paid. That agreement was reached between the department, the Chief Executive Officer and the board, and it was put to me for ratification which I approved.

Mr BROWN: Is that the subject of your media release of 28 July 1998?

Mr COWAN: Chairman, I suspect that the additional funding for Scitech, if that was what the statement was about, is that there was to be under an agreement with Scitech the \$12.75m over the 10 year period. That would have been the subject of the press statement, to say that Scitech's funding had been guaranteed under that agreement for a further 5 years.

Mr BROWN: Well, I am pleased that we have the explanation. The budget papers are now much simpler to understand. When I see an increase of \$650 000 - being a very simple fellow - I just add that on to what was previously budgeted for. I do not make the assumption that what was previously budgeted for has not been paid and therefore it was deducted and therefore this amount is now added on because it was previously deducted, which nobody knew about.

MR COWAN: I find it perfectly simple, Chairman. I am surprised that the member is having difficulty. The way he has explained it is absolutely perfect. I am sure everyone has been enlightened by that.

Mr BROWN: Well, we will have an interesting third reading, Mr Chairman, and I will put on the record just how easy the budget is now to understand. Anyway, I am glad we clarified at least that point.

Mr THOMAS: Mr Chairman, I have an electoral interest in the Jervoise Bay southern harbour project and that is listed on page 191 as one of the major projects for the forthcoming financial year. On page 211 there is an allocation for this financial year of \$26m. I would be pleased if you could indicate what work will be undertaken in the forthcoming financial year on the southern harbour project.

Mr COWAN: Chairman, as I think the member knows, expressions of interest have been called for the development of Jervoise Bay. It is the intention of the government to utilise its funds to undertake preparatory work that is associated with the development of that particular project. There really are four or five specific issues that we are addressing at the moment and the first, of course, is the road realignment. That is being undertaken in conjunction with Main Roads Western Australia. The second is the marine industry technology precinct. As the member would be aware, most of the land has been purchased for that particular precinct.

Mr THOMAS: That is a different allocation.

Mr COWAN: Yes, but it is part of the entire project. There is also the process of further consolidation of the site. There is a reserve in there that has to be changed and that will require the support of the Parliament and I serve notice on the member for that.

With respect to the issue that you have raised, if you have any supplementary question on this, Mr Ross Marshall, one of the people most closely involved in this project with the department, will be able to give some more definitive answers. We expect that we should be in a position by early next calendar year to begin the process of taking some of the material that would be necessary for the construction of the breakwaters. That is the southern breakwater and the western breakwater. That will be, essentially, the first task for the development.

[10.45 am]

Mr THOMAS: Did you say early in the next calendar year?

Mr COWAN: Yes. We would suspect that given the environmental conditions that we have had imposed upon us where we are not to disturb the area other than during those winter months when you have greater movement of the water and that you do not have the concerns associated with algal blooms in the summer. I think we are confined to work with members associated with Cockburn Sound during the winter months and I anticipate there would be a start. Perhaps, Mr Marshall, you might be able to tell us just exactly whether it is anticipated that we would start on the breakwater development and what time?

Mr MARSHALL: The current schedule is that we will be going out to tender for this work some time in early July of this year with a selection late November, early December, and that work would be able to start in February/March of 2000. The first work which will occur, other than the road movement, will be the closure of Cockburn Road and the earthworks to start levelling the site and pushing some of that site into Cockburn Sound.

Mr MARLBOROUGH: Can I suggest that we break for 15 minutes for morning tea at this point?

The CHAIRMAN: Is the committee happy with that? We will break for 15 minutes.

Sitting suspended from 10.49 to 11.07 am

Mr BROWN: In relation to Jervoise Bay, and obviously the southern precinct that is referred to on page 190 of the budget papers, dot point 2, All government approvals granted for the \$160m -

Mr COWAN: I perceive there are two questions involved in this, Chairman. One is the Commonwealth funding that has been made available. That is committed. In 1998-1999 \$27m will be appropriated. In 1999-2000 \$7m. In 2000-2001, \$26m. Then there is \$20m in the following year, 2001-2002. So the money is in the budget. It has been committed in writing by the Commonwealth Government. So with respect to the Commonwealth funding they have honoured that particular commitment. It will arrive in tranches that I understand suit the Commonwealth Government. As you would be well aware, we are not going to spend \$27m this year. It would be a miracle if we did, but certainly with only \$7m allocated next financial year, the bulk of the funds will start to flow and be spent in 1999-2000.

The other question that was asked about the precinct itself, not all of the Government approvals that we require are completed. As most people would know, there is a system 6 reserve in the middle of the proposed industrial area and the advice that has been given to me is that in order to be completely sure, although there is some doubt about the reservation, we need to seek the approval of Parliament to take that small reserved area and transfer it to the industrial park. We anticipate that will be introduced at the earliest possible moment.

The question now is whether we do it separately or whether we include it in the usual annual reserves bill. In my view, because of the necessary need to consolidate all of the land, I want to expedite that as quickly as possible. Apart from that, all the Government approvals associated with funding are in place and it says that national and international expressions of

interest were called. Mr Marshall made it very clear that we have received those expressions of interest, but there will be tenders called to begin the process of construction. We are quite comfortable with that particular issue with the exception of receiving the advice that we did actually have to take the reserve and bring that back to the Parliament to put beyond any doubt the transfer of that parcel of land to the industrial estate.

Mr BROWN: To what stage has the design work been completed?

Mr COWAN: That is again, something I think would be better answered by Mr Marshall. I do not think you could say there has been any specific design and engineering work, but perhaps he can correct me.

Mr MARSHALL: In order to get environmental approval obviously a considerable amount of design had to be done. The actual layout had to be prescribed and so on, because that obviously affected water flows and various other elements. So in order to get environmental approval we had to do a basic master plan. Most of the engineering design has been done. It will be in a position to be actually handed over to the company which becomes the facilities manager, lock, stock and barrel. Obviously they will do their own design work to verify some of that, but the majority of the work had to be done in order to work out volumes, quantities, amount of rock armour, all that sort of thing. So all that has actually been done and will be in the tender documentation which is made available to the tenderers when that is called for in July.

Mr BROWN: To what extent has industry been involved in the design work?

Mr MARSHALL: Very much so. Obviously it was designed by an engineering firm. We consulted widely and one major overseas company that actually runs a facility like this in the northern hemisphere gave us considerable advice as to what they would see should be needed. We also spoke to a number in the United Kingdom as well and we incorporated those elements in the design.

Mr BROWN: Have there been any concerns raised by local industry about the nature of the design, the base design and a top design in terms of type of facilities to go there?

[11.15 am]

Mr MARSHALL: There has been no adverse comment as to the footprint, as it were, and the type of facilities that we see putting in there. For example, the 15 000 tonne load-out wharf, the 380 metre long facility for fitting particular vessels and so on. There has been no adverse comment from industry on that.

There has been some discussion with different companies as to what would actually go on that footprint; the size of the construction sheds, the various other elements that we would see the facilities manager paying for and there has been some debate as to whether there would be need for a \$40m investment by industry or whether it would be smaller and so on, so there has been some debate on the actual facilities. We have not been prescriptive on those. We are leaving that up to the facilities manager because that is the company that will actually be spending that money. We are just providing the base platform as it were.

Mr MARLBOROUGH: Are you intending to freehold any of that land? I know it has been historically requested for a number of industries wanting to have that land freehold.

Mr COWAN: Chairman, that is a policy issue. Can I say that the industrial precinct itself will consist of two places. The common user facility which will be adjacent to the waterfront. That will not be freehold. That will be a common user facility but - -

Mr MARLBOROUGH: That is the lift...(Inaudible).... facility, is it?

Mr COWAN: Yes. And behind that to the east of that area there will be land available for freehold title for industrial construction companies or fabricators who may wish to locate there. I think that gives an example where, in this area, there will be a common user facility which will be available for the public. It will not be sold. And then behind that will come the heavy fabrication and manufacturing area where parcels of land will be available to industry for purchasing.

Mr MARLBOROUGH: Could we ask for the sake of clarity, Mr Chairman, if a smaller map that can go into the *Hansard* could be made available? I do not know whether it can go into *Hansard*.

Mr COWAN: There are maps available, Chairman, and we will certainly regard that as a request for supplementary information and if *Hansard* are capable of incorporating that, we will do that and, in fact, we will show some largesse, Chairman. We will make available a copy to the member who asked the question, and I am sure to the member for Peel and the member for Cockburn the maps are interesting as well.

Mr MARLBOROUGH: To what extent have any of the West Australian companies, particularly supply companies, fabrication companies and so on, indicated a preparedness to move to Jervoise Bay?

Mr COWAN: They have demonstrated an interest. I would not say it was a preparedness at this stage, Chairman, but they are very interested in having, certainly, access to the common user facility and one would assume that if the land is available that it may very well be - and they are saying this - in their best interest to also move to the site.

One of the issues that is associated with this precinct and it is something which I have already served notice on the labour movement is that we would expect to see in this, if we do really need to win the contracts, is that there needs to be a site

agreement that will transfer to the common user facility and most of those construction companies have a site agreement and we would expect that site agreement to be transferred down to the common user facility area that they are using and that would obviate any recurrence of the incident that occurred with the shipping out of the laminaria⁷ modules earlier this year or late last year.

Mr MARLBOROUGH: That will only occur if you do not go about trying to exclude certain unions. If you go about trying to exclude certain unions as they did at the Laminaria you are asking for trouble.

Mr COWAN: Chairman, I will take that as advice rather than a question.

Mr BROWN: Can I ask just in relation to the facilities to go on the footprint and you say that will be left to the facilities manager. To what extent will the facilities manager be engaged with local industry and government in the design of those facilities?

Mr COWAN: Chairman, again, that is a question that can be answered by Mr Marshall but can I just make one point? We want to have a very independent facilities manager. We do not want to find this something that is going to be managed by a company that may have some involvement and because of that may not be seen to be completely independent and offering.

We have had some difficulty with access to the ship lift which is supposed to be for common use and we do not want to see a repeat of that so we have been very careful about that but the specific answer, I think, Mr Marshall can answer that.

Mr MARSHALL: I think the answer has basically been given. We expect the facilities manager to be an independent and, therefore, will make his money or her money out of that particular facility and would be very keen to consult with all West Australian companies to maximise throughput through those facilities. As part of the tender documentation we will be indicating the sort of facilities that we believe would need to be on that site and, therefore, we have, as it were, a benchmark upon which we can judge the tenders. However, if the successful facilities manager can demonstrate that work can be obtained using a different format, different outline, different types of facilities, then obviously we would take that into account, but we do have a fall back position that is being designed as a benchmark.

Mr MARLBOROUGH: Minister, the latest decision on Aboriginal land rights as it affects that large area that seems to cover most of the metropolitan area and a fair bit of Cockburn Sound, as a result of that decision is your department seeing any problems with any developments that may impinge on Cockburn Sound and is there a view that this development may be caught up in the decision that is being made or has that been included and is not a problem?

Mr COWAN: I have not taken advice on that issue, Chairman, but I would assume that any public lands is going to have to be cognisant of the issue associated with native title.

[11.22 am]

Mr MARLBOROUGH: I was just thinking we have got two areas of concern; a system 6 and the actual ocean itself. Do you see any future development in that Cockburn Sound area? I am having some concerns.

Mr COWAN: We would expect that we would have to, like everybody else who wants to undertake development, go through the process of negotiation and settlement and we do not resile from that. We are confident that we will be able to do something there.

Mr MARLBOROUGH: Do you think both parties will be involved in that process as a result of this? Is it too early to tell?

Mr COWAN: I suspect we would.

Mr MARLBOROUGH: You do not see it, in itself, impinging on the speed by which the project may develop?

Mr COWAN: Chairman, it may. The matter of dealing with issues associated with native title is actually a responsibility of the native title unit within the Office of Premier and Cabinet or similarly, with respect to land transfer, within the Department of Lands Administration. So, we do not have the expertise with respect to native title resolution but we certainly have come this far with the Jervoise Bay project. It is not our intention to allow issues of that nature to further delay the project so we will make sure we deal with that issue, if we are caught up in it, as quickly as we can.

Mr MARLBOROUGH: We seem to be looking at a 4 year development phase. With the downturn in the world market, particularly with resource areas, are you concerned as to the viability of this project in terms of the advice you are getting and your recent non-stop trips overseas? Are you able to ascertain from that your own knowledge ...(indistinct)... whether this project is going to have any increased risk factors that may slow the project down. This development also includes a marine technology precinct. When do you intend to start that part of the project which, as you and I know in terms of distance, is some way from this particular offshore facilities site but is an integral part of the overall development of that area and, of course is very important to the State and, in particular, to that region? There is no funding allocated to it and I just wondered at what speed do you see that take place.

Mr COWAN: Chairman, with respect to the issues that are associated with demand within the oil and gas sector, we see that as an opportunity. We see the downturn in the oil and gas industry as being an opportunity for us because the work that normally would be undertaken by those construction companies for the oil and gas sector may now be opportune because it is reducing. It will be opportune for us to win development of the project itself at good contractual rates. So, we see the opportunity to build that at very competitive prices because of the likeness of the work levels in the oil and gas sector. I

would not want to build this project when demand was at its highest because the engineering and construction companies would probably place a premium on it. However, because of the downturn and the slowdown in capital investment it does provide an opportunity for us to get good value for money with the construction of this particular project.

With regard to the overall scene in the energy sector, the member is well informed. I have just returned from the United States where part of my trip included a visit to Houston to attend the offshore technology conference which is associated with the oil and gas industry. The comments that were made by some of the major producers there is that they are confident that there will be, and already has been, firstly, an increase in the price of energy to produce it and as a consequence of that that is indicative of increased demands. They believe that the Carnarvon Basin and further north are very prospective areas and they expect that there will be continued interest in Western Australia.

The task for us is to make sure that instead of having a declining level of local content in construction, and as a consequence of that a very strong prospect of reduced through life maintenance contracts of particular developments, we believe that with this facility we can begin to reverse that and actually get greater local content in the construction and fabrication of the projects that are going to be required to bring oil and gas reserves on stream.

With respect to the oil majors - and there was a question about them - they have left the support for this particular project to the service industry. The developers themselves, and the major multinational companies, are at great pains to tell us that they will always seek to exercise their right with respect to a commercial value given to any tender and they are not going to commit themselves to anything, but I think we still need to take that risk. If anyone has ever been to the town of Onslow then when a certain company moved out of Onslow I would like you to tell me just what was left. There was very little commitment given to that town by the companies that used that as a service base.

We just have to make the decision of if we want an increased level of local content in construction and fabrication of those projects which will bring on stream our oil and gas reserves, and if we need that or if we want that, then we need to put the infrastructure in place. That has been the basis upon which this decision is made. I do not anticipate there will be any slowdown. I expect that the slight downturn in the energy industry will give us a very competitive construction price and that it will be available for use when demand starts to increase.

[11.29 am]

Mr MARLBOROUGH: The marine technology facility?

Mr COWAN: I am sorry. On page 211 there is some information about the funding that is associated with that. I am assuming that much of the first tranche was for the acquisition of land and that the amount that has been allocated in the second year will actually be for the construction of facilities that would be there. You must bear in mind that there is at the moment in that Henderson area a temporary training facility that is being operated. We expect that to not be available to the education providers and as a consequence this does need to have some development initiated reasonably quickly.

Mr BAKER: Minister, I refer to the first dot points on pages 190 and 191, both of which refer to the ongoing expansion of the technology. When do you foresee that all of the land within the technology park will be fully utilised and once it has been, do you believe it is possible to establish another technology park in the Joondalup Regional City Centre, in the area designated by LandCorp as a site for a future technology park precinct?

Mr COWAN: Chairman, stage one of the technology park is as good as fully utilised. Stage two, which is the area of land that has been associated with the establishment of the CSIRO Petroleum and Mining Research Institute, is only just coming on stream but we intend to dedicate that to companies that are going to spin-off from the CSIRO Research Institute and have an association with research into that particular area of the resources sector.

We would see the development of a second technology precinct as a separate question. It is not a matter of, "This area of land or this technology precinct is now filling up. We will go somewhere else." We are working on a project to identify the worth or otherwise of a technology park. With any technology park, for it to be successful, you do have to have a clear indication that there will be some major users in the initial stages. Bentley is a classic example of that. CRA, as it was known then, and Delta West, as it was known then, were the first two users of the technology park there and that created the interest and generated the level of use that made it worthwhile. So we really do have to have a range of issues in place before we can embark upon the establishment of another technology park. One of those is to have companies that are looking for a home for a high tech industry.

Mr BAKER: Thank you.

Mr THOMAS: Deputy Premier, I have raised with you privately the question of the quality of infrastructure in Henderson and the fact that I think it is not appropriate for an area which is probably the most prestigious, if you like, industrial area in the state at the present time. It is certainly the one that international and interstate visitors are taken to most often, and the roads, in my view, are not up to scratch. There is no entrance statement. There is nothing to indicate that it is an area that the state takes pride in. I think the realignment of Cockburn Road is probably going to be an opportunity to upgrade the general appearance and quality of infrastructure in the area.

Two questions have been raised with me specifically. One is the question of parking facilities for people who work in the shipyards, the ones that are actually on the coast. There are virtually no parking facilities available, or certainly not enough of them, and as a consequence you have cars parked all over the place. One of the major yards, as you would be aware, has

over 1000 employees and probably 1000 cars go there a day and they are parked in the dirt, on limestone outcrops, just all over the place.

One of the proprietors of one of the yards has made an approach to me that there is land between Clarence Road and Cockburn Road, which is too narrow to ever be developed, which is owned by LandCorp. They would be prepared to level and bitumise it and have it as a car park if they were able to get access to that land. The need for that was illustrated to me by the proprietor of another shipyard, not one on the coast but a couple of streets back, who was moving a vessel, I think a 60 metre vessel, from his facilities down to put it into the water. He had hired trucks and cranes to do this. I understand that the gear he was hiring was costing \$1000 an hour or something of that nature and when they got to get near the water they could not get in because the cars from another shipyard were parked all across. They then got in contact with the proprietor of the yard whose workers had parked their cars there and the people were all over the place and they could not get it out. So this vessel was stranded there for 24 hours while this person was paying \$1000 an hour. It just really is not working.

Are there any plans to upgrade the appearance and the quality of the infrastructure in the area and specifically would you be prepared to consider making available the land between Cockburn Road and Clarence Road to be levelled off at the expense of the adjacent yards so that a decent car park can be put in?

The CHAIRMAN: Minister, do you have a short answer to that short question?

[11.36 am]

Mr COWAN: The short answer is yes, I would give consideration to that. Chairman, with your permission, I will ask Mr Marshall to provide brief but nevertheless greater detail with respect to the area for parking.

Mr MARSHALL: The answer to the question is very definitely yes. If I could again very briefly refer to the area concerned, Clarence Road is this one here, Cockburn Road is that one there. The work that is being undertaken, starting in August, is to put the back road through here so that we can link those to Cockburn Road and part of that is a realignment of Russell Road through this bend here. Going parallel with that, the department, in conjunction with LandCorp, has instigated a parking study to look at this whole parking issue and the offer of finance from the company would be gratefully accepted. We were not aware of that. That study is under way to plan what we can about this whole parking problem. We are aware that with new blocks coming on up here the number of cars will increase even further, therefore there is a need for an overall parking strategy and that is being worked on at this minute.

Ms ANWYL: I seek some guidance. I would like to ask some questions about division 14, which is the Goldfields-Esperance Development Commission, but if the committee does not want to do that I can ask some about regional development generally. There is no reason not to do that, is there?

Mr COWAN: I am comfortable, Chairman, with you giving a direction any way you like. The only question I would ask is that the matters relating to the Small Business Development Corporation be held over until this afternoon, but I am quite comfortable dealing with regional development issues now if that is what the committee wants to do.

The CHAIRMAN: Yes. When I propose the vote, it will be for both divisions. That allows you now to handle regional development issues as well.

Ms ANWYL: In that case I have some questions relating to division 14, starting at page 605 of volume 2. Minister, I ask you to reiterate for the record that social development is a major part of the Development Commission's role and I ask for your perception of how much resources within and across the Development Commission is actually allocated to that concept of social development.

Mr COWAN: Chairman, it does have a role to play. The primary function is to promote economic development within the regions and we acknowledge that, together with the economic development of any region, there will necessarily be the associated matters that have a greater social content or are referred to as social development. Yes, it does have an important, but perhaps secondary, role because you have to have the economic development first, but it is part of the operation of the Regional Development Commissions. The extent to which that is applied is very much the responsibility of the boards of the respective commissions. They are given powers and functions under their Act and, whilst they are subject to the direction of the Minister, it is not my intention to give them a direction. The purpose of the establishment of those Acts was to provide some empowerment for the local community through the boards and I would expect them to take up those issues at their own initiative.

Ms ANWYL: Having said that, if we look at the Goldfields-Esperance Development Commission, Minister, are you in a position to point out some of the social development projects, achievements for the current financial year that are contained in that?

Mr COWAN: Again I would like some indication of any reference point.

Ms ANWYL: There are several outputs. I ask that as a general question. If it is simply a matter of reading through the papers, I have done that, but there does not appear to be a lot of social development going on within a budget of about \$1.3m. Is that because it is secondary perhaps to the whole concept of utilities and roads and resources?

Mr COWAN: Again, Chairman, facilitating economic development is the primary function of Regional Development

Commissions. When I talk about social development, I am not saying that we are going to be a substitute for other government agencies, whether it be Family and Children's Services or Education or other areas. For example, in the north-eastern goldfields, north of Kalgoorlie, or for that matter in those prospective regions around Ravensthorpe, it is possible that there would be a mining development take place that would require certain levels of support for other government agencies, whether it be education or health services, to provide that information to the relevant government agency, to warn them that there will be greater demand on their services in that particular area because of this particular development. We do not see ourselves as a substitute for other agencies that are responsible for social development or welfare.

[11.43 am]

Ms ANWYL: Of course there are many communities, such as Kambalda, which have seen massive job retrenchments and therefore there are different needs within the communities, so does the development commission have a coordinating role to play in that?

Mr COWAN: It certainly does, but it is the responsibility of the board to make the decision as to what extent it will take that up.

Ms ANWYL: I refer to page 619, Capital Works Program. If you look to the expenditure for the current financial year you will see an amount of approximately \$250 000; \$100 000 for intermodal hub planning and \$100 000 for Mungari Heavy Industry Estate planning. I presume those two amounts are consultants' fees, allocations for consultants' fees. Is that right?

Mr COWAN: It would be certainly associated with planning. I could be as specific as saying that it would necessarily relate to consultants. That would be not actually be for implementation of those particular developments but for planning. It is indicated there that it is for planning.

Ms ANWYL: I wonder if by way of supplementary information it might be possible to get some more detail as to how those amounts have actually been expended.

Mr COWAN: Chairman, with your permission, we will take that as a request for supplementary information and we will provide it.

Ms ANWYL: I have a couple more questions. The transport hub and the Mungari Heavy Industry Estate are two initiatives that continue to feature. I have last year's budget papers. They continue to feature as either achievements or initiatives. Again, I assume they have been used largely for consultants' fees, but they are not existing in the next year's budget. For example, on page 610, under Major Initiatives, we see the second dot point:

Participate on the Mungari Advisory Board and promote the Mungari Heavy Industry Estate.

I wonder if there is any sense of closure in some of these projects which appear to me to be carried forward from year to year. I wonder how it is that we can actually take it from simply being participation or monitoring. Again, if I can give another example, and I do appreciate this is a long question, on page 612, you will see the second and third dot points:

Monitor the regional impact of the sale of Westrail's freight business.

Monitor the outcomes of the Kalgoorlie=boulder Waterlink Taskforce project.

The following dot point refers to road and rail infrastructure issues. So in terms of a major initiative I find it difficult to see how monitoring can be classed as a major initiative and I wonder how indeed the budget is going to be applied towards those projects.

Mr COWAN: Chairman, I would share the concerns of the member for Kalgoorlie that quite often many of these projects seem to have a permanent place on the budget papers and I would like to see some of them signed off as well. The issue that I think is important is that we do not discourage the Regional Development Commissions from having some degree of tenacity and maintaining their interest in these things, but it would be very nice to think you could also report progress. I take note of what your comments relate to and I share your concerns that it would be appropriate to see a little more action rather than just reporting or a continuation of those particular programs on the budget. With respect to monitoring, given that there is a significant transport task associated with developments in the minefields north of Kalgoorlie and there has been a much publicised need for the rail infrastructure to be redeveloped and improved in order to ensure that much of that transport task is allocated to rail, I would have thought it would be very important for the commission to monitor developments with respect to that issue. I am pleased to see those two monitoring roles being played by the commission because they are going to be very, very important. You also made mention of the proposed pipeline for the delivery of process water to Kalgoorlie and that is something that was initiated by the Goldfields-Esperance Development Commission some four or five years ago. Again, do not forget they are facilitators. They are not the people who will play a lead role in any development project but they do expect to facilitate those things and bring them to a stage where the other lead agencies, if it is a government responsibility, or the private sector, take them up.

Ms ANWYL: Minister, I believe facilitating and monitoring are two very different things.

Mr COWAN: I agree with you.

Ms ANWYL: My concern is that it does not say "facilitate". It says "monitor".

[11.50 am]

Mr COWAN: In the case of Westrail, Chairman, if I can respond again. We will need to undertake a monitoring role because the issue with respect to the infrastructure for the rail link from Leonora to Esperance is well documented. It does not need to be facilitated. It just needs to be monitored. How are we going to find the \$38m plus that is required to improve the quality of that rail service with respect to facilitation. I go back to the pipeline. It would be a facilitator for all because there is an easement required. There is a necessity for the actual potential market to be identified and a number of things have to be done. So, I accept that there is a distinction between monitoring and facilitating and I am quite sure the Goldfields-Esperance Development Commission knows the difference.

Ms ANWYL: Yes. Well, perhaps the choice of words used in that particular major initiative was unfortunate.

With relation to the total budget spending on advertising and consultants fees I wonder if I could have the information for last year and projected for this next year coming by way of supplementary information.

Mr COWAN: Is this for the Goldfields-Esperance Development Commission or for all Regional Development Commissions?

Ms ANWYL: I ask in relation to this development commission.

Mr COWAN: Chairman, I will take that on notice and will provide that information. I would have some information here but it would still be an incomplete answer so I will provide a complete answer by way of supplementary information.

Ms ANWYL: On page 611, under output 3 in terms of output measures - and I select this one but, of course, these same types of measures are used throughout the budget papers there is customer satisfaction by way of client survey. By way of supplementary information perhaps I could have that survey or some detail of what actually was undertaken. I am also very keen to know who the clients might be.

Mr COWAN: Did they not ask you?

Ms ANWYL: No, they did not. I would like an explanation of how the cost per hour is estimated.

Mr COWAN: I will provide that.

Ms ANWYL: I have singled out this output but it is a common theme throughout the various development commissions.

Mr COWAN: I can provide that information, Chairman.

The CHAIRMAN: Provide that information by way of supplementary.

Mr MARLBOROUGH: There is a number of references to the upgrading of the railway line. It, in fact, comes under the heading as their major achievement for 1998-1999 and it also has it as a major initiative. There is a keen interest in the railway line that goes down to Esperance. Obviously, Minister, their interest I would have thought may be generated by the fact that that railway's future is in the hands of Koolyanobbing Iron Ore deposit continuing through Esperance. Is the government looking at a major upgrade? Will that upgrade be on the basis that Koolyanobbing continue to export from there? If that is not the case what is the point of spending money on the railway line?

Mr COWAN: Chairman, if I could put that in reverse. Unless there is money spent on that railway line then the prospect of iron ore being delivered to Esperance is less likely than if it was not spent because there is an additional time requirement with respect to train turnaround time that does impact on the efficiency of transportation of product from Koolyanobbing to Esperance. If the line is upgraded and there can be larger tonnages and higher turnaround time then that would be a greater advantage for the use of Esperance Port for iron ore from Koolyanobbing to be exported out through the Port of Esperance.

It certainly is a key issue but as I have said the increased product demanded in, for example, the nickel processors north of Kalgoorlie - and that is input and products coming out both sulphur, which at the moment is going through Kwinana, and other process requirements - if that line is upgraded then I have already been informed by at least one of those mining companies that they would need to look seriously at Esperance as an option. So, I think the improvement to that line is fundamental to the economic welfare of that area and that area being able to provide its own services to it rather than continuing the demand through Kwinana and the standard gauge.

Mr MARLBOROUGH: I am just trying to get a more precise handle on just where the government sits. Is the Minister saying that as a result of approaches by, if you like, Koolyanobbing Iron Ore and other producers who are interested in looking at Esperance that you are committed to going ahead with a major upgrade? Are you going to go ahead with the major upgrade because, as you know, Koolyanobbing Iron in the last 12 months have been looking at going through Kwinana which is of particular interest to me. Or are we now at a stage where it would appear, from where I sit that if a body like Koolyanobbing Iron were not interested in continuing to go through Esperance for whatever reason, that it may not be appropriate for the Government or anybody else to spend money on upgrading that rail system. Is the upgrade conducive with that industry continuing out of Esperance and/or new industries coming on line?

[11.57 am]

Mr COWAN: I can only repeat what I said. The upgrade of that mine will really determine that Koolyanobbing iron ore

does continue to be exported out of Esperance and the Government recognises that. There has been some \$15m allocated for maintenance and upgrading of rail track in that area. We recognise that that is nowhere near enough but it is expected that that will be a continuing process. As I said, the figure for improving the line from Kalgoorlie to Esperance is estimated by Westrail to be well in excess of \$35m. I do not have the precise figure, but \$15m is being allocated to track upgrade within the Goldfields region.

I do not have the precise track, but that is a starting point because you have to bear in mind there are the three lines. There is the east-west line. There is the Kalgoorlie-Esperance line and there is the Kalgoorlie-Leonora line. The Kalgoorlie-Leonora line, I understand, is in reasonably good condition. The argument there is that it be extended to have greater value to the mining industry. The Kalgoorlie-Esperance line is light rail and does need to have a heavier track laid to get the tonnages that Portman Mining would seek to have to ensure that all of the infrastructure they have put at Esperance continues to be utilised.

We are beginning the process of putting funds into upgrading the track. It is not the full amount this year but nevertheless it is a starting point. If I can just repeat, we see that as necessary. If we do it, then we will enhance the capacity of Esperance to be the desired port for the export of iron ore for Koolyanobbing and it will pick up other mining industry product as well.

Ms ANWYL: Essentially, I think - and I may to some extent be able to have some support from the Member for Roe in this - the concern of the Goldfields-Esperance region is that due to infrastructure transport needs not being met, we are becoming less competitive within the state and certainly there is competition from Geraldton as a port, which directly competes with Esperance. So that is the importance of the rail and road link vis a vis the other ports that are available, including Kwinana.

In terms of the monitoring, facilitating or whatever, by the Development Commission, the real concern is that with the privatisation of Westrail, that prioritisation will not be something that Government has control over in terms of meeting the actual infrastructure needs. Minister, what role can the Development Commission continue to play and what commitment will Government have once the privatisation of Westrail has occurred when it comes to prioritising its needs of our rail links?

Mr COWAN: Chairman, in the first instance, the issue associated with the quality of rail infrastructure would certainly be dealt with during the process of privatisation. We would expect any sale of Westrail's freight business to include a clear indication of the injection of capital and improvements to rail infrastructure throughout the state. I can assure you that we would set as a priority that particular rail link. You are quite right. There is a lot of infrastructure at Esperance and there will be competing pressures between the decision of rail versus road and it will be mostly road using the Geraldton port for that north-eastern mining region, but it would be in the best interests of competition and pricing to ensure that there was a rail alternative through the southern port of Esperance, and that is what we would intend to see occur.

Mr AINSWORTH: Minister, regarding the upgrading of the Leonora to Esperance rail link, has the Development Commission undertaken any economic studies on the value to the region of the upgrading of the line, not just in relation to Koolyanobbing iron but more particularly to the whole of the Goldfields-Esperance region? There is a feeling coming out of people like the Chamber of Commerce in particular in Kalgoorlie-Boulder that there is a great need for the upgrading of the line to take place regardless of what happens to Portman Mining's operations at Koolyanobbing. They see it as a vital ingredient for the future development and prosperity of part of the Goldfields-Esperance Development Commission's region and we certainly would share that view at Esperance because we believe it is in both our interests to have that transport link upgraded.

I guess, as a side issue of course, the intermodal freight link which the Member for Kalgoorlie mentioned earlier, is part of all that, but I am particularly interested in the rail side of it just to see what economic modelling might have been done by the GEDC on the value of the rail, particularly in an upgraded fashion, to the region.

Mr COWAN: Chairman, that modelling might have been undertaken when the commission, in conjunction with the Department of Transport, produced the Goldfields-Esperance transport strategy. I do not have a copy of the strategy readily available, but it is publicly available. I think that it would have been included in that, but I will certainly provide a copy.

[12.04 pm]

Mr AINSWORTH: Minister, if I could just add I will certainly take your advice on that and check it myself but I suspect that even in the last few months between the time when that particular document would have been finalised and the situation we are in now, there are a lot of other factors that have moved pace that would put a different emphasis on the economic value of that line to the region and I am just perhaps asking you if you could encourage the GDC to have a second look at it and if they have already done it once to update the information because I strongly suspect that the figures might be better.

Ms ANWYL: I just want to make a comment for the record that I know that the board is looking at that at its next meeting which is a week away.

