

Mr Matt Birney; Mr John Kobelke; Mr Rod Sweetman; Mr John Hyde; Mr John D'Orazio; Mr Jeremy Edwards;
Mrs Carol Martin

Division 22: Local Government and Regional Development, \$42 892 000 -

Mr Dean, Chairman.

Hon John Kobelke, Minister for Consumer and Employment Protection; Training; Leader of the House

Mr A. Skinner, Acting Director General, Department of Local Government and Regional Development.

Mr L. Nagy, Finance and Administration Officer, Department of Local Government and Regional Development.

Mr G. Comben, Team Leader Regional Projects, Department of Local Government and Regional Development.

Mr M. Walker, Acting Project Leader, Department of Local Government and Regional Development.

Mr BIRNEY: I note that there are at least four people sitting at this table who are former councillors and mayors and what have you. I must say I am probably the least qualified to ask questions on this section but, nonetheless, I would like to ask my standard question that relates to the priority and assurance dividend which we would find on page 383. Minister, you would be aware that the priority and assurance dividend or budget cut that is listed there is to the order of some \$219 000. Whilst I prefer not to hear your sermon about how insignificant that is with regard to the \$42 million budget, I would nonetheless, Minister, ask how those budget cuts of some \$219 000 are going to be achieved.

Mr KOBELKE: I am disappointed you thought that was a sermon. My sermon is about the problems that the last Government left us, so we need this. That is the sermon. I thought I had been very gentle in my sermonising.

Mr SWEETMAN: Give us the one about the loaves and fishes!

Mr KOBELKE: The priority and assurance dividend, as we have already said in other places, is one where individual departments had to show how that could be met. In some cases that is still down to being worked through where it is a fairly small amount. In other agencies, it has meant that particular programs have been cut and cut significantly. Clearly that is the intent of the question. The member is quite rightly seeking to find in every agency whether the priority and assurance dividend can be found through reasonable efficiencies or whether it really is going to cut into the output of the agency or major programs of the agency. I will see if we can, through Mr Skinner, give you some idea of how we are progressing with actually designating the areas where those savings will be found and if they do relate to specific programs to give you some indication of those.

Mr SKINNER: It is a combination of things. Combining the three parts of the department that have gone in to forming this new department, we have looked at enhancing efficiencies across the area. We have looked at some adjustments to existing programs and we have also looked at reducing some FTE levels where we consider them to be covered by the efficiencies achieved by the amalgamation of the agencies, so it is a combination of factors.

Mr BIRNEY: A supplementary, Mr Chairman. Minister, your CEO said he was looking at adjusting some programs. Can I ask specifically what programs the Government intends to adjust? He further went on to say that he intends reducing some FTE levels which I take it is in reference to some reduction in staff numbers. Can I ask, Minister, just how many staff you intend to make redundant or otherwise in this department?

[11.40 am]

Mr KOBELKE: Elaborating on that, and again I will come back to Mr Skinner to be more specific if he can, the issue is that with the amalgamation of agencies there can be savings in terms of administrative costs or positions that are there. There is to my knowledge no money relating to redundancies. It is simply natural attrition where people move out of the department. We have a moderate turnover rate but in terms of what is the total budget, that is a fairly large amount of money where people have to be reappointed or new people found to fill vacancies. If you either delay that filling of vacancies or decide you can actually get by without that - and we are saying that because of the amalgamation it is likely that there is a number of position we can now get by without through the amalgamation - then that amount in this year of \$219 000 is not very many salaries. That is only part of the saving.

As already indicated, there will be savings across the whole range of programs as well. Efficiencies can be found or a small part of the work that was done under the program will not be done. I think that answers the question but perhaps Mr Skinner might like to add a little bit more detail.

Mr BIRNEY: By way of clarity, Minister, I accept that \$200 000-odd does not relate to a significant number of staff numbers being reduced. The first part of my question was in fact in relation to the adjustments to programs.

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I am wondering if your advisers might be able to be slightly more specific with regard to which programs they intend to adjust.

Mr SKINNER: It is fair to comment and let the Committee know that all agencies are going through this, particularly in our case where we have amalgamated agencies. We are reviewing our commitments to the Government programs. We are looking at the mix of resources we need to deliver those. We are looking at new strategic planning. All agencies are doing that. In our case, we are going to be reviewed in early 2002 as to the progress we have made, particularly on the machinery of Government recommendations. The minister is correct. The precise details of those are still being adjusted at the moment as we work through but we know what our bottom line figure is and we will make sure we deliver on that. It was taken out of our budget. We had no option.

Mr BIRNEY: Just to be clear, the minister will provide that as supplementary information.

Mr KOBELKE: No. I am saying it is not possible because that has to be within two weeks and in two weeks we still may not have designated the exact areas the savings are to be made. I do not want to give an undertaking I cannot fulfil on. What I am saying is that because these matters are still under consideration, it is more the nip and tuck across the whole agency, rather than any big program to be cut. That has not yet been designated. It is unlikely I will be able to provide the specific detail you are seeking within the two week time frame required of supplementary questions. I will have to ask the member to use another opportunity at a later date to tie down exactly where the savings were found within the Department of Local Government and Regional Development,

Mr HYDE: Minister, what is the total amount of funds allocated to the City of Perth under local road funding for 2001-02? It is page 396 under the top area - the top line item.

Mr KOBELKE: You are talking roads or local government grants?

