

Chairman; Mr Dan Barron-Sullivan; Mr John Kobelke; Mrs Cheryl Edwardes; Mr John Quigley; Mr Peter Watson; Dr Janet Woollard; The Chairman (mr A.D. Mcrae); Mr Norm Marlborough; The Chairman:

Division 25: Consumer and Employment Protection, \$44 012 000 -

Mr A.D. McRae, Chairman.

Mr J.C. Kobelke, Minister for Consumer and Employment Protection.

Mr B. Bradley, Director General.

Mr P.J. Walker, Executive Director, Consumer Protection.

Mr J.J. Radisich, Executive Director, Labour Relations.

Mr B.A. Appleby, Director, Compliance and Education.

Mr K.J. McGill, Deputy Director, Energy Safety.

Mr B.E. Roche, Executive Director, Corporate Services.

Mr D. Goodwin, Acting Director, Finance.

The CHAIRMAN (Mr A.D. McRae): This Estimates Committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow. Members should not raise questions about matters of general concern that do not have an item of expenditure in 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. Although 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 that 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 Chairman 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 ask that the question be put on notice for the next sitting week. For the purpose of following up the provision of this information, I ask the minister to clearly indicate to the committee which supplementary information he/she agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the committee clerk by 6 June 2003, so that members may read it before the report and 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 that the minister agrees to provide and that is allocated a supplementary information reference number by this committee will be sought by 6 June 2003.

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 preface to their question.

Mr D.F. BARRON-SULLIVAN: I refer to output 2, regulatory framework. The third dot point under major initiatives for 2003-04 at page 414 states that priority initiatives to enhance the consumer protection regulatory framework will include introducing into Parliament new legislation for uniform trade measurement laws. What will be the purpose of the uniform trade measurement laws, and how many complaints have been received by the department to justify the introduction of these laws?

Mr J.C. KOBELKE: It was drawn to my attention some years ago that Western Australia has languished somewhat in this area. People often do not understand the importance of measurement with regard to commerce and trade. People perhaps understand it on the football field; for example, if David Wirrpunda puts his foot a couple of centimetres over the line, that sort of measurement is very important. However, when we are shipping products such as wheat, which runs into hundreds of millions, if not billions, of dollars, then the weighing of that wheat is very important. The Western Australian legislation is quite antiquated and needs to be updated. The previous Government did not give this matter priority. It was not a priority in our election commitments; therefore, I have to fight for it to be given priority. I hope that next year we will be able to bring forward changes. We want to make sure that we will fit in with the rest of Australia, because in trade Australia is one market, and we do not want companies in Western Australia to have to incur the extra cost of running a different system in Western Australia. Another issue is the technical people who have to authenticate, install, maintain and repair measuring and weighing equipment. There have been some disputes, and one person approached me

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recently about the problem that our legislation does not fit in exactly with what happens in the other States and Territories. The Western Australian Act is very old. When the Act was put in place, the number of pieces of weighing equipment was probably a few score. Now every supermarket has probably 10 to 25 pieces of weighing equipment, so we are talking about thousands of pieces of equipment. The legislation has not changed to keep up with that need. There is a range of regulatory issues. Mr Walker may like to point out some of the problems.

Mr D.F. BARRON-SULLIVAN: In particular could he address the question of how many complaints have been received by the department.

Mr WALKER: I do not have the numbers with me, but we conduct tens of thousands of inspections each year, and we receive quite a few complaints, which we act upon. As the minister said, the Act is very old. It was introduced in 1909. All of the other States and Territories around Australia have uniform consistent trade measurement legislation, which was agreed to by a ministerial council on consumer affairs in 1990. Some of the issues that are now emerging include, for example, wine exports. We have been approached by wine producers in the south west of Western Australia about some issues in Western Australia and also about Australia's exports to France and the standards that apply to 750-millilitre wine bottles. There are a number of national and international considerations in the wine industry. Another significant issue is the weighing arrangements for conveyor belt type operations on mine sites. I do not have the information as to complaints. We receive complaints, and we undertake tens of thousands of inspections. We have found that generally things are okay, but there are problems across industries; for example, with flow meters and petrol pumps. We find variations from time to time.