Mr BAKER: I have a couple of general questions relating to the government's policy concerning the precise location of the various Regional Development Commission offices in the various regions and the member for Murray-Wellington has suggested that perhaps it would be more appropriate to relocate these officers from regional centres within the regions to country towns like out at, perhaps, the geographical centre of each region. His reasoning behind this, of course, is that this may help towns in those positions to benefit, given that in recent years many of them have suffered as a result of the relocation of government departments and agencies away from those towns.

What he suggested is that perhaps the Peel Development Commission Office based in Mandurah could be relocated to Pinjarra, Boddington or Waroona. He has also suggested that the South West Development Commission office in Bunbury could be moved to Bridgetown or Collie. What is your general attitude to his proposals in that regard?

Mr COWAN: I think it is a fine principle but in all practicality I am not sure that it would actually work. One thing we do is because of the size of some of the commissions we do have additional offices in other towns. I would find some difficulty justifying the relocation of the Peel Development Commission, given that it is not a large area to be covered by a commission and I think that similarly with respect to the South West Development Commission, they have established offices in some of the other towns such as Manjimup, but it means that there is some ability to service those areas through those offices in the other areas. The boards have determined where those offices will be located. They were originally determined by Government for ease of access to office space and you have to bear in mind that that is quite often a serious consideration in some of those smaller localities and having acquired office space in those particular centres, it is not my intention to change those particular areas. If someone was to indicate to me that a certain portion of a Regional Development Commission's area was not being properly serviced, then that is the issue I would address rather than relocation of the office.

Mr BAKER: Just a supplementary question, Minister. Do you think it may be possible, however, to perhaps encourage boards to consider relocating more FTE's to these sub-offices operated by the various commissions?

Mr COWAN: Chairman, I do not get involved in the administrative matters of the commissions so, no, I would not do that.

Mr MARLBOROUGH: Can I leave regional ...(Inaudible)... alone?

Mr BROWN: Can I go to some capital works matters, Mr Chairman? On page 211, Works in Progress, it refers to the communications pipeline and an estimated expenditure of \$5m for the current financial year; that is, for the 1998-99 financial year. Can I ask how is that \$5m being used?

Mr COWAN: Chairman, there are a number of areas that I could give you a general description of. It would be much more appropriate if Mr Collins was able to give you more specific detail on how that \$5m is being allocated and I would ask Mr Collins to also include in that the statewide telecommunications enhancement program in his advice to the committee.

Mr COLLINS: The statewide telecommunications enhancement program where we went to expressions of interest in December last year and where we have been to requests for proposal this year and we have had four responses and we are currently in negotiation with two of those respondents. The overall proposal in regard to capital asks those respondents to indicate the areas where they would wish to spend that capital in the best interests of regional Western Australia.

One and a half million of this current year's allocation has been specifically allocated to Telehealth but it is likely that the rest will be spent in a number of areas where it is economically difficult for a commercial carrier to operate.

Mr BROWN: So has it been spent?

Mr COLLINS: It will be allocated. Some of it has been spent - a very small part - but the vast majority of it is yet to be spent but it will be committed in this year.

Mr BROWN: So it will be committed this year but not spent this year?

Mr COLLINS: That is correct.

Mr BROWN: So the title, Estimated Expenditure by the 30th of June 1999, is somewhat misleading?

Mr COWAN: It was an estimate so it is not misleading at all. The fact of the matter is that in these particular projects, as you know, capital works programs are always lumpy and in this particular instance the sum of money that will be spent will be that amount over the period of time. We cannot give you a precise indication when it is going to be spent. It is an estimate but I can assure you that now we have gone to the position where we are asking service providers to deliver a product for regional Western Australia that will give us some equity in respect to telecommunications facilities then I am quite confident that notwithstanding the fact that there may be some carryover of that \$5m it was an estimate and that we will spend the full amount by 30 June 2000.

[12.12 pm]

Mr BROWN: And another \$5m?

Mr COWAN: Yes.

Mr BROWN: Can I ask then for details by way of supplementary information as to the locations that you targeted in terms of providing infrastructure. I will take this as infrastructure.

Mr COWAN: Well, I can give you the answer to that without it even being supplementary information. We would expect it not to be a great amount of terrestrial material. We would expect to have a telecommunications facility based on satellite technology that will give access to all regional Western Australia and to remote and isolated areas. There will, of course, be some need for ground based infrastructure and we acknowledge that, but ask us to predict where that will be with something like 400-500 regional communities would be a very difficult task to give you a prediction with any great accuracy.

Mr BROWN: Well, to the extent that you can, putting all the caveats you wish to put on them, can you provide it because

at the moment it is quite difficult. I mean, I have asked about these things in terms of the Opposition and all I can say is that there is an amount of money and people say ask where it is going and how does it get applied?

Mr COWAN: I am very proud to say it is going to regional Western Australia but, Chairman, I think there can be a little more detail supplied by Mr Collins and I will ask him to do that.

Mr COLLINS: The request for proposal specifies 210 regional communities and 1 180 points of presence of delivery. That could be a police station, a school and a hospital in each area, for example. So, that information is a comprehensive schedule. That is where we have specified that it will be spent.

Mr BROWN: So, that has gone out by way of a contra?

Mr COLLINS: It has gone out by way of a request for proposals and we have asked the respondents - the telecommunications carriers - because it is necessary for them to spend it because of the Telecommunications Act. We have asked them to specify how they wish to apply that and in what proportions and we are currently in negotiation with them about that.

Mr BROWN: As I understand it, various other departments and agencies have also committed funds for this purpose as well. Is that correct?

Mr COWAN: That might very well lead to some of the other issues associated with things like Cadcom and Telehealth.

Mr COLLINS: Yes. Telehealth. In addition to the \$1.5m that we have committed in this communications pipeline there is \$3.5m from the Health Department in each of the years we are dealing with plus a sum of money from the networking the nation program. We are currently in negotiation with the Commonwealth about the application of those. Every agency has some sort of commitment to telecommunications. The very large network operators generally and, of course, there are applications to ride on the network as well.

Mr BROWN: Is your office coordinating all of that?

Mr COLLINS: Absolutely.

Mr BROWN: So, could I have from you a breakdown on expected expenditure in relation to the contribution coming from other departments, or the Federal Government, or wherever it is coming from, so I can get a picture of where all this is without asking every Minister very detailed sets of questions so that I can extract the information.

Mr COLLINS: We will do our best.

Mr BROWN: Thank you. If I can also then deal with the matter of other capital expenditure. Capital expenditure. The capital appropriation for this year on page 211 is \$42.7m which, if you look at page 210, comes from capital services of approximately \$69m less funds than are coming from the Commonwealth and balances and so on. Do I take it, in terms of the financial layout of the budget, that if we are looking down the forward estimates for capital expenditure that looking right out to 2002-2003, the only government policy commitment in terms of capital expenditure to 2002-2003 in relation to the Jervoise Bay southern precinct.

[12.19 pm]

Mr COWAN: There will be some continuing commitment for CSIRO but it does not go out to 2003. I think you will find, Chairman, that in most instances the Department of Commerce and Trade, which does not expect to have a significant capital requirement other than in issues as they develop, we have not built in any new project for capital expenditure, as the member as quite rightly pointed out, outside the southern precinct. That does not mean that there will not be something that would come up that we would see within our particular province. You have to bear in mind that we are not an infrastructure provider other than as, I suppose, a last call but as Jervoise Bay is we see ourselves as being the correct lead agency for the development of that particular project. We would not seek to interfere in issues that were more related to other agencies, such as perhaps Transport or the areas where there is normally a fairly significant capital component in their budget. In ours we have a tendency to take up those issues which are directly related to the operations of the Department of Commerce and Trade and through our regional development science and technology policy and the responsibility for Technology Park, CSIRO fits that category. With the requirement that we increase or enhance the capability of construction and fabrication companies to win a greater volume of work for the offshore oil and gas industry, we taken up the Jervoise Bay site, just as we did with the stage 1 of Jervoise Bay, which was of course to provide services and facilities for the aluminium ship building industry. So they are not quite that easy to predict where we would go and they could certainly be built in at any particular time, but the answer to your question is exactly as it is stated in the budget. They are the two major projects for which we have known commitments. That does not mean we are all going to sit on our hands and not continue to promote opportunities for commerce and industry in Western Australia. If it requires capital expenditure that is not covered by other government agencies that have a responsibility for development, then the Department of Commerce and Trade will undertake that.

Mr BROWN: In relation to the capital expenditure, can I ask if the department, through you, Minister, can provide for us the five key infrastructure projects that each of the Regional Development Commissions have identified as being crucial to their muniments and the anticipated costs of those five infrastructure projects?

Mr COWAN: We could certainly do that, Chairman. We will provide that by way of supplementary information.

Ms ANWYL: Page 199, Output 6: Regional Development Services. The budget is decreased but there is a comment there that there is less funding under the Exmouth development scheme. Could you just explain what has occurred there?

Mr COWAN: Yes, Chairman. The Exmouth Development Trust Fund was a fund that was established when the US Navy houses were sold. That fund was placed in trust and I was given responsibility for the management of that trust fund. An advisory committee was established which comprises the Exmouth Shire, the Department of Commerce and Trade through its regional development division, and also the Gascoyne Development Commission. They have a responsibility for making recommendations to me as to where those funds are spent. I indicated when it was first my responsibility that I would like to see a comprehensive strategy that would allow the money to be spent and that trust to be wound up. The recommendation was that they wanted to see money spent on the provision of a boat harbour and on the provision of services at the airport that would attract tourists from not just Western Australia but interstate and even overseas. In addition to that, they made some other recommendations. That fund is being wound down purely and simply by us accepting the recommendations of the committee. We are spending money. We have spent considerable sums, \$5m on the boat harbour. We will spend roughly an equivalent amount on the airport. In addition to that, there have been some grants for various bodies; for example, lighting of the bowling green, and some provisional services to one of the emergency service organisations, and even some additional funds to the local school, plus a general contingency fund made available to the shire to fund those small issues that really should not be coming before the board every time it meets. Outside that, once the airport costs are taken into account, the trust fund will be very close to having a zero balance and I will have discharged my responsibilities.

Ms ANWYL: Are the infrastructure needs of Exmouth complete?

Mr COWAN: No, and I give the previous government their due recognition because they established the fund and said that the money should go back to the people of Exmouth and I have been administering that on the basis that the people of Exmouth tell me what the priorities are.

Ms ANWYL: Page 213, Regional Headworks Development Scheme Trust Account; certainly from my electorate the cost of headworks does appear to be the major disincentive for many types of industries. At page 209 there is an amount of \$2.17m allocated this year which is half the amount that was allocated last year. Given that that is such a big issue, am I reading the books correctly?

Mr COWAN: Yes.

Ms ANWYL: It does seem to be in the process of being wound down.

Mr COWAN: No. Chairman, can I make a point? In 1997-98 \$5m was allocated to that trust account and I regret, because it was a new project, only \$707 000 was expended from it, so there has been a carry over. We are still staying at the target of \$5m to be spent annually in offsetting the costs of providing power, water, telecommunications or waste water, but the need to top it up, because we have had that carry over, is approximately \$3m. This year it is estimated that we will spend in excess of \$5m, we will spend \$5.65m. Bear in mind please that of that a significant sum, in excess of \$2m, was for one project and that was the abattoir at Narrikup. That is a scheme that is based on a prescribed formula and that is the way it worked out. We anticipate that we will spend between \$4.5m and \$5m this year.

[12.26 pm]

Ms ANWYL: By way of supplementary information, could you provide details of the proposed expenditure and the projects that were assisted in the last year?

Mr COWAN: It would be easier for me to provide it in the way of supplementary information, Chairman. We have that information and we are quite prepared to make it available. I might remind members that in October, or as close to it as possible, the department does provide information on all grants and assistance that is provided to companies throughout Western Australia through all of the programs of the department.

Ms ANWYL: I just have another quick question. Page 211, Capital Works Program; there is an amount of \$20.6m allocated for the construction of the CSIRO's Centre for Petroleum and Minerals Research. Could you provide some very brief detail of the time frame and how that fits in with the government's picture of a Centre for Excellence? Some time ago there was controversy around the School of Mines which was merging, closing, vacating my region. How do those two projects tie in; that is, the centre for resources as well as the CSIRO's Centre for Petroleum and Minerals Research?

Mr COWAN: Chairman, the funding that is available there is for the construction of the laboratories. I understand \$17m would be the cost of the building itself, so that would be a large slice of those particular funds. It might even be more than that. The \$20.6m is the funding required for the construction of the facility itself. Your referred to Centres of Excellence. That is a separate program. We are noticing that the demands for funds through that program are far outstripping our capacity to supply them, we have limited ourselves to \$4m, and we find now that the demand for assistance through the Centres of Excellence program is becoming quite substantial.

Ms ANWYL: Does the CSIRO project tie in with the concept of having a Centre of Excellence in mining though?

Mr COWAN: It would be a contributor. I would need to ask Dr Meek whether CSIRO is a participant in any of those particular programs that have received Centre of Excellence funding. I am sure they would be but I do not have that specific information.

Dr MEEK: I think there is some confusion. The term "Centre of Excellence" is used very broadly and it can mean a great number of things. So whilst indeed the CSIRO Centre would be a Centre of Excellence for small seasonees?, if you like, our Centre of Excellence program is, as the Minister has alluded to, a small program limited to approximately \$4m per year. I am just racking my brains if there are any CSIRO involvements in that. I cannot think of one immediately but if I will check on that and provide that information separately. As the Minister said, we tend to have a mixture in the Centre of Excellence funding.

Ms ANWYL: Is it basically for capital expenses rather than recurrent that the Centre of Excellence funding is applied?

Dr MEEK: The allocations in the Centre of Excellence program are usually funding of the order of three years to a group of people who have established a centre and the State Government might be by no means the only source of funding going into that Centre of Excellence program. There is a contribution from industry and academia as well, and indeed occasionally from CSIRO as well.

Ms ANWYL: Finally, by way of supplementary information, could I have some detail of the Centre of Excellence funding and how that has been applied also for last year and next year in relation to the \$4m that the Minister referred to?

Mr COWAN: Chairman, I do have that information which could be made available now. For 1997-98, for 1998-99, that is the actual expenditure. It is a fairly detailed list. I am not sure whether you want it read out or whether you just want it tabled.

The CHAIRMAN: That can be copied, if you are happy with that, member for Kalgoorlie.

Ms ANWYL: Yes.

The CHAIRMAN: Yes. Minister, just before I go to the member for Roe, could I just ask a quick question? Regarding the regional headworks development scheme, is there any intention by the Department of Commerce and Trade or regional development, all on behalf of small business people, with the changes afoot to address some of the hideous development charge levied by Water Corporation on occasions - - I have consistently laboured the point with them that there should be a pay as you go type of headworks initiated rather than that one off state tax that is imposed on developers when they come on. Quite often it catches the developer by surprise; on occasions it has caught the builder by surprise, having been in that position myself. I wonder whether there is a more equitable way to go about that which might offset some of the \$5m that you have to find within your budget to assist with those headworks. In addition to that, is there any intention to address the retrospectivity aspects of it to allow developers to recoup moneys they have outlaid on headworks?

[12.34 pm]

Mr COWAN: Chairman, the first question is a very real problem and we have sought to have the Water Corporation address those issues because once we began the process of implementing this policy the magnitude of the problem became quite clear to us. We have sought some assistance from the Water Corporation particularly to address issues and Western Power have also been involved in dealing with that. I am quite confident that there will be, in the near future, certainly some capacity to address that issue through the charges that might be applied by Western Power. I am not in a position to comment on the Water Corporation or the progress they have made. With respect to retrospectivity, the answer to that is no, it is not the intention of allowing retrospective applications to be made for that particular scheme.

Mr BAKER: Minister, I refer to the second last dot point appearing on page 201. It is listed under the heading Major Initiatives 1999-2000. It reads:

Continue to promote schemes aimed at assisting regional communities with their economic development.

I think the Minister would agree that if businesses or the public and private sectors in these various regions adopted more of a proactive buy local mentality, perhaps that would greatly assist these communities with their economic development. I am just wondering whether or not your department has any input into the formulation of the State Supply Commission's regional purchasing policy, I think it is called. If it does not, do you believe that it should have a role and in any event do you have any concerns that such a policy may somehow be in breach of the implementation of such a policy and maybe somehow in breach of the national competition policy?

Mr COWAN: Chairman, the Department of Commerce and Trade's chief executive officer sits on the State Supply Commission and through that has an involvement in the Buying Wisely program. With respect to national competition policy, I am not aware whether it does or does not contradict the policy. I am not aware whether or not anyone has asked the ACCC to tell us whether it does or whether it does not. As far as I am concerned, I think it is a good policy and I would be entirely comfortable with the State Government thumbing its nose at the ACCC for as long as it could do so.

Mr BAKER: Would that policy be included within the definition of the word "schemes" under that dot point? In other words, is that policy actively promoted?

Mr COWAN: Very much so. In the very beginning, you might remember, it was through the Department of Commerce and Trade that the revision of the program was initiated where, instead of there being just a flat percentage rate available for people who were sourcing material from the regions, we actually placed quite a different degree of significance on it inasmuch as a person who manufactured and fabricated within the region was eligible for the full 10 per cent but if you were merely purchasing and assembling then you would have a lesser amount which was reduced to 5 per cent.

There has been a further variation since then that has been managed by CAMS but determined by the Supply Commission. We have been instrumental in that but quite rightly it is now a responsibility for Contract and Management Services and it has been left that way.

Mr BAKER: Thanks, Minister.

Mr MARLBOROUGH: I have four questions. Page 188. I am really surprised at the outcomes of your service indistinct.... this is the most ominous part of your statement.

Mr COWAN: I just felt they were targeting the clients. No, I cannot answer that, but I think Dr Meek can. I must say, Chairman, the honesty and integrity within the Department of Commerce and Trade is a prerequisite of that agency.

Mr MARLBOROUGH: Well, we will never see these figures again.

Dr MEEK: This is not a unique level, I have to say, if you scan across the other divisions. I think there are a couple of issues here that particularly relate to science and technology. I think, as the Minister started to say, you do not get good ratings from people who you do not choose to support for funding a lot of time. So that is obviously an issue in that we have the Centre of Excellence scheme where the demand is far outstripping supply. The WAYS? grant scheme again is a very competitive scheme, not everybody gets funded. So you cannot expect people to give you glowing reports at the end of the day.

The other issue, particularly for science and technology, is that the actual numbers that were available to us for survey were actually quite small this time and in fact one of the things we will be addressing in the independent survey that we conduct this year is that our client base has actually increased substantially. We also, I think, did not take into account that the new clients that were coming on board did not have specific questions addressed to them. So when people were getting the survey they were somewhat confused by the questions that were being asked. For example, the level of assistance that we have been providing to government agencies in relation to commercialisation of intellectual property has radically increased this year. We did not have a question in our survey form in relation to it but this year we will, so whilst it is not about making the numbers better, we are going to intend to ask better questions which will hopefully get better responses.

[12.42 pm]

Mr GROUNDS: The question of the services provided by Department of Commerce and Trade to its clients, it is very different to the provision of driver's licences and the art of asking the right questions to the right people is one that continues to evolve in the department and there are a lot of qualitative issues in our relationship with our client base that are not always easily detected through questions. But also the 66 per cent satisfaction does not equate for a 40 per cent satisfaction.

Mr MARLBOROUGH: Still on page 188, the bottom dot point:

Initiated the establishment of a Marine Research Taskforce...

Could you tell me what that is about? It seems my reading seems to cut across a number of roles of existing departments and I am particularly thinking in the Fisheries Department. I would have thought that was their role. Is this some indication of some dissatisfaction with Fisheries in terms of their role?

Mr COWAN: Chairman, in response to that, through the Department's association with CSIRO, I met an officer from CSIRO who was very interested in this particular issue and as a consequence of that meeting, myself, Dr Meek and representatives from the Department of Fisheries met with CSIRO to discuss the concept of greater co-operation and collaboration between CSIRO and the Department of Fisheries Research Division, and there has been quite a successful outcome. With your permission I would like Dr Meek to just give an outline of that particular project.

Dr MEEK: In fact it became clear that there was an opportunity to expand, indeed, well beyond the situation between CSIRO and the opportunity for collaboration between CSIRO and Fisheries. The principal inquiry related to the new chief of the CSIRO division of marine research in looking at new opportunities with the facility up at Marmion. That facility has actually been declining over a number of years in terms of the level of staffing and, in fact, has actually been reduced more recently due to the fact that the element of the program that was there was not performing well enough for the CSIRO to continue to fund it. So, in fact, the number of scientists down there has dropped down to a handful and so the CSIRO was interested in developing an understanding of what the State's research needs were in the marine science area so they could then consider whether it could relocate personnel to match the State's needs as part of its next stage of development in the CSIRO and marine research division. Therefore, the decision was made to actually establish what we have called the Marine Research Taskforce and the representation includes all relevant State agencies that are involving or are interested in marine research. It also includes representatives from industry and from community associations and from academe and we actually ran a - -

Mr MARLBOROUGH: So you actually have a body with all those representatives?

Dr MEEK: We created a body with that there, yes. We actually convened a workshop towards the end of last year which was attended by over 93 people from the research community or agencies that were interested in research in the marine science area. We worked through a fairly detailed program which aimed to identify marine research priorities in Western Australia that came out with a volume like this and what we have subsequently been doing with the people who chaired the various working groups within the taskforce is to refine that down to what we perceive to be the key areas of research priority

and also then to match that with what the CSIRO may be interested in doing here in Western Australia. It was very much a situation of CSIRO coming to the State Government and saying, "We would like to work collaboratively with you to identify opportunities for Western Australia", so that is where we are now.

Mr MARLBOROUGH: It is not just Fisheries?

Dr MEEK: Not at all.

Mr MARLBOROUGH: It is about the whole marine - -

Dr MEEK: It could be oceanography; a whole range of things.

Mr JOHNSON: You referred to the Marine Research Centre at Marmion. Is this the one that is being looked at relocating to Hillarys?

Dr MEEK: Mr Chairman, that is actually the Fisheries Department's facility. There are two very closely located facilities; one is the CSIRO's and the other one is Fisheries which is actually on the ocean front there.

Mr JOHNSON: The CSIRO is a road back?

Dr MEEK: Yes, that is right. That is the Waterman's Research Laboratory which belongs to Fisheries.

Mr JOHNSON: They work hand in glove, do they, with those two departments? They do the same thing, basically, do they not?

Dr MEEK: No, not at all. In fact, I think that is really the issue. The Fisheries Department here has a really outstanding research record for research which is relevant to the needs of the Western Australian industry.

Mr JOHNSON: They have a staff of about 300 down at Waterman, have they not?

Dr MEEK: I do not know the exact number.

Mr JOHNSON: Yes, it is about 300 but I do not think they are relocating that up to Hillarys.

Dr MEEK: But the CSIRO itself has a range of other areas of expertise that, in fact, it could bring which may be relevant to other departmental research priorities, for example, Conservation and Land Management, Department of Environmental Protection; a whole range of areas, even Agriculture WA in the sense that oceanography relates to climate change.

Mr MARLBOROUGH: How does the public get involved in this particular body? I think it is a tremendous initiative and I just see some of the problems along the coast in my electorate, the Kwinana industry area, heavy industry, fishing and sea grasses. There are a number of key community groups and how were people selected and is there an opportunity for presentation from further community groups onto such a body and is there any allocation for local government input - and I am particularly thinking of those councils who have ocean front electorates.

[12.50 pm]

Mr COWAN: The initial purpose of this task force was to do precisely what is stated in the achievements. To take it that next step further, which the member for Peel is talking about, is something that we would have to take on notice but perhaps Dr Meek can give an indication about the extent to which at the moment the people who are involved in this task force would be able to relate to those specific areas the member for Peel spoke about.

Dr MEEK: If I could also just address the issue of your query about selection of membership. It might be helpful to provide a list of the organisations that were there and you will see that there was a list of community groups which I would have hoped would have been very able to represent some of the issues that you are alluding to. In many ways the task of the task force is essentially complete at this stage. The ongoing negotiations will, in fact, be in consultation with government agencies and research providers and I think that the issues to which the member is alluding to would be picked up in the development of project proposals in terms of looking at opportunities and certainly all of those would obviously engage consultation.

Mr MARLBOROUGH: So, it is intended as a result, Minister, of this being set up for commerce and trade to continue to be involved and to that degree allocate budget funding to it?

Mr COWAN: I am not sure that we would be allocating funds. There would be a lot of in kind services provided, Chairman. Dr Meek had a fairly significant involvement in this and so I think that is really the situation you could expect to see.

Dr MEEK: Mr Chairman, the situation is an interesting one because as is obviously being recognised here it is a very complex area. It is one where there is a number of different interests within government to take this forward in an effective way. In fact, because of that you may recall as a result of the instruction to the State science and technology policy there were two coordinating groups that were put in place; one at ministerial level with a Cabinet standing committee on science and technology and also a coordination committee which comprises the CEOs of agencies who are either directly involved in research or have an interest in research. This coordination committee was established during the course of this last year and has been meeting on an ongoing basis. It has been decided that, in fact, the work of the marine research task force will actually become the first cross government project to be run through this coordination committee on science and technology. So, if you like, it is an output of, or an outcome of, having put the State science and technology in place to try and get better coordination of cross government in the science and technology area.

Mr AINSWORTH: Minister, the list of the membership of that particular task force; is that going to be made available by supplementary information to all members? Secondly, the report itself; is that available to members?

Mr COWAN: It has not been made available but I am sure there is no reason why it should not.

Mr AINSWORTH: I have a particular interest, as you might know. In my own environment at Esperance, and I am sure member for Peel likewise, has the same - -

Mr COWAN: Chairman, I can make a copy available to the member for Roe and the member for Peel.

Mr AINSWORTH: Thank you.

Mr MARLBOROUGH: On page 211, final dot point states:

The Coogee Redevelopment Project which includes the remediation of industrial land and the provision of an industrial estate for the animal and seafood processing industries.

What is intended there? The biggest animal industry in the Coogee area is Watsonia. Are we moving it?

Mr COWAN: Spearwood, Chairman.

SPEAKER: What is it?

Mr COWAN: Chairman, I am disappointed that the member for Cockburn is not present because he would have been able to answer the question. The Coogee Redevelopment program was initiated prior to my accepting the ministerial responsibility. This particular program is associated with the redevelopment of the Robb Jetty site and in redevelopment of that particular site, as the member would well know, there was a requirement for the relocation of some industries from South Coogee to that commercial area, and in addition to that we were seeking to provide an opportunity for some of those processing plants such as the rock lobster industry for live lobster particularly to be developed at that particular site.

Mr MARLBOROUGH: So the particular site being the old Robb Jetty site?

Mr COWAN: It is the old Robb Jetty - -

Mr MARLBOROUGH: Industrial estate?

Mr COWAN: - - industrial estate.

Mr MARLBOROUGH: And the idea would be for this department to facilitate the moving or give them land free?

Mr COWAN: The department has made the industrial estate available. LandCorp will sell the land for a commercial price. There was some agreement reached between companies that had to be relocated about some compensation that needed to be paid. Outside that, Chairman, we have established the industrial site. The land has been made available but it is available for a price.

Mr MARLBOROUGH: Minister, is it possible to have a copy of those companies that are being relocated and the compensation agreements that have been entered into with those companies for relocation?

Mr COWAN: I can make that information available from the Department of Commerce and Trade's perspective because we have been dealing with the companies that needed to be relocated, however, companies that might have seen an opportunity to transfer to the site from outside any relocation proposal would be something that LandCorp would have, but I can deal with the relocation.

[12.57 pm]

The CHAIRMAN (Mr Sweetman): Minister, is the relocation area that area south of the railway line?

Mr COWAN: Yes.

The CHAIRMAN: On that issue, you have it under the heading of Capital Works. I am still trying to work it out in my mind. I can understand you have entered into arrangements where existing industry is being relocated and there would have to be some form of compensation. Is it under Capital Works, because you are actually going to be physically providing buildings, dwellings, some sort of structure for the companies?

Mr COWAN: Chairman, under the compensation requirements for existing operations, I believe there was some formula applied that might have offset the costs of replacing the building, but I am assuming that the redevelopment costs associated with that would have been in the redevelopment of the industrial park and included part of that compensatory package. I can provide that information.

The CHAIRMAN: In the 196? That is the federal money.

Mr COWAN: There is no federal money in the Coogee redevelopment project, but the \$2.5m that is estimated there to have been expended is most likely to be a combination of costs associated with the development of the industrial site and costs associated with some relocation.

The CHAIRMAN: That is the Coogee redevelopment implementation - -

Mr COWAN: Chairman, I am sorry to interrupt. There is also some site remediation work that had to be undertaken to deal with environmental issues.

The CHAIRMAN: The Woolscour project is obviously well under way in my electorate. What is the Government's role in terms of this \$8m plus? What has been our responsibility to provide there?

Mr COWAN: A very significant one, Chairman. As the member would know, all five wool scourers in Western Australia were operating in areas of Perth that were really in a non-conforming use category. A number of those closed, but two operating wool scourers, CIL and Standard - CIL operates at Jandakot - there was a requirement that they be relocated. They were given an option to relocate to the region or to an industrial precinct in Rockingham, IP14. That money is part of the relocation costs. The Government initially undertook to provide wastewater treatment facilities for the wool scourers and in addition to that some costs associated with offsetting the construction costs of the shed, plus some remediation costs for the existing sites when they were relocated. We have changed that because we could not get the product to go to sewer satisfactorily and we now have a completely recirculating wastewater treatment facility. This does require a 6 per cent top-up in terms of water consumed, but it is a recirculating plant. The cost associated with that is the Government's contribution.

The CHAIRMAN: This figure I am looking at, 1998-1999, of \$8.5m and \$2m for 1999-2000, that is a relocation cost. What portion of it is a relocation cost and what amount of it is for the treatment plant?

Mr COWAN: The relocation cost was up to \$2m. The site remediation costs were up to \$1m based on the amount that was paid out by the company.

The CHAIRMAN: Is that all four companies we are talking about?

Mr COWAN: No, we are talking about two, CIL and Standard. The actual cost of that wool-washing facility spent by the companies is now estimated to be \$30m. The cost to the state is quite considerably higher than we first thought it would be. I cannot give the precise figure, but it is thought to be close to \$17m, of which \$13.5m would be for the recirculating wastewater treatment facility. The balance is that \$2m.

The CHAIRMAN: Is the committee content for these divisions to spill over into the hour segment after lunch, considering it was the general understanding of the committee and the Minister that we would deal with small business in that one hour after lunch?

Mr BROWN: Yes.

The CHAIRMAN: Perhaps we could wrap this up in the first five or ten minutes back from lunch and then go into small business? Are you happy with that, Minister?

Mr COWAN: Yes.

Sitting suspended from 1.03 to 2.00 pm.

Mr BROWN: With reference to the figures in the budget concerning the Regional Headworks Development Trust Account on page 213, this is, as the name suggests, a separate account? It is a trust account?

Mr COWAN: Yes.

Mr BROWN: If I can go to the first column which is the actual for 1997-1998, it shows in terms of payments that relate on the accounts, \$707 000 for 1997-1998.

Mr COWAN: Yes.

Mr BROWN: In last year's budget papers it said the estimated actual for 1997-1998 would be \$2 435 000. This was presumably a figure that was done around February-March. There seems to be quite a significant difference in terms of the two figures that are there. I appreciate there is obviously some guess work involved because you are doing it in anticipation but it seems fairly significant. It is about \$1.7m difference between what was actually paid and what was anticipated to be paid over the two budget periods. Could you explain the reason for the difference in that?

Mr COWAN: Chairman, I suspect that that was the year in which the fund began and so the take up in 1997-1998 would not have been all that high. In fact, as you see there, it was \$707 000. There were probably two components that took funds from that scheme that were fairly substantial. One of them was, of course, Fletcher International and that would have been quite a contributing factor but it still does not reconcile with the difference that you have mentioned, \$2.4m. The headworks fund for Benale, which was the abattoir at Narrikup was, in fact, around \$2.7m. I do not think that would have been applied in 1997-1998 but it may have been budgeted in that year because the funds were known but, again, the company has to have commenced or be close to commencing the work before it can draw those funds down. Maybe if you could give us an indication just exactly what day it would have been or further advice on that it would be helpful.

Mr GROUNDS: Mr Chairman, I think the other factor then is being the first year the pattern of application and approval timing and so on had not yet been established. So, at the time the departmental officers were preparing the estimate I guess, with benefit of hindsight, they had some optimistic assumptions about how quickly the applications would come in and how quickly they would be dealt with. So, that early in the year of the first year of operation of the trust there was not much pattern to draw on so I think that would account for most of the difference whereas the pattern of application now is much

more clearly established, the number and the size of them and so on. It is easier to predict from year to year but in February of the very first year of operation it would have been pure guess work to know where you would be by 30 June.

Mr COWAN: Chairman, can I just provide some additional information. It would have been known at the time of the production of these documents that the abattoir would have taken some funds but I see that the actual loan was provided with the company on 15 July 1998 so there would have been some prospect always of it being included among the ...(indistinct)...

Mr BROWN: How much was the loan?

Mr COWAN: \$2.7m.

Mr BROWN: Had that happened before 30 June it would have then taken it up to \$3.4m for the year.

Mr COWAN: Yes.

Mr BROWN: So, you think that was the figure that was actually assumed to have been paid before 30 June?

Mr COWAN: I would think so.

Mr BROWN: In terms of the estimated actual expenditure for 1998-1999 it shows receipts of \$3m whereas the previous budget provided for a contribution to the fund of \$5m. Can you explain what has happened there? In looking at the budget papers for 1998-1999 I would have thought that \$5m would be paid in the fund whereas, in fact, looking at the budget papers for 1999-2000 it seems that during the course of this year \$3m will be paid. So, was there some decision within government to pay a lesser amount in?