Mr HYDE: Just roads, local road funding.

Mr KOBELKE: The figures available here at the moment actually are not broken down into roads. That is the Local Government Grants Commission. That has a road component in it but the total payment under the Local Government Grants Commission to the City of Perth is \$407 232 but I do not have figures to break down what is the road component of that.

Mr HYDE: Is that the general grant, or the general grant and roads?

Mr KOBELKE: The general grant which includes a contribution for roads.

Mr D'ORAZIO: Minister, while you have that page open, I have a supplementary to that.

The CHAIRMAN: You are strictly out of order. It still resides with the member for Perth.

Mr D'ORAZIO: Can the member for Perth ask it for the City of Bayswater and the Shire of Swan?

Mr KOBELKE: For the City of Bayswater, the Local Government Grants Commission amount is \$1 330 777 and the Shire of Swan it is \$2 471 640.

Mr EDWARDS: I would like to ask a question, but would it be possible for the minister to table that information?

The CHAIRMAN: He cannot table it but the minister certainly -

Mr KOBELKE: That may be best provided by way of supplementary information and everyone gets a copy.

Mr EDWARDS: Can I reword it then?

Mr KOBELKE: I am happy to give that undertaking. That will be provided by way of supplementary information to members of the Committee.

Mr EDWARDS: Minister, I want to go back to page 382, dot point 6 under "Significant Issues and Trends" -

The financial position of local governments in drought affected areas of the State is a cause for concern.

That is a very bland statement and I sort of appreciate probably why but I cannot find any line item on this. Could you perhaps provide some further information as to where that is going to go?

Mr KOBELKE: I will remind or help advise the member, as most members are new members here, that the structure of the budget papers is that this comes under - there is a mission statement, then there is significant issues and trends. It then goes on to pick up what may be initiatives of the last year or major initiatives for the forthcoming year, but what we are dealing with there is designating that that is a significant issue so it does not

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automatically to a line item. I do not know whether I can be assisted. Does it go to any line item? It does not go to a line item.

As the member would be well aware because he has considerable experience in this area, the effect of the drought does not relate just to local government. It relates to business right across the board to many, many areas of Government activity. What we have here is one particular agency signalling that up front as being a major issue that they need to be cognisant of and to deal with and to take into account in a whole range of areas, so it does not equate from that concern to one line item. I would ask Mr Skinner to add further comment, please.

Mr SKINNER: It certainly influences the way in which the department operates. For example, the Minister Tom Stephens has written to the Treasurer asking for advance payments from the Grants Commission to try and help the drought-affected councils through critical periods of their financial year. So there is representation made. The Minister has taken a strong interest. Together with Minister Chance he is also putting in a joint submission about ways in which local governments and small business can be helped in the regional areas affected by drought.

Mrs MARTIN: Page 396, "Details of controlled grants, subsidies, transfers, transfer payments": my question relates to the three line items. It is quite simple. What out of all that is the allocation to Shire of Derby-West Kimberley?

Mr KOBELKE: Can I get the line, please? We are on page 396.

Mrs MARTIN: The first section, "Details of controlled grants". Out of those three line items, what would be the allocation for the Shire of Derby-West Kimberley for grants mainly?

Mr KOBELKE: To the extent that that is picked up in the Local Government Grants Commission, we will be providing that full list by way of supplementary information.

Mrs MARTIN: Is that the same list?

Mr KOBELKE: Yes. Is there any addition? If it is all on that list, that answers the question.

Mrs MARTIN: What if I read you the question: what is the total allocation of grants to the Derby-West Kimberley shire?

Mr KOBELKE: The difficulty I have with the question, member, is that there are different buckets of money which may be allocated. There are some funds of a general form which will go through an allocation process and therefore we cannot at this stage designate that that will go to the Kimberley. What we can designate at this stage is the Local Government Commission grants which are derived by a process which has a complex formula and a consultation process, etc, has been allocated. The details of which I have indicated I will provide by a supplementary information so that full list will be made available, but that does not fully answer your question because it does not cover some possible other avenues through which funding may flow to the Kimberley.

Mrs MARTIN: Just Derby really.

Mr D'ORAZIO: Mr Minister, my question is in relation to local government inquiries. As you can see on page 383 in major policy decisions and also the funding of the inquiries for the 2001 and 2002-03 in relation to funding of the Cockburn inquiry, \$1 million is being paid over; notwithstanding that, three lines further down the City of South Perth inquiry which was \$270 000. Is there any allocation because there is going to be other inquiries obviously going to occur? People from local government wish there were not any inquiries.

Mr KOBELKE: You have escaped.

Mr D'ORAZIO: I have escaped but I still like remembering that I did come from there and I understand the pressures that local councils get put on by people who make accusations and at the end of the day if they were put in the State scene, they would not even be listened to, but in the local government we seem to be subject to this forever.

[11.50 am]

The CHAIRMAN: Can you get to your question, please, member for Ballajura?

Mr D'ORAZIO: My question is there appears to be no allocation other than those for any other inquiries that may occur and I do not want any local authorities that are going to be subject to an inquiry to have the same problems that happened to Cockburn and happened to South Perth where sometimes innocent councillors and councils or ratepayers in particular get subjected to huge costs for inquiries. There is no allocation that appears.

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Can you explain to me, if there is another inquiry, where it is going to come from or does that need a special allocation if the inquiry is called?