Mr COWAN: The decision within Treasury, Chairman, was that the fund would be kept at around \$5m in expenditure in any one particular year. Because of the volume of carryover it was felt that \$3m contributed from Treasury through the consolidated fund would mean that there would be carryover for a minimum of \$5m available in the account for expenditure in that particular year.

Mr BROWN: In terms of government policy my understanding is there was a commitment to make a contribution to this fund for 4 years.

Mr COWAN: Yes.

Mr BROWN: The commitment is \$5m for 4 years.

Mr COWAN: Yes.

Mr BROWN: So, in terms of this now the government has made a contribution - - if it does make the \$3m contribution this year it will have made a contribution of \$11m in 3 years.

Mr COWAN: Yes.

Mr BROWN: So, if it makes \$5m it will be \$16m next year?

Mr COWAN: That is if there is no carryover. If it is all expended this year and it contributes \$5m that would be correct.

Mr BROWN: So, is it intended to top it up in terms of - - well, I guess, you will not have to make that decision, will you but I just think that in terms of that there was a commitment which was in the Coalition promises of putting \$5m in the trust account which does not appear to have been honoured when you look at these figures.

[2.10 pm]

Mr COWAN: Even if you put the money into a trust account the issue is good utilisation of funds. There is no point in putting money into a trust if it is not going to be drawn down within some time and while it might suit some people to put \$5m in there every year for four years and then take another two years to wind up any surplus funding that is not the way the consolidated fund works. We are very confident that should we have a necessity, should there be demand for regional headworks schemes to be funded then even though there is only \$3m appropriation out of the consolidated fund we would be perfectly legitimately able to go to the Treasury for supplementary funding to bring that up to the level but at the moment because the \$5m was allocated and the scheme was only really put into place for about three operational months of that year the original \$5m only had \$700 000 level to spend.

Since that time we have been carrying over funds and topping it up and still having in excess of \$5m available. In excess of \$5m will be spent this financial year and I expect that even though projections are that just under \$5m will be spent this is an open access program and we are not in a position to do anything more than estimate. We cannot have any great precision in that particular estimate. Who knows tomorrow there might be a particular company that wants to establish in regional Western Australia who could have a headworks charge of around about \$1m to \$2m and I can give you an example. The Albany Port is seeking to improve the quality of its infrastructure on the port to encourage industry to establish there and I have been given an early estimate, but there has been nothing final because it will require at least four companies to commit, and on that basis there will probably be a need for around \$1.5m to improve the infrastructure at the Albany Port.

Now that immediately would throw this particular estimate slightly out of line but there is not much we can do about that other than make sure that we get supplementary funding. We set \$5m as a rough target. In the first year it was very slow

to be implemented. As a consequence of that there has been some carry over. Since then we are targeting around \$5m annually.

Mr BROWN: Now I just notice Deputy Premier that the budget estimate for next year is about \$1m less than the actual expenditure for this year, so if one takes the view that it would slowly get going and is now becoming established and given that you have expanded the scheme now to include telecommunications that one would have expected the sort of gradual up slope but what we are seeing is this curve with it going down, as least as far as the budget estimate is concerned.

Mr COWAN: It is only an estimate so you can draw a line wherever you like really. The fact of the matter is that the actual expenditure is what is going to be important and we would like to see that actual expenditure sit somewhere around \$5m annually.

Mr BROWN: Do you have funding rounds for this scheme?

Mr COWAN: No.

Mr BROWN: So there are no funding rounds as such?

Mr COWAN: No.

Mr BROWN: I have some further questions, Chairman, not on that particular aspect. Can I go to output 1, science and technology services output on page 187? Thank you for providing that information earlier today about the payments that have been made to the various centres of excellence. I notice that some of the centres of excellence now have received payments in 1997-98 and are also due to receive payments and I assume that will be made in 1998-99. Some of them are due also to receive further payments. For example The Western Australia Centre for Petroleum Geology as I understand it received a payment \$207 000 in 1997-98, \$195 000 in 1998-99 and is due under its agreement to receive another \$195 000 next year or whenever. Can I ask in relation to those centres could you provide for us what the outcomes have been of their research? Where there has been successful research undertaken how it has been applied, what benefits there have been to industry in relation to the research that has emanated out of those centres? I do not mean the ones that have just recently been funded, obviously they are just getting underway. Particularly in relation to the funding that is allocated by Commerce and Trade because some of these centres of course have a much broader focus and what Commerce and Trade has done is made a contribution in one particular area. So in relation to the contribution that has been made by the government in that area can you give us an indication as to the outcomes so far in relation to those centres?

Mr COWAN: I cannot but each of those centres deliver an annual report that would refer to it. It is very difficult for those particular centres in ongoing research to be able to talk about annual outcomes. They do not necessarily find solutions to their research at the end of the financial year.

Mr BROWN: No, I appreciate that.

[2.18 pm]

Mr COWAN: Nevertheless those annual reports are publicly available and if the member wants my assistance to procure them for him, then I can do that, but with respect to more specific detail I think what might be a good idea would be to procure the annual reports and if there are any specific issues the member would like, then through the usual course of inquiry I think we could try and provide that information to you. That would probably be the best way to do it.

Mr BROWN: I thank the Minister for the workload but I must say that I would have thought that given the way the Government now allocates funds, the department - in the same way as it follows up with the West Australian Innovation Scheme - would be monitoring this. Indeed, one of the commerce and trade publications I read actually suggested that where funds were provided, there is a level of monitoring to see just what has happened. Now, rather than me going to copious annual reports and expanding my knowledge, which I'm certainly happy to do, but not today, I thought Commerce and Trade might have at its disposal the monitoring that it has actually done which it could provide to me with much greater ease than I could read all of the reports and come forward with the questions.

Mr COWAN: Chairman, I would ask Dr Meek to comment on the level of information provided by the respective CRCs to the department, that would assist the department in measuring the worth of the taxpayers' dollars that are offered to those particular issues.

Dr MEEK: Mr Chairman, certainly we do have very detailed agreements that we do negotiate with the centres in relation to the expenditure of State Government funds, though they vary obviously in terms of what the purpose of the funding actually is. As the Minister has already alluded to, there is a difficulty in tying outcomes of funding to research outcomes due to the long term nature of projects.

The other difficulty that we encountered when we did indeed undertake a review of the previous version of this program. There was a prior program called the State Cooperative Research Centres Support Scheme and one of the difficulties that we found in that particular instance was that the amount of State Government funding was so small relative to the Commonwealth funding that the centres were finding it very difficult to disaggregate what the impact of State Government funds was. That situation will change with the Centres of Excellence program because proportionately the amount of State Government funds is somewhat greater than it was in the CRC Support program. The difficulty that we do face is this issue of how long is long enough to actually try and have some measure. So the milestones that we measure tend to relate more

to the way in which the money has been spent to verify that and some comments about research outcomes, but as I said the actual cause and effect measurement of State Government funds versus the other contributions - - bearing in mind that part of the purpose of this program is actually to try and encourage investment by academe and industry. It is not so much to put State Government in for a specific output. So it does make your question rather difficult to respond to.

Mr COWAN: Chairman, I would make one correction. I tabled a paper that identified the payments to the various centres, Co-operative Research Centres, Centres of Excellence. There was a typographical error. The total figure in the 1998-1999 column was \$4.71m. That was repeated twice. The top figure should have been the \$3.663m, not \$4.710m repeated twice. The top \$4.71 should have been \$3.663m.

The CHAIRMAN: That is noted, Minister.

Mr BROWN: I appreciate the difficulty in terms of the research. You can research for ten years and be trying to find something and it just does not click. It does not mean the research is valueless, but research is research. Even when you find something, you have to commercialise it, so I understand the process of that.

I wonder then, if you can provide these two things for me? One is the purpose of providing the money, that is, the objective? Presumably people come along and say "Look, we need this piece of equipment to do - -", whatever that might be. "It is \$600 000 and we cannot do it. We cannot even start this process until we have this green box that does these things." So I wonder if you can identify that, and the hopeful objectives, where they will get to? They would like to get to there. Now, whether they actually get to there - - research is research, we all know, but one of the things with the R & D companies is that they want big returns because, like the pharmaceutical companies, they invest sometimes millions and millions of dollars and they find all the ways not to do something, which is interesting research but do not actually get a dollar out of it.

That would certainly give me a better indication as to what the objectives are in these sorts of things. I guess you cannot measure these things in the short term and I accept that. You have to measure them over the long term, but I think over the long term you do have to look at it as a whole and say "Well, has it in the broad sense, been successful or should we, as a State Government, be better off in saying 'Look, we have scattered bits and pieces around in here. If we are going to take a punt - -' which, to some extent, research is. It is not like going to the races but it is, if you like, nevertheless a bit of venture capital. "Are we better off - where we know we have some real world leaders in the State, who are really deficient in some of these areas of research - putting a few eggs in a couple of baskets and making pretty big eggs for a real effort rather than lots of little eggs in little baskets?" and so on. That is a debate for another day and there is probably no right or wrong to it, but it would be interesting to have this information from a record.

[2.24 pm]

Mr COWAN: Chairman, there is no reason why we cannot take the information that is supplied to us for applicants outlining why they want it and what they expect to achieve because if they got it we can make that information available. I just want some clarification, please, Chairman. Is the member suggesting that we should make it available for all CRC's we have funded or is this a process you would like us to implement from now on?

Mr BROWN: There are some CRCs you funded with very small amounts of money. I think you gave \$5 000 to the high performance computing visualisation centre. There are some that you funded for \$600 000.

The CHAIRMAN: Minister, if I could put to the committee, we now only have 35 minutes of this segment left and I know some members are very keen to get into Division 22 relative to small business. Is it the will of the committee to proceed now to Division 22?

Mr BROWN: Can I just ask one other question which I do not expect the answer to today but the Minister may provide it by way of supplementary information and that is some time ago, by way of an answer to question on notice, the Minister was kind enough to provide me with details of the grants provided under the WA Innovation Scheme and the progress that had been made in bringing those innovations to commercialisation.

There is quite a lot of them. I do not want to go over them now but could you make available by way of supplementary information an update of that list together with whether there are any further developments because some were pending commercialisation and so on?

Mr COWAN: Yes, Chairman, we can make that available.

The CHAIRMAN: Members, we will proceed to Division 22 and I give the call to the member for Joondalup.

Division 22: Small Business Development Corporation, \$8 696 000 -

[Mr Sweetman, Chairman.]

[Mr Cowan, Minister for Small Business.]

[Mr B.A. Macfarlane, Director, Enterprise Development Services, Small Business Development Corporation.]

[Mr B.L. Robertson, Acting Director, Business Information and Support Services, Small Business Development Corporation.]

Mr BAKER: Thanks very much, Mr Chairman. I refer to the fourth dot point on page 1259 under Small Business Development Corporation, Division 22. The first sentence reads:

National Competition Policy has brought benefits and challenges for small business, providing opportunities for improved competitiveness and cost reductions.

Minister, one of the key issues in the North West Metropolitan Region which has been raised on several occasions by the North West Metro Business Association Inc and its predecessors, the Wanneroo Chamber of Commerce and the General Business Association and for that matter the Regional Economic Development Group, is whether or not a local council can implement a true², so to speak, buy local policy somehow encouraging its purchasing officers to acquire, basically, all its goods and services locally rather than from outside the immediate local government area?

A few years ago I was the secretary of the Joondalup Business Association and I actually drafted for the former City of Wanneroo - now the City of Joondalup, of course, and the Shire of Wanneroo - a buy local policy which did not provide for any price differentials or allowance for variation, so to speak, but just simply stated that the local content factor would be a consideration that would be taken into account in respect of any purchases of goods and services under the \$50 000 threshold, for example, or over that. At the time I raised that I was told that it would not really be realistically possible. I was given a copy of the former City of Wanneroo's buy local policy which, from my point of view, just seemed to be a total furphy. Since then I re-activated the issue and the latest response from the City of Joondalup is that a true buy local policy would breach national competition policy guidelines and hence local government cannot have a true local purchasing policy.

In response to that I thought to myself, "Well, this is just nonsense." The State Supply Commission has a similar policy, although the phraseology perhaps is not as tight³ as my draft buy local policy and I am just wondering whether or not the Minister has a view on that because you are probably well aware that various business associations and Chambers of Commerce are trying to encourage local government bodies or municipalities to develop these policies with a view to encouraging, obviously, all goods and services to be purchased locally and hopefully improve the local ...(Inaudible).... , so to speak.

Mr COWAN: Chairman, in the general sense the Small Business Development Corporation is a very strong supporter of those programs that are implemented or certainly developed by government to enhance the local content in purchasing or in construction or in a whole range of areas. The Small Business Development Corporation would promote that concept quite vigorously. I am not that sure, unless I can be corrected, whether we actually have a targeted approach to that but we certainly would be strongly promoting local content. Unless someone can convince me otherwise, I do not think we have developed a policy to that effect in the SBDC. We would see that more as a responsibility for local government to implement itself but I certainly take on board your comments about national competition policy and contravention of the rules that might be set down by the ACCC.

In extension to what I said earlier this morning about national competition policy, I think it is appropriate for the State Government to identify those areas of net public benefit that do permit variations to national competition policy and in that particular sense to perhaps make sure that that identification is made and to follow a pursuit that says there is a net public benefit for adopting a local content policy. Should the ACCC seek to challenge that through the various powers that it has, then so be it, but I believe it is incumbent upon government to identify through due process where there is a net public benefit for policies of that nature that can encourage that. Do we have any particular policy that deals with it?

[2.31 pm]

Mr ROBERTSON: We have had various events such as Meet the Buyers, where we have had expositions that have all government purchasing officers, and at the same time we try to encourage with those purchasing officers to adopt a small business user policy as far as possible.

Mr BAKER: Just continuing on from that, of course it is one thing to encourage that adoption, so to speak, it is another thing to have the issue dealt with by way of a formal policy which must be referred to and hence implemented. I am in the process of submitting my redraft of a buy local policy to the ACCC. The ACCC has not given an undertaking to provide an advice or opinion in response to the draft as to whether it complies or does not comply with various features of national competition policy. The obvious reason for that is of course they are not in the business of giving legal advice. I was just wondering whether or not the Small Business Development Corporation would consider drafting three or four models, if you like, of purchasing policies, then perhaps obtain legal advice as to whether or not any of them would breach national competition policy, and then perhaps distribute them to the various business associations in Western Australia. Of course it may well be then that those business associations can then lobby their councils, for example, and have the local government body adopt the policy. There seems to be a lot of misinformation about national competition policy. It seems to me in this particular case that whenever anything is suggested that will benefit a private sector within a private sector, straight away the cop out is to say "Oh, yes, but that is probably contrary to national competition policy". Then when that body or group or individual approaches the ACCC, the ACCC says it cannot give an opinion on it, cannot give legal advice, and of course at the end of the day the issue dies. Perhaps the peak small business development body in this state would be the more appropriate body to develop such a body for local governments and to actually encourage local business groups to have that policy implemented by local government.

Mr COWAN: Perhaps we could satisfy some of the issues raised by the member for Joondalup in a slightly different way. The SBDC is certainly an advocate for local purchasing and increasing the purchasing power of those communities within their own community. It certainly provides a degree of advocacy for that. With respect to policy development in the initial stages, I am not sure that the role of the SBDC would extent to that, rather really identifying some of the policy objectives of government or its delegated authority, local government, and then demonstrating to the purchasing officers, through

workshops, as Mr Robertson has indicated, how they can utilise the recommendations or the policy itself to their own best advantage. Really the task of the SBDC in that case is not so much policy development as in having some advocacy or in facilitating some of the objectives that government has set through its Buying Wisely program or buy local or through even the branding of products, Buy WA Made. That would be the role of the SBDC, but if there are other workshops perhaps Mr Robertson could let us know.

Mr ROBERTSON: There is nothing further. It is really creating awareness amongst the small business suppliers of the extent of the business and trying to get that culture. With the purchasing officers, a lot of it is to do with risk taking. For example, if you have always been buying porcelain conductors, there is a risk if you change to ceramic conductors, even though they might be cheaper and last longer. So it is a cultural issue and we are trying to improve that situation by changing attitudes.

Mr BAKER: Hypothetically, if I produced for you a draft buy local policy, would the SBDC be in a position to give an opinion as to whether that policy complies with national competition policy guidelines?

Mr ROBERTSON: Certainly.

Mr BAKER: Or if three or four business associations made a joint submission - -

Mr COWAN: It probably would be in a position to do that but again what I have been trying to say is that the SBDC's role is not to try and second-guess the ACCC. It is really to identify the policies that are set by government, government agencies or delegated authorities of government, which local government is, then carrying out an awareness raising campaign or conducting workshops that clearly facilitate the compliance with that policy or taking advantage of that particular policy. I doubt very much whether the SBDC would want to put itself in a position where it took on an interpretative role. It would much prefer to have a policy advocated by government or a delegated agency of government and then seek to demonstrate how that policy could be more quickly implemented through programs it would conduct with different agencies.

Mr BAKER: Looking at the second dot point on page 1259, and the second dot point on page 1262, under Major Achievements for 1998-99, it is well accepted of course that there is a growing trend towards trading using E-Commerce, as it is known. From my perception at least there is a view in the small business community that there are not sufficient legal protective provisions, if you like, under the existing law. For example, contract law, which give the legal security, so to speak - or proper legal status - to contracts formed using e-commerce. I am aware that, I think it was last year, there was an amendment to an Act of some kind which purported to give legal status and recognition to contracts formed using this particular means of trading. I am just wondering whether or not the Minister is totally satisfied that the current statute and common law in this State is such that all the means of protective measures and provisions that would be in place for other forms of contracts are in place in respect of contracts formed through e-commerce?

[2.39 pm]

Mr COWAN: Chairman, of course, that is part of the responsibility of the Federal Government through the Telecommunications Act. However, the States certainly do have to pass complementary legislation in a number of areas and one of those, for example, was to provide for government trading enterprises to come under some laws that were quite similar to those which were established by the Federal Government because State trading agencies or enterprises had a responsibility only to the State. So, there is a requirement for a mix of legislation from both the Commonwealth and the State. The Commonwealth is the main legislator in this particular regard but with respect to the issues that do exist with electronic commerce the SBDC has done quite a lot of work in familiarising small business with some of those issues and it might be appropriate for some comment.

Mr ROBERTSON: It is an evolving thing. I am not really au fait with the position of contract law in relation to transactions conducted by e-commerce. I know there are emerging signature software that is security proof and is acceptable but as far as to what the current standards are I am not familiar with them.

Mr COWAN: So, Chairman, that leads me to what really the achievement listed and that was that the SBDC's role is again to facilitate and through the Business e-commerce Expo that has just recently been held - and I would hope that there would have been some feedback to you about that - one of the most popular things that was undertaken during that expo was to, alongside that, run programs where private sector companies that had the expertise that, I think, you are searching for were running workshops at the same time. If you attended the expo and looked to see what was available you could also book yourself in to some of the programs that were associated with giving additional advice on those very subjects. As was stated in the achievements document, there were over 4 000 small business persons attended that particular expo. I think more than half of them availed themselves of some of those additional programs that provided information on those particular services. As Brian has indicated, again our task is not to set the rules but to make people familiar with those rules.

Mr BAKER: It may well be that when making people familiar with the rules we have to change the rules in terms of changing legislation. It is a simple example.

Mr COWAN: As I pointed out, Chairman, the Telecommunications Act is a Federal issue. It does require the State to provide complementary legislation with respect to governments and government trading enterprises and probably some other areas as well where the State has jurisdiction but it is predominantly a Federal issue. I am a member of the ministerial council which is termed the on line council and that particular ministerial council is quite active. I might also say that much of those issues associated with setting rules or legislation is really handed down to the Office of Information and

Communications within the Department of Commerce and Trade rather than sent to the SBDC as their responsibility. The SBDC's responsibility is to make people aware in small business of some of the issues we have raised.

Mr BAKER: Thank you, Minister.

Mr BROWN: Can I just say to the Minister in passing, before I ask my question, that I did go to that Small Business Expo that he referred to and there were thousands of people there. It was very interesting and I thank him for the invitation to that and also thank the SBDC for the invitation to a number of events that they have invited me to. I must say in passing that the SBDC seem to be more open in that than the Minister's own department in terms of events because I read about many events after they have taken place without seeming to get an invitation; but I do get one from SBDC.

In terms of the reform initiatives which is shown as an item on page 1264:

The SBDC through its government liaison and Regulation Review Panel activities has had input into many reform initiatives, including reviews of new or existing Acts or regulations and proposed codes or standards."

Has the SBDC considered the following matters in terms of advice to government? One, retail trading hours and, if so, what views have been expressed by SBDC in relation to retail trading hours, in particular the review that is under way now in relation to national competition policy.

[2.46 pm]

Mr COWAN: Chairman, in the 1998-1999 year the SBDC had input into these following issues: The review of the Retail Trading Hours Act, the review of business taxation, the proposed national food hygiene standards, a review of the Painters Registration Act, a review of the Employment Agents Act, proposed enforcement of the Civil Judgments Act, proposed Urban and Regional Planning Act, the proposed Building Act, the State cleaner production strategy, which is an agricultural agribusiness matter. Environmental protection - - - the proposal to have limited or tiered registration for builders, Petroleum Retail Legislation Repeal bill, a number of licensing procedures including those that are associated with standards for aged care hostels and nursing homes and also into the national uniform consumer credit code. They were all of the things that the SBDC addressed. I imagine, and would like to get some confirmation from the officers present, that in every one of those cases the review would have been conducted for government and I would be interested to know just how many of those reviews were made available to the public if that is possible, because I am interested in that question myself.

Mr ROBERTSON: In terms of retail trading hours my one comment is that we had a survey of traders in the tourist precincts in Fremantle and Perth prior to the introduction of the trading hours in regards to tourism during, and we will be conducting after, to see if there was any benefit to small business and the research showed to date that small business was not a winner from the extended trading hours and Sunday trading.

Mr COWAN: Should you wish to have some of those things made public I am quite sure, Chairman, that unless there has been a specific request that it be made available for government and there is some degree of confidentiality I do not have any difficulty with the SBDC making some of its findings available. Nine times out of 10 they do, they make them public so in this particular case any of those issues that I have mentioned should the member require further information I would be quite pleased to provide it.

The CHAIRMAN: Thank you. As supplementary information, Minister?

Mr COWAN: Yes. As long as I can get an indication which area you have an interest in. You mentioned retail trading?

Mr BROWN: Retail trading is one area I have an interest in obviously because of the magnitude of it on small business and the other area I am interested in is the oil industry, the petrol industry and the impact - -

Mr COWAN: The Petroleum Retail Legislation repeal?

Mr BROWN: Yes, and that is having a profound effect on franchisees.

Mr COWAN: I will take that as a request for supplementary information and we will seek to supply that.

The CHAIRMAN: Thank you, Minister. Further questions member for Bassendean?

Mr BROWN: I am aware the member for Hillarys had a question.

Mr JOHNSON: The Small Business Development Corporation I found extremely helpful prior to my emigration to this country and the business migration program that stopped for some time, there is a new form of business migration now I believe but I just wondered what sort of percentage of inquiries and assistance do you give to business migrants ...(Inaudible)... in relation to the ...(Inaudible)...

Mr COWAN: We do still through the SBDC run a business migration program. I am just trying to find some information and detail on it. So far I have not been successful but perhaps Mr Robertson can be more successful than me at finding it and offer that information to the Committee.

Mr MACFARLANE: I do not have those precise figures available. SBDC is the host for the state for the business migration program and our role is to provide information to prospective business migrants as they come to Western Australia. I could not give you figures on what percentage compared to the number of inquiries.

Mr JOHNSON: You do not have a number?

Mr COWAN: We do. An officer has found in the annual report of the SBDC - and of course this is for the year 1998 and it is not a significant number - 121 business migrants settled in Western Australia which represents 18.7 per cent of the total national figure of business migration. 90 per cent of the state's business migrants originate from South East Asia with the remainder from Africa, Europe and America. During the year a total of 615 expressions of interest for business migration into Western Australia were received from 28 individual countries, the second highest in a state of Australia. Chairman, if I could make that available then the member will be able to peruse it himself.

Mr BROWN: In relation to page 1262 under the heading of major initiatives for 1999-2000 the first dot point refers to establish a specialist support service to assist small business to prepare for the introduction of the GST. In relation to that firstly has there been any costings done in terms of an assessment for small business or particular small businesses in various sectors as to what the additional cost will be of administering a GST? Secondly, what is the nature of the specialist support service that is provided or envisaged to be provided? What is the amount of resource that is being allocated to that in terms of dollars? What is the nature of that service?

Mr COWAN: Chairman, that is something I think Mr Robertson can best answer.

[2.53 pm]

Mr ROBERTSON: Firstly the Small Business Development Corporation is represented on the Australian Taxation Office Small Business liaison group that meets every second month and we have input with other private organisations, business associations, into the disseminating of information regarding GST. For example the Tax Office has on its website 10 facts sheets in regards to GST. These were widely disseminated throughout the BEC network and we also have an officer who is preparing fairly simple question and answer type information for small business, bearing in mind that GST is still unfolding and nothing is quite set in stone yet. We also issue press releases from time to time on the impact of GST. We have an Australian Taxation Officer seconded at the Corporations Business Information and Licence Centre with a salary paid by the Australian Taxation Office to provide information on GST. Whilst that person is not a specialist they are aware of specialists within the Taxation Office to whom specialist inquiries can be put forward to. The Corporation is also represented on the West Australian Taxpayers Association and it receives up-to-date information, attends seminar conducted by that association and gains up-to-date information on GST and liaises with other professionals, the Australian Society of Accountants, in disseminating this information to small business. Now in terms of dollars probably the equivalent of one FTE in terms of the amount of work done. I think that sums it up the role that we play out there in regard to GST.

Mr BROWN: Have you done any assessment in terms of retailers or any other major areas of small business as to the additional cost there will be in terms of administration and paperwork in relation to the implementation of a GST?

Mr ROBERTSON: We have not done it directly but it has been very well documented in financial reviews, other business journals, representations from small business associations. Many are concerned how it may impact on them once again depending on the format that it finishes up in.

Mr MARLBOROUGH: A figure of \$12 000 I think.

Mr BROWN: Per business?

Mr ROBERTSON: That is the highest one I have ever heard. The National Tax and Accountants Association they are very anti-GST and I do not think they had a figure that even approached that.

Mr BROWN: What did they have?

Mr ROBERTSON: I think it was something like \$7 000.

Mr COWAN: I am also aware that the Federal Government has set aside a significant fund for the purpose of making the transition for small business and the SBDC will be involved in the liaison and the delivery of programs that come within the funding of the Federal Government.

Mr BROWN: That is not included in here at this stage because obviously that is a matter up in the air still. Also on the same page under 1262 the second dot point refers to the introduction of a new service under the Small Business Improvement Program to develop commerce plans. What is the nature of that new service that is to be provided?

Mr COWAN: Chairman, I am in a position to be able to give you a little bit more detailed advice about this. It is intended to allocate \$150 000 from the SBDC's budget to assist small business to incorporate electronic commerce into their planning processes. That is essentially what it will do. As was done with the E-Commerce Business Expo, just raise the awareness of the value of electronic commerce, indicate to those business firstly that there is value in that and then provide an opportunity to those businesses to access the expertise that will allow them to utilise electronic commerce within their business and \$150 000 has been appropriated for that.

Mr BROWN: What does that mean in terms of the small business person that is seeking advice from SBDC in terms of the service they will get?

Mr ROBERTSON: In terms of the service the previous small business improvement programs have been for business planning and for market planning so electronic commerce is just another aspect of a business' operation. That is dollar for

dollar so on the basis that it went to all city based businesses that would be the equal of \$300 000 worth of consultancy fees. The way it operates is a business would get three quotes to develop a strategic E-commerce plan for their business and the business gets a dollar for dollar subsidy up to \$5 000, 65 per cent of the subsidy if they are a regional business and 75 per cent if they are above the 26 parallel. So in the case of the value that is the contribution.

Mr BROWN: So it is a grant scheme?

Mr ROBERTSON: Yes; dollar for dollar or 65 or 75 per cent.

Mr BROWN: What is the criteria in terms of the size of business? What is the criteria in terms of turnover and profitability of the business?

Mr ROBERTSON: The business must be a business as defined under the Small Business Development Corporation Act, it is defined as a service business with 20 or less people, a manufacturing business with 100 or less and must not form part of a larger organisation and the management is vested in the owners of the business.

The CHAIRMAN: I have to interrupt proceedings here. This completes the segment allocated to this particular lots of divisions. With the consent of the committee can we move the 11 divisions at once? That is divisions 11 through to 22 inclusive.

Sitting suspended from 3.00 to 3.03 pm

Division 36: Western Australian Tourism Commission, \$37 783 000 -

[Ms McHale, Chairman.]

[Mr Bradshaw, Parliamentary Secretary to the Minister for Tourism.]

[Mr S. Crockett, Chief Executive Officer, Western Australian Tourism Commission.]

[Mr D.P. Wilcox, General Manager Operations, Western Australian Tourism Commission.]

The CHAIRMAN: Thank you. The Member for Bassendean.

Mr BROWN: Thank you. I refer to page 1383 under the heading of Output and Appropriation Summary, down to the third heading, Total Cash Cost of Outputs and in that down to the last heading appearing under that section, Other Funding Sources and the figures along that particular line. I assume that those are the capital payments for the convention centre?

Mr BRADSHAW: That is correct.

Mr BROWN: In relation to that, what now is the time line in terms of the expressions of interest process? As I understand it from the recent press reports, there are seven expressions of interest and they are all in currently but some are likely to be eliminated in a few months time. Could you tell us what the process is and when we will know who has been selected?

Mr BRADSHAW: I will ask Mr Crockett to answer that. He is more familiar with it.

Mr CROCKETT: The process is that the current seven expressions of interest are being evaluated with a view that there will be a shortlist of three in early July. Of those three shortlisted, they will then go through a request for proposal process envisaged to run through to a preferred provider by the end of the year, with an appointment to be made early in the year 2000, with an estimated construction time then following that of around two years.

Mr BROWN: In terms of the amount that is allocated for the current year, which is the \$3.2m, how is it envisaged that will be used?

Mr CROCKETT: Principally, the cost of that is the various expert consultants that are utilised. That includes the financial advisers, Arthur Andersen. We also have legal advice quite predominantly on that. We have cost consultants, contract management services, and various other minor consultancies who are doing a lot of the due diligence and assessment processes. There are also costs obviously included in that in various documentation and studies which may need to be undertaken as part of the assessment process. For example, a traffic management study is to be commissioned.

Mr BROWN: Is that set out in a budget document somewhere that we can have a look at?

Mr CROCKETT: Yes. We do have a budget allocation project - -

Mr BROWN: No, the \$3.23m here. Could we get a detailed breakdown in terms of the budget?

Mr BRADSHAW: Yes, we can provide that with supplementary information.

Mr BROWN: Thank you. In terms of that, the following year 2000-2001 in the forward estimates, there is \$2.5m. When is it envisaged that construction, once the site is chosen, in the form of starting to dig the holes will actually start?

Mr CROCKETT: It is part of the expression of interest and we envisage it will be part of the request for proposal, but almost as immediately as possible once the contracts are finalised and the final tender is determined. So that would be early next year to start the actual construction.

Mr BROWN: So the \$2.5m that is allocated in the forward estimates for 2000-2001 is envisaged to be payment for what?

[3.10 pm]

Mr CROCKETT: There will be a considerable management of that process once it has commenced, making sure that the contractual obligations are being delivered. Obviously that itself will take a considerable resource monitoring that as it goes through. There is also within the two years, 2001 and 2002, an allocation. We are not sure in which year it will occur yet, but there may be depending on the site some obligation on us to present the site in a clean stage or deal with some issues on that site. That is a contingent amount of money. We are not sure what that will be because it will depend on the site, if it needs to be utilised. We are not sure what the proponents will propose, but they may need some milestone payments prior to the final payment, and that is yet to be resolved through the contractual process.

Mr BROWN: I wanted to ask you about that because the \$90m which is scheduled for 2002-03 would tend to suggest it is a payment at the end which normally for most construction work is not the way it goes; they are normally progress payments. Is that the contract you have sought, a payment at lock-up stage?

Mr CROCKETT: Our view is to aim for that. From a purchaser point of view, the ideal scenario is not to pay until everything is completed, but we do acknowledge that as per the normal construction process there would be some milestone payments on the way through. At this point we are estimating that because we have yet to finalise the proponent's proposal on contracts. We would be aiming for a very large payment at the end when we know that delivery has been done and all the financial assessment of companies has been based on that premise at this stage.

Mr BROWN: So is it possible then that there could be \$20m to \$30m paid over 2001-02 as progress payments?

Mr CROCKETT: It could be possible if someone asked for that. I would suggest it is highly unlikely and it is certainly not our expectation that that would happen. We would be very much looking for the bulk of the payment to be at the end of the project in 2002-03.

Mr BROWN: Finally, in relation to that, the \$3.23m for this year is by and large for consultants and other people, as you have said, so that would be as a cost to government. It would not be an amount of money going into the proponent, if you like, in terms of them building.

Mr CROCKETT: Some of it is obviously a direct cost to government but some of the material we are producing - for example, the traffic management study - would be of value to the proponents and would be considered as contributing to the overall process as well, so it would be a combination of those two things.