Mr KOBELKE: I will ask Mr Skinner again to give more specific details, but, as the member would be well aware, there are provisions in the Local Government Act which can lead to inquiries. Any Government from time to time finds itself in the position where it believes it is necessary to use those provisions of the Act and establish an inquiry and therefore the budget has to be found for that inquiry. It is not anticipated at the time the budget is brought down that there will be an inquiry into council X or Y so therefore no allocation is made for that.

What you see here are allocations which relate to the fact that - one inquiry into the City of Cockburn has been concluded and there was an election promise to meet the cost, as would normally be the case, to undo what the last Government did in terms of trying to make some dubious political point in terms of levying that on the City of Cockburn. We will not go into that, but it did not make any sense to me. Anyway, we are fixing that problem up by returning that money to the City of Cockburn. The other issue was that the City of South Perth had an inquiry. That inquiry has run into legal difficulties, if I can put it that way, and therefore we are in a situation where a decision has to be made as to how that will be progressed further, but there is not a general amount of money put into the budget to assume that there will be further inquiries when clearly they have not been committed to but Mr Skinner may be able to be more specific on the matter.

Mr SKINNER: The Minister has covered that probably as well as I could, being a newcomer to the department. I have only been there since July, but my clear understanding at this stage is that as and when an inquiry arises and there is a need for a financial provision, special supplementary funding is sought now through the Expenditure Review Committee and that is the way in which it is tackled, but there is no provision made. There is no provision put into a budget for potential inquiries down the track. They are addressed as and when they may arise.

Mr EDWARDS: Supplementary question, Chair? The supplementary question first through you, Minister, is in respect to the member for Ballajura's question. That was going to be my next question as well. It is a concern to local governments and I think a very high concern, but I hear what you have told us and I understand exactly. WAMA being the body of local government, is there any working relationship in terms of that particular issue with WAMA, because I know it is a concern of WAMA as well, and are there any avenues that they are following in respect to that?

Mr KOBELKE: Clearly the Gallop Government wishes to establish and is establishing, I believe, a very good relationship with WAMA and local government. A key element of that is the approach of the Premier to come to formal agreements with councils as to the interrelationship of programs. So there is a whole range of issues there that is related to but not directly to the point. The point being specifically asked is, has part of that consultation which may come to some form of head of agreement or memorandum addressed specifically the issue of inquiries? I do not know the answer to that. I do not know if Mr Skinner can enlighten us on it.

Mr SKINNER: Yes, Minister, I can. WAMA and the department are talking quite closely on that, and also the Local Government Managers Association, which is CEOs and senior level people in local government. They have actually prepared a draft paper at this stage on reviewing section 8 of the legislation dealing with inquiries. That is in a draft form. The department will receive that and will continue to work through with WA Municipal Association and LGMA.

The minister also has asked the department to prepare a position paper on different ways in which potentially a tribunal could operate. He has raised at Local Government Week the opportunity perhaps of an experience he became aware of in the United Kingdom where there is an independent tribunal funded by the industry and taken outside of the strict government, so it is a peer review funded by local governments themselves as an alternative to the current provisions. It is certainly current and the department is flexible about looking at the way in which it operates into the future, but closely in consultation with the practitioners in the industry.

Mr EDWARDS: Chairman, sorry, I just want to continue with my supplementary question because Mr Skinner raises another point that I find of interest. It is a question I was going to be asking later on, but you have just mentioned there the English issue of looking at how they have looked at tribunals and I do note on page 389 under "Major Initiatives", dot point 3, that a study will be undertaken, which is what presumably you are talking about and I was going to ask you to elaborate on it further but I guess you have elaborated as much as you can on that.

Mr KOBELKE: Yes.

Mr EDWARDS: Thank you. Now can I go to my question?

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The CHAIRMAN: Yes.

Mr EDWARDS: There are two supplementaries. Thank you. Minister, my question is on page 384, under "Output 1", I just note a reduction of four FTEs, which is I think equal to approximately 220 K's. There will probably be a reduced level of services to councils in terms of policy and legislative advice and so my question is, in the reduction of approximately \$2 million (1) what services are to be cut; (2) how is the department going to service this key role; and (3) will there be a reduction in services?

Mr HYDE: Which line item are you referring to, member?

Mr EDWARDS: I am looking at output 1 under, "Appropriation for purchases," and the FTEs.

Ms MARTIN: Is it 384?

Mr EDWARDS: On page 384 under "Output 1". At the bottom of the page I think you will find, "FTEs employed in this output during 2000-01 was 22; estimated, 18 for 2001-02."

Mr HYDE: This is now a combined department. It is not just local government.

Mr EDWARDS: I understand that.

Mr KOBELKE: Just give us a moment.

Mr EDWARDS: That is fine.

Mr D'ORAZIO: This is a saving -

Mr HYDE: Efficiency.

Mr EDWARDS: That is all right. I want to hear about it.

Mr D'ORAZIO: You are going to be a full bottle on this over the next four days. You are going to know every priority and assurance dividend in the budget.

Mr KOBELKE: I will ask Mr Skinner if he can help explain that.

Mr SKINNER: Thank you, Minister. Minister, as you mentioned before, we are going through the review of all the processes at the moment and the service delivery. I do not believe there will be any reduction in service provision from the agency. The efficiencies that we will be achieving out of combining the areas and the restructure I have already brought into place on an interim basis now. We are consolidating the mix of skills that we have from different parts of the agency. For example, the area you are particularly talking about, assistance to local government, we have created a division called "capacity building" and it is specifically about building communities, which includes local government. It is providing advice.