The CHAIRMAN: I remind members to direct questions through to the Minister, not to engage directly with the adviser. The member for Wanneroo.

Mr MacLEAN: Thank you, Madam Chair. I refer to page 1393, Major Initiatives for 1999-2000, dot point 1:

Marketing of the Commission's Electronic Distribution system in core and future international markets.

Is that through the Internet page and are there any plans for the establishment of a page and link service to the tourist industry?

Mr BRADSHAW: Mr Crockett will provide a much more detailed answer because he is more familiar with this, but basically it would be certainly promoting Western Australia markets and that type of thing.

Mr MacLEAN: Is there a plan to establish a main page and links to the tourist industry providers, such as overnight accommodation, bed and breakfast?

Mr CROCKETT: Yes. The marketing of what we call electronic distribution is in principle the web site. The reason we refer to it as the electronic distribution system is that the web site, whilst the major component, is not the only component. It is much broader than just the web site. Underneath that web site is a comprehensive database of the tourism industry. For example, if a worldwide travel agency network such as Traveland wanted to use that database in its own electronic travel system, we would in fact allow it to access it. That is another electronic distribution system not being the web. It principally refers to the web but we are looking at all electronic distribution forms. In terms of other linkages, at this point we have determined not to have, in technical jargon, hop links to other web sites or individual providers, but all providers have the opportunity to be on the one site. The reason for that is that one of the difficulties when we go onto the international market is we cannot control the quality of the hop link and then the facilitator at the point of entry. We carry a responsibility and an implied liability to anyone we hop link too. So we are very conscious of not having that at this point in time until we can sort out a quality control mechanism to do so.

Mr MacLEAN: So you could go to, for example, the UK or Scotland, and virtually plan your holiday using their page and then all the hop links to your day trips, etcetera.

Mr CROCKETT: We hope ours will actually be better in the sense that all the products will be on the one site. We are doing that because of the cost efficiencies of having electronic commerce, etcetera, through one site, which you cannot do through all the hop link sites. There are in fact 140 individual product providers right now. We envisage 70 per cent of all product providers will be on that site within two years. As you say, that will allow you to go to one entry point, Western Australia, and you see all products state wide, not only see it and communicate, but within the third phase of this program you will actually be able to transact and get confirmation over the system.

[3.17 pm]

Mr BROWN: I refer to page 1391 under Output Measures, about the fifth of the way down the page, under the word quantity is a sentence reading, "Number of increased air transport seats into Western Australia targeted" and under 1999-00 the target is 11 000. I just want to clarify a few things in relation to that. Is that a target by the Commission to increase air transport seats from international flights into Western Australia for a full year?

Mr BRADSHAW: The Tourism Commission is certainly having negotiations and talks with various airline companies throughout the world and Australia to try and make sure that more correct flights are coming into Perth. We are envisaging increased seating capacity but I will hand over to Mr Crockett to finalise it so he can answer the question in more detail.

Mr CROCKETT: Yes. In simple terms that is the annual target and we are principally looking at increasing capacity at this point from Singapore and South Africa. We are also looking at the Taiwan and Chinese services.

Mr BROWN: Does that figure of 11 000 include any additional services that were put on through the course of this financial year but have not had yet a full year effect or is this totally new seats?

Mr CROCKETT: This will be new seats.

Mr BROWN: Completely new seats? Can you tell me what are the airlines, in particular, that you are looking at in terms of those services?

Mr CROCKETT: In Singapore we are obviously looking at Singapore Airlines. In South Africa we are looking at South African Airways and Qantas. In Japan we are looking at Qantas and Singapore Airlines. In Taiwan we are looking at ...(indistinct)... Air and in China we are looking at a joint proposal between Cathay and China Southern and possibly just China Southern depending on how that goes. They are the principal airlines but, of course, we will not restrict ourselves to that and depending on how the market dynamics move we may be looking at other markets as well.

Mr BROWN: As I understand from a recent travel brochure, Emirate Airlines requested additional landing rights in Australia and they could not get them. Some industry people mentioned to me they were quite keen for them to get them. Could you tell us, firstly, what the commission is doing in relation to that and what successes you might have had to date in doing that.

Mr CROCKETT: My apologies. I missed Air Emirates and the Middle East off my list before. It is one of the airlines we will be targeting. To date we have had a couple of meetings with Air Emirates. Our principal philosophy with Air Emirates is a dual attack in that obviously the Middle East is a potential market but we are also very interested in the through traffic from London. They have very good service London-Dubai, Dubai-Perth and obviously our quota from the UK market we would welcome the extra service. We have also had discussions combined with the Airports Corporation of Western Australia and met with the Federal Department for Transport in the context of the bilateral discussions to get the increased rights. To date we have been informed by Air Emirates that they really need to make a decision between increased capacity to Melbourne and possibly Brisbane or Perth as new services. So, we are pretty much in there in a competitive sense against those other destinations and it will depend upon the bilateral discussions which I understand are due shortly. We have not yet been given the date as to whether they get the extra landing rights and if they do then I understand it will come down to those three destinations. However, conversations to date have been very positive and we have some added advantage in that some of our operators from Western Australia are already working in that market so that is a fairly good incentive for them to do that.

Mr BROWN: Does the Commission make any representations to the Federal Minister for Transport? I guess that is who it is who approves these landing rights issues. I do not understand what the hold up is in relation to that. Does the Commission make any submissions to the Minister and, if so, what submissions are being made, what hurdles have to be overcome for it to get those landing rights?

Mr CROCKETT: Through the Minister for Tourism and the Premier submissions have been made to the Federal Minister in relation to a number of airlines and additional rights, not just Air Emirates. The process is, indeed, a complex one and there is a very strong focus of our submission on the inquiry into air ...(indistinct)... within Australia recently held by the Federal Government which is -- the bilateral process has always been a stumbling block because of the intricacies of Qantas' arrangements with international access versus other international airlines. In essence, it has resulted at the bilateral table where there discussions are resolved but a number of representations have been made in respect to this airline and others. With mixed success, I might add, but we are hoping with what looks like to be a revision of air arrangements in Australia that that will see some progress in a general sense being made on that.

Mr AINSWORTH: Output number 1 on page 1386 under the heading "National Marketing", I was particularly surprised that the figures there under the heading "Quality" show "Interstate Consumer Awareness" as 7 per cent estimated and a target figure of 7 per cent. Then further down "Interstate Consumer Awareness - Level of advertising awareness of Western Australia as a holiday destination", again very low at 10 per cent respectively for the current and projected years. Even going further, the intrastate, which is within WA, the figures there show "Consumer Awareness" of only 26 per cent with a projected target of 27 per cent. Unless I am misreading it, I find those particularly low because one would have thought that West Australians knowledge of other States as a potential holiday destination would be quite high rather than 7 per cent and 10 per cent. Is there a reason for that? If so, why are the projected figures the same as, rather than higher than, the 1998-1999 estimate?

Mr BRADSHAW: The facts are that there is a lot of competition out there in the tourism market and even though we think we are probably unique in Western Australia, I guess a lot of the Eastern States people have other influences that come into play when it talks about holidays. I must say I am not sure what the awareness is as to whether they are aware of Western Australia or they think about coming to Western Australia as a destination and I will ask Mr Crockett to answer that in a moment.

With regard to the intrastate fund there are programs in place to increase the awareness of people becoming aware of holiday destinations in Western Australia and they are certainly being effective. Each year now we have the winter destinations catalogue that goes out to just about every Western Australian household and things like that to increase the awareness, but I will hand you over to Mr Crockett because it does seem low, however, as I say, it may be because of what I am saying.

[3.25 pm]

Mr AINSWORTH: If I could just interject before Mr Crockett answers in response to what you said Cabinet Secretary, I am aware of the sort of promotion and the brochures and winter holiday destinations and all of that sort of thing that you are talking about. I guess because I am regularly aware of it my perception would be that most people ought to be as well and these figures suggest they are not so I would be interested to find out why.

Mr CROCKETT: Yes, thank you. It is a lot to do with the actual question in terms of what we are asking and when we talk about perceived knowledge we are actually being quite specific about the question. It is not just a general awareness. If you ask people, "Are you aware of Western Australia", you would get a 100 per cent answer. It is about a degree of knowledge as a holiday destination, so it is a comparative question relative to other holiday destinations in many respects which is why the percentage for Western Australia is quite low.

The second question which is the propensity to consider is another specific question in the sense that, "What is your propensity to consider Western Australia", compared to other states, so it is much a comparative question. To give you an example, in propensity to consider, for example, New South Wales and Victoria actually rank lower than us whereas Queensland, which is obviously our ...(Inaudible).... in tourism ranks at about 55 to 56 per cent. That is the highest score in Australia. Whilst the numbers are low, they are all relatively because of the nature of the question because it is in a comparative environment. A destination like Bali, for example, is very high as a holiday destination and would not be perceived as anything else but a holiday destination. These questions are, in many ways, more important to us because we are only interested - - we could ask the generic question, "Are you aware", and get a very high percentage. We are more interested in, "Are you aware of it as a holiday destination and what is your propensity to take the holiday", which is more informative than just asking, "Are you aware", and we would get a very high percentage. In relative terms, 26, for example, is very good, and I should point out this was undertaken by Roy Morgan. In the last annual report we were the second highest propensity in Australia of all the states, so whilst the numbers look low, they are actually comparatively very high.

Mr MacLEAN: If I can refer to 1380, International Markets, dot point one. You point out that the Commission identifies markets - - objective assessment has seen Western Australia well positioned having selected core markets, United Kingdom, Germany, Singapore, Malaysia and Japan. What efforts are being taken to expand those markets, even the non-core markets and particularly in South East Asia ...(Inaudible).... Japan? China has ...(Inaudible).... middle class that are now allowed to travel. In Europe you have the north European section, the Scandinavian countries, and you also have the southern European countries such as Greece, although most of those would go to Melbourne and Italy ...(Inaudible).... What actions are you taking to actively get into those non-core markets but adjoining neighbourhoods to start targeting them?

Mr BRADSHAW: One of the problems that we do have is, obviously, limited resource for promotion and the problem is that if you start to spread it too thinly then you lose the effect, so certain markets have been identified as core markets and the bulk of the promotion goes into those areas. One of the emerging markets certainly is Germany and Japan which is on the increase as compared to the past. It is important to keep the continuity up with those markets so you do not forget about them. I will hand you over to Mr Crockett who will expand on it but it is important that we do maintain our core markets and with the thin resources I would say that is the reason that we are identifying those mainly.

Mr CROCKETT: As has been stated, the key issue is the core markets. There is, I guess, a minimum point of investment beyond which it is a waste of funds to go below that and at this stage the core markets are the limit of which we can have an effective spend to get some result and we have had very good results in those core markets.

We do have a second category under the assessment which we refer to as future markets and they are markets where we basically look at, particularly through the trade that is in the country, and assess that market for what we determine to be good potential future for the state. Future markets at the moment are Taiwan, Italy, China, Switzerland and the United States and what we have done in our market assessment process is looked at those markets that look like they will give us a big return in the future.

We are doing a small amount of effort in those markets, particularly in Italy, and we have seen some good results. When I say "a small amount of effort is principally focused with the trade", we cannot afford to go to the consumer which is where we need to go to get a big impact, and what we would hope is if funds became available to expand we would be in a position to move in the relatively short space of time because, obviously, moving into a new tourism market is a fairly long lead time before we see the results; two to three years from start point, so in the future markets we get the information. We get the grounding and the trade and particularly in the media ...(Inaudible).... and then if we do have the ability to invest or, indeed, one of our core markets - as happened with Indonesia - dropped off, we could move quickly to a future market which was

the advantage we had two years ago when we moved into the UK and when the Asian crisis came we were actually in a good position by having a separate one, but these are limited resources.

[3.32 pm]

Mr MacLEAN: I mentioned China because recent reports said that they would be allowed to travel with restrictions. Now they are becoming quite an economic force and a lot of the Asian countries such as Indonesia are bending over backwards to get them but reports I have is that they are not particularly keen to go to another Asian country they want to come out and have a look around. Are you moving into this new market?

Mr CROCKETT: Yes, in the sense that China is a future market for us. What that has meant, as you have said rightly, that Australia has just been awarded tourism destination status, which effectively means we are a sanctioned tourism port out of China, if not close to the only western destination to have that status. At the moment lots of Asian countries have that official status but not many western countries. Our approach at this point is to work with the Australian Tourism Commission who obviously have a far larger budget than we do and we have been on a number of trade missions and a number of training programs with Chinese operators in the last six months and we will be doing more of that in the next 12 months. There is a fundamental limit for us on the west coast that we do not have air access currently from China to Perth and that is a severe limiting factor and that is why our current focus or principal focus is to deal with the air access issue first.

We are very conscious that when a market like China initially opens there is always a big rush to the known destination of Sydney, and particularly because their access is already there, so the philosophy is to work with the Australian Tourism Commission and try and utilise their funds as much as possible to get ourselves a positioning, solve their access problem and then if we can have enough funds to actively market to the consumer in that market but at the moment trade education which is quite a good philosophy there because all of their wholesale operators are obviously government bound so they are a limited number, they do control most of where the traffic goes. If you educate the trade and influence them to bring it to Perth that is the best way to move the amount of people. So we are doing a number of things in that market as a future market and we hope that when we solve a couple of those issues we can move into a bigger one.

Mr MacLEAN: What is the effect of the lack of reasonable hotel accommodation in Perth on the tourism industry and how is the industry encouraging the hotel operators to increase their bed numbers?

Mr BRADSHAW: As you are aware certainly over the last few years there has been an increase in the number of hotel beds in Perth and throughout Western Australia, so it is not all bad news for Western Australia.

Mr MacLEAN: I know it is not as critical as it was a couple of years ago but it is still pretty tight.

Mr BRADSHAW: So the crisis probably is not tight at this stage and certainly at this stage Burswood are talking about building extra hotel accommodation down on their site but I will hand over to Mr Crockett and he can explain probably better what the situation currently is there.

Mr CROCKETT: I think the key issuer has improved dramatically. About two or three years ago it was very tight and we had between three and four new properties come on very quickly in that space of time. Occupancy levels in all categories at the moment are running at about 65 to 70 per cent average occupancy throughout the year. So there is a reasonable amount of capacity there although the cycle is starting to emerge where that is filling and it has been increasing over the last 18 months in particular and in regional areas the occupancy has been going up a lot more because the increased European traffic is going more reasonable and we are seeing signs of increased interest in further investment in rooms within the city itself and of course regionally there has been a massive increase in room availability particularly in the south west where there has been large amounts of development for accommodation.

Mr BROWN: I refer to page 1381 in the third dot point where it talks about the Brand WA campaign in the UK and the new campaign being planned for 1999. I have a series of questions. Are any new advertisements being planned by the commission?

Mr CROCKETT: In terms of production at this point, no. I just follow on from that in the sense that unless there is a market demand particularly to indicate that we were missing some particular product but the current sweep of commercials covers most regional areas and now the city. So to produce new commercials we do not think it will be necessary.

Mr BROWN: In terms of that what are the current arrangements the commission has with advertising agencies here? Are contracts expired, are contracts long term contracts? What is the situation and are any discussions underway currently in relation to that matter?

Mr CROCKETT: Our current agency's contract has in fact expired and it was a three year contract. The review of agencies is underway as we speak and we have in fact been to requests for expressions of interest for that to date and we would anticipate re-appointing a new agency within the next month or so for a term probably of three years.

Mr BROWN: With that agency appointment does that specify that you will use the agency for whatever advertising you may have or does that specify the amount of money you would invest through the agency over a period of years? How does that work?

Mr CROCKETT: It basically specifies that we will do our business through that agency, subject to satisfactory performance, not the amount of money itself.

Mr BROWN: I am not sure how many advertising agencies there are in Perth but how is that done? Is that done through State Supply Commission or is that a general advertisement that is put out inviting all the advertising agencies or is it selected agencies who were invited?

[3.40 pm]

Mr CROCKETT: It is done through the sanctioning of State Supply Commission and CAMS, so in essence they are the seler process, because of the international nature of it, not all agencies in Perth can in fact deal with the business. So all agencies were in fact given the opportunity to put forward their expressions of interest and from that list there is a shortlist based on their credentials that goes forward through a normal tendering process.

Mr BROWN: So the agencies put in an expression of interest and then it goes to tender, does it?

Mr CROCKETT: It is shortlisted from that expression and the shortlisting is based on what is termed a credentials pitch in terms of, do they cover the criteria? For example, they have to have an international affiliation to be able to do international business and various other elements. Based on that, a shortlist is produced. The principal reason is it is quite an expensive exercise for an agency to pitch and we do not like to, I guess, take them down that path if we know they do not have the fundamentals in order to do the business.

Mr BROWN: Have tenders been called, currently?

Mr CROCKETT: Yes, they have.

Mr BROWN: When do you make the selection, or are they not closed yet?

Mr CROCKETT: They are in the processing of making their various presentations and the final presentation is on Monday. There will then be deliberations over that material. They have submitted written material. There is a presentation on Monday and then deliberations, however long that takes, and then an agency will be appointed.

Mr BROWN: Is that agency then responsible for placing the ads both in Australia and overseas?

Mr CROCKETT: Yes.

Mr BROWN: Like, in the UK and Germany and all over the place, wherever you want to go?

Mr CROCKETT: That is correct. They would normally do it through an affiliated agency. There is no agency in Western Australia that is actually part of an international group as such, but some of them do have international affiliates. So it will not be them placing it direct in most cases, although in some cases they will, but generally they will use their international affiliate to place that on their behalf. In terms of the booking scenario, we book with the local agency who then books through their affiliate.

Mr BROWN: In terms of the price of that, is that based on them getting a percentage on top of the cost of the ad? How does that work?

Mr CROCKETT: It is the standard agency advertising format for all agencies for all business. They basically take what they term a service fee for immediate placement and they have a normal cost rate for their creative times in terms of producing advertisements. That is part of their tender submission. They will have an hourly cost rate for production created. When they place media, there is a standard industry service fee of somewhere between 7½ and 10 per cent. That is the normal for most media placement. That will vary depending again on various international countries where the terms and conditions are quite different to Australia.

Mr BROWN: Could you provide us with the times of the year - that is, the forthcoming financial year - and the countries that you will be advertising in and the approximate amounts in terms of budget forecast?

Mr BRADSHAW: Yes. We can provide that through supplementary information.

The CHAIRMAN: Thank you. The Member for Roe.

Mr AINSWORTH: Thank you. The major achievements listed on page 1405, dot point 3, Production of a "Dive WA" video to promote dive tourism. I am assuming that that Dive video was promoting dive tourism statewide as opposed to just the dive tourism opportunity at the now submerged *HMAS SWAN*. Was that just the catalyst for doing the video? I am asking because I have a particular interest in the very very high quality dive site at Esperance, the *SANKO HARVEST*. So I am assuming that it was not just the *HMAS SWAN* that was being featured.

Mr BRADSHAW: The sinking of *HMAS SWAN* was a great boost for Western Australia for divers and I know the numbers visiting are just astronomical, I guess because of the proximity to Perth. It is important to try and promote Dive WA. I am not sure whether it is promoting the rest of Western Australia, but I assume that it would because there are a lot of diving spots around Western Australia that are of great interest.

Mr CROCKETT: It is the whole the Western Australia. It certainly does not cover every dive element. It has come about over a number of years. In a lot of our work in Europe the operators and consumers have shown a great interest in diving. It is very popular for European tourists, so the video was produced as a result of that. I guess the reference to "following the SWAN" was that the *SWAN* gave us a very high media profile in Europe. Obviously it's physical sinking was pretty

spectacular, but it does refer to the whole diving of Western Australia from the north to the south and was in fact launched last week. It has been very well received, particularly in European markets and we are using it at the Australian Tourism Exchange in Sydney this week for the European market.

Mr AINSWORTH: Without wanting to be too parochial, did that include any footage of the south coast, particularly the Esperance area?

Mr CROCKETT: You are testing my memory now. Can I send you a copy of the video?

Mr AINSWORTH: A very good idea. Thank you.

Mr CROCKETT: I know it has Ningaloo and various other places but I just cannot remember if it has Esperance.

Mr AINSWORTH: I hope you have heard of the *SANKO HARVEST*?

Mr CROCKETT: I definitely have. I have actually dived on it, so that is okay.

Mr AINSWORTH: Good. That is just one of the many sites in my electorate but thank you for that free plug.

The CHAIRMAN: Can you be precise in telling me what provision in the convention centre is there for theatre and the performing arts space? What have the interested parties actually been told?

Mr BRADSHAW: I will hand over to Mr Crockett, but to my knowledge it certainly is inclusive and a very important aspect.

Mr CROCKETT: Yes. It is obviously an important part of OI and in fact was the only compulsory ancillary facility. Whilst we were obviously looking for a number of ancillary facilities if possible, that was the only compulsory one. The actual statement of the space was referred to the arts community in general to define and what is in the OI is what was agreed by the arts community reference group which is established. In essence it was described in very simplistic terms as a flexible art space with a number of parameters. So all of the proponents were asked to bid in accordance with that parameter. During the process a number of the proponents wanted to have more information. We actually then arranged for a group of that taskforce to brief all of the proponents. So all proponents had an opportunity to be briefed which I think all of them - or at least most of them - attended that briefing and got a whole lot of information about what was required from the arts community in terms of that space which they have obviously incorporated in their submissions and hopefully we will see some innovative solutions to what is being portrayed as the need from the arts community.

[3 47 pm]

The CHAIRMAN: So you have not specified a 600, 800 or 400 space?

Mr CROCKETT: No, the arts reference group has principally specified the functionality of the space in effects of the lighting grids, flexible seating, flexible performance floors in the sense of ground or platform. So all of those issues have been identified. Seating capacity has not been a major issue although obviously the proponents who were talking at the briefing of the arts people did ask the question and a number of seat capacities were mentioned but nothing specific has been put in place.

Mr SWEETMAN: Page 1403 under major initiatives, the second last dot point on that page it just says commence development of accommodation on the west coast of the North West Cape. Is that relative to low key partnership with CALM type camp sites, tent accommodation areas or is that relating to the development of Mauds' Landing?

Mr BRADSHAW: I do not know if Mr Crockett will know.

Mr CROCKETT: It really relates to both. It is identifying again the very important need of being able to have accommodation on that part of the coast in an appropriate and sensitive way. Obviously you are aware, more than most, of Coral Bay's limitations and I guess the amount of free wheeling that is going on up there at the moment. So it really is to cover all aspects of it. Obviously Mauds Landing is a potential development. Whether indeed it services the appropriate needs and the correct needs needs to be worked through the process and will be but also eco-lodges and those sort of facilities that CALM have obviously considered for some time are equally as important to that area. So I guess we are really saying in a broad sense that the development of accommodation in that area is critical to the tourism success of Western Australia because it is a fantastic icon we have got there. What form it ultimately takes will be determined a lot by the commercial sector, also the customers needs and demands and the local community's desire of what sort of facilities should be or should not be built there. So it covers the whole spectrum.

Mr SWEETMAN: Just following on from that but a separate scene, the allocation to the Regional Tourism Associations is that covered under grants, subsidies and transfers or does that just show up under recurrent? Page 1407. It may be that 1407 is the page but I am just talking about the grants that the travel associations get region by region. Is there subsidy or base grant for rental, for salaries and things like that or is that just covered out of your recurrents cash flows from government?

Mr BRADSHAW: It is in the recurrent allocation.

Mr SWEETMAN: While you are looking for that how are those grants allocated and year by year are those grants either increased or reduced depending on outcomes or outputs from those particular regional bodies?

Mr BRADSHAW: The allocation for the 1999-2000 year has actually dropped around \$40 000 and the reason for that there was a one-off extra \$100 000 went into the budget last year of which \$40 000 has been retained but \$60 000 has dropped off. So basically you will find that each of the districts will be getting the same funding in general.

Mr SWEETMAN: That is for the tourism associations and then we have our regional tourism commission officer as well. I am aware that the Gascoyne has just got theirs. There was some conjecture as to whether it would re-appoint someone to that area and that is a separate appropriate again?

Mr BRADSHAW: Yes.

Mr SWEETMAN: That is not a part of the grant to the Tourism Association, is it?

Mr BRADSHAW: No, no, that is a separate allocation.

Mr BROWN: I just want to ask two separate questions, one in relation to recurrent on page 1383 which just generally deals with all the expenditure for the commission. Is there any funding to develop a satellite account for Western Australia and this is something that the industry has, I am sure, been knocking on the government's door about and certainly letting us know that it is very keen to happen? I understand that there has been a development of a satellite account federally and I wonder what is proposed for Western Australia?

Mr BRADSHAW: I will hand that over to Mr Crockett.

Mr CROCKETT: It is a very important element of research that has been identified that we need to get an accurate estimate of what impact the industry does have on the state. You are correct in that at a federal level the tourism satellite accounts are being established by ABS. We have been talking to the ABS and also to the office of National Tourism about what is the possibility of also doing that at a regional level, ie state level or perhaps even down to even further regional levels. It would make sense if in their development of those satellite accounts that they add on to do it at regional level rather than for the state to create another set of accounts which may be incompatible with in fact what the ABS is doing. The response to date from the Office of National Tourism is that they believe the estimates of cost of producing the tourism satellite accounts federally is going to actually be far more than the budget and they are quite concerned about being able to get the accounts they are looking for but they are positive about the potential of having a regional set of satellite accounts quickly added on, providing the states can come up with funding to achieve that. Now, that is yet to be determined but our view at this stage is that it would be appropriate to do it under that methodology and that mechanism rather than create a new one which would be very costly and perhaps incompatible and inefficient. That is the path we are actively going down at the moment and assuming that ABS will be able to do that, given that the current environment is that they are cutting back quite dramatically on tourism.

[3.54 pm]

Mr BROWN: Are there any funds anywhere for any work as far as this is concerned?

Mr CROCKETT: No, there is not.

Mr BROWN: The other matter I would like to ask about is that the government has produced a publication, Budget 2000 Securing our Future, which contains a global overview of what the different departments are doing. You have no doubt seen it. It is produced for all different areas in the state. It indicates in it that the Western Australian Tourism Commission will spend \$1m in the south west region, \$840 000 in the Gascoyne region, \$978 000 in the Kimberley region, \$859 000 in Great South region, and \$1.5m in the Goldfields-Esperance and so on. I will not go through all the figures. Could you provide a breakdown of those figures and how they are calculated? Some of it would obviously seem to me that it is going to go to the regional tourism associations and their outreaches but I assume some of it is a proportionate amount of advertising or whatever else. Could you provide a breakdown of how those actual amounts are calculated?

Mr BRADSHAW: I think Mr Crockett can answer you now.

Mr CROCKETT: I do not have that paper in front of me but I assume if we have got the same figures we can probably cross-check that. For the Kimberley was it was \$978 000?

Mr BROWN: That is the one.

Mr CROCKETT: The total figure for that principally is made up of about six major components. I will just go through them. In terms of the international and national marketing campaigns to consumers, there is approximately \$4.9m spent on that of which it features obviously regional destinations, so pro rata of the number of times the Kimberley ad is shown through that campaign, that is a spend on the Kimberley region quite clearly. It is also the direct marketing support to the regional tourism associations, a total of \$1.4m, broken up by the 10 regions. There is the industry development officer in each region, which is a total of \$980 000 broken up according to each region. Some regions have a slightly higher expense because of office variances, etcetera. There is also the regional tourism development fund which is \$900 000. Just to clarify that, it is \$1m in total but some pre-funds are expended on multi-year projects, so it is \$900 000 that particular year. There is the investment attraction fund of \$320 000. A percentage of that is being focused on regional areas, such as the North West Cape issue where funds will be taken from the investment attraction fund to undertake the necessary studies or whatever is required to look at accommodation in that region. There is also the major based tourism strategy which is further \$200 000 which is principally being applied into regional areas on various projects. That brings it up to that total broken up by those figures by region.

Mr BROWN: Given obviously you have done the calculations, it would be interesting to have the chart that shows how much per region per item. Can you provide that by way of supplementary information?

Mr BRADSHAW: That will be provided by way of supplementary information.

Mr BROWN: In terms of the Collie area, is there any special funding go down to the South West this time for the commission or any particular activities there, anything ear-marked?

Mr CROCKETT: With reference to the Collie Tourist Bureau?

Mr BROWN: Yes. I have been asked this question. I have looked through these papers and I cannot see if there is anything there.

Mr BRADSHAW: It does not appear that there is extra funds for the Collie Tourist Bureau or that area.

Mr BROWN: There is not any?

Mr CROCKETT: Perhaps I can expand on that. Principal policy at the moment is that we have moved to local decision-making in terms of tourist bureaus. Our funding goes into the regional tourism association in accordance with that break-up of the \$1.4m. At that local level they determine how much of that goes into all their tourist bureaus and which bureaus get how much. The South West Tourism Association is getting the same amount of funding as it got last year. I am not sure as to how they are allocating it. You would need to go to the South West Tourism Association. They make that decision at their board level. They do not need to do that by us.

[4.04 pm]

Division 64: Planning, \$12 801 000; division 65: Western Australian Planning Commission, \$38 385 000 -

[Ms Hodson-Thomas, Chairman.]

[Mr Kierath, Minister for Planning.]

[Mr G. Prattley, Chief Executive, Ministry for Planning.]

[Mr P.M. Melbin, Director Corporate Management, Ministry for Planning.]

The CHAIRMAN: Member for Maylands.

Dr EDWARDS: Madam Chair, can I ask the Minister, first of all, and you as well, is it worth doing planning and the WA Planning Commission together given the budget papers are almost identical? Is that possible in terms of - -

The CHAIRMAN: Members, how long do you think we will require? It is now 4 o'clock. We have 2 hours in which we will be discussing three divisions.

Dr EDWARDS: It is just with these two they are almost identical.

The CHAIRMAN: They would be the same advisers.

Dr EDWARDS: Yes. Exactly the same advisers. I would assume it is.

Mr KIERATH: Yes. That is how we did it last year. I do not actually remember doing them both together but they are the same people for both items. So it is only a procedural one, I guess.

The CHAIRMAN: If it is the will of the committee that we do Division 64 and 65 I am happy as long as it provides the member for Thornlie with an opportunity to ask questions regarding heritage before 6 o'clock.

Mr KIERATH: Well, I do not control the questions.

The CHAIRMAN: I understand, Minister, and as the Chairman I would hope that we would provide the member for Thornlie with the opportunity to ask her questions. Before I start, to provide an opportunity for Hansard to record the proceedings, I will endeavour to introduce everyone before their question just so that Hansard have a full understanding of who is actually speaking at the time. I am sure that you will all be very courteous of other members.

Dr EDWARDS: Thank you, Madam Chair. My question relates to page 1028 where up the top it states:

The Minister has developed a leave management and reduction strategy.

The paragraph also says that an amendment was made to the leave policy addressing some excessive leave balances. It then states the cuts that have been made. On page 1052 it states the current liabilities, the employee entitlements and then the non-current liabilities, employee entitlements. With respect to the non-current liabilities, employee entitlements, in the previous budget papers the budget estimate was \$53 000 but, in fact, this year it shows as \$1.3m and then for the budget for 1999-2000 it shows \$1.5m. Can you explain - -

Mr KIERATH: Can you tell me where you are getting the figures from?

Dr EDWARDS: I am getting my \$53 000, which was in these estimates from last year's budget, in fact.

Mr KIERATH: Right. Well, I do not know whether that is accurate or not so I do not have those papers with me.

Dr EDWARDS: Well, I can show you here, if you want.

Mr KIERATH: Yes. Okay.

Dr EDWARDS: What treatment have you given both these to come up with these new figures?

[4.11 pm]

Mr PRATTLE: I will endeavour to answer that. If need be I will pass to Mr Melbin who has more detailed expertise in this area. My understanding is that it is the change to the accrual accounting which requires the information to be presented totally differently and I assume that that approach translates to the figures where you were talking - 53 becomes 1.032m - and my understanding of it is that while we can reduce figures this brings into account all of the untaken leave for the current years, so if someone has got two-thirds of an entitlement for this year due and they are not able to take it yet, but it gets counted into the accrual accounting. Mr Melbin, did you want to expand on that at all?

The CHAIRMAN: Mr Melbin, is it?

Mr MELBIN: Yes.

The CHAIRMAN: Mr Melbin?

Mr MELBIN: Mr Prattley is right. We basically have two references, Chairman. The earlier reference is actually, if you like, the leave that was actually due at the start of the period and we have a 10 per cent reduction where people have managed to clear their annual leave and we have reduced our long service leave liability in terms of what people actually had credited that they could take at that time but they are also accruing leave ...(Inaudible).... it goes on so you are left with figures towards the back ...(Inaudible).... as the accrued leave entitlement that goes on throughout the year. That is what we actually owed in terms of liability but some of those figures would be ...(Inaudible).... five-sevenths of a way towards another annual leave entitlement so you have got roughly two months due so those figures will include those, but the earlier reference is what they could actually take. We have reduced that by the ...(Inaudible)....

Dr EDWARDS: So your percentage is still accurate; the percentages you give on page 1028 and that you have recorded reductions in long service leave of 11 per cent and annual leave of 32 per cent?

Mr PRATTLE: Yes, in fact we had an updated review of the actual cash situation in terms of - - and between the two we have achieved a 38 per cent reduction over the last 12 months.

Dr EDWARDS: And what was the amendment to the leave policy that has helped bring about this change?

Mr PRATTLE: It was essentially a capacity under certain circumstances and with the CEO's agreement to allow people who had very longstanding leave liabilities like two or three lots of long service leave, for example, to cash out a proportion of that rather than taking it as leave, but it is not an automatic entitlement. It is where it suits the operations of the department and with my agreement and we had a leave management program introduced which placed much more vigorous control on managers, if you like, to ensure that the staff took leave when they should.

Mr MacLEAN: I refer to page 1027, "Management of Perth's growth", which is the first slash point of dot point one. How is the department managing the growth and the growing conflict between urbanisation and rural and semi-rural lifestyle, and I refer particularly to Wanneroo which is a rural section, but quite a conflict developing between rural use and the encroaching urbanisation and now the growing popularity with lifestyle accommodation on semi-rural lots?

Mr KIERATH: From a policy point of view I guess that the Metropolitan Regional Scheme zones those areas in terms of whether they are rural and whether they are urban and I think the amount of land zoned urban now caters for the next 30 years; is that correct?

MR PRATTLE: Thirty years.

Mr KIERATH: So, strategically, we have got that under control. That still will not mean that in areas adjoining some of those areas they will be requested to transfer land from rural to the urban front and that will be assessed on a case by case basis but, generally, the idea of getting the MRS is so that we do not have to do ad hoc development.

Mr MacLEAN: I refer to a further dot point on page 1027, "New operational policies", where you are looking at bringing in a further range of zonings and there is another one or two dot points in that area where you do not ...(Inaudible).... specifically zone areas of agricultural protection ...(Inaudible).... land zones for groundwater catchment, prime agricultural land, landscape values and bushland needs, etcetera, as apart from the bushland that is being introduced which is basically an acquisition policy for private land. How are you dealing with these new land zonings, particularly where there is a conflict between two departments? If you zoned an area of agricultural significance and it cannot be agriculturally significant because they cannot get ground water, for example, how are you going to deal with that style of conflict? The ground has agricultural significance but it cannot be used for agriculture because of another reason.

Mr KIERATH: Before I get Mr Prattley to answer the technical side of the agencies, the only new zone has actually been the groundwater catchment zone. That is the only new zone that has been introduced. That is the first. It is the introduction of the scheme and it has basically identified land south of the river from Jandakot water mound as part of that zone.

We are approaching a similar stage for the Gngangara groundwater mound coming up in the near future but I think that is not ready for release. It is probably imminent it will be released ...(Inaudible).... Gngangara - -

[4.18 pm]

Mr PRATTLE: And Gngangara Land Use Water Management Strategy.

The CHAIRMAN: Mr Prattley. Thank you.

Mr PRATTLE: So that will be released shortly. that is the only new zone. The agricultural protection zones I am not aware of.

Mr MacLEAN: There is some talk about bringing agricultural protection zones for the metropolitan area. One of the reasons was in my case Wanneroo has high horticultural value for their land. I attended a meeting recently and it was implied that Planning were going to start looking at specific zonings for that type of thing to cover the special circumstances where you have got high value land close to a metropolitan market servicing the metropolitan area; if you did not have it, then there would not be any land available for horticulture, etcetera. I do not have a problem with that specifically yet, but I am asking if in the planning stages you are taking consideration of the conflicts between different departments.

Mr KIERATH: I am not aware of any proposed agricultural protection zone or something similar and I would suggest to you that even if there have been discussions afoot, if you look at the time it took to get a new ground water protection zone in, I would not say that it was likely to be imminent, certainly not in the next year's budget, or maybe several years after that. I do not see it as imminent. I would ask Mr Prattley to answer your question in relation to the agencies, Water and Planning, in terms of the conflict.

Mr PRATTLE: Probably the most significant thing emerging in that area is the rural policy which the commission recently approved, last month I think, and is on its way to the Minister, which has been in formulation for a number of years. It has involved very extensive liaison between all of the government agencies and the community, local government and the various interest groups. It will be a policy which might suggest some approaches to a range of issues which would include issues of protecting important agricultural land as well as how we cater for the demands for the rural lifestyle in a way that do not compromise the long term planning for either agricultural use or urban development. We also have a basic raw materials policy that is scheduled for release within the next month which looks at the issue of protecting essential raw materials in the metropolitan area. We will also over the next year or two be moving to a review of the whole Perth metropolitan plan which will of course taken on board those issues. As the Minister has indicated, the Gngangara Land Use Water Management Strategy is also a very important piece of the jigsaw. There is obviously an interrelationship between the lands we acquire and the lands that are serviced for all horticulture, from that sort of resource, and the urban development. It is a question really of using the metropolitan region scheme to maintain a stable land use relationship through those areas. The other policy that does also apply was the recently approved poultry farms policy. Again that is a specialist component, a highly sensitive component, of the interaction between intensive rural uses and urban development. As I am sure most members will be aware, and the Minister certainly is, it often leads to a lot of conflict.

Dr EDWARDS: My question relates to page 1028. Under Output and Appreciation Summary, unlike virtually anything else I have seen in the budget, there is a very dark grey column for the future. Is this related to the review of the Ministry for Planning? Can you outline what is going on with the review and whether the outputs are likely to be reorganised?

Mr PRATTLE: I hope it does not reflect a grey future. The fact that Treasury does not provide us with those figures at this point for those future years, the review of the structure of the ministry is at its final stages and I would anticipate advising staff of the outcome of that review within the next two to three weeks. That review focuses on the ministry's and commission's activities to some degree on the key priorities for the future. So, yes, I would envisage that in the next year's budget there would be a rationalisation and a sharpening of the outputs to reflect the key priorities.

Dr EDWARDS: On page 1030, under Output Measures, Quality, there is satisfaction with things like state planning strategy and regional strategies, and they are both very high. Why is satisfaction with regional plans in country areas quite a lot less?

Mr PRATTLE: I can give a flippant answer and say presumably because the people indicated less satisfaction. Obviously it does not include issues such as the Leeuwin-Naturaliste kinds of issues and where we have undertaken the plans in the rural areas they have been in response to significant areas of conflict or significant issues in those areas, which is why they have been prioritised.

Dr EDWARDS: Do you envisage an improvement? You have the same target.

Mr PRATTLE: We anticipate that the same situation will apply as we move into some of the other issues, certainly as we are moving into the Peel Region scheme. There are some very hard issues that those schemes are addressing and there will be some unhappy people.

Mr MacLEAN: If you take the Leeuwin-Naturaliste, for argument's sake, it was probably the most consulted document in the history of the state. There were 3000 submissions. There still is some conflict over it, although most of it is better now, the parties have accepted the results, but it was an area of great land use conflict.

[4.25 pm]

Mr BRADSHAW: On page 1058, the third dot point refers to the Protection for bushland and other natural values and refers

to techniques to achieve this important outcome. Could the Minister please provide details of the progress achieved for the protection of bushland?

Mr KIERATH: In terms of bushland in November 1998 we took some pretty major steps really through the Perth Bush Plan initiative to try and bring a whole of Government response to it. We are trying to balance the needs for conservation and also for recreation into the next century. It was released and closed in April 1999, although we did extend that for a period of time. Submissions are currently being received. We have a separate reference group which is going through all those submissions. There has been a fair number of them. I regard that as being a pretty important part of the process.

The group will provide me with advice probably later towards the end of the year. Hopefully we can get that finalised this year. If we get it in August, then I think Government can take a final decision on it. In the budget there is \$360 000 this year allocated to the Ministry for Planning for officials in terms of officers to manage the bush plan situation. In the Planning Commission's budget, which does not show here, I think, there is \$100m over ten years to assist in acquiring the lands that are required, and the balance will be done by planning negotiations with the various parties on it. At the end of that, we will end up with 10 per cent of land in the metropolitan area for the various vegetation complexes that occur on the Swan coastal plain. There are couple in short supply and there are obviously some difficult ones, but that is the sharp end of it. So in relation to the issue of bushland we are hopeful to have a final position before the end of this calendar year.

Mr BRADSHAW: I had a case recently where a land owner from Harvey approached me with regard to clearing bans by a whole range of people on his property, which means his property to him was useless. He just feels he might as well give it to the Government or the Government should have responsibility. No, he does not want to give it to the Government but he feels the Government should have the responsibility of purchasing that land. I just wonder if that could come under this bushland and other natural values?

Mr KIERATH: If it is rural land in Harvey, it is not under bush plan. Bush plan is something that only occurs in the Perth metropolitan area, so we would not have any bans. There could be a rural energies policy that may affect it, but I would say most importantly it is the soil and land issue, the EPA and something else. The interesting thing is that the Agriculture Department or the Soil and Land Conservation Commissioner, the EPA, do not have compensatory mechanisms in their legislation. Planning is one of the few that actually has a compensation mechanism so that in certain circumstances if we do something that detracts from the value of the property, put a reserve over it or something like that, that is the beauty of bringing down a regional scheme.

If you do require lands for conservation purposes, public purposes, roads, etcetera, there are compensatory mechanisms to actually purchase that off the owner. So if it is down in the Peel region, the best thing that could happen for compensation is to actually get the Peel Regional Scheme brought on. Then that brings with it the compensatory mechanisms if it has been affected by a planning measure. I feel though, from your conversation, it is likely to be one of the other agencies that do not have any compensatory mechanisms that go with it.

The CHAIRMAN: Members, I would just like to remind you that it is very difficult for Hansard to work out who is actually speaking unless I actually acknowledge you. So try to avoid interrupting speakers. I am not trying to thwart discussions. I know you have a multitude of questions of the Minister. The Member for Maylands?

Ms EDWARDS: Thank you. I refer to page 1044. Under this output which deals with legislation regulations and other instruments for approved land use policy, major initiatives with legislation are spelt out for the next financial year. I cannot find in the budget the Town Planning Appeals legislation. Minister, can you confirm that you have circulated a draft of that to various parties? Can you tell us which parties these are? Can you tell us why you gave an instruction it was not to go near lawyers? When will we in Parliament see this bill, and when do you expect a new planning body or planning appeal system to actually come into place?

[4.32 pm]

Mr KIERATH: I do not believe I gave any instructions that it is not to go near lawyers, much as I may well be tempted to do so. Everyone is aware that I am drafting legislation on appeals. I have been approached by a number of bodies who I do not intend to name. They have said "Look, we have a constructive input to make in the drafting of the legislation." So as has previously been my style, I have said "Okay. I will make available a draft bill to you for your comments on a couple of conditions. Firstly, that you limit the number of people that you circulate it to. They cannot copy it, so you have to hand pick two or three people in your organisation. Obviously you have to be careful about who you choose. You have to pick quality people", but they are sworn to secrecy until such time as the bill is tabled in Parliament, because obviously we are dealing with drafts. We get comments. We might change those drafts. So if they are prepared to give me those undertakings, I have been prepared to do it.

I have done it in the past with the TLC, a whole range of people, and until last year I have never had a person ever break that. It was a misunderstanding with WAMA and they have since given me the appropriate undertakings and I am back to, sort of, dealing with them. What I will try to do with the legislation is those professional bodies that have a major say in it - a major interest in it - I will try to include them as much as I can in the process but obviously whilst it is being drafted, until I make a final decision on the form of that legislation, I require some confidentiality. As I said to them, it puts you in a better position than when it is released. You are in a position where if you want to agree with it or disagree with it you are much better informed. As far as when you will see it, I am still hopeful that it will be introduced this session.

Dr EDWARDS: This session?

Mr KIERATH: Introduced. So, I am trying to get it so that it will lay on the table over the winter break.

Dr EDWARDS: That would be good.

Mr KIERATH: That is my target and I am currently on line, just. If you know what I mean. If I get a week or two slipping then I will miss out this session but if I do not get that I will be able to table it this session, before the end of June.

Dr EDWARDS: Would it be implemented early next year perhaps or - -

Mr KIERATH: I think the drafting priority we have was to actually have it introduced this session and passed in the next session. Obviously that depends on the passage through both Houses. There are factors in there that I cannot control.

Dr EDWARDS: Which part of the budget would the funding for that come from? Would it come from the Planning Commission?

Mr KIERATH: No. The funding will come from two parts because there is the funding for the Town Planning Appeals Tribunal and the Town Planning Appeals Committee.

Dr EDWARDS: Yes.

Mr KIERATH: The Town Planning Appeals Committee, without looking at the figures - - if someone can find them for me, Peter. It is about \$850 000 and the tribunal, I think, is about \$300 000. Those two will be amalgamated in the running of the appeals office.

Dr EDWARDS: Right.

Mr MacLEAN: If I could go to page 1034, major initiatives for 1999-2000. Finalising projects, Perth's Bushplan. For an area that has been nominated as a bushplan area, will that all still be subject to the various extractive industries licences that councils can ...(indistinct)... or does that finish?

Mr KIERATH: I am not quite sure what you mean.

Mr MacLEAN: If I can explain it. Let us say we have a piece of bushland that has been written into the bushplan but it has already been earmarked by a developer for, say, limestone extraction. Limestone extraction is a licence issued by a local government. Does the bushplan stop that or does it come into some other work?

Mr KIERATH: No. I think the short answer is that it does not stop that at this point in time because the bushplan has not been formally adopted by Government. I am aware of a submission by a committee - I think it is the Chamber of Commerce and Industry - to do with basic materials and they are concerned that the bushplan might sterilise some of the resources and that currently is being investigated by the independent reference group having a look at that. That will be part of the recommendations they make back to me at the end of their deliberations. At this stage though if someone was to retain it and they had certain rights until the adoption of a bushplan, they would continue with those rights. If the bushplan came down and those activities were considered to be inconsistent with the principles of the bushplan then we have a number of options. We either purchase it or acquire it, we try to negotiate around it. There might be some areas that they can retain and other areas that can be marked. That is what we would call a negotiated planning solution. So they are really the options we would have to consider.

Mr MacLEAN: What you are saying is that you have a piece of bush that the planners had said, "Well, this is an area of significant bush. In the planning map it is dark green. We believe it is significant. We want to keep it but a local authority came along and approved the licence for an extractive industry and there is nothing you can do about it."

Mr KIERATH: At the moment with bushplan the way it is, they are still in the consultative stage; not formally adopted. You are possibly right. I mean, if any development occurs on it now - - it depends whether it has got existing approvals or not. If it requires an environmental appraisal it would be unlikely that the DEP or the EPA would give an environmental tick off while bushplan was being considered and in the decisions they have been making, some of which you may be aware, they were blaming bushplan before bushplan was even a seriously entertained proposal. In that case they would either require an environmental approval - - they might well knock it back but if it does not require any of those approvals - it only requires a local government approval - currently the local government would be at liberty to make that approval.

Mr MacLEAN: What is to stop me recommending to the market gardeners who have been affected by bushplan to take out an extractive industries licence for, say, sand, clear their blocks and then start market gardening?

Mr KIERATH: I do not think that I am the appropriate person to give you advice on those matters but I would say you can give people any advice you would like.

Mr MARLBOROUGH: Minister, I want to ask you questions in two areas of planning. One is the Port Kennedy development in my electorate. The other one is the proposed speedway in my electorate. To start with the Port Kennedy development in the first instance - -

The CHAIRMAN: Member for Peel, can you refer to a page?

Mr MARLBOROUGH: Well, I cannot. I cannot see it anywhere in your - -

The CHAIRMAN: Budget papers.

Mr MARLBOROUGH: You do not seem to be spending any money on those and I thought you may have ...(indistinct)... I cannot pick it up.

Mr KIERATH: I am not aware of any recurrent money that we would be spending on Port Kennedy. The answer to your question is that it is actually not a budget item. It is part of its own legislation and the monies that are spent by the board are actually monies that the company paid for them. So, there is no expenditure from Government. It is not part of the budgetary process. If you want to ask me a policy issue on Port Kennedy then I would be able to answer that for you.

[4.39 pm]

Mr MARLBOROUGH: Minister, you would know the history as well as anybody as to the formation of a board to have input into the Port Kennedy development. My understanding is that that board is presently made up of a number of people including the mayor of Rockingham but it is not allowed to report its activities to anyone. My understanding is that it is not able to report its activities. That is one part of the area I am seeking some details on. Is it true that the Fleuris group have gone into liquidation as reported in the financial papers of *The West Australian* six weeks ago. Is the Minister satisfied that the terms of the agreement for the development of Port Kennedy have been met, and if so, could he advise us as to where they have been met in terms of time frames and outcomes?

Mr KIERATH: If you want that sort of detail, I would ask you to put the question on notice, but in relation to the other questions you asked, I do not believe Fleuris went into liquidation. I believe there was an attempt to force them into liquidation but that attempt failed. I have in the last day or so written to Fleuris seeking some financial information because I had some discussions with them previously regarding their financial arrangements and they indicated to me that they were seeking other investors in the project. I have asked them to provide some additional information.

Mr MARLBOROUGH: Are you not aware of a receiver being appointed?

Mr KIERATH: You want to be a bit careful because I do not believe a receiver was appointed. I am saying to you there was an attempt to do it and that attempt failed, as I understand it. I understand that somebody attempted to put them into liquidation but they did not succeed in their endeavours. Therefore, you cannot say that they are in liquidation, but obviously there is talk and rumours going around. I have sought some information to clarify it for my own benefit. I am not aware of anything that they are in breach of in terms of their agreement so far. Every request that someone has pointed at me, I have had checked out.

Mr MARLBOROUGH: Minister, if I could be specific, my understanding is that the agreement does not allow them to sell any of the properties developed, and I am particularly thinking of the time share properties. The agreement does not allow those to be sold on the basis of permanent residences. I was approached only yesterday by a group of real estate agents in Rockingham who told me that they have on their books properties for sale on the Port Kennedy development on the basis of them being sold for permanent residences. That is not simply as an investment, which will later be rented out. These are being specifically sold on the basis of permanent residence. I am also aware, and I would have thought the Minister would be aware, that the same company, Fleuris, have put out publications in Singapore advertising this estate in a way that I would have thought was contrary to the agreement that surrounds it. I raise this because we are not getting into the realms of existing companies in my electorate, in this instance real estate companies, who specifically saw me yesterday and asked me "What is going on here? We are getting all sorts of problems".

Mr KIERATH: I was trying to accommodate you when there were not issues on the budget, but we are going too far from that. I would be more than happy to arrange a briefing with you if you would like on the current state of the Port Kennedy development.

Mr MARLBOROUGH: I will take you up on that. Can I move on to the speedway? Minister, can you explain the Department of Planning's role in facilitating the moving of the speedway from Claremont to the proposed site in Kwinana and in so describing indicate the make up of this advisory board that I understand is in place?

Mr KIERATH: It was part of a Cabinet decision to relocate the speedway and, as the Minister for Planning, planning officials have been instrumental in looking at the various sites around the metropolitan area. That is how we came to be in that position. When Cabinet made the decision to relocate, they gave me the task of chairing a group to facilitate certain elements of it and report back to Cabinet. Currently I chair that group. We had a meeting yesterday. That group has really formed part of the Cabinet processes of resolving all the issues, because there are many issues there to be worked through and resolved, and will report back to Cabinet for final approvals. There are environmental clearances, there are Native Title clearances, a whole range of things that will actually occur and we are working through those issues at the moment.

Mr MARLBOROUGH: Other than yourself if you convene the group who are the other people who make up the group?

[4.46 pm]

Mr KIERATH: Well at this stage I am not prepared to reveal. It is part of a group advising me as a Cabinet Minister. It is part of a committee of Cabinet.

Mr MARLBOROUGH: Is Con Migro[?] on the committee?

Mr KIERATH: No, he does not have any voting rights. He comes along as an invited guest, as does Gary Milosevic[?]. Most

of the members are actually government members from the various government departments but we have got a whole range of people on there.

Mr MARLBOROUGH: Those two people that you have named both have present interests in an existing speedway.

Mr KIERATH: Yes.

Mr MARLBOROUGH: You do not see them having any conflict of interest role? They have already indicated publicly on many occasions their want to be part of a new speedway.

Mr KIERATH: Why would there be a conflict of interest when they do not have any voting right, any decision making power as part of that process? The government did actually say that it would set up a speedway and drag racing site for the existing operators that are occurring in the state and as a result of those facilities also allow other operators to use those facilities as well and that is part of the issues that I, as a Cabinet Minister, are having to deal with in terms of what sort of leasing arrangements would be there and all of those sorts of issues that go with it.

Mr MARLBOROUGH: Minister, with the greatest respect, that is where the conflict of interest may surely lie? You have got the present proprietor of the Claremont Speedway sitting as a guest without voting rights on a committee that meets on a regular basis advising you and therefore Cabinet as to the outcome of the spending of something like plus \$20m on a future speedway complex which will include such things as leasing arrangements, terms and conditions. You would not see that person has having some inside information? The same person who may want to be tendering or whatever the process will be for the running of such an establishment once and if it was built by government?

Mr KIERATH: The government has already announced that it will provide a facility for the drag racing and the speedway and they are the two operators. So in terms of doing a facility we really do require heavily from time to time their input, their advice and issues like that.

Mr MARLBOROUGH: You would appreciate there are other people in the state who runs speedways and you have not sought their advice.

Mr KIERATH: We were not in a position where we were actually trying to relocate the other speedways. We were in a position of trying to relocate the existing speedway and a facility. Now the facility will actually be a motor sports facility and will be available to other speedway operators. It will be available and the proceeds of the leasing of that complex will be available to motor sports in general.

Mr MARLBOROUGH: Minister, do you actually chair that committee? You sit there as the Minister but do you chair the committee or is there some sort of independent Chairperson on the committee?

Mr KIERATH: I chair the committee. The committee to me - I will repeat it again - -

Mr MARLBOROUGH: It is an advisory role.

Mr KIERATH: - - it is a committee that has been part of the Cabinet process, that I have to report back to Cabinet and I from time to time bring in people who I think have a contribution to make in the issues that I have to deal with and it can be anywhere from environmental consultants to a whole range of people. Whoever I think that I need information from or has some input into that process that can make a constructive input.

Mr MARLBOROUGH: Mr Migro and the other person, Gary Milosevic, run the Ravenswood operations, they are regular visitors?

Mr KIERATH: They certainly are.

Mr MARLBOROUGH: They are certainly going around to the community telling people they are part of the committee process, certainly in Kwinana. They have met with Kwinana councillors and told them they are part of the committee process.

Mr KIERATH: Yes, at my request. I have asked them to go and see people like the council. I think there was an Alcoa committee they went along to the other night and I have said as leaseholders of the facility they have an obligation to go and make sure that the public understand.

Mr MARLBOROUGH: Has that committee and/or any other committee undertook a report on the feasibility of the speedway? If such a report has been provided to the Minister was that report completed recently by an outside body, that is an outside government body, and is that report available to the public and if not, why not?

Mr KIERATH: It is not available to the public. As I said to you I tried to explain - - -

Mr MARLBOROUGH: Can you tell us the title of the report?

Mr KIERATH: No. No, I will not tell you the title of the report. What I am trying to say to you, which I think you have missed, that is part of a deliberative Cabinet process and as such the documentations for that are not publicly available. What will be publicly available is when the Cabinet makes its final decisions and is going through getting the various approvals processes there are documents and information that will be made publicly available and that is the appropriate time to make it. In the meantime that committee is a deliberate subcommittee of Cabinet working through an issue for the purpose of Cabinet and therefore the information is not publicly available.

Mr MARLBOROUGH: Minister, would you tell where in the budget documents and how much you paid for the private consultancy for the report that you will not make public? Do you know the cost of this report?

Mr KIERATH: I have explained to you that it is part of the Cabinet processes and therefore the information is not publicly available.

Mr MARLBOROUGH: I am not asking for the content of the report. You are refusing to give me the name of the report, I am simply now asking you without knowing its name, without knowing the name of the private company who did the report, we have now know that such a report was completed, I am asking you, your department, your budget - the Department of Planning - have a report coming to it, using taxpayers money, how much did the report cost?

Mr KIERATH: It is actually not part of my budget.

Mr MARLBOROUGH: So you do not know how much it cost?

Mr KIERATH: No, I am saying it is not part of my budget?

Mr MARLBOROUGH: Whose budget is it?

Mr KIERATH: It is not part of the Ministry for Planning or the Planning Commission.

Mr MARLBOROUGH: Is it the Minister for Sports?

Mr KIERATH: If you want to put any further questions you can put them on notice.

[4.54 pm]

Mr MARLBOROUGH: I just want to - -

The CHAIRMAN: Member for Peel, just one moment. Just in keeping with the way I have been conducting the meeting so far, I endeavour to assist Hansard by introducing people as they speak. It is very difficult for them when they are recording and reporting to know who has actually answered and who has actually asked the question, so the member for Peel.

Mr MARLBOROUGH: Thank you. Minister, we have established there is a report. We have established it is not available for public consumption. We have established we are not able to get a cost of the report. Can we establish, Minister, from you that that report requested by your committee, in fact, has in it recommendations that this speedway should not be placed on the Alcoa mud lakes because of the potential risk to the industry and spectators who may use that facility and its location with existing heavy industry in Kwinana?

Mr KIERATH: As I said to you, there is a certain amount of information that is part of the Cabinet process and I do not intend to disclose that. There is, however - - what I can do if you really want me to do your homework for you - - it is part of environmental approvals which is not my portfolio and, by the way, is not part of these deliberations here. If you want to ask the Minister for the Environment about the deliberative processes - - that there is a PER which I think has been determined for a period of time and as a part of that I think the EPA's determination said that these are the issues that have to be addressed. There are some other issues that have to be addressed but I think you are referring to societal risk and other matters and they have to be addressed separately. About a week after the PER documents will go out the societal risk document will go out so it is part of that process. It is not part of this area that we are doing here as part of this committee's deliberations. It is if you want it to though. You could ask the Minister for the Environment about those processes but I do not think you would have much more information than what I have just told you.

Mr MARLBOROUGH: I just find it hard, Minister, to accept a scenario that seems to go like this. As the Minister for Planning I have a committee. I have been asked by Cabinet to have a committee to advise me on matters affecting the relocation of this speedway. I have, on that committee, two people who are involved with the speedway industry in Western Australia. They have been to all of the meetings of that committee but they do not have a voting right.

Mr KIERATH: They have not been to all of them.

Mr MARLBOROUGH: That committee and I, as Minister, have received a report from an outside consultancy, albeit I cannot give you the title of the report nor the name of the consultancy, nor can I tell you the content or cost of the report but, by the way, it did not come from my budget. Who is paying it? It is under your portfolio.

Mr KIERATH: With all due respects - -

The CHAIRMAN: Order, members.

Mr MARLBOROUGH: Let me ask you the question. Who is paying for it? I am just asking the question. You have said to me you are not paying for it. Who is paying for it?

Mr KIERATH: I said it is not in my budget and I do not think it is part of this committee's deliberations. I have also said that if you want to put a question on notice I am happy to answer it for you.

Mr BRADSHAW: On page 1058, the final dot point refers to the formulation of country statutory schemes. Will the Minister please provide details of the progress achieved for these schemes and details of funding for implementation?

Mr KIERATH: This particular scheme - - as you are aware, there is a Planning Amendment Bill that has been in the Parliament. It is back in our House because they have taken some appeal rights or something out of it from the Upper House, but it has got the facilitating provisions of bringing down the region schemes. Peel Region Scheme has gone out for public comment. Obviously, we actually cannot bring it down to that Act as part⁷ by Parliament because it is got the facilitating provisions in it. It was released for comment in March. The submission period closes on the 2nd of July and then the commission will have to go through the process of considering all the submissions. I would hope that that will be formulised next year in the year 2000 and then after that one will be, probably, the greater⁷ Bunbury Region Scheme which we would hope we would put out for public comment towards the end of this year and then maybe where we have got a fair amount of work done on the draft Geraldton Scheme, we are hoping that will go out for public comment some time next year.

We did provide, I think, \$3m for the first two years and there is \$7m this year that has been put on the budget for the acquisition of lands when they bring those schemes down, that is why when people have land that is affected by reservations and other things when that scheme comes down then that money can be used for acquiring those properties and those rights.

Mr KOBELKE: Do I take it then that that very important funding for the acquisition of land that will be required as part of those schemes is all being met out of the government purse and that there is no actual fundraising program in the local areas, such as the metropolitan region improvement tax applies in the metropolitan area? So for these regional schemes is there going to be a means by which people in the local region who benefit from the upgrade of value of lands under a plan have to contribute in some way to the cost of acquisition of land as part of the plan?

Mr KIERATH: You will see from the budget documents currently that that \$7m that is put there for acquiring the country lands is out of the consolidated fund.

Mr KOBELKE: So you are not willing to indicate whether or not there are any plans to require people who benefit through the establishment of a regional plan to contribute through some form of taxation or levy to a fund for the acquisition of land as part of the scheme?

Mr KIERATH: It is debatable whether the land is up - - improved in value. I can tell you that people in my electorate think it is downgraded.

[5.02 pm]

The CHAIRMAN: Thank you, member for Murray-Wellington.

SPEAKER: Good answer. Leave it at that.

Dr EDWARDS: Put it in *Hansard* as the Minister.

The CHAIRMAN: Order members.

Mr KIERATH: Over the years there has been all sorts of discussions but basically we are currently running with the facility that the consolidated fund would fund the acquisitions. There is an argument that you can counter that there has been a de facto effect affecting some of the property values in any way when you put out proposals. The proposal for the Peel region was originally put out as a discussion document, as a draft. It has an effect on land and so, I suppose, you could mount some very strong arguments about the public purse paying for it. So, at this stage it is the consolidated fund that is paying for it and whether something surfaces or not in the future is pure speculation.

Dr EDWARDS: I refer to page 1084. Above the \$7m for regional land acquisitions is \$5m for Perth's Bushplan. Can I ask the Minister how does this \$5m sit with your promise when you launched Bushplan that it was \$100m program over 10 years, which made people think that there would be at least \$10m per year in the early years and made people hopeful that maybe there would be a lot more than \$10m in the early years so that you did some of the valuable acquisitions as quickly as possible. Can you explain that and can you also answer how much across both the Planning Commission and planning's budget is there for Bushplan?

Mr KIERATH: As I said to you earlier on in answer to a question here from the member for Wanneroo, I think it was, that Bushplan is not likely to be even the most optimistic, I think, adopted by Government till the end of this calendar year. So, if we were to show any figures - which we have - we would only show 6 months. I have always said it is a \$100m program over 10 years so that averages out at \$10m a year. So, \$10m a year divided by two is \$5m.

Dr EDWARDS: But you also made a statement publicly that perhaps you could divide it unevenly, so you had a lot more in the first few years, so that you really did get those priority areas before further action was taken.

Mr KIERATH: When we use the metropolitan region improvement fund, basically if you add up all the lands I think you get a value of \$800m-\$900m all up and you have got nearly \$30m a year for 30 years. So, what that does give you is the ability to shift priorities within that. So, that \$10m is out of that \$30m, if you like. It has been earmarked for Bushplan. I do not want to get involved in hypothetical cases. To give you a hypothetical case, let's say that Bushplan did get up by December 31, started 1 January and the priority areas that needed urgent acquisition as a result of Ian's representations that we had \$10m worth of land to buy, I have no doubt the Planning Commission will buy that \$10m and give it priority because it is part of their greater pool. So, I do not have any problems with that but I have to say that I think given the number of submissions and the reference group that I think they will be very optimistic and very lucky if it is up and running by the end of this calendar year.

Dr EDWARDS: There is \$360 000 you have somewhere else in here for administration of Bushplan. Does that cover the people employed and their administrative costs?

Mr KIERATH: Yes. It covers the people that are employed in the Ministry for Planning. There are a number of people that have been dedicated specifically for Bushplan and then all the other additional costs that go with it.

Dr EDWARDS: I am asking this because planning is in charge of Bushplan; do any other departmental budgets have money for Bushplan?

Mr KIERATH: Not that I am aware of. No. The main source of funds is the metropolitan region improvement fund. I do not know of anyone that had cash. What could happen though - and why I qualify it - is some of the negotiated solutions may well involve other agencies making decisions and that is really why we have gone down the path of doing a Bushplan the way it is. It becomes a formally adopted position of government and then obligates those agencies that otherwise may not be in agreement with it to abide by it and that is why we are using the process that we are. We then get a uniform approach across all of the government agencies in relation to this issue.

Mr WIESE: Page 1036, major initiatives, dot point three. You talk about industrial land development activities that are going to be undertaken. Wagin has been trying to get an industrial land development up and running for many, many years. It has been stymied most recently by native title problems. Can you give us an indication as to when that is going to be finalised and up and running and in the process can you also give us an indication of how many planning development projects and proposals are actually being effected and stopped by native title problems.

Mr KIERATH: The industrial land one at Wagin.

Mr PRATTLE: Minister, could I perhaps add that I raised a question about that item myself and found out that a word had actually been left out. It is supposed to be industrial land activity monitoring. So, the item should actually be referring to the monitoring of uptake and demand for industrial land in the different areas. I am not aware specifically of the Wagin situation but I am happy to pursue that matter.

Mr WIESE: Are we able to put that on notice, Madam Chair?

The CHAIRMAN: Can we provide that information by supplementary?

Mr PRATTLE: We can certainly try. I am not sure how much information we have on that within planning but we can certainly provide any information we have.

The CHAIRMAN: Minister, can you confirm you will endeavour to provide it?

Mr KIERATH: Yes. I am prepared to provide that as supplementary information for that specific one. Can I just explain though that our role in industrial land development is not one as a developer. That is part of LandCorp which used to be known as ILDA² and they are the ones that are usually involved in the actual acquisition of the land itself, but what we do is the planning process.

[5.09 pm]

Mr WIESE: This is the planning process?

Mr KIERATH: The planning process where we do facilitate the other agencies locating areas of industrial land and put it through the planning process to see if it is acceptable, which involves the local government, the planning, and introducing quite often the public process like just recently when we were down at Esperance for the Cabinet meeting, we released a Goldfields to Esperance planning strategy. That actually identifies the expansion of the existing industrial area and highlighted a potential industrial area for the future. We do that in planning, but usually on the advice of people like LandCorp and the local government and probably DRD and a few others.