I will get around to the other things so do not think I am avoiding it. The other side of that is, leading back to your issue about inquiries before, there has been concern about the department where the same staff in the past were doing a assistance and then proceeding to an inquiry. We have actually taken the step to separate those functions within the agency, so we now have an area called governance and statutory support which is separate from the area which provides assistance to local governments and to regional communities.

The positions on staffing: there has been a range of changes. Some have been administrative savings by amalgamating. As the minister already referred to, we are working through the priority dividends so there has been some staff reduction levels in that. Keep Australia Beautiful Council, which is shown in our budget there, has also had a small reduction in staffing. It has in fact now been transferred formally from our department and our budget across to Environment to recognise in fact that the way it was probably operating in the past needed to be reviewed, it needed to be linked into environmental education programs. That has now been taken and, again, we are trying to achieve greater efficiencies.

Mr EDWARDS: Sorry, just so I get that clear, that has been transferred from local government?

Mr SKINNER: Yes.

Mr EDWARDS: Thank you.

Mr BIRNEY: Minister, can I refer you to page 387 under, "Major initiatives for 2001-02," and more specifically dot point number 4 which reads -

The regional investment fund is a major initiative for 2001-02 which provides \$75 million over four years. It will be established to improve the social and economic development of regional Western Australia. Funding will be provided through the Department of Local Government and Regional Development and the nine regional development commissions.

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Minister, can I start by congratulating you on that initiative? I think it is long overdue, if I could say that, and it will certainly be a worthwhile initiative. Can I firstly ask you if the \$5 million that you have set aside in recent times for your tourism initiatives will be drawn from that \$75 million regional investment fund? Can I further ask you how much of that \$75 million will be set aside for the Kalgoorlie goldfields region and what the criteria will be for drawing from that fund?

[12 noon]

Mr KOBELKE: I thank you for your support for the regional development fund. We think it is going to be a great initiative. The issue with respect to the \$5 million for tourist promotion in light of the collapse of Ansett and a whole range of problems flowing from that is that my understanding is that allocation has not yet been made, so I am not ruling out there might not be some money from this but my best advice is no, there is no money currently designated to come out of the regional development fund.

The regional development fund is split up in a number of ways and that is still being worked through. There is a subcommittee of Cabinet that has a particular responsibility for regional development. I am not a member of that committee so I am not across the details, but what relates specifically to regional areas is that there is to be \$400 000 each year go from the regional investment fund to each of the development commissions. There is a program laid down or guidelines laid down as to how that money will be allocated; that is, there is to be input from people in the region and that will obviously augment the regional development commissions' budgets, so that is a fairly reasonable amount of money per year over the four years for each of the regional development commissions. There will be expenditure which will be obviously designated centrally relating to specific matters which will assist regional development. That is a matter of ongoing development. I do not know if there have already been any commitments made which been announced.

Mr SKINNER: In addition to what the minister has already said, the intention is to break the \$75 million over four years into three components. One is the regional investment funding program, which will be \$55 million for major capital works. The minister has referred to the direct allocation to regional development commissions of \$15 million over four years, which is \$400 000 a year for each of the nine. That is for a mix of capital works and other projects.

That is part of the Government's commitment to devolve decision-making into the regions as far as possible so it will not be done through the department, it will actually be directed out into the regional communities with regional development commissions calling applications, assessing them and deciding them with their respective regional ministers. Then there is \$5 million over the four years which the department will administer which will basically be for those which go across one or more regions, so if it cannot be to one regional development commission alone, the department will assist in trying to do cross-regional projects.

Mr BIRNEY: Supplementary, Mr Chairman.

The CHAIRMAN: Yes, member for Kalgoorlie?

Mr BIRNEY: Minister, you may or may not be aware that the Goldfields-Esperance Development Commission has an allocation of \$1 million over four years, which of course amounts to some \$250 000 in this year's budget and the next three years budgets as well, and that is known as a regional development fund. Is that completely separate to the \$400 000 that my region will be allocated from this \$75 million fund, or are they tied together?

Mr HYDE: Just a point of order. Regarding the Goldfields Development Commission it is not part of this estimates area and also I believe that legislation has not come to Parliament yet regarding this new fund.

Mr BIRNEY: On the point of order, Madam Chair, I am sure the minister has the capacity to answer for himself. I am not sure that he needs the member for Perth to protect him. I am quite sure he is big enough and tough enough to answer these questions himself, and that may well be the case but I am not sure what role the member for Perth sees that he has on this Committee.

Mr HYDE: To get into the pertinent issues quickly and not wasting our time.

The CHAIRMAN (Ms Guise): I need some clarification myself because I came in halfway through the question which was not too brilliant.

Mr KOBELKE: I am happy to attempt to answer it. I see the point the member of Perth is taking. Because it was couched with respect to the Kalgoorlie Regional Development Commission, which is a different division, we have dealt with that. I think it is a pertinent question as to whether or not, taking that one example, the \$400 000 is additional to moneys already allocated. The issue is if we go back through - we cannot now - the Kalgoorlie Regional Development Commission budget and if the money you allude to is in that budget, then it is not in the \$400 000. The \$400 000 would be extra.

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Mr BIRNEY: I would like to just clarify that, Minister, if I may. It is going to be administered by a group of people including local government, including the Goldfields-Esperance Development Commission and of course the member for Eyre. I am not quite sure if it is in the GEDC budget or not.

Mr HYDE: No, I did not say it was. You are referring to a budget item we are not doing and now you -

The CHAIRMAN: Member for Perth, the minister has the call.

Mr KOBELKE: The issue is that through the various subparts of the regional investment fund, redevelopment fund, there is to be \$400 000 per annum for four years for each of the regional development commissions and there are guidelines laid down as to how that is to be administered and allocated. If there is already money in the budget for any or all of those regional development commissions, then the \$400 000 is additional to that. The particular amount that the member for Kalgoorlie mentions is one which I am not familiar with and I do not know whether that is actually in the existing budget or not. If it is not in the existing budget, then I am not sure where we would find it to be able to make that comparison. It is a genuine question and I would like to give you a genuine answer but I do not want to give an answer which is incorrect and the difficulty is actually tying that down as to the actual amount you are talking about to check as to whether or not it is not in the existing budget for that particular development commission and if it is not, then we presume that it may be in some other budget or it is going to have to be taken up as part of that \$400 000.

Mr BIRNEY: A further supplementary, Madam Chair. I think possibly, Minister, the best way to get to the bottom of this would be to see if in fact the first allocation of nine times \$400 000 appears somewhere in this budget paper. I wonder if we might be able to find that.

Mr KOBELKE: It does. I did see that on one of these pages a moment ago. It is there. I am just trying to find the page. Not the breakdown detail but the actual amount.

Mr D'ORAZIO: You are either going to get 250 or 650 so either/or you are going to be in front.

Mr HYDE: Matt, why do you not do a question on notice regarding the goldfields one?

Mr BIRNEY: If we can find the \$3.6 million in here, the goldfields money will be additional because that is contained in another budget.

Mr HYDE: Except this is 400 new.

Mr KOBELKE: To answer the member's question, Madam Deputy, on page 383 you will see regional investment fund with the \$75 million allocated out across the four years. So it is not broken down further. In helping with the answer Mr Skinner indicated that the \$75 million has been broken down into three key component parts. One of those component parts is the annual allocation to the development commissions. My understanding is that is a clear commitment but it does not appear in that specific breakdown in the budget papers.

Mr D'ORAZIO: My question was again in relation to the investment fund and you might be able to answer it. I was really looking after any specific major capital items out of the \$25 million allocated this year. You have told us about the breakdown. Is there any single specific item?

Mr KOBELKE: The issue is that it has been broken up into three component parts. The legislation has yet to come to Parliament because we wish to administer it through that Act so that it will be an ongoing allocation administered under a specific Act. The minister may have some issues where schemes are being worked up but to my knowledge there are no firm commitments currently given on that one.

[12.10 pm]

The CHAIRMAN: For the purpose of the record we were just talking about the regional investment fund which appears on page 383 and I will remind members to please refer to those things first when asking questions.

Mr EDWARDS: Thank you, Madam Chair. Minister, page 385 under "Major Initiatives for 2001-02": I want to cover dot points 2, 4 and 5 if I may. On dot point 2 the third amendment Bill I note for the Local Government Act 1995 is subject to Government priorities. Could I ask why it is subject to those priorities and what are those priorities?

Mr KOBELKE: The issue is with most new governments, and it is particularly with the Gallop Government, that we have quite a huge reform agenda and getting things drafted into the Parliament and through the Parliament means there is always a pressure on to get priority. I am also able to answer that as my position as Leader of the House. Do not quote me on the number because it is just pages but I suspect there is something in the order of 200 Bills sitting round either in the Parliament, being drafted or waiting to be drafted and therefore

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each minister has to argue the case to get priority and that is what is being indicated there. The Minister for Local Government and Regional Development is keen to proceed with a third amendment Bill to the Local Government Act but what is being signalled here is that the minister has yet to establish a priority position for that in the Government's legislative program, as is the case with most ministers and most of the legislation at this stage.

Mr EDWARDS: Thank you, Minister.

The CHAIRMAN: Do you have a supplementary you want to develop a theme to?

Mr EDWARDS: It is basically under the same initiative so if I could ask a supplementary question. Actually, Minister, I will not bother to ask you dot point 3 because I am aware of what is happening with the Animal Welfare Bill. On dot point 4 in relation to building control, fence arrangements, dog control, when are the building control, dividing fence arrangements, dog control policies to be completed? Is that again something that is an ongoing situation?

Mr KOBELKE: Mr Skinner, please.

Mr SKINNER: Thanks, Minister. There has been extensive consultation throughout the industry in respect to a new building control piece of legislation including the release of a public discussion paper. We have had numerous discussions with all the key industry interest groups and drafting of legislation has only just commenced and will continue as policy positions of the new Government evolve and again that will be subject to competing prioritisation in respect to the legislative program in the Parliament. In relation to dividing fence legislation a public discussion document on the review of the legislation was actually released in 2000. Feedback was received. We are working through that feedback at the moment and policies will be developed as further consultations occur throughout this year. We have gone through an analysis of our files in relation to the suggestions for changes to the Dog Act and the department will commence a more formal review of the Dog Act in the near future.

Mr EDWARDS: Thank you, Minister. Could I ask a supplementary? Just in respect to those particular issues through you, Minister, and perhaps to Mr Skinner, what financial implications are they likely to have on local government, if any?