Mr WIESE: The second part of the question relates to how much native title is holding up these processes?

Mr KIERATH: As 93 per cent of the State is Crown land, we find that in planning terms wherever we have Crown land to come over to either industrial land or residential land, we are badly affected by native title. The member for Peel has gone now, but the example I would give is the speedway down there. Everyone knows that there are not really any native title issues, yet a small part of it there is caught up in native title and we have to go through the process, even though I do not believe there is much there. So the two hot spots we have at the moment are Karratha and Kalgoorlie, and both of those are absolutely stymied by native title. In fact also in Port Hedland when they had their expansion, we had to allow a residential and industrial area where we actually had freehold land. It was the only way we were able to even attempt to handle the accommodation problems there. The dramatic thing is, anyone who goes there, you do not see any lines, you see the housing sort of stops and these vast open spaces and you cannot understand why there would be any such thing as a land shortage.

The CHAIRMAN: The member for Murray-Wellington.

Mr BRADSHAW: Page 1062, the first dot point under the heading Major Initiatives for 1999-2000, identifies the Commission's major initiative as the new Strategic Plan for Perth. Minister, could you please provide details of the Commission's proposed initiative and the extent of funding provided?

Mr KEIRATH: We are proposing what we would call a new Strategic Plan for Perth. That really has come about from the

State Planning Strategy which was launched in December 1997. As a result of that, we have identified a need for a new plan. I do not know if you are all aware, but the current plan that operates over most of Perth is Metro Plan. That needs to be reviewed and updated so, as a result of that, the Planning Commission recommended to me that we develop a new Strategic Plan for Perth which includes the south-west urban system. In simple terms, it means all the area of land from Perth to Albany. That will be one part of it. There will be the Perth Metropolitan Area and then there will be a further component of the CBD or capital city itself. So there are those three parts. It is interesting you should ask me because I am hopeful that within a month before the end of June to actually make a public announcement in relation specifically to Perth and to the CBD. I would imagine that the program will probably take a minimum of two to three years to come to fruition and the Planning Commission has allocated some \$350 000 in this year's budget as funding for those initiatives, but it is a major review of the entire metropolitan area, the CBD and the south-west urban system.

Dr EDWARDS: I refer to page 1043, the second last dot point, where mention is made of consolidating the planning legislation. Have you now considered the advice from the planning legislation consolidation advisory group? Has the group been disbanded? When do you think the legislation will come into Parliament and what has the total cost been to reimburse Mr Lewis?

Mr KIERATH: I do not think we would actually have the costs.

Dr EDWARDS: Can that be provided as supplementary?

The CHAIRMAN: Minister, can you confirm you can provide that information by way of supplementary?

Mr KIERATH: Yes, certainly. The comment was just made to me that we actually do not pay him anything.

Dr EDWARDS: But you reimburse his costs?

Mr KIERATH: Yes, reimburse expenses that he incurs in terms of telephone and travelling. So we will get a figure on that for you. We do not expect it is very much and in fact we have not paid anyone. When you look at the expertise we have had on there, I think it is one of those rare occasions where the public will have done fantastically because you would have needed \$100 000 plus to pay for that expertise and probably a lot more. The only requirement I have is I promised to take them out to dinner or something, the deal that I did in one of my weak moments. So I have agreed to do that. I have received their final report. They have concluded their deliberations. There may well be some issues where they may come back together again in the future. I do not anticipate it because I actually think they have worked through the issues really well.

Dr EDWARDS: Did they consider the reports back as well?

Mr KIERATH: Sorry?

Dr EDWARDS: Did they consider the comments that people made?

Mr KIERATH: Oh, yes. That is what they have just given me, their final report and reaction to that. As far as seeing the legislation, I think it would be optimistic, given the size of the task, if we saw legislation this side of Christmas.

The CHAIRMAN: The member for Wanneroo.

Mr MacLEAN: Thank you. Page 1034, Major Initiatives. The second from the bottom, Urban Bushland Sensitive Design Guidelines (draft).

[5.16 pm]

Mr MacLEAN: Could you let me know what that is? Are you saying sensitive design for individual houses or is it sensible design for a special rural area? Can you indicate what it is going to cost the developers or the people more than developers?

Mr PRATTLE: The commission has not yet received a draft of this work for consideration so I cannot advise you of the content but the intent of the exercise is to provide guidance to people who own land in rural areas, in urban areas also, that it is not of a priority to buy about how that land might best be developed in a subdivisional sense and in terms of the design and siting guidelines for housing in ways that can preserve the bushland areas but still allow a lifestyle to take place and allow some use of those areas. There are some other examples in other states of where bushland living zones have been created essentially recognising that there are quite substantial parts of the community that desire that kind of lifestyle and, if well done, you can preserve a lot of the bush and natural environment while at the same time accommodating those lifestyles. The purpose of those guidelines will be to provide guidance to developers or individuals about how they might develop such lands.

Mr KIERATH: It would also help those people who perhaps are going to be part of those negotiated planning solutions as part of bush planning where they can then undertake certain development.

Mr MacLEAN: Just going on from that, local authorities, where they have areas of rural, semi rural land available, have already got building envelopes, etcetera. Is this just another tier of bureaucracy that is going to delay people building their houses and cost them money or is it going to be integrated with what a local government authority will have?

Mr KIERATH: It is not a local authority approvals process. Design guidelines just refers to the development industry. It just helps them work through the process. In the absence of those guidelines, they would just go through the normal part

of the process because they know what the rules are that they have to work to. It makes it easier in terms of getting approval so it actually assists. It is not there as a hindrance. It is actually there to help them when they are preparing their design. If they know what the guidelines are, it actually makes it a lot easier when they are actually designing the subdivisions.

Mr MacLEAN: The local authority has building envelopes for their special rural areas. The developers must comply with the building envelopes. It is part of their title system, etcetera. It is extremely difficult to get a building licence if the house is bigger than the building envelope. Will this mean that your sensitive design guidelines will take the place of these building envelopes or is it going to be matched in?

Mr KIERATH: They are basically a totally different issue. In the areas where we already have building envelopes, we already have had a subdivision and design done, it is advanced and it is saying that these are the sizes of the blocks and these are the places you can site your house. The issues we are talking here may well be a tract of land where somebody wants to get subdivisional approval. It may be that land that they are holding on to, hoping to develop in the future and it may be an area where part of the land has been affected by the Bush Plan.

Mr PRATTLE: Building envelopes are a relatively crude tool to achieve some of those objectives. I would hope, and without wanting to pre-empt the outcomes of this exercise, that those guidelines will provide some more sophisticated and perhaps sensitive approaches than can be achieved with simply declaring a building envelope. The important thing is to emphasise the word "guidelines". They are not proposed to be a set of control; they are proposed to guide people and either individuals or local government might choose to take those guidelines to refine their own processes.

Mr KIERATH: In those cases you have already had your approvals in place. These are guidelines for people seeking approvals and that is the difference. So those people are not going to have another layer of bureaucracy. This is to help people before they get to that process, before they actually get their approvals.

Mr MacLEAN: I seek further clarification. Bill Bloggs has a piece of urban land that is not crash hot for Bush Plan but an area of protection. The Planning commission agreed that he can develop half of his lot but he has to comply with the design guidelines in where he can place his house. What happens if there is a conflict with the local authority about their building envelope? So this is a future development.

Mr PRATTLE: Going back to the point the Minister made before, the building envelopes would not exist at that point because you are talking about the development of a piece of land that has not been subdivided. It would not have building envelopes determined. So it would be about setting some guidelines for how that development might take place to try and negotiate a solution. Again I cannot pre-empt something that has not been developed yet, but it may be that it provides better tools than just building of a lot to allow development to take place in that area while preserving most of the bush.

Mr KIERATH: The guidelines are basically there to help people go through the system a lot easier. Obviously if their design is within those guidelines, it is much easier to get a tick off. That does not preclude anybody from outside the guidelines but to assess it. This happens with quite a few other areas of planning. Where they develop guidelines, it makes it easy enough. In the guidelines, they have a pretty good chance of slipping through the system in getting their approvals. If they want to take a chance outside the guidelines then that is obviously going to be assessed a lot more closely.

[5.23 pm]

Dr EDWARDS: I have got two quick questions. On page 1039 the second last dot point is a commitment to make all GIS and mapping systems year 2000 compliant. Could I ask, are you pretty certain that already they are year 2000 compliant and what are you doing to investigate it?

Mr PRATTLE: Yes. Coincidentally again the executive this morning again we had a presentation from a year 2000 group within the Ministry and we are particularly on the GIS and mapping systems areas have almost completed year 2000 compliance work. It has been a very major exercise that has involved basically quite a lot of hardware and quite a lot of the service within the system. There is only one issue that we are uncertain of yet in terms of compliance and that actually relates to an interface between ourselves and DOLA. The current DOLA system that transfers their base data to us is not year 2000 compliant but they are putting in a totally new system so we are dependent on their totally new system to achieve that transfer but we are working very closely with DOLA to ensure that that happens.

Dr EDWARDS: My second question is page 1045. The last output measure is cost per rental property managed and it says it was \$400 last year, it will be \$400 this year but when I looked at last year's budget it was listed differently as average cost per managed property which was \$3 950. Is the difference because last time you were including absolutely all your property and this time you are only looking at rental property? Perhaps I can get that as supplementary information?

Mr PRATTLE: I suspect that is the case but I could not guarantee that.

Mr KIERATH: We will provide it as part of supplementary information.

The CHAIRMAN: Thank you, Minister. Confirming that you will provide it by supplementary.

Mr BRADSHAW: On page 1077 and 1078 there is reference to the transfer of management of regional parks to the Department of Conservation and Land Management. Can the Minister please provide details of when the transfer of regional parks to CALM will be completed?

Mr KIERATH: This one has been a long time coming, I must admit. The program has been 1997-98 was Herdsman Lake,

Canning River, Yallagonga and Beeliar. In 1998-99 was Jandakot and Rockingham Lakes and 1999-2000 was Darling Range. The transfer of the Darling Range park will occur on 1 July this year and that will actually complete the rationalisation of the current park management arrangements between the two agencies. So that will all be on target. I think we have prepared about six management plans so far. The park that I am the chair, the Canning River, was the one that took us a long time to get it there and we found out we were being made the guinea pig, the performer for everyone else to follow. Anyway we did get there in the end and I understand that the Planning Commission has provided some \$350 000 over the last two years for developments of the parks and they have also set aside in this budget \$1m for further development works in those regional parks. So on 1 July the last of the eight will actually have its land assembled and handed over to CALM.

Mr WIESE: I am not sure where this question will fit in but let us try 1062, the fifth dot point under the major initiatives where you talk about a rural policy review being completed. My question to the Minister relates to this whole question of subdividing existing rural locations, sometimes for family reasons, sometimes for sale to adjoining landholder reasons, whatever and invariably they are not backed by the department and we finish up going through the rigmarole of going through an appeal to the Minister. I will give you an example of how silly it is where one appeal that I was involved in down at Denmark in recent times, a person wanted to chop 30 acres off an existing location to amalgamate it with a larger location and the original was knocked back. In putting forward the appeal we looked at the survey map and there were something like 15 existing locations, all less than 20 hectares or 50 acres within a five kilometre radius. It is an absolute joke, it causes an enormous amount of expense to the people trying to do the job and it causes a whole lot of hassles for everybody concerned and invariably we finish up going to the Minister for a sensible outcome. Is the new rural policy going to address that? Madam Chair there is another issue that I would like to follow which relates exactly to the same thing.

Mr KIERATH: The answer is will it accommodate that, yes. There has been a discussion paper put out jointly by the Department of Agriculture and the Planning Commission because we found that in the end, especially as Minister for Appeal, we were sitting there defending agricultural land and the Agricultural Department would not even make an input into it so when we were asking, "Is it viable agricultural land or not?" they would not even give us advice. So I met with the Minister and out of that discussions we came that we put this paper out to raise the issue. So I am not sure where that is at. We probably would expect that the public consultations would have completed and during this financial year they will report back to the Planning Commission in terms of the policy. In relation to the issues that you raised I presume that you did get some reasonable outcomes.

[5.30 pm]

Mr WIESE: Absolutely. Inevitably we get a good outcome by an appeal to the Minister, but we must go to a Minister to get a sensible outcome for something that really common sense would say you would tick off straight away.

Mr KIERATH: The policy is going to try and address that as best it can. Despite that, what concerned me was that there is a whole range of other blocks nearby that were smaller. Normally if we were looking at it, we would ask what is the rural strategy of the shire, what is the minimum block size that actually comes into account. I want to caution you against looking purely at lot sizes. Often those blocks that are smaller are actually Crown grants. Crown grants are a lot smaller and you would not allow a subdivision down to that size today if there was a Crown grant of 20 hectares and the minimum lot size was 40 hectares. Some people do not realise that it was a Crown grant and they think that is the prevailing size for lots in the area. When it comes to that, we actually do not take Crown grants into account.

Mr WIESE: I take the Minister's answer. The other question is a related one. When you get in to areas like Jerramungup, Fitzgerald and a lot of the later openings up of land, the block sizes vary anywhere between 3000 acres and 5000 acres in one block, one location number. What we find now is that if somebody wants to sell a block, or more importantly if a neighbour wants to buy one, he cannot afford to buy the full 3000, 3500, 4000 acre block because it was worth \$1m, but if that block were able to be subdivided and split into two blocks of 2000 acres, each neighbour could take some. It makes the existing farms more viable because they become larger and it fits in with everybody. Is the Ministry going to alter the policy in relation to that and allow those large blocks to be split in half to enable the existing farms to be viable and to enable the existing neighbours of a farm being sold to in fact buy the land at a gross figure that they can afford? At the moment nobody can afford to buy one for \$1m, but you can split it up between neighbours.

Mr KIERATH: It would not be any secret that I do not believe the Planning Commission favours that happening. It is fair to say that as a Minister I have been very sympathetic to those arrangements. If people were to put forward a proposition and those areas were amalgamated with the title, that would not be a problem because you do not end up with more titles. People do not usually want to do that. What they usually want to do is to chop a property up into the three lots and sell them the three lots on the open market. Now, that is when we often say no. If someone has a number of titles and they want to rearrange them - in other words, if they had one block here and they wanted to chop it up into three and the three buyers wanted to amalgamate them in their lots - we would certainly encourage that.

Mr WIESE: We are not talking about that. We are talking about specific problems relating to all of those farms down around the south coast. Again it goes from Borden virtually through to Esperance. They are all large blocks. They are now worth more money than one person can afford and if one person buys a 3000 acre block it is not a viable farm so that block should be split and tacked on to the other farms.

Mr KIERATH: The question then is what is a viable farm.

Mr WIESE: What is viable now will not be viable in 5 years' time or 10 years' time.

Mr KIERATH: But you must make the decision on the basis of the information you have at the moment. The difficulty is that you simply cannot have a hard and fast rule or a formula for doing it and you must look at each case on its merits. All I can say to you is that if somebody put up a proposition like that, they would get a lot of sympathy through the process, certainly on appeal they would. If that was their intention, that is fine, but usually people do not go that far. They often just want to chop up the title into smaller lots and that is where they fail.

Mr MacLEAN: I have a quick question on Whiteman Park. It is at page 1077. If I may, I will bring up the substantial part of the question when we go to Heritage in a moment. I would like an update regarding the reorganisation of the assets at Whiteman Park and how the Planning Commission is managing that? I appreciate it is not really your key role in government.

Mr KIERATH: Yes. It is a function of the Planning Commission. I believe they are about to give me a proposal. I was out there this week looking at three work for the dole schemes. The board of Whiteman Park has given their final recommendation on that plan that went out for public comment on the rationalisation and reorganisation of the property, so I imagine it is not that far away from your point of view.

Mr MELBIN: Madam Chair, the question that relates to items of the Whiteman collection of the Whiteman Park Board ...(Inaudible)...a year or so ago. There are some items that the board is in the process of determining that it either has too many of or are perhaps too far gone. Under the terms of the agreement, the only way to dispose of them is to give them back to the trustees and they auction them. The question is along the lines of simply how that process is going. The board is probably a month or two away to have the assessment back so it can make a - - or take a management deputation back to the trustees and we would hand them back so therefore ...(Inaudible)...

[5.38 pm]

The CHAIRMAN: - - - Minister, would you like to introduce your advisers?

Mr KIERATH: Yes, I would like to introduce Ian Baxter and Ed Munro from the Heritage Council.

The CHAIRMAN: The member for Thornlie.

Ms McHALE: Thank you, Madam Chair. Could I just acknowledge the Minister's willingness to allow heritage to come on now. It allows me to chair sessions ...(Inaudible).... member for Maylands.

Minister, my question relates to page 697, the first dot point, and I note there the very significant increase in the demands on the service of the Heritage Council. If you look at page 698 there is, in fact, a reduction as I understand it in the area of assessment and registration and also education and promotion by quite significant amounts, given the size of this budget. What is the anticipated effect on the work of the Heritage Council given those reductions in assessment and education?

Mr BAXTER: Probably the best way of answering that and putting it into some sort of context is that with the growth of the register there is a consequential growth in the number of development applications that are referred to the Heritage Council, so given a finalised budget there has to be some give and take, obviously. Page 699, in fact, which deals with assessment and registration specifically would indicate that there will be some reduction in the number of assessments that we can undertake to achieve a balanced budget.

Ms McHALE: I note there, Minister, that on page 699 you anticipate, in effect, a 30 per cent reduction in the number of assessments. In terms of preserving our heritage, what will that reduction mean?

Mr BAXTER: Again, I think we would have to put that in the context of the backlog in terms of heritage assessments which has been actually indicated as about 850 that we are currently aware of and to a certain extent that scenario, of course, has been built up because we have had the benefit of having municipal inventories that have come in which are identifying places which ...(Inaudible).... the municipal inventory process, although it is worthy of consideration for State listing. In terms of what it means, obviously there is going to be some sort of delay in getting to deal with those assessments.

Ms McHALE: I am thinking particularly, Minister, of the building in Broome that I think you expressed concern about that was demolished before the council had the opportunity of properly assessing it when the Broome Council gathered demolition - - what I think was a Chinese dormitories of Chinese - -

Mr KIERATH: Chinese worker's accommodation.

Ms McHALE: Yes. And that, I gather, had not been assessed by the council because of the number of assessments that had to be made. I am concerned that we might be jeopardising more of those sorts of potentially heritage buildings by the reduction in cost. I do not know what comment you can make on that?

Mr KIERATH: I do not think that one was as a result of any lack of action on the part of the Heritage Council. In fact, we actually signed a conservation order in fairly quick time but the person already had a demolition licence from the local authority and managed to demolish it and that is not an uncommon action by people if they think there is a chance that it may be but - -

Ms McHALE: So was there a conservation order on it?

Mr KIERATH: It was issued the day that demolition commenced but we knew it was imminent when we put the conservation order on but they were faster than we were.

Ms McHALE: Is there, in fact, a breach of the conversation order by the - -

Mr KIERATH: No, because they demolished it before they got the conservation order but I am saying it is not because of a backlog in the Heritage Council when that issued occurred.

Mr MacLEAN: Minister, my question relates to page 697 and, again, dot point one, "Growth in the demand for specialist heritage advice", and what I am seeking is a bit of advice. There is a particular steam engine at Whiteman Park which has very high significance to Wanneroo it will more than likely be disposed of because they have a working ...(Inaudible)... I am wondering if Heritage can put an order on the significance to Wanneroo be recognised? Now, although this is a specific thing I would imagine there would be other occasions where things of heritage value would be auctioned and sold. The heritage value relates to a particular area more than the significance of the item being auctioned and I just want to know if heritage can put those orders out or those suggestions ...(Inaudible)...

[5.45 pm]

Mr KIERATH: Well, with the particular item you talk about we should have actually had the previous people here to talk about it because they actually have responsibility but normally an item like that is what we would class as a moveable item and it does not come under the gambit of the Heritage Act in ordinary circumstances. So I do not think there is any order that we can do or make in relation to that but if you want to chase it up with me wearing my other hat as representing the Planning Commission who have control over Whiteman Park I would certainly be prepared to take - -

Mr MacLEAN: This is a problem they have with items that are surplus go back to the trustees and their only way is to auction them. What I do not want to be faced with is standing in the middle of an auction with someone who wants to export 27 tonnes of scrap iron to the UK because it is a unique item.

Mr KIERATH: I have actually had discussions with the trustees over these issues and they would not really want it sold for scrap. If it was sold they would want it to go to someone who was going to put it to good use. So their prime concern has been to retain as many of the items as possible for future generations of Western Australians. So without committing them I am sure they would be very amenable to some other use than not.

Mr MacLEAN: I raised it with you.

Mr KIERATH: If you raise it with me and I will see what sort of in thoughts I can bring to bear.

Ms McHALE: Minister, the City of Belmont Historical Society is concerned about the future of the old Bristle kilns and I wonder whether you could tell me have they been assessed by the Heritage Council as yet or is there any approach to the Heritage Council for an assessment of those industrial heritage icons?

Mr BAXTER: The Bristle kilns as they currently stand have been assessed by the Heritage Council and they are on the interim register. So the current curtilage encompasses all of the kilns on that site.

Ms McHALE: When were they entered?

Mr KIERATH: 3 July 1992.

Ms McHALE: They have not yet been assessed for permanent register?

Mr BAXTER: Yes, they have been.

Ms McHALE: So they are on the interim register but not on the permanent register?

Mr BAXTER: Not yet.

Ms McHALE: So they have been on the interim register for seven years. When can we expect that they might be assessed for inclusion on - -

Mr KIERATH: It is actually a dilemma for me because you are asking me under heritage and I am also the Minister for Planning and it is the Planning Commission I think that owns some of the land but I think there was an agreement in place to preserve three of them and as a result of that they were prepared to continue on an interim basis until that was finalised. It is true that the Heritage Council and I have tried to renegotiate that position and that is what we have been working on at the moment because some road designs in the area were the reasons given why the other kilns have to go and basically Ian and I have been working on schemes and proposals to try and retain as many of them as we possibly can.

Dr EDWARDS: I have a quick question, page 699. With the resource agreement who is the accountable authority? Is that the Ministry for Planning or the Heritage Council?

Mr KIERATH: The resource agreement is between the Chairman of the Heritage Council and myself, so I have just been told.

Dr EDWARDS: It says it is signed by the Minister, a representative of the accountable authority and the CEO. So the accountable authority is the Commission itself?

Mr BAXTER: The actual resource agreement has three signatures on it, the Minister, Chief Executive Officer and the Chairman of the Heritage Council.

Dr EDWARDS: So that is the accountable authority?

Mr BAXTER: Yes, the Heritage Council is the accountable authority.

Dr EDWARDS: Where does the Ministry for Planning fit in?

Mr BAXTER: It does not.

Dr EDWARDS: Does not your funding come through them? So is that an administrative arrangement between the two?

Mr KIERATH: No heritage funding comes through the Ministry for Planning.

Dr EDWARDS: I know that but I thought there was some sort of administrative arrangement between the two.

Mr KIERATH: No. As an employer talking about the corporate services side of it, the CEO's position?

Mr BAXTER: Well, under the current public service arrangements the Ministry of Planning is the employer of people within the Heritage Council. So it has an employing authority status and there is a memorandum of understanding between the Ministry of Planning and the Heritage Council in terms of those employees and there is also some corporate services functions that are carried out by the Ministry for Planning on behalf of the Heritage Council.

Ms McHALE: We probably will not get on to the national trust. I did not know if we had anybody here.

Mr KIERATH: We do.

[5.53 pm]

Ms McHALE: Then we might get on to it, I do not know. If I could perhaps just borrow a comment from that and then related to the Heritage Council. The National Trust identifies the need for a comprehensive education program because of the significant increase in heritage as stated on page 934.

Mr KIERATH: On the Heritage Council or the National Trust?

Ms McHALE: No. I was actually quoting, Minister, from the National Trust but my question relates to the Heritage Council budget in relation to education and promotion on page 698.

Mr KIERATH: Yes.

Ms McHALE: There is a reduction there in the budget for education and promotion and I am concerned about that given the parallel reduction in assessments and I am just wondering how the Heritage Council will cope with the need to, for instance, deal with an increase of media inquiries by 24 per cent and a general demand from the community for information on specialist heritage advice. So, what is the effect of that reduction? How is the council going to manage the increased demand with a reduced budget?

Mr KIERATH: I think that has, sort of, been answered in general terms previously; that the Heritage Council, like everyone else, has to operate within a budget at a time where they have not been able to get additional monies and it is a matter of cutting their cloth to suit.

Ms McHALE: The previous answer, Minister, was in relation to assessments and the answer was that it would just take longer to carry out the assessments which is not very logical, but in relation to education does that mean therefore that there will be less publications, less training?

Mr KIERATH: The 1998-1999 was the actual amount and obviously there is a budgeted amount for \$301m for this coming year and that is what we will have to attempt to manage.

Ms McHALE: Well, you clearly will not be able to do the same number of publications so how will you prioritise?

Mr KIERATH: It is actually covered on page 705. It actually spells out the reduction in the publications, I think, is what you are asking for.

Ms McHALE: Yes. So, you are actually going to, in effect, half the number of publications from 53 to 25?

Mr KIERATH: Yes, but that is because the heritage trails project has - - well, the cessation or completion of that particular project.

Ms McHALE: Was that project finished because it came to a natural end or is there another reason why it has ceased?

Mr BAXTER: We have been, sort of, involved in the heritage trails program for some years obviously. It was a 1988 bicentennial project. With the establishment of Trails West, which has its own separate budget, we are negotiating with them to take over the heritage trails component that we were currently administering, essentially. So, we are hoping that the trails will continue to be maintained and managed as they have been previously after negotiations with Trails West.

Ms McHALE: Minister, on page 701 you refer to the development of the new Heritage Act as being a major initiative for 1999-2000. Can you give some indication of when that might come before Parliament because we have been waiting for it for about 4 years. Can you give any indication of how the new Act will deal with movable items?

Mr KIERATH: There will not really be a change in relation to moveable items. The Act will hopefully be introduced, as I gave the planning appeals one, hopefully this month. I am on a fairly tight time frame. If there is any slippage then it will be early next session but I am hopeful that I can get it introduced this month into our House and so it will be there over the winter break for people to peruse.

Ms McHALE: Minister, on page 704 another major initiative for the coming year is the inaugural program for publication of rare documentary material. Could you indicate what that program will be and how much money is allocated to that initiative?

Mr KIERATH: We have nominated \$20 000 out of the heritage grants program because there was a number of rare documentary material, small publishers that had some heritage significance and value and there really was not any program anywhere to assist them. So, we allocated a small part of our heritage grants allocation to be available for those types of publications.

The CHAIRMAN: Members, given that it is a minute before 6.00 I will ask whether you intend to continue with this division when we have returned from dinner or whether you would like to vote on the division.

Ms McHALE: We have agreement and we will all vote on both divisions.

The CHAIRMAN: Division 66 and 67?

Ms McHALE: 67 and 68.

The CHAIRMAN: Sorry, I beg your pardon; 67 and 68.

Sitting suspended from 6.00 to 7.00 pm

Division 66: Training, \$230 673 000 -

[Ms Hodson-Thomas, Chairman.]

[Mr Kierath, Minister for Employment and Training.]

[Mr I.C. Hill, Chief Executive Officer, Training.]

[Dr S.E. King, Executive Director, Strategic Resource Management, WA Department of Training.]

[Mr M. Sykes, Director, Financial Management & Analysis, WA Department of Training.]

[Mr L.B. Davies, Executive Director Employment Initiatives, Department of Training.]

The CHAIRMAN: The member for Nollamara?

Mr KOBELKE: Page 1430, Capital Works. I cannot see any mention there, unless it is the very last one at the bottom of page 1430, Plant and Equipment covering the College Management Information System 2000. I need to find where we have an allocation, either in the current budget or last year, for the College Management Information System 2000, or whatever variance on that name the project may be now known as?

Mr HILL: It is in the current budget.

Mr KOBELKE: How much is in the 1999-2000 budget?

Mr SYKES: The allocation 1999-2000 is just short of \$3m.

Mr KOBELKE: How much was actually spent, or in the estimated actuals, for 1998-1999?

Dr KING: As the actual project embraces a range of activities, including making the current system Y2K compliant, addressing current needs and other urgent adjustments and help desk and maintenance of the current system, we expect that all up, including adjusting our TAFE admission system and a flexible delivery system for more flexible management of exams, etcetera, there will be a total of \$2.059m approximately, just over \$2m. That is for a range of activities related to the current system and earlier work on the development of the new system.

Mr KOBELKE: Minister, could I also have the figures for that for 1997-1998 and 1996-1997 as a supplementary if they are not available now?

Dr KING: Yes. Again, 1997-1998, a total of \$2.5m approximately, again for a range of activities to do with the current CMIS and developments. I do not have the 1996-1997 with me. We could provide it, but it would be largely to do with the maintenance and development of the old system.

The CHAIRMAN: Minister, can you confirm that you can provide supplementary information?

Dr KING: We would have to assess it first, Minister.

Mr KIERATH: Well, we will not give a commitment for a supplementary at this stage then.

The CHAIRMAN: I ask that you are a bit cautious about Hansard. They are having difficulty deciphering different names. So if I could at least call your name before you speak? The member for Nollamara?

Mr KOBELKE: Minister, in July 1997 the commitment was made, according to the answers to the questions given on notice, to commit to the CMIS 2000 as opposed to the old CMIS system. What was, at that stage, the estimated budget for the development of CMIS 2000; that is, when the commitment was made in April, June, July 1997?

The CHAIRMAN: The member for Wanneroo?

Mr MacLEAN: Just while they are discussing it, may I raise a point of order? I appreciate the member for Nollamara's desire to go back in history so that he can check. I appreciate the member for Nollamara's efforts in going back in history so that he can compare the budget figures but we are dealing with the current budget estimates figures and while he has a range of questions on one issue, there are a number of us here who would like to ask specific questions and even questions that relate to the budget. I think it would be fair if the member for Nollamara gave all the rest of us a chance.

Mr KOBELKE: On that point of order, Madam Chair, the fact is there is \$3m in the current budget for a project that has already cost \$13m. I think it is only fair and reasonable to know whether the \$3m in this year's budget is going to be value for money. We do not know that unless we know what was spent on it in preceding years, because normally you would have in these budget items past years and total amounts; a standard way of presenting the budget. This item is not presented in that way. Therefore the only way we elicit the information is to ask questions.

The CHAIRMAN: There is no point of order. Member for Nollamara, you can resume asking your questions.

Mr KOBELKE: Minister, are you able to say what the projected or the estimated project budget was when the commitment was made in April 1997 through to the start of funding in July 1997?

Dr KING: Within the 1997-1998, CMIS total budget for a range of activities was the safe side of \$2.5m approximately and there was an initial estimate of just slightly over \$500 000 for Y2K compliance and common user interface components for a new system. As I said, that \$2.5m was a holistic item covering existing maintenance, etcetera, as well as new developments.

Mr KOBELKE: Minister, what I am trying to ascertain is to be very clear as to what was actually spent and what was the projected budget. This was a major project which was embarked upon. Am I to believe then that the whole project was initially expected to be met within the one year's budget of \$2.5m which was the 1997-1998 budget?

Dr KING: Given the magnitude of this project, I am not familiar with precise details but I would not have assumed that it was expected to go beyond the year. I think, as previously answered, there is money set aside in the 1998-1999 budget of roughly the same, \$2.5m, again embracing maintenance, Y2K compliance, etcetera. As I think we have been asked to provide previously, it is difficult to disentangle the new developments and the new architecture applications from the Y2K compliance and for user friendly Windows interface for teachers, etcetera, in colleges to use the system developments from those other activities?

[7.08 pm]

Mr KOBELKE: I take it then, Minister, that the project was embarked upon without actually having a project estimate for what it was going to cost to develop it because in my questions on notice similarly they have not been answered so I will leave that there as taken that the project started without an actual set budget. The next question is why was the development of CMIS 2000 stopped or why did it cease and what were the reasons for it because again in answer to my questions on notice, Minister, you have not answered questions?

Mr KIERATH: Can I just say we have answered it. You may not have liked it, Dr King.

Mr KOBELKE: You gave a set of words that did not answer the question.

Dr KING: Thank you. Yes, again as answers previously given have indicated we were monitoring the developments of this project. The main issue was the application architecture and basically in monitoring the developments and by two studies that were examined and undertaken independently we were concerned frankly that we were not confident that the whole new application architecture could be in place in time because the whole thing got merged with the Y2K compliance of the current CMI system. Basically our principal concern was having a workable system for students in the TAFE colleges particularly as you got into the beginning of the year 2000 and we suspended activities devoting the available resources to making the current system Y2K compliant and also ensuring that essential upgrades were done on the current system. So basically it was a matter of time running out really. We had to make a judgment call. Do you keep going down a road where we had some concern perhaps that we would not reach finality and therefore could be in difficulties with Y2K compliance and opted to suspend developments, clarify needs more, take on board new emerging needs from things like training packages and reassess once we had the essential elements in place for the current system ensuring that it was Y2K compliant.

The CHAIRMAN: The member for Nollamara. I will just remind you that we are referring to the consolidate fund estimates and could I ask you to refer to a particular page? Is it still 1430?

Mr KOBELKE: The capital to the recurrent expenditure is \$3m which has already been indicated by the answer from the Minister.

The CHAIRMAN: Which page?