Mr KOBELKE: That is a difficult one.

Mr EDWARDS: I understand. It is a fairly general question.

Mr KOBELKE: We are still at early days of consultation and we are actually dealing with the financial commitments of Government here, not local government, but it is a question obviously of significance because local government has over the last eight years had a whole range of programs heaped onto them without any consultation at all, but what there is currently in place is a clear commitment that the Gallop Government is going to work with local government so that we can manage those issues through because, let us be honest, there will be times when governments of all persuasions that things need to be done in the local government and local government sometimes will not be happy about it.

What is different about the Gallop Government is that we are saying, yes, we will sit down and talk about it, not just land it on local government, and try and work through it so that we can manage it and look after the clear interests of local government. To that purpose the Premier has established a working group on State-local government relations, which I have alluded to earlier, so that local government's role can be fully recognised and a very good working relationship established between local government at an individual level and through WAMA and through their peak bodies so that we do advance the cause of local government and it is able to work very effectively with the State Government. The point of the question is clearly an important one, that is, that there will be in a range of these matters cost considerations for local government and they will be taken up in frank discussions with local government, not just foisted onto them.

Mr EDWARDS: Thank you, Minister.

Mr SWEETMAN: Minister, the second-last dot point under "Major Initiatives" on page 387, just in relation to the review that you are going to undertake of the Regional Headworks Development Scheme, I have long been concerned about the headworks that are applied to new developments, particularly in regional WA, and I understand the Government has to raise the money, but let us call it what it is. It is simply a tax on development and it is paid up-front, so it causes particular grief to the developers of any particular project. Instead of an up-front cost applied, can it not be replaced by a pay as you go, in other words, amortised over 10 years and collected along with the annual rates that apply from, say, the Water Authority in relation to their headworks charge component?

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Then talking about the headworks development scheme itself, the maximum loan which converts to a grant that you can get when you apply for assistance is 75 per cent of the cost of the headworks. I am also a bit anxious about the potential for political influence in that assessment process where some people get it, some people do not. The ones who do not are left to wonder why they did not and whether or not there was some interference.

Mr HYDE: Is that how it operated in the last eight years?

Mr SWEETMAN: No. There are questions and it opens the whole procedure to suspicion and I do not think the board or the assessment committee deserves that because quite often there is not sufficient logic in the way each application is assessed. I am quite happy to see that assistance program reviewed and I think replaced with a pay as you go arrangement.

Mr KOBELKE: I thank the member for the question, which was largely comment, and I think one which is very apt - that a major impediment to economic develop in many regional centres is the high headworks charges for the provision of water, electricity, telecommunications, gas, drainage, sewerage services. I think the member was alluding to the fact that in some cases those headwork charges are so high that the proposed developments, particularly major industrial developments, are forced to move away from that region because the economic investment simply does not stack when you have to add the headworks charges.

This means of course that the jobs and the flow-on effects into that region are lost, so it is a very crucial issue and that is why it was a clear election commitment to undertake a review to see how we can address those problems because if we do not, then we are going to find more and more of the Western Australian population comes closer and closer to Perth. That then opens up a whole range of issues. There are the social issues that we are not being effective in trying to address that trend for people to move away from a whole range of rural areas, which is a very serious issue, so that is one part of it.

Then on the other side of the equation we end up with extra cost pressures in Perth. Although not a large city with the problems, say, like Sydney, there are then other factors that flow to Government through our court system and our prison system and all the rest and therefore providing that support for regional communities so that they can actually get a fairer share of industry development is a very important part of the overall priority of Government. It then comes down to the practicalities of how we actually help meet those headworks costs and it is hopeful that through the review we will be able to find a better way of doing that.

Mr BIRNEY: Supplementary to that learned Chair?

The CHAIRMAN: First the member for Ningaloo. Did you indicate a supplementary to your own question? I will take them in order.

Mr SWEETMAN: Yes. I just wanted to close out the question. On an interim basis the minister will continue the current arrangements until he comes back with the findings of the review, so the headworks assistance scheme as it exists is still going to stay in place?

Mr KOBELKE: That is my understanding. There is money in the current year, I think of the order of \$7 million, but we are doing the review to see how that whole system is to be addressed.

Mr EDWARDS: Madam Chairman, I did not actually have a question as such. I just wanted to make a statement. Could I have your indulgence on that? In relation to what the minister has just been talking about -

Mr KOBELKE: The member cannot make a statement. If he asked a lengthy question, I will not object.

Mr EDWARDS: I am not asking a lengthy question. I wanted to illustrate the point that has been raised here by the member for Ningaloo, and for our city cousins here I think it is well worth raising the point, with the greatest respect. I have a young man who started a business in a rural centre in my electorate. The water pipe runs 10 feet from his front door. He wants to connect to it. It is going to cost him \$3 000 to connect. I just make that point and this is what we are talking about and that is what they see as so unfair.

[12.20 pm]

The CHAIRMAN: That was a bit of a stretch in terms of the supplementary, so I am looking forward to the member for Kalgoorlie's supplementary question.

Mr BIRNEY: My question is indeed a supplementary question. I too am concerned about the regional headworks that are imposed upon people in regional areas, but I am drawn to these words "adequacy of funding" and I ask, Minister -

Mr KOBELKE: What is the line item there?

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MR BIRNEY: On page 387 where we have the title there, "Review the Regional Headworks Development Scheme", and with specific reference to the adequacy of the funding. Would I be correct in assuming, Minister, that by including those words "adequacy of funding" in there, the Government is possibly of the view, albeit I would not like to pre-empt the review, that the funding so far is not adequate that is being charged under the headworks development scheme?

Mr KOBELKE: It is my understanding that those words actually reflect election commitment, that there was concern as to the adequacy of funding, and that is what is being considered.

Mr BIRNEY: But not on the side of increasing charges for the headworks. That is the question that was being asked.

Mr D'ORAZIO: I understand, but the member's question was, Minister, those words mean you are going to increase it and that is not the position. The position is of lowering it, not increasing it. I just wanted to clear that up.

Mr BIRNEY: Minister, whilst we are on that page 387, it is not my intention to hold the Committee up unnecessarily and I know that we are getting very close to ending our session here today, but can I refer the minister to dot point 2 under "Major Initiatives for the year 2001-02" on page 387 which says -

Research options and commence implementation of a regional Western Australia display area in Perth to promote regional investment and lifestyle opportunities.

Minister, can I ask when you intend to commence implementation of that regional Western Australia display area in Perth and where that money is reflected in the budget paper?

Mr KOBELKE: I have a note from the minister which indicates that they are about researching options and commencing implementation of a regional Western Australia display area in Perth to promote regional investments and lifestyle opportunities. Early options papers are prepared in draft for regional commission directors to put to the Regional Development Council in October and following the Regional Development Council ratification, those recommendations to go to the Cabinet Standing Committee on Regional Policy. That is the note I have. In a moment I will ask Mr Skinner if he might be able to help elucidate the answer to the question.

The other thing to keep in mind there as well is that we have already initiated those regional investment tours where we have had people in Perth involved in the banks and investment houses taking them out to show them the opportunities in the regions and get them to familiarise themselves with the industries that are there, so that is an adjunct to this, but not the exact point of the question, the point of the question relation to the regional display area in Perth. I will ask if Mr Skinner can add to that.

Mr SKINNER: There is no specific line item in respect of that. The position is being reviewed. The Regional Development Council, which is the chairs of all the development commissions, has asked for a scoping paper on some of the options. That is, as indicated by the minister, being prepared in draft form and will go to their 8 October meeting in Bunbury. There is a range of options. Our minister, Tom Stephens, has expressed some views about options for a city based CBD area with a combination of display and the equivalent of a business centre that you may find in a bank or, dare I say, a frequent flyer club lounge; that sort of facility where people from the country can go in and use meeting rooms but also then use display areas promoting the regions.

The election commitment actually referred to an opportunity or a review of the Agricultural Showgrounds at Claremont. The minister has asked for that to be reviewed as part of the paper that is being prepared at the moment. At this stage, there is no specific line item. We will find it from within existing resources as much as we can.

Mr EDWARDS: Minister, page 389 - and probably some easy dorothy dixers for you - under "Major Initiatives for 2001-02", dot point 1 and dot point 2, the review of private swimming pools. When is the review to commence? When is it to be completed? Who is to conduct the review and what is the cost of the review? It obviously is fairly topical at the moment.

Mr KOBELKE: Thank you. I will need to seek advice on that specific question.

Mr SKINNER: The review is ongoing and with the unfortunate tragedy of the two children recently, the Government has accelerated that review. We have put some option papers to the Cabinet as supplementary information. Cabinet is considering that at the moment in respect to legislation to apply. It is not for me to comment on what Cabinet may or may not decide but we have put a range of options in there. We have worked with the Royal Lifesaving Society to use some of their data. They are undertaking quite an extensive analysis of swimming pool impacts. We are working with WAMA, the WA Municipal Association, obviously with their

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inspection role and the impact of any changes to legislation on them, and also with a range of other stakeholders, including the Society of Surgeons and others. That is continuing to be worked under Minister Tom Stephens' very close purview. He is pushing the agency quite hard to deliver some information for him on that right at the moment.

Mr KOBELKE: Could I confirm what the minister I understand has already said publicly? The election promise will be fulfilled and that is the requirement for isolation fencing on all new pools. I know there is some industry opposition to that. That was a clear election commitment and the minister is very keen to fulfil on that. What is going to come through the review and the consultation is, what do we then do about the pools which are already in place and do not have fencing of the standards we might like to have? That is a much more complicated one. Clearly any measure to do something in that area is going to come out of that consultation and review.

Mr EDWARDS: My final question was the cost of the review. Is there a line item for that as a cost?

Mr SKINNER: No. Through you, Minister, it is a cost which is simply absorbed through our strategies and policy division as part of their normal operating cost.

Mr EDWARDS: Minister, the other question was on the same page, 389 and dot point 2 - the review of the Local Government Act 1995. Again when is that review to commence? When is it to be completed and who is to conduct the review? What is the cost of the review?

Mr KOBELKE: Again I will ask Mr Skinner if he can help with that one. I think you may have the wrong dot point there, member.

Mr EDWARDS: What did I say?

Mr KOBELKE: That relates to inquiries with local government. We have answered that. You were talking about a review of the Local Government Act.

Mr EDWARDS: I beg your pardon. Yes, I was. I am sorry; my apologies - a review of the Local Government Act? However, I may have misread that.

The CHAIRMAN: So that question is withdrawn.