Mr KOBELKE: I do not have the page but it is a \$3m budget within here which does not have a line item. It is in here, it is documented.

Mr KIERATH: You cannot talk about it then.

Mr KOBELKE: Of course you can. Well, if you want to know it is on the page 1414, it is part of the \$308m. Given there is obviously a need, Minister, to have an information technology platform in place for the good functioning of the colleges by what date does this platform have to be year 2000 compliant and is there still consideration of purchasing the software package from Victoria or some other source in order to have that in place?

Dr KING: We are undertaking, in conjunction with colleges, a rigorous testing program of the CALM system and September 1999 is the date we are working to and we are confident that will be achieved and that will enable things to proceed for the new enrolments. With regard to the Victorian system as I mentioned in my earlier answer we are refining the needs of colleges for a new system, particularly taking into account new developments such as training packages and the requirements on reporting, etcetera, that they involve and when that final specification is completed we will be looking at a range of alternatives which mostly include proceeding with the CMIS 2000 developments. So we are keeping our options open. We keep in touch with what is happening in Victoria but we also know what has been happening in New South Wales developments, so at this stage there is no desire urgency to make that decision. We are more concerned about getting the current system operating effectively for the forthcoming year.

Mr KOBELKE: Am I to take it from that that this is to be in place by September of this year and we do not have a decision yet as to whether it is going to be buying a system off another state or continuing to adapt existing systems?

Mr HILL: Mr Kobelke, I have listened to the direction of the questioning and I am just wondering whether there is in actual fact some confusion. CMIS 2000 was to be a new enhanced system on the existing college management professional system. The word 2000 has been caught up with the general jargon currently being used about Y2K. The system we are currently trying to make compliant is the current system. It is not the new one which is the range of questions you have been asking us about. In March of this year when we did have the independent consultant's report - -

Mr KOBELKE: This is the Platinum report, is it?

Mr HILL: Sorry, October was the Platinum report. There was an assessment made at that stage, given the court - once again I am using jargon which I am familiar with as I suspect you are - the assessment made by our people supervising was that it still did not appear that we would have available by the end of this year the old new system. So I just want to draw the distinction. There is a distinction between the existing - - CMIS has been running since 1989, it is not a new system. We have enhanced the system as it has gone over the last decade but it became very clear with the new reporting requirements, reports are required nationally and the increasing sophistication of comparable statistics that the existing system quite simply could not cope. That added to the problem on just not simple enrolments but modular enrolments further compounded by now competency ...(Inaudible)... modular. Clearly we needed a new system to be able to deal with that. So I just want to draw a distinction. We are very confident about the existing system at this stage, the work which has gone into it should make us okay for the first period of enrolment in the year 2000. So that is what we talk about being 2000 compliant. This is for the CMIS. The CMIS 2000 system we are not looking at, we have suspended that. We will look at it once we are over the first hurdle.

Mr KOBELKE: So having spent \$5m and having dropped the scheme, that \$5m I take it then was a total waste?

Mr KIERATH: You do not listen.

Mr HILL: May I respond to that? The \$2.5m that Dr Susan King has referred to - -

Mr KOBELKE: In two successive years.

[7.16 pm]

Mr HILL: - - is the total budget for the entire computer network in Western Australia. It is not 2.5 million recurrent each year for the new CIMS 2000 system and, clearly, there is some confusion there from the nature of questioning so I just thought I should try and clarify. It is 2.5 for the entire network.

SPEAKER: You might have to draw pictures.

Mr KOBELKE: Well, I do not need silly comments. If there is any silliness it is the Minister's answers to questions on notice which one would hope he would get right.

The CHAIRMAN: Order, members.

Mr KIERATH: The fact is, Minister - -

The CHAIRMAN: I have a number of other members who would like to ask questions too. I realise you have a series of questions.

SPEAKER: You are wasting \$5m. I think it is a serious issue.

Mr KIERATH: I have not wasted \$5m. Did you not hear the answer? You ask the questions. You do not hear the questions.

SPEAKER: Minister, my questions are based on the fact that I asked you - -

Mr KIERATH: Point of order, please, Madam - -

SPEAKER - - how much had been spent on CIMS 2000.

Mr KIERATH: Point of order, please. I refer to my previous point of order that there are other people in this committee and we all have an equal right to ask questions. For the last 15 minutes all we have heard is this person over here asking questions, ignoring answers and still making comments about the waste of money which does not exist.

The CHAIRMAN: Thank you. Member for Wanneroo. Member for Nollamara, there are other members who are waiting to ask questions so I would ask you if you could keep the questions brief and I will give you the call again.

Mr KOBELKE: I am nearly finished, thank you, Madam Chair. The fact is, Minister, the questions I have asked are based on the answers you gave to my questions where you indicated - answering my questions, not by questions you might like me to ask - that we had \$5m spent in 97-98 and 98-99 on CIMS 2000 which has now been shelved. That, to me, clearly means that most of that \$5 has been wasted.

My last question is do we have any indication of what it would cost to buy the enhanced system we need to meet all the objectives that Mr Hill outlined very clearly, and I accept that and he put it far better than I certainly could, in explaining the importance of the system? And if we need that system up and operating to meet the needs of colleges and reporting procedures under the new structure, what are we looking at for the cost of buying that off one of the other states if that is the alternative to going back and developing our own system?

Dr KING: We have done some rough scenarios. I might take advice through the Minister here because I am not sure whether ...(Inaudible)... something like this in *Hansard*. It could be a commercial decision.

Mr KIERATH: No, do not report it.

Dr KING: We have done some rough scenarios but given the - - compromise purchasing, I am reluctant to perhaps give that information.

Mr KIERATH: I guess if the member wants something to put it on notice and then we have got a chance to consider it.

Mr BRADSHAW: Given current and future developments in technology, what policies or initiatives is the department implementing to ensure that the vocational, employment and training sector is placed to take advantage of these changes?

Mr KIERATH: Quite obviously with all those rapid changes in technology that we have had, addressing the State's training and employment needs will require new forms of training arrangements and in response to this the department has, as a priority - - they will introduce or expand on three major initiatives, the first of which is the on-line delivery technology project and this really is developing the sector's on-line training delivery capacity through the use of emerging technologies. The idea of this is to increase the flexibility and the access to learning for all people; to expand the customer choice and convenience; to promote access, of course, to life long learning which is an aspect that I guess we all have to face this day and age; to try and improve the effectiveness of the VET delivery and to help our economic development through the information awareness and our export products. That is the first one; the on-line delivery technology project.

The second one is the TAFE communications network and during this year the network will launch a free to air broadcasting services which will include something like 400 hours of VET related programs which will be broadcast via the community channel 31 which is Perth's newest community TV station.

The third one is a science and technology framework which really would be focusing on science and technology. The objectives and the strategies would be in four main areas. They are the VET system development and what this will do is try and develop relationships with science and technology based industries, if you like, to undertake innovative projects which will give opportunities for lecturers and other staff to gain a sound understanding of the latest technological developments. There will also be entry level training on the life long learning initiatives. There will also be some research to identify and ensure an appropriate supply of local school workers for the science and technology needs of our industry. We will also focus on encouraging the ethos of innovation amongst students that carry right through to their participation in the work force.

Another focus is skills for a more competitive industry. The infrastructure required for advancing the VET sector in science and technology will be developed and will promote a collaboration, if you like, with industry itself. We also want to promote the science - - through the VET sector there is a science and technology capacity, and so when you sum all that together, I guess, the overall success of the framework will be to try and promote the VET sector as a valuable resource for conducting applied research and that is a role that perhaps the universities have captured in the past that had a monopoly on. We want to access a lot of that in the VET sector.

Mr MacLEAN: How is the department planning on expanding their vocational, education, training and apprenticeship scheme, and I particularly want to know about areas that do not have ready access to TAFE or other higher education facilities such as in the outer metropolitan areas and country areas? It would be a broad reference to page 1415, dot point four, Significant issues and trends.

[7.23 pm]

Mr DAVIES: We are looking at a range of initiatives to promote apprenticeships in general. There has been some concern

about confusion in the marketplace and we are rectifying that with giving out better information and we will be trying to promote them in general. As far as particular areas that have difficulty accessing TAFE colleges, we have been trying to develop more and more interactive training mechanisms to put a lot more of the training in the workplace. It has not gone a long way into apprenticeships because of the traditional nature and a lot of the machinery that has been needed, but in a number of instances we have been successful in negotiating with workplaces to have the apprentices do their training in those workplaces rather than in a college environment. We are trying to increase that as we go along. It is not easy because you still need the equipment to give the young people concerned the range of skills that they need to complete their trade studies.

Mr MacLEAN: Is the department approaching local business associations and major employer groups about taking on extra apprenticeships or becoming involved in the VET programs out of high school?

Mr DAVIES: Yes. We are working with a number of associations. We have had meetings recently with a number of the small business associations about how we can meet their training needs better. There are a number of business associations involved in other ways in promotion of apprenticeships and traineeships as well. In the promotion campaign, which will be initiated during the next few months, particularly leading up to the next major intake which happens around October, so we hope to hit the mark some time before that, we would expect to use those sorts of agencies. We have had discussions with a couple of people who work for the small business associations in the northern suburbs to assist us in doing that.

Mr MacLEAN: There is more than one business association out there.

Mr DAVIES: I know. There is a number of business associations.

Mr KOBELKE: Minister, on page 1420, the third point down refers to the development of the State Training Strategy. I would seek through a series of questions for some information on the development of that strategy, not relating to the final strategy itself which I know has been prepared and presented. That uses the services of the State Training Board. There is not a line item in the budget for that, but can we say what the cost is in the current year and then in the 1999-2000 for services to and support of the State Training Board?

Mr HILL: We do not have line items in the current budget.

Mr KOBELKE: I will skip over that then. The State Training Board does also use the information from industry training councils. Industry training councils, as we well know, have their funding arrangements restructured in November last year or about that time. Can we have a figure as to what the cost is for the work of that advice coming from industry training councils and the people who have picked up the contracts? What is the total amount required for that advice and how does it compare to the previous year's budget in terms of the cost of that advice from the industry training councils?

Mr HILL: The total annual funding is \$2,353,671.

Mr KOBELKE: \$2.35m?

Mr HILL: Yes. That does not include the \$400 000, what is referred to as strategic initiatives fund, which the state training board can expend on research or a specific initiative. So the total amount allocated for this advisory activity amounts to \$2.7m.

Mr KOBELKE: \$2.35m goes to either the industry training councils or other organisations that pick up contracts in lieu of the work done by the industry training councils.

Mr HILL: When you say "in lieu of" - -

Mr KOBELKE: The advice structure used to be simply the industry training councils in addition to the \$400 000 you have spoken about. You are saying that there is \$2.35m. I am trying to be clear as to whether that covers the same work that was previously done by the industry training councils prior to the restructure of the funding mechanism.

Mr HILL: Yes.

Mr KOBELKE: That is 1999-2000?

Mr HILL: Yes.

Mr KOBELKE: Do we have a figure for the previous year?

Mr HILL: Approximately the same, but I do not have that figure with me. There has been no growth in that area.

Mr KOBELKE: Is any provision made for the legal costs given that one of the industry training councils is taking the State Training Board to court?

Mr KIERATH: There has been some mediation. Currently Crown Law have been handling it and that would be in their budget. We have not incurred any expenses that I am aware of to date.

Mr KOBELKE: Thank you, Minister. Continuing on with the work done in providing that advice required for the State Training Plan, has the WA Department of Training received completed industry training plans from all the bodies that were funded to develop them? Are you willing to give that as supplementary answers?

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

Mr KOBELKE: Minister, I do not know whether you would need also to take it for supplementary answers, but I would like to know whether all the organisations that were contracted to provide that advice did submit the industry training plans on time, according to the contract, and if they did not, which organisations sought extensions and what extensions were given.

Mr KIERATH: You can put that on notice for us.

Mr KOBELKE: So you are not willing to provide supplementary answers?

Mr KIERATH: I just want to get your wording correct, so if you put it on notice, we will - -

Mr KOBELKE: I am giving it to you now. It is on tape.

Mr KIERATH: When you give it to us, if you put it on notice, I will get it to you as quickly as I can.

Mr KOBELKE: The whole point of having the Estimates Committee is to try and get advice from the Minister, not be fobbed off.

Mr KIERATH: You put it on notice and I will get you the information as quickly as I can. We will probably do it quicker than if you do it through supplementary - -

Mr KOBELKE: I must admit you are very quick at getting answers back, Minister, but often they do not answer the question.

Mr BRADSHAW: Given the regional Vocational Employment and Training requirements, what initiatives is the department undertaking to facilitate these requirements?

[7.30 pm]

Mr KIERATH: For the regional areas, there are a number of programs. They include \$1m for the enterprise employment initiative, which is to enhance the employment opportunities and job creation programs. There is over \$4.2m for the State Employment Assistance Strategy; SEAS. There is approximately \$500 000 for training members of remote Aboriginal communities in community management infrastructure essential in health services. There is \$1m for land management traineeships, which I think is an excellent program. There is \$800 000 for group training schemes. That is to promote and achieve the growth in apprenticeships and traineeships. There is approximately \$400 000 to employ regional employment development officers or REDOS as they are nicknamed for short. There is \$2.6m for the training administration bodies to support employers at a local level. There is over \$500 000 for the youth employment initiative to provide our young people with the opportunities to explore their various employment options and some of those can include self employment and other avenues.

The capital projects in relation to that that will be undertaken in regional WA is \$1.4m for a new administration facility and upgrade the teaching facilities at the Roebourne Campus of the Hedland College. \$1.5m will be spent on the construction of a new manufacturing trade workshop at Geraldton. That is an estimated total cost of \$5.9m. There is \$6.8m for stage 2 of the Peel Region Campus and that is a joint development with the Education Department of WA. In fact, I think we are going down to announce that tomorrow.

There is \$400 000 to expand the Albany trade workshop. There is the much awaited commencement of the construction of the marine and fishing industry education and training centre at Geraldton at a cost of \$3.9m. There is \$300 000 for a new centre for the consolidation of Katanning Campus from three sites to one. The total estimated cost of that will be \$1.5m. There is \$1.4m for a flexible delivery centre, administration and support services at Northam. The total cost of that is \$2m.

\$1 250 000 for the new TAFE Centre at Moora which is going to cost us \$1.3m and \$370 000 for the redevelopment of the trade, science and engineering facilities at Bunbury. That is only a small amount for planning because the total cost of that is - - for the final part and the total cost of that facility was some \$9.6m.

Mr MacLEAN: If I could go back to page 1415, the final dot point.

ABS statistics show that a proportion of the adult population has inadequate literacy and numeracy skills.

I notice there is a number of ways that the department is approaching addressing these issues. Now, I know from experience in some of my areas that people are very reticent to approach any official organisation - and even more hesitant to approach a community based organisation because they do not want to be ...(indistinct)... and caught out. How is the department addressing these particular issues because they are leading to a greater number of these people being in jobs that are low paying or out of the work force completely.

Mr DAVIES: There is a number of initiatives that operate, some of which are funded by the Commonwealth. The Commonwealth Government has put a fair amount of money into literacy and numeracy programs, a lot of which will get picked up and delivered through TAFE colleges. We recently launched or re-badged the home tutor service which has been a very successful literacy program. It is now called "Read Right? Now", which is certainly a way of delivering literacy and numeracy services in a non-threatening way which has proved extremely successful. The Minister relaunched that recently and the new badging of the new promotion of it.

We have also taken an approach through the department that one of the best ways to address some people's literacy needs

is by integrating it into skilled based training so that they are actually learning it when they are doing, say, horticulture. So, if you have to measure out a quantity of sand you learn some mathematical skills while you are doing that; rather than saying, "Well, you are going to a literacy course now", and sit them in a classroom. That is very threatening to a lot of people and they tend not to turn up. So, it is trying to address it from a number of angles. It is a very difficult problem as you would be aware.

Mr MacLEAN: Could I ask for some supplementary information or information supplied by means of supplementary information on the re-badging of home visits scheme because I know a number of people in my area who could benefit from that. Can you explain to me the reasoning behind having a literacy and numeracy - - well, I could understand numeracy. The literacy skills being taught at a TAFE college. It appears to me, from the people I have contact, these are the ones who will not go to a school or an establishment until a very late age and by which time their use to the work force is virtually lost. They are just doing it because they have no other means of gaining a skill and it is usually a requirement by Centrelink or a work service provider that they attend these training courses.

They do not learn how to read and write because they do not like school and yet the programs are supplied in a school. So, can someone explain that to me?

The CHAIRMAN: Minister, before you respond, are you prepared to provide the information that the member for Wanneroo sought via - -

Mr KIERATH: Yes. I do not need to provide it by supplementary information. I will provide you with a kit that we had on the day of the launch of the "Read Right Now" project which is the program that I think is for the people that you are talking. There were a couple of examples given there about somebody who forms a bond with their mentor or their tutor, they helped them go through the various stages and one of the women concerned indicated that she had difficulty with the language, got through that and then went on to do further study and got qualifications later on in life and what a major difference it has made to her. So that is the program I think that we would use to access the sorts of people that you are talking about and what happens is once they can learn some basic literacy and numeracy skills they then start to develop a bit of self-confidence, they are then more readily able to access a lot of the other services that by its very nature need to be provided through some institutions. So I would say to you the Read Write Now program is the perfect one for the people you are talking about.

[7.38 pm]

Mr KOBELKE: I would like to ask a question based on the figures on page 1421 and 1422. On 1422 your quantity of outcomes in student curriculum hours is to increase by 2.9 per cent, which is certainly a good objective, but when we turn back to the previous table of total cost of outputs for delivery of training we see that that actually falls in real terms by 1.2 per cent. I think I would be correct in assuming that a great deal of that money goes in salaries and that would seem to indicate that you are not envisaging any increase in salaries but as you would know, Minister, workers in TAFE have not had a pay increase since about 1996 and that they negotiated all of last year with directors for a new certified agreement. The directors agreed to it and you have quashed that or held it up and I would like to ask the Minister why you have held up that certified agreement going through which would offer a pay increase to lecturers in TAFE?

Mr KIERATH: I will answer the second bit first. The first bit I do not have the answer for but Dr King do you want to answer that? I will take the second bit first. A certified agreement is something that has to be reached for agreement by all of the parties. It has to go through the various processes of government including approval through the Cabinet subcommittee of Labor Relations on to Cabinet itself. So although negotiations may have occurred no agreement is reached until - -

Mr KOBELKE: It was agreed with the directors.

Mr KIERATH: - - I am just telling you that no agreement has been reached until such time as it gets approved by government and through the proper processes. Now everybody can manage that. The hiccup is actually over a scoping clause in the certified agreement and equally the union is in a position where it could agree to the scoping clause - -

Mr KOBELKE: This is the inflicting of workplace agreements on them.

Mr KIERATH: No, it is not the inflicting of workplace agreements at all.

Mr KOBELKE: Is that not what you mean by scoping? You want to increase the number of workplace agreements? Your actions are to open up a potential for workplace agreements.

Mr KIERATH: I want to make sure that workers currently and in the future have the choice. That is what I want them to have and so the scoping clause is something that is very simple. Many other unions have agreed to it. The unions in this particular case have decided to hold out. I cannot for the life of me understand why. I sat down, I had discussions with them and said the only people who lose out in this situation are the people they represent. In many cases they do not really care how it gets paid so long as it does get paid and they could best represent their members doing it. Now I sat down and had personal discussions with them and a couple of times I thought we were almost there but in the end they came back and they said they were not prepared to. I said I would give them a reasonable period of time and if they could not reach agreement then obviously I do not want to stand by and see those TAFE people not made so I will make sure there is an alternative on the table and I am working hard to deliver that now.

Mr KOBELKE: So you are about to offer an alternative even though negotiations between the lecturers and the Union went through all of last year with the directors of the independently colleges. They reached agreement. I appreciate that is not the whole of the process but then when it comes on to you you quash it and you stop these people getting a pay increase who have been waiting two and a half years since the last pay increase.

Mr KIERATH: I think I said the exact opposite. I said we were happy to pay a pay increase and I gave the undertaking that it would be within the next pay period that I would get all the approvals though, all they had to do was agree to a scoping clause. It does not change anything for them and because of the bloody mindedness of the union they are denying their members a pay rise. Now if they are not prepared to facilitate that then I am working on some alternatives so I can go and offer those same people, if the union will not look after them, I will be able to offer them a package that will look after them.

Mr KOBELKE: I do not know if bloody mindedness is the right term to apply to them, Minister, perhaps that should sit somewhere else but clearly these people have not been given justice and you are denying it to them and that is going to impact on the quality of teaching and lecturing in our TAFE system.

Mr KIERATH: I think in answer to your question the onus is on the secretary of the union and if you asked, if I was a member of that union, why would I not be able to get a pay increase, we are allowing even though the policy of the government is not to allow new certified agreements, we are allowing a renegotiated certified agreement. There is just one simple clause that most other reasonable unions have quite easily been able to accept but in this case, with this particular union for some reason is holding out, and that is what is denying their members a much earned pay increase and one thing is we agree it is a much earned pay increase, we want them to have it, the sticking point is the obstinacy and stubbornness of the union but I give this pledge, I am not prepared to sit around and allow those people to go without a pay increase much further. So I am making sure that fairly shortly I will have something else to offer them.

Mr MacLEAN: My question relates to page 1420 and the vocational, educational and training system. Minister, most businesses now require some form of quality assurance in the training of staff and potential staff. What processes are being put in place by the department or the service providers that the VET programs will have a quality assurance to a level where the participants are?

Mr HILL: I will just give you a quick summary of what we call the quality endorsed training system, or QETO. The Training Accreditation Council of Western Australia, which is a body mandated under the Act to accredit courses and register training providers, they have also got the powers under the Act to strike out a training provider who does not deliver or who is in breach of quality standards. There are two means of registration. Some enterprises and colleges seek full accreditation, that is they get approval across nine standards which then give them self-managing status. In other words they can accredit their own courses. It extends for periods from one to three years before they have got to go through an independent validated process. The independent validators are a panel which are appointed by the Training Accreditation Council. It is an uncompetitive process and I think we have got about eight organisations who adopt that role. The Training Accreditation Council operate on a complaint basis, that they will do an investigation. I can certainly think in the last 12 months where they have removed the registration of two training providers who have not met standards. They also monitor and administer all industry standards or competency standards. What is now emerging is what is known as the national training package so there is consistency across the nation. Those standards are standards endorsed by industry, not by Training bureaucrats but by industry. They form part of the accreditation process.

[7.45 pm]

Mr MacLEAN: Just so I understand where I am coming from, the VET program is mostly based in schools for those young people who are not going to do TEE but who want to go on to some form of post-school training and it gives them that lead in. So you have a VET program that will teach you commerce, how to use a shop register and serve people at a counter. That is reasonably easily identified as whether they are polite and courteous or whether they are not. I can understand that part. Now, how do you assure a high school that the VET program they are directing some of their less achieving youth into is going to deliver at the end?

Mr HILL: The VET in schools initiative has been operating for three years. It is funded nationally. So we, state training agency, have business plans which we approve with the Education Department. The Training Accreditation Council of the VET sector, in collaboration with the Curriculum Council for schools, have accredited VET subjects for offer in years 11 and 12 which in fact count towards the Western Australian certificate of education - that is the leading certificate - but in doing those subjects, which come out of national training packages, they give those students advanced standing or credit if those students wish to undertake a full qualification within VET training, be it private or TAFE college. There are a number of models currently running in Western Australia - Kwinana and Midland are two which immediately spring to mind - where VET is being introduced for those students, and they tend to be close to 60 or 70 per cent of the school leavers, who do two days at school, two days at TAFE and one day at work. No fixed model has been determined. It is a time of these models forming. There are views which enunciate around the position that we would like them to have good employment skills. If you tease that out with an employer as to what does he or she actually mean when they say that, they immediately revert to the key competencies. They want them to be literate, numerate, have interpersonal skills, solve problems, etcetera. The way that is interpreted within the education circles is that you do not want to throw the general education out. In other words, you do not qualify with a Certificate IV or a diploma coming out of VET where the general education subjects have fallen by the by. So what you see emerging certainly this year is, say, the first year of a four year apprenticeship starting to occur in the schools. The challenge for the systems around Australia, including Western Australia, is to ensure that in

the delivery of the VET subjects, they are being delivered by people who are competent and have industry ability. Now, the models vary. The independent schools tend to use VET providers and they contract ...(Inaudible)... has that but they also tend to use their own school teachers to deliver. It is a model which is forming but I think it is being fairly effectively addressed. There has been quite a dramatic update of VET subjects at school.

Mr MacLEAN: If I could just clarify, are you saying now that first year apprenticeships are starting to occur in schools and this is a result of the flow down from the VET training or can be part of the closer links between school and employer bodies which was probably linked by VET to start with because now they can feel they access schools?

Mr HILL: The answer is yes.

Mr MacLEAN: The anecdotal evidence is that VET is tremendously successful, but is there any hard evidence of the success of not only the programs but of the young people who have been through the programs, say, three years ago and what they are doing? Have you done any follow-up?

Mr KIERATH: At the Morgan and Banks jobs day held recently at the Concert Hall I met a whole group of young people who are on this VET program. They were from Lesmurdie High School, from memory. They were saying that they had been in a situation where they were pretty bored at school and they were sort of going nowhere, and some of them had found jobs, been offered jobs, throughout their work experience, others had made a decision to go on and do further VET training. So from that level some of the anecdotal evidence is very good. Mr Hill was just bringing my attention to the satisfaction surveys that are undertaken by the department and the one that was undertaken late last year, late 1998, identified these results: 90 per cent of students indicating a willingness to recommend TAFE courses and colleges to others, 87 per cent of students through their course said the course was relevant to their future employment hopes, the employment rates for graduates increase with 81 per cent of school leaver graduates and 50 per cent of graduates previously employed gaining employment within 6 months of completing their course. So, the experience we have is very positive but the VET in schools is still fairly early days yet in terms of going on to other forces.

[7.53 pm]

Mr KOBELKE: Madam Chair.

The CHAIRMAN: I have got the member for Murray-Wellington and then yourself.

Mr KOBELKE: Madam Chair, can I suggest to you this is grossly unfair. The members on the Opposition side are holding back so I can ask questions. You are not going from one side to the other, you are giving two to the Government and one to Opposition.

SPEAKER: We let you go on when it started.

The CHAIRMAN: Okay. Member for Nollamara.

Mr KOBELKE: Thank you very much. Minister, I would like to ask questions relating to page 1422, TAFE International. Can you provide now or by way of supplementary answer some form of budget for TAFE International which will give an indication as to what are the expenditure and revenues in its major areas of operations?

Mr KIERATH: Yes. Supplementary.

Mr KOBELKE: Thank you, Minister. I thank you for that.

The CHAIRMAN: I will just get clarification that you will provide it by supplementary, Minister.

Mr KIERATH: Yes.

The CHAIRMAN: Thank you.

Mr KOBELKE: Minister, obviously one of the key components of the work undertaken by TAFE International is education for foreign students and I am aware of the vocational educational training regulations which were gazetted only recently which provided a basis for charging fees to foreign students. Prior to these particular regulations being gazetted, what was the legal basis by which fees could be charged to foreign students by TAFE institutions?

Mr KIERATH: There was just an assumption that as we were charging fees to other people that those fees would apply to international people as well.

Mr KOBELKE: Obviously you did not charge them the fee that you charged Australian citizens? There was a higher rate, which I think is quite proper. My question is that it would appear that that was done without any legal basis on which those higher fees could actually be levied.

Mr KIERATH: The answer to that is there is no law that was preventing it. It is just that as some issues rose up we felt it better to formalise something that could quite easily sit there as an informal arrangement.

Mr KOBELKE: So, I take from that that you do not countenance that there is any liability on the Department of Training for foreign students to be able to take legal action on the basis they were charged fees which the department and the various independent colleges had no legal basis for charging?

Mr KIERATH: Well, I am not aware of any.

Mr BRADSHAW: Given the role of the Department of Training in the development and improvement of the labour market in Western Australia what measures are in place or proposed to assist in reducing unemployment levels; in particular, youth unemployment.

Mr KIERATH: Well, I think the area of youth unemployment is one that is a critical issue for all of us. Currently our unemployment levels are running at 7.1 per cent and youth unemployment is 18.4 per cent. Now, these figures actually represent a reduction on the national figures which are currently running at 7.7 per cent and 23.6 per cent respectively. So, they are still obviously of great concern to us but we are doing better than the national averages are so that gives us some comfort.

In the area of youth unemployment we are providing an assurance that there will be sufficient additional places within the VET sector to meet increasing demand from school leavers and our aim there is to ensure that there is an offer of a full time VET place made to all eligible school leavers. Now, it may not always be their first choice but we will guarantee an offer of a place for those school leavers. I gave you the indication of the surveys, in answer to the previous question, that those graduates who start a TAFE course within 12 months of leaving school almost 81 per cent were employed within 6 months of graduating and the survey also identified that those graduates who were employed prior to commencing their TAFE course, almost 50 per cent gained their employment within six months of graduating, so they are fairly good results. If you go back to youth unemployment and take the 18.4 from the 23.6, you have got nearly 5.2 per cent. We are the lowest state. There is no-one with youth unemployment levels as low as ours. The department and myself are working on what sort of other initiatives we can do to give a boost to not only unemployment levels but youth unemployment in particular.

Mr KOBELKE: Minister, I would like to ask questions on pages 1424 and 1425 relating to the number of apprenticeships. The first dot point on page 1425 indicates that there are 4 290 apprenticeships due to be completed against an estimated 4 300. That is in the 1998 calendar year, I believe - it is stated there - so we are not using the budget years. Minister, when we come across to 1424 we see new apprenticeships, which is to be those apprenticeships plus traineeships, are actually to decline and I am wondering if you can give some reason why the estimate is for a decline in the total number and whether that decline is to be primarily in apprenticeships or traineeships?

[8.00 pm]

Mr DAVIES: The reason for the decline in completions had been a difficult one for us to keep a handle on and obviously there are cycles that are based on the completions of apprenticeship numbers and based on what the intake was four years ago, so if we had a bad year four years ago we will naturally have a bad year this coming year. We have also taken some steps to reduce a number of traineeship areas or tighten up the quality control on them because we were finding that people were not completing the traineeship, they were dropping out on the way through and we have taken some steps to make sure that all of those which were called On the Job Traineeships now are linked to a training provider. So we expect a bit of a slow down in the actual rate of uptake of the traineeships and we will actually see over the next couple of years increased numbers in apprenticeships and traineeship numbers.

Mr KOBELKE: Mr Davies comment on the completion rate is an important issue I would like to take up but the point I was asking here, and I wish to pursue please, is the anticipated drop from 5000 to 4800. Can we quantify that in terms of how much is likely to be apprenticeships and how much is traineeships or do we not have that breakdown?

Mr DAVIES: I think the numbers you are using are actually new apprenticeships.

Mr KIERATH: Which are made up of apprenticeships and traineeships.

Mr DAVIES: We are aware that in 1995 there was a drop in apprenticeship commencement so we were projecting that that would be one area that would be reflected coming through this year but we have not broken it down to precise numbers.

Mr KOBELKE: Thank you for the answer.

Mr MacLEAN: That drop from 5000 to 4800 would include people who do not conclude their apprenticeships?

Mr KIERATH: No, it is completions. People completing the course. Anyone who drops out would be excluded.

Mr MacLEAN: So that is excluded. Okay.

Mr KOBELKE: The point just to make it clear for some of the other members perhaps who are a bit confused by the terminology, which is easy enough to do, we are talking about on page 1424 about new apprenticeships which is the title now being used to cover generically both apprenticeships and traineeships and that 5000 equates roughly to the 4000-odd apprenticeships plus we are assuming 4000 to 6000 traineeships which is clearly varying from year to year. If we can go back on the year to year basis the 4290 commencements for apprenticeships in 1998 am I correct in thinking that is quite a substantial drop on the number of commencements in 1993, which I am told was 4553?

Mr DAVIES: The figure in 1993 was 4553.

Mr KOBELKE: So we have had a drop?

Mr DAVIES: Yes.

Mr KOBELKE: Minister, I am wondering whether you would point out to the Premier that he actually misled the House on page 7 of his budget speech when he said, and I quote -

The proof of our training policies is the 93.6 per cent increase in apprenticeships since 1993.

Clearly that is not a true statement and the Premier did mislead the House, so I wonder if you would give an undertaking to point that out to the House.

Mr KIERATH: I think the word was "new apprenticeships".

Mr KOBELKE: No, it is not in there.

Mr KIERATH: Yes, I know but the information that was put out it was left out in the printing.

Mr KOBELKE: The speech writer changed it?

Mr KIERATH: Somewhere actually it was new apprentices.

Mr KOBELKE: I would like now to ask the Minister a question relating to the importance of apprenticeships continuing because we do have a raising number of cancellations and suspensions. I know the Minister would be concerned because of the downturn in the resources sector that there is the potential - and I am told from industry sources just in the next month or two - to see a large number of apprentices actually laid off which could mean a suspension or a cancellation of the apprentices on the basis that, the resources sector being at a low ebb, there is simply not the work coming through. I have asked questions in the House, Minister, to which you have given answers of sympathy but no actual action; asking you what action will you take to put in a special program of limited duration to try and keep those people in apprenticeships for the next 12 to 18 months so that when the upturn comes in the resources sector - and I think we are all confident of that - we will have the trained work force to be able to do the work and not have to import a very large number of skilled people because we have laid off our apprentices during the current downturn in the resources sector.