Mr EDWARDS: Yes, I can withdraw that.

The CHAIRMAN: Thank you.

Mr EDWARDS: I have a supplementary question in relation to the Local Government Act 1995, having asked a question. Is there any move to actually overview the Local Government Act 1995?

Mr KOBELKE: That is an issue where I will have to rely on Mr Skinner but I think we can provide some information on that question. This is the question relating to a review of the Local Government Act itself as opposed to the line item you referred to earlier which was one aspect.

Mr EDWARDS: That is correct.

Mr SKINNER: The five-year review of the 1995 legislation was undertaken. As a result of that, there was extensive consultation, including about 20 meetings throughout the State; forums where people were allowed to put forward their views on improvements and enhancements. As a result of that, there were some 450 submissions and subsequent to that we are now looking at about a hundred amendments to the act which are being compiled. In consultation obviously with WAMA and LGMA, Local Government Managers Australia, we will be looking at taking that forward. As was indicated earlier on, the issue is about appropriate prioritisation in the extensive legislative program of the Government.

Mr EDWARDS: I am sorry if I am the only one asking questions. I have one final question, my last question, on page 396. We have been over this before. It is the first line item, "Financial support to local governments." Those forward estimates seem to be much lower for the ensuing years as for the preceding years. I would ask why. Road funding was mentioned, but what is included within the financial support to local governments?

Mr KOBELKE: Thank you. I will try to find an answer to that question.

Mr SKINNER: The main impact on the reduction in the out years is in effect the community security program which was being administered. It was a four-year program administered by the department which was programmed to complete in 2001-02. This Government is actually looking at an office of crime prevention, and the consolidation and more efficient delivery of services across Government within the Office of the Premier or the premier's department. This was always programmed to be finished and in fact that is all it is. It is the completion of a program that was previously funded.

Mr EDWARDS: Basically a million a year went into local government for local security programs.

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Mr D'ORAZIO: Security patrols.

Mr SKINNER: It was in conjunction with that, but not under Safer WA.

Mr HYDE: Minister Omodei's pork-barrelling got it into local government.

Mr D'ORAZIO: I do not think it was that pork-barrelling. I have to be honest. It was a great incentive to local government. It helped us fund some security patrols.

Mr EDWARDS: Madam Chair, I am sorry; I am not quite sure whether I got the answer. I asked what was included within the financial support to local government.

Mr SKINNER: I am sorry. Could you clarify the last bit of the question?

Mr EDWARDS: I was asking what was included within that financial support to local government, in that figure. There was about a million for that security, so you are left without \$900 000.

Mr SKINNER: For 2001-02, there is \$500 000 for the community facilities grant program. \$271 000 was funded for the Keep Australia Beautiful Council which as I have already indicated has been transferred this month to the environment department. We provide a grant to the Australian Buildings Code Board which reviews the Building Code of Australia, of \$108 000. There is \$23 000 in other miscellaneous grants.

Mr BIRNEY: A supplementary to that, Madam Chair. I am happy for the minister to take this on notice but would you mind, Minister, providing details of that \$500 000 community facilities grant? If you would like to do that on notice, I am more than happy for that to be the case, as supplementary information.

[12.30 pm]

Mr KOBELKE: I am trying to get clear on the question because I think it is a bit too vague for us to be able to answer. The fact is that that is a program that has already been running and allocations were made under the last Government. We are about to now advertise for submissions for the next round. What we are saying is that there is \$500 000 there in 2001-02.

Mr HYDE: Each council applies.

Mr EDWARDS: Minister, by way of clarification, I am unaware of the fund and I was chasing this information.

Mr KOBELKE: The issue is that we are going for requests for submissions for that \$500 000 this year, so we cannot actually give you a breakdown on that. If you ask retrospectively, in terms of the last Government, how much was put in and what were the actual projects that got it, we can give it to you historically but as we are able to call for expressions of interests we cannot tell you how that is going to be -

Mr EDWARDS: It is a very minor point, Madam Chair.

The CHAIRMAN: The request is withdrawn.

Mr D'ORAZIO: I am happy to move that we approve the division.

The CHAIRMAN: Any further questions? That being the case, the question is that in respect of division 22, the appropriation be recommended. That is carried. I understand that that actually now completes this particular set of divisions, so Committee B will recommence at 3.00 pm.

Sitting suspended from 12.36 to 3.01 pm

The CHAIRMAN (Mr Dean): Good afternoon. We have a quorum. I will start by reading the Chairman's statement. This Estimates Committee will be reported by contractors to the Hansard office. The daily proof *Hansard* will be published at 8.30 pm tomorrow. Members should not raise questions about matters of general concern which do not have an item of expenditure on the consolidated fund. The Estimates Committee's consideration of the estimates 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, questions 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 will assist in the Committee's examination if questions and answers are kept brief, without unnecessarily omitting material information. It is the intention of the Chairperson 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

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information, I ask the minister to clearly indicate to the Committee which supplementary information he or she agrees to provide. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the committee Clerk by 12 October 2001 so members may see it before the report and the third reading stages. If the supplementary information cannot be provided within that time, written advice is required of the day by which the information will be made available. 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.

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 by 12 October 2001. It will also greatly assist Hansard staff if, when referring to the program statements, volumes or the consolidated fund estimates, members give the page number, item, program and amount in the preface to their question. I ask the minister to introduce his advisers to the Committee.