Mr DAVIES: The issue that raised this in particular was fabrication apprentices and a problem that the group training scheme associated with the Chamber of Commerce and Industry was facing. Fabrication apprentices are difficult to create a project for and we have gone about canvassing most employers of fabrication apprentices and all of the public institutions who may be able to put on some additional apprentices to do some works that they had not previously planned to do this year. We have been able to reduce the number who were potentially going to be laid off from CCI's operations. At this stage there is nine still in doubt. That is the last figure that I had.

Mr KOBELKE: So that is nine in the CCI group scheme you are talking about?

Mr DAVIES: That is right. In other industries it is a different arrangement depending on the industry as to what we can do. For example, in Geraldton tomorrow the Minister is presenting certificates to a group of Aboriginal apprentices who have worked on housing projects with Homeswest. That was an initiative to get them into project type activity, which is much more feasible with the housing industry than it is with fabrication apprentices. So we are looking at strategies for each of the areas that becomes an issue for us. The sorts of things we have to do in the hospitality industry would be very different to what we would be doing with building and construction or fabrication apprentices. Each time that the issue comes to our notice, we take as many steps as we can to put the right action in place to keep them in business.

Mr KOBELKE: Minister, I thank Mr Davies for that answer but it did not really address the question. With the current downturn in the resources sector, with the completion of major metal fabrication in Worsley in the next couple of months - and it is not just the CCI group scheme, which is clearly the biggest in this area, but there are a number of other fabricators who are really doing it fairly lean at the moment because they derive their work largely from the resources sector. There is an imminent danger that we will have a fairly large number of apprentices in those particular trades laid off and while that is something that happens in all industries from time to time I think we are dealing with a very special problem here because it relates to the cyclical nature of our resources sector, a current downturn. What I am asking you, Minister, is will you be pro-active and put in place a very special short term program to assist employers in this area so that they can retain the maximum number of apprentices for the next year to 18 months when, hopefully, we will see the upturn come in the resources sector and we will have that skilled labour we require, both for the sake of the individuals and for the sake of the Western Australian industry?

[8.08 pm]

Mr KIERATH: I think you did get an answer to your question. You may not have liked the answer but the answer, quite clearly to me - and I listened to every word Mr Davies said quite clearly - indicated that the fabrication industry was a very difficult one to get a project to do by its very nature and we have been successful in other sectors in negotiating special arrangements to help people out in those circumstances but the fabrication industry does bring with it a whole set of its own circumstances. One thing I can assure you though is that recently we had a series of apprentices in the mining industry - which is part of the resources industry - who completed their apprentices from go to woe inside of two years and as I understand the quality of those people it was exceptionally high. Admittedly they were a mixture of different age groups going from young to perhaps middle aged but they were all people who had had some previous employment experience and their willingness and their capacity to both learn and apply the skills at work were perhaps far greater than people who would normally just go there straight from school.

I did actually check up with the employers of those apprentices and almost ...(Inaudible).... a man and woman and they said they were outstanding in terms of their quality, so that, in itself - - if we can get a few more programs like that going it allows us to train people up to speed in a much shorter time frame so we are not looking at four and five year lead in times. We can perhaps get down to two year lead in times.

To get back to the more specifics of the question, we have not ruled out any project yet. We have not seen or have been made aware of a feasible project to put up. I will not rule it out but I am saying that normally we try to do other arrangements first and if there is a suitable project I will be prepared to give it the appropriate consideration.

Mr KOBELKE: Minister, I would like to move now to traineeships which I alluded to from Mr Davies' earlier answer. He indicated that there had been a low completion rate, if I understood him correctly. Minister, what is the normal period or duration for traineeships?

Mr DAVIES: The normal duration for most traineeships is 12 months.

Mr KOBELKE: Minister, that is important technically if, say, we are talking on the same basis and hopefully can make some sense of the figures. To take the number of commencements and the number of completions in one year obviously has dangers in it because a traineeship might start in one year and complete in the following year. A same year comparison gives a rough estimation of the completion rate and on the figures you were given from a parliamentary question a couple of months ago, it indicates that in 97-98 if you take commencements and completions for the same year - and I have already alluded to the fact that there are problems in doing that but it gives a rough measure - then we have had completion rates of 31 per cent in 97 and 34 per cent in 98, and back in 1996 using the same measure with only 21 per cent, so it seems that we do have a very low completion rate and that is of concern. I would like to know if we can give any reasons for that low completion rate and, therefore, what mechanism might be put in place to try and improve on it?

Mr KIERATH: I will get Mr Davies to answer part of that. You do have to be careful because although you can stagger the mark of the calendar years, the majority of the traineeships tend to be in a calendar year and these budget figures are in a financial year. I know you acknowledge that but you have got to be very careful in just swapping the figures over.

Mr KOBELKE: But we can accept the completion rate is reasonably low.

Mr DAVIES: The completion rate is of concern across the country, not just in Western Australia. The figures that we are getting through our record system are not as accurate as we would like and we went out and actually did a survey and found that in Western Australia the completion rates are closer to 50 per cent. I think it was about 48 per cent which is about the national average, slightly better.

The primary reasons we found in the research was that a lot of people, although they see apprenticeships as a skilling program, they see traineeships as a work program and once they get a job within that organisation they start off as a trainee and move into a permanent position. They never bother to come and ask for the certificate and that has caused us to have much lower completion rates than we would otherwise have had, we believe, and we are trying to do something about actually triggering a reminder to all the students that are going through, or the trainees, that they are entitled to a certificate if they have completed all the competencies.

Mr KOBELKE: Minister, you are most probably aware of the problems in Queensland and the Minister there has just recently instituted a review because of the clear rorts taking place. That, I believe, is because Queensland had a different arrangement, Minister. Queensland did formerly allow existing employees into traineeships. I understand that that is not the case here but it does not mean that existing employers are not improperly putting existing employees onto traineeships in order to pick up a wages subsidy under the scheme. I would like to know if that has been looked into in Western Australia and is there any reason for concern that there are some employers who are simply taking on people on a traineeship to get the wages subsidy and in some cases are using it for people who really would be existing employees?

Mr KIERATH: Ian Hill for some opening comments and then we will go to Larry for some detail.

Mr HILL: The system of existing employees being funded through a traineeship was ...(Inaudible).... State Government policy?

Mr KOBELKE: So excluding it or allowing it?

[8.15 pm]

Mr HILL: No, in including it. The position taken by Western Australia last year was not to go along with that on the basis that the government funding we get is not defined "existing employees". It caused some problems with some employers but that position was backed by the Minister of the day and we have not changed that position. Queensland, unfortunately, was open slather and they got themselves into a spot of bother but it was only two days ago that we have been advised by the Commonwealth in writing that they have in fact reversed that position and it really brings it into line consistent with the position WA adopted. Regarding the issues about employers registering existing employees as trainees, it has happened in a number of areas and one in particular we would like to mention is the AMA? Group Training Company that we believed was very responsible. We did say that in registering them we would want them to pay us part of the Commonwealth subsidy because it costs us to register. They were not in there to make a buck, as it were, and in fact the subsidy that we are getting we are actually investing it in training people for that. So we thought that was the best practice model and conveyed that to the Commonwealth as well.

Mr KOBELKE: Yes, I think Mr Hill is confirming what I was suggesting; that it did not apply in WA. My question that Mr Davies might pick up is as to what level of sorting there is in terms of people either using existing employees simply as a wages subsidy or, in the limited number of cases that people have come and complained to me, they have been taken on in a traineeship on the basis there was a subsidy and given no training whatsoever, so they were simply a subsidised form of labour. Clearly that is happening. Whether it is a minimal problem or a significant problem, I do not know. I am wondering whether you people have any idea of that.

Mr DAVIES: We are particularly aware of that with the small business traineeship which was an all on the job package. That is why we have changed the rules so that those all on the job packages have to be auspiced by a registered training organisation. In other words, that training organisation has to go in and say "This is a training program. Here is the training book that you are expected to complete. We will be coming back to check on it and we will be issuing a certificate." Otherwise, we had no real control over what was happening and we were aware that some people were not getting any training. Not all of those packages were incorrectly used. A lot of them were well used by small businesses and we did not want to stop that.

There were a number of other cases where we found that people were trying to get around the system and as the Commonwealth rules changed from time to time, we would suddenly find a break-out in another area and we would have to bring in another set of rules to control that particular move. People get very creative at this time. We have found people have been trying to change the names of companies to say that they no longer employ - - they are a new employer, but we have stopped those as well. Wherever we have found it, we have stopped it. We believe that is why our numbers have not grown at the rate that someone like Queensland did, because we have been controlling it fairly tightly. I could not say there were no cases of that, but we are fairly confident about our ability to keep control of things and the other states are now coming here and visiting - - Queensland were here last week, trying to learn how we have managed to control and manage the system rather than just let it run riot.

The CHAIRMAN: Member for Nollamara, you have had the clock for about 20 minutes.

Mr KOBELKE: I am almost finished, Chairman.

The CHAIRMAN: All right. It is just that I have two other members queued up to ask questions.

Mr KOBELKE: Minister, thank you for that answer given by Mr Davies. It is good to see your department has been proactive in this area. When do these changes that Mr Davies referred to take place, and have additional resources been given to the appropriate section to be able to actually go out and help to ensure compliance?

Mr DAVIES: The changes officially took place as of the 1st of January but were already being implemented by agreement earlier than that. The training providers are being paid to do that monitoring role and to go out and auspice the training.

Mr KOBELKE: So that is an extra requirement on the training provider?

Mr DAVIES: Yes.

Mr KOBELKE: Finally, Minister, a question I am hoping you might answer. The VET Act contained repeal of the Industrial Training Act. You have indicated that you are looking at that. When do you think that repeal will be proclaimed and what is the structure of the regulatory regime or other structure that you are going to put in place, which will be needed with the removal of the Industrial Training Act?

Mr KIERATH: That is still under consideration.

Mr KOBELKE: So you have no idea of the date?

Mr KIERATH: No, I did not say that. I said it is still under consideration. I actually have not made a date yet, but it is under active consideration, can I say?

The CHAIRMAN: Thank you, Minister. The member for Wanneroo?

Mr MacLEAN: Thank you, Madam Chair. I refer you to page 1423, the top point there, where you have indicated you had 73.5 hours of educational television programs delivered during 1998 via GWN, although you estimated 45 hours. Do you have an assessment process to indicate the success of the delivery program, how it was received, whether you were successful in delivering?

Mr HILL: Yes, there is an evaluation done. There are planned changes for this year, given the launch of Channel 31. I thought the date was the 27th actually. It is a metropolitan broadcast at this stage, but GWN or Channel 7 have indicated that for future years they are not interested in doing it so we will be using Westlink. Yes, it is evaluated. The external students register with their local colleges or regional colleges. There are fees associated with that. We are generally satisfied that the change which we see Channel 31 bringing about is the move into discipline and a much higher quality which is required by a broadcaster distinct from that which is Westlink.

Mr MacLEAN: You have a similar assessment monitoring service in Channel 31?

Mr HILL: Yes.

Mr MacLEAN: You will be monitoring both the students or clients as well as the TAFE colleges that are looking after their programs?

[8.21 pm]

Mr KIERATH: Yes.

Mr RIEBELING: I have got a couple of quick questions in relation to apprenticeships, especially in relation to my area which is the Burrup Peninsula area basically.

The CHAIRMAN: What page are you referring to?

Mr RIEBELING: Sorry; page 1425, Major Initiatives. One of the developing problems in my area is the ability for apprentices to actually independently stay in the area if families in fact move out of the area for any particular reason. As you are probably aware, the level of remuneration that is now paid to apprentices is so low that if they are not staying with their parents in my region then they have to finish their apprenticeship. Under the old system, when the families of apprentices left, the companies that were associated with those apprentices would in fact provide housing for those apprentices until they were finished. That is now no longer the case because they are employed under the umbrella of the CCI in the area. I wonder if there has been any thought of trying to improve the lot of apprentices so that these young people do not in fact lose their apprenticeships purely because their families are made redundant or retrenched or have to leave the area.

Mr KIERATH: I think it is a pretty philosophical question.

Mr RIEBELING: It is an actual problem.

Mr KIERATH: Yes, I understand that. I am saying I think it is generally a philosophical question rather than one that is an item on the budget. It has not been raised with me. You say you have issues so I will ask you if you have those issues to put them forward and I will have a look at them and if there is something that we can possibly do I am sure we will be prepared to have a serious look at it.

Mr RIEBELING: It is the new system that is in place in relation to how apprentices are employed which is the problem. It is the one that you have brought in. It is the system that now flows from this government.

Mr HILL: Can I just quickly respond to that matter? I think there is some misunderstanding. Most employers have been in place for a decade now. It is not a new arrangement.

Mr RIEBELING: It is.

Mr HILL: Group training companies being host employers and farming apprentices out to enterprises to do their on the job component - - it has been in place in Australia and this state for at least a decade. It is true that a lot of the enterprises, not just here but throughout Australia, have out-sourced what was specifically - - they viewed as not their core business and so they have out-sourced to group training companies, but in the specific case which you have referred to the Chamber of Commerce and Industry group training company - - that may well be an initiative which has happened in the last two or three years. That is those particular enterprises where previously they employed the apprentice, but they do not do that any more. They have out-sourced them to group training companies. All I am suggesting is that the concept has been in place and operating for at least a decade.

The CHAIRMAN: Thank you, Mr Hill. Member for Burrup.

Mr RIEBELING: Yes. That may well be the technical side. The impact of the schemes has been dramatic over the last few years and the poor conditions they now suffer from is a direct result of that employment whereas before they were actually on a wage that they could independently live on if there were problems domestically but they just cannot do that now. I hear what the Minister says. He cannot answer that particular problem. I do notice on page 1425 that there is going to be an increase in apprenticeships. I am just wondering where the Minister sees that we are going to find the employers, especially in the resource industry, to take up an extra 5000 apprenticeships.

Mr DAVIES: It is not 5000 additional employers that we are looking for. We are looking for the traditional employers to take on their normal intakes. We are also looking to increase that number. We believe that there has been some drop off of people taking on apprentices for a number of reasons, partly to do with confusion over a number of Commonwealth and State changes that have taken place, not the least the disappearance of the CES, which people have taken a while to come to terms with, the fact that they cannot go there for apprenticeship information any more. That has just been a bit of a lag in the system and we think we will see that pick up and if we go out and market fairly actively we anticipating getting our normal intake and increasing it slightly.

Mr KIERATH: I would like to add to that answer. Mr Davies touched on it when he said if we go out and promote it. It is one of the things we have actually been looking at. We have had anecdotal evidence of people who are prepared to take on apprentices and do not understand the changes that have occurred and so we are actually planning for later on this year a promotional campaign to actually promote the use of existing apprenticeships, the new apprenticeships arrangements and the traineeships arrangements to people who have been looking for a solution and just simply did not realise it was there. That is part of our plan to try and increase the numbers and that is a program we are working on at the moment. I think our target is to do it in about October of this year.

Mr RIEBELING: As Mr Davies indicated - -

Mr KIERATH: You ask me and I will tell you who answered.

Mr RIEBELING: Mr Davies, when he answered the last question, indicated that it was not true that there were 5000 apprenticeships. I think that is what he said. The second dot point in Major Initiatives for this financial year that we are talking about, in fact, indicates there is 5 000, does it not?

[8.29 pm]

Mr KIERATH: If you read it it says 12 500 apprentice in trainee commencements and this commences at 5 000 apprentices and 7 500 trainees.

Mr RIEBELING: That is the figure I am after. Where are they going to be?

Mr KIERATH: No, I think what Mr Davies actually said ...(Inaudible)... but he said that they are not additional apprentices but they actually cover the existing intake.

Mr RIEBELING: Well, are we going to get 5 000 new ones or not? That is all I want to know.

Mr KIERATH: You are getting 5 000 apprentice commencements.

Mr RIEBELING: This year?

Mr KIERATH: Yes.

Mr MacLEAN: Thank you, Madam Chair. If I could refer to 1424 and the top line, Outcome statements, Maximise training and employment opportunities for Western Australians. Minister, given the considerable changes in technology, manufacturing and business practices, the level of unemployment for the 40 plus age group has grown significantly in recent years. What measures are being taken by the Department of Training to develop programs to provide assistance for these people?

Mr KIERATH: The 40 plus age group has grown significantly and we are actually developing a series of strategies, if you like, to try and specifically tailor to meet the requirements of the older workers and they do have quite a different set of circumstances than the younger ones have. We have got funds totalling in excess of \$3m which is provided in this budget and has been set aside for this purpose. The programs will focus on the new aspects of the labour market, including a sweep of arrangements whether they be part time, casual or self employment and that is also a situation that the younger people are facing. Some of the retrenched older workers will be provided with things like employment counselling, re-skilling opportunities, job search assistance; things like that which is something - - for those sorts of people ...(Inaudible)... are offering something that is quite frightening and quite new. Things have changed quite dramatically since perhaps they were last looking for a job and - -

SPEAKER: Do not look at me like that.

Mr KIERATH: No, I was not looking at you. I was actually thinking of a gentleman I actually had in my electorate office just recently and really he had no idea what to do and I put him in touch with one of the job search assistance groups nearby and incidentally he now actually has a job but he was struggling to know what to do and where to go. I am not claiming any credit for it but it was just simply the expertise was there but he did not have access to it. He did not understand it and when he used it he was actually then able to gain work so we find those pretty important.

We will also obviously use the internet facilities and some of those job search assistance ones are very good users of those but we will try and use the internet to access those services out into the rural and remote locations in the state. We also have a major initiative which is a re-skilling guarantee where we are going to target mature aged long term employed where we recognise the barrier of employment imposed by, perhaps, their lack of current marketable skills. Perhaps the last time they developed skills within a different area and so we think there is a need to have a series of very specialised short courses that will help them to gain those skills to actually enable them to overcome, I guess, sometimes their initial reluctance to enter the mainstream courses and in many cases it will be, if you like, a bridging course to get them back into some of the mainstream courses to get them re-skilled.

Mr MacLEAN: One of the problems that I have coming into my office is the lack of technical knowledge. They are skilled in what they do. I had a chap who did not have the computer literacy required and the annoying thing about it is there are some sharks out there who put up commercial things and you have read them in the employment pages and they were going to train him in computer literacy quoting the sum of \$450 or something like that and yet there is courses available. How can we get to these people who are sometimes recently unemployed and all the social problems they have because they have probably never been unemployed in their lives or are facing unemployment because of the changing nature of a business that they worked for? How can you assist those people through the training skills?

Mr DAVIES: What we are trying to do is we are working with young people to do those sorts of things and we are going to take a number of those programs and try and adapt them to older people. We are piloting some already with an organisation called, Don't Overlook the Mature Expertise, or DOME as it is known, because they have got a particular capacity to work with that age group and have been doing it for the last 13 years, I think, and are very successful at it.

One of the problems is to get the message out there and that is one of the things that we will be looking at as part of the package of how do you market this information. It is all very well having programs but if you do not let people know then

there is not much use, so we just have to become more effective at marketing those programs when they become available to people to make sure that they know that they are there, including sending them to offices like yours because that is where a lot of inquiries - - the ministerials that we get come via a lot of the electorate offices around the state.

Mr MacLEAN: I have one more question and it is to the other end of the scale. Access All Areas has been tremendously successful. The question I pose to you is how are you going to build on that success?

Mr DAVIES: We are still working on probably 13 initiatives under Access All Areas of various sorts. Part of it is getting that message out about the fact that there are lot of options out there for young people. It is just quite often they do not know that they are there, the same as the older people, and one of the things that we are spending a lot of time on at the moment is actually getting it into the school system into their career education packages and there are a number of initiatives that are coming close to fruition that will be out there that will actually provide the schoolteachers with a lot of good resources to give young people a better view of what the world really looks like, because when we ran an employment futures conference in February last year we noticed a lot of schoolteachers were craving for information. They said "We just do not have access to this", so we have provided information on the Internet on all the speeches that were made at that conference. We are also making a CD ROM of that to go out to every school, and a number of other initiatives, and looking at where some of the new jobs will be; environmental jobs and those sorts of things and developing databases to help people access them. So we still have about thirteen or fourteen initiatives sitting in the pipeline.

[8.37 pm]

Mr KOBELKE: I refer to Capital Works on pages 1430 and 1431. What I particularly wish to get some answers about is the new building, which I think is the corner of Aberdeen and Beaufort Street. I am not sure if that is the fourth point down on 1431, Central Metropolitan College, Acquisition/Refurbishment Alexander Galleries, which was a total of \$5.5m, or is that a different construction project, from that for Central Metropolitan TAFE on Aberdeen Street?

Dr KING: It is my understanding that that would be the Aberdeen Street development.

Mr KOBELKE: Minister, do we have a date by which that building was supposed to be completed and available for use?

Dr KING: Yes. I understand that in fact some students have moved into part of the developments now and I think it will be very soon when the actual opening occurs. So my understanding is that the estimated completion date was May 1999. There may be a little slip, but I think some students are in it now and in the second semester it will be fully used; School of Art and Design.

Mr KOBELKE: Minister, the point of the question is that students are certainly in there. I am aware of that. They are having lots of problems, that is why I asked for the completion date. From Dr King's reply, it would appear that students have moved in before the due completion date which opens up other concerns. Are you aware, Minister, that students in some numbers were using the building when it had no toilets or drinking fountains, when there was a range of things that had not been done? This sheet in my hand was on a notice board: non-slip surface to stairs on upper level had not been installed; that there was a health and safety report which indicated that there were major problems with the building while there were students using it.

There was a strobe effect because there were fans under lights which one student who was epileptic had problems with. There were no whiteboards or notice boards fitted. There were rooms which were essential for courses which students were not able to use and therefore the students could not undertake their course, having paid their fees, and they are now some months behind. It seems to have been a major disaster.

You would most probably be aware that there are petitions from students who have had to put up with all these conditions and I want to get some answer as to why students were pushed into that building before the date it was due to be completed - May was the correct date - and what is to be done to help these students who have lost part of their course due to the inability to provide adequate facilities.

Mr HILL: Brian Paterson should be answering this. The commissioning of the Alexander Gallery and new WA School of Visual Art and Design is a bringing together of the St Brigid site and the Claremont School of Art, which is to be closed, as one. We were committed as a sector to in fact make these buildings available for use in the second semester in 1999, with the Alexander Gallery running ahead. That was not a brand new facility but there were very significant refurbishments of that facility.

My understanding is yes, there was slippage and a number of the issues which you have raised we are aware of, because the students concerned have in fact corresponded with the Minister and the Minister has in fact responded to them. I do not see any student in the fuller context being disadvantaged or losing fees because of the track record of that particular school. They have a fairly proud reputation. Given the quality of their graduates, no one ought miss out. I know the co-ordinator of the Arts program currently located in the centre has made considerable effort to try and work with students in this area and where there have been problems they actually do address them immediately. So yes, the staff is not perfect. The intention was right by the college, and I support them. It is unfortunate. I think the college has apologised to the students concerned for their inconvenience, but it certainly was not as a result of carelessness. It is just that things got out of sync.

Mr KIERATH: I was actually down talking with the Academy of Performing Arts the other day and their comment was they thought those facilities were absolutely superb. I think they were rather jealous of them actually, but they did make that

comment to me, and that in the longer term they are going to be a great boon to the School of Art and Design in Western Australia.

Mr KOBELKE: Thank you, Minister. I do not have any question with that at all. The building program is providing a range of excellent facilities and certainly you and your Government are to be congratulated on that. What I am talking about here makes a mockery of the whole Government emphasis on customer focus. These students are customers of Central Metropolitan College of TAFE. They have been put in a situation where they have written petitions, standard letters, and I will just read you a couple of sentences from one signed by a number of students. It says:

To our disappointment, discomfort and frustration, we found ourselves in rooms with no tables, chairs or visual aids, little or no art material, broken or partially assembled equipment, on a building site that has no toilets or drinking water, malfunctioning air conditioning and staff who are working without proper offices and photocopying facilities.

It goes on and on. This is not for the first week. This is two to three months after the start of the course.

Mr KIERATH: First of all, it is a management issue that perhaps has not been handled as best it could be, but I think some of those things are really quite wrong when they say there were no toilets. There may well have been no toilets in that particular part of the building but my understanding was, when I had a report and a briefing on it that they were other toilets available nearby, so it is one of those technical terms. You might say in this particular building there is not a toilet but there is one in the adjoining building that is perhaps 10 metres away.

[8.43 pm]

Mr KOBELKE: Up the road.

Mr KIERATH: How wide do you think the road is?

Mr KOBELKE: That is not the point. It is a building requirement, it is a requirement of health and safety that there be those facilities available in the building, and they were not.

Mr KIERATH: But it is exactly the point. As I said to you, it is a management issue about putting people in. I do not have control of it at that level. As I said to you, it is an issue that perhaps could have been handled a bit better but nevertheless the image that is portrayed by some of those petitions is not accurate either. I must admit that the first thing I said was "Why on earth were there not any toilets? Why did we not get some portable toilets?" and the answer was "Well, there are toilets. You have got to walk a little bit longer, a little bit further, but there are actually toilets. We would not put students in a building somewhere where they had no access to toilets".

Mr KOBELKE: They did not have chairs, desks, photocopyers, air-conditioning. There were problems with the fans.

Mr KIERATH: In most cases they did. There may well have been some examples and, as I said, I was not aware of all the details. I said to you it was a management issue. I just caution you that it was not quite the way as it was painted in those petitions.

Mr MacLEAN: Minister, as you know I represent one of the fastest growing areas in the state. Joondalup is a major education campus but further up the line, at Merriwa, Clarkson, and Alkimos, which will be a few years away, you are going to have an extremely large population. At the moment we have the highest population of people under 25, and that is parents and children. I can see a pressing need for more TAFE facilities and other training facilities in that area in the next few years as the constant growth of children go through and require further education and non-university education. What planning processes are the department going through to evaluate the growth areas for after school education - that is, post year 10, post year 12 - and other forms of education and work training in these areas? It is not just the northern suburbs. There is a similar problem down south as well.

Mr HILL: We have not identified it as a problem. The point I would like to make is that we have planning scenarios which are 10 years old. We recently approved Joondalup campus, or West Coast College, requiring further land, to expand their facility on our projections by about 2005. We work with regional authorities, local councils, ABS, the Department of Planning and industry. We are reasonably confident that we will not be caught short or find there is an entire area which is fully developed, with an adult population, or 15 to 19 year olds, who are not catered for. In the first decade of the new millennium I believe we will see a significant change in how we deliver and it would not necessarily be the classroom situation. For example, on-line technology, the West Swan project that the Minister will be monitoring in a couple of months time, will always require people to have more than a PC and a telephone at home. The model of learning and the method of delivery is going to change very significantly. Our capital planning, as I said, is 10 years old. We have not been caught short so far and I believe that is because we have got good people working for us.

Dr KING: Just to add to Mr Hill's comments, we do have a forward plan that goes on 10 years, which is what Treasury requires. As Mr Hill indicated, the concept for stage 3 Joondalup is there in 2006-07, 2007-08, but of course all these do go through prioritisation concept development stage. We also work very closely with the college of course. It is a growing population area and a lot has been invested in that college of course recently. So we are certainly aware of the growth out in that region and have something tentatively flagged but, as Mr Hill, it is increasingly weighing up other forms of delivery and needs.

The CHAIRMAN: The member for Wanneroo, before I give you the call again, we have 10 minutes left. There are two members who would like to ask further questions and I would like all of the questions to be brief and the answers similarly to be brief. Member for Wanneroo.

Mr MacLEAN: While I recognise TAFE Joondalup is excellent in program delivery, it is also, shall I say, a touch elitist. The closest technical college that we have is Balga which is almost impossible to access by people in the northern suburbs. Balga has not been part of the northern suburbs for the last 25 years.

Mr KIERATH: It is part of West Coast College though.

Mr MacLEAN: Yes, it is part of West Coast College, but I am talking about these places. Now, it is all very well to talk about on-line communication with telephones but out there you are on the edge of Telstra's suburban network system. I have some areas where one side of the road is metropolitan, the other side is country and you build that way.

[8.51 pm]

The CHAIRMAN: Member for Wanneroo, can you bring your question to a conclusion.

Mr MacLEAN: So beyond my network may be very expensive for some people and this is an area where people just do not have the disposable income to do it. So given that are you looking at another technical style college in the northern area as opposed to the more elitist delivery that TAFE Joondalup has?

Mr HILL: I will make it very quick. We do not draw a distinction. I expect you are referring to trade facilities which exist in Balga which are traditionally apprenticeships. It is a very rapidly changing world out there. Where previously you needed cabinet makers all of them now are expert ...(Inaudible)... and computer management. That skill is a greater requirement than actual cabinet making in the woodturning industry. No, we do not have a technical college specifically planned but it is also fair to say that the realignment structure of the VET sector, the first one was in 1992-93 and we will be doing one again in the next 12 months, so a refocussing of resources so that you did not have in the metropolitan area for example six automotive training technical centres which resulted in massive under utilisation. Utilisation of 18 per cent for the whole year, we found. No one had adequate resources, no one had adequate technical knowledge and industry was not prepared to invest in it. So we reduced that to three and if you have a look at the three now they are really a benchmark in terms of best practice and investment. To cut a long story short, not just Western Australia but the whole of Australia has gone away from the old concept of a paid college on your doorstep. So, yes, we are sympathetic, we are empathetic but it has got to be weighed up against - - -

Mr WIESE: Page 1430, the last dot point, Katanning Campus and it is great to see the development going ahead in there. Can you give an idea of when that project is anticipated to be completed?

Mr KIERATH: We actually think it will be the following year because I think if you look at the amount it is usually the amount that is associated with - -

Mr WIESE: I am presuming the \$300 000 is the basic planning and perhaps just the start.

Dr KING: The estimated completion date is in fact February 2001. So it should be ready for the new intake in 2001.

Mr WIESE: Thank you.

Mr KOBELKE: Minister, my question relates to the consultancy which was awarded to Stanton and Partners for the BCITF. Are there any payments in the 1998-99 budget or in the 1999-2000 because the work was completed for you on 2 April this year but the last payment which you gave me an indication of in answering a question was actually 12 months ago in April 1998.

Mr KIERATH: This is not an item on this budget. The BCITF is not an item on this budget.

Mr KOBELKE: No, your department had a review done by Stanton and Partners ...(Inaudible)... BCITF.

Mr KIERATH: That was actually funded by the BCITF.

Mr KOBELKE: My question relates to the second last dot point on 1423, the housing and construction industry, which I think relates to BCITF.

Mr KIERATH: Which page is this, sorry?

Mr KOBELKE: Page 1423, identify priority areas which include housing construction which is what the BCITF is about. So I wish to ask you a question about the BCITF. Page 1423, the second last dot point about identifying priority areas in various industries, one of which is housing construction which is a primary aim of the Building Construction Industry Training Fund which the Minister has responsibility for.

Mr KIERATH: Not necessarily, no. If you want me to explain it to you there are other people providing training courses for housing and construction.

Mr KOBELKE: The primary aim of the BCITF is building and construction. Housing is an important part of that.

Mr KIERATH: Ask your question and I will give you the answer.

Mr KOBELKE: I am asking what is your intention with the BCITF in terms of its funding, which will go into apprenticeships and training, given that you have indicated you may make some changes to the way the funding is distributed?

Mr KIERATH: Again, questions about the BCITF are not part of this budget. However, the Stanton Report made a number of recommendations I understand that the board is considering at the moment and I have asked them to respond to it accordingly.

Mr KOBELKE: The Minister has ducked the question, I doubt if I will get an answer out of him. So I will leave it there and go on to other questions.

The CHAIRMAN: We have got four minutes left, member for Nollamara.

Mr KOBELKE: Minister, on page 1415 you talk about the Department's West One On-line Technologies Project, can we have some indication of how that project is structured both in terms of whether it is a business unit within WADOT or what is its organisation and what is its time line and objectives in very brief terms?

Mr HILL: Well, it is a structured project. It is a project within the Western Australian Department of Training. We are currently running pilots. The intent is to launch West One by the Minister in the next two or three months, either July or August. We expect it to come on stream, that is the proper delivery. Currently the pilots run with a range of training providers. From the year 2000 onwards whether it remains a division of the department or forms an institution under the Act but certainly within the ambit of the department, is yet to be determined.

[8.58 pm]

Mr KOBELKE: 1416, the Aboriginal Economic and Employment Development Officer program, I would like some information on which part of the budget that comes out of and how many officers are currently employed and whether there is any intention for the numbers to remain at that level or grow?

Mr DAVIES: It is part of the State Employment Assistance Strategy. Job Link is one part and the AEEDO project is referred to as the other. We do not actually employ officers. We fund Aboriginal communities to employ officers. The current number is 10 and was not to increase this year.

Mr KOBELKE: The distribution? Are these officers stationed in remote communities, throughout the south west or what parts of the state?

Mr DAVIES: It is predominantly remote communities. Four of them are in the Kimberley, there is one in the south west, there is one in Peel, one in Geraldton and one in Laverton.

Mr KOBELKE: Is their role changing or likely to change given the Commonwealth's changes of its employment funds into Aboriginal communities?

Mr DAVIES: The Commonwealth's changes we are not sure of all the details yet but these organisations are not dependent on the Commonwealth funds. They use them as they can to support their initiatives. They would have used TAPS funding before and some of the new Commonwealth initiatives basically in a very rough way replaced TAPS so they will continue to access those funds to run some of the programs that they have initiated.

Mr KOBELKE: So they basically have the flexibility of fitting in with the changes the Commonwealth made.

The CHAIRMAN: Given the time members I will put the question that the vote for division 66 be recommended.

Committed adjourned at 9.00 pm