Mr J.C. KOBELKE: It is not the case that we get a large number of complaints that we can quantify. It is more that an industry may come to us. Mr Walker referred to conveyor belts in the mining industry. Over the past 10 years there has been a big shift to subcontract mining. Subcontractors are paid by the tonne; therefore, measurement is a crucial element in that contractual arrangement. The cost in terms of equipment and processes can be prohibitive. Therefore, we went to a class 4, which is lower quality, cheaper weighing equipment. However, some issues were raised by the industry, so we have held off from putting that in place for a while. When I was in Kalgoorlie a few months ago, the issue was raised with me again, and they said they were happy that the department had gone back and consulted so that they could put that equipment in place. Those types of issues arise in specific industries. We must ensure that a level of compliance and a standard measurement relates to that business.

[10.10 am]

Mr D.F. BARRON-SULLIVAN: The minister mentioned specific industries. Have there been any complaints from the hospitality industry? What are the implications of the likely legislative changes? For example, one of the things that has been touted is a requirement for marked beer glasses. Further, what consultation has been undertaken, or will be undertaken, with the business community in relation to these changes?

Mr J.C. KOBELKE: Clearly we need to comply with the standards that exist in the rest of Australia. The hot issue - it has been debated in Parliament many times - is whether we use template or model legislation. Clearly in some areas we will want to leave room to move, and our provisions may vary slightly from those in the rest of Australia. I wish to minimise those. There is concern in some industry sectors as to the rules that will apply for packaged meat, beer and spirits that are sold across the bar. I am currently in consultation with the Australian Hotels Association. The issue for that industry is whether there should be marked glasses. The rest of Australia has had marked glasses for many years. We may need to give hotels and the like time to comply so that they do not have to buy new glasses. Many outlets have a 20 per cent wastage on glasses - I do not stand by that figure - and we must give them time to work through their current stock before they have to comply with the requirement for new stock. There is also the issue of spirit dispensers. We must ensure that people get the right amount of alcohol in their nip. That may be quite costly. It is a matter of the time in which the industry can comply, because we do not want to put an imposition on that industry.

Mr D.F. BARRON-SULLIVAN: Has the minister or his department assessed the impact of similar arrangements and the way in which they are policed in other States?

Mr J.C. KOBELKE: That measure has been in place in other States for a number of years - I think it is 10 years - so it is no longer an issue. Therefore, there has been no study -

Mr D.F. BARRON-SULLIVAN: It has not been studied?

Mr J.C. KOBELKE: No, there is no study in those States, because it is embedded -

Mr D.F. BARRON-SULLIVAN: Has the minister's department looked at the situation in the other States to determine, for example, the cost to the small business sector and how it will police that regulation?

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Mr J.C. KOBELKE: I will ask Mr Walker to reply, particularly about the implementation costs. The different States have their own regimes for policing the regulations. We clearly will police it.

Mr WALKER: The other States carry out random audits. It is useful to point out that we have carried out fairly significant surveys of hotels and taverns in Western Australia. Currently, 80 per cent of Western Australian establishments have the required marked glasses because they are generally supplied by the manufacturers. It costs between 10c and 20c to mark a glass. Given their breakages, hotels and taverns must constantly renew their stock. Currently the major manufacturers produce them that way because they are used by the rest of Australia. It is fair to say that the cost impost to the industry will be fairly minimal.

Mr D.F. BARRON-SULLIVAN: How many complaints have been made by people who have been short changed when they have bought a middy of beer? Is it a serious issue?

Mr J.C. KOBELKE: It is not a serious issue, but if we want to reach the same standard as the rest of Australia -

Mr D.F. BARRON-SULLIVAN: How many complaints have been made? Can the minister provide a figure?

Mr J.C. KOBELKE: No.

Mr D.F. BARRON-SULLIVAN: Can that information be given by way of supplementary information?

Mr J.C. KOBELKE: We will find out whether there have been any specific complaints.

[Supplementary Information No A4.]

Mr J.C. KOBELKE: There is also an important health issue with respect to people drinking and potentially driving. We must ensure that people know how much liquor they have consumed. An advertising campaign will highlight the measurement of a standard drink. A standard drink is measured against a standard measured glass. If non-conforming glasses are used, people may misunderstand the level of alcohol they have consumed.

Mrs C.L. EDWARDES: I refer the minister to the fifth dot point on page 416 of the *Budget Statements*, which refers to good occupational safety and health performance as a prerequisite for construction contracts with the Department of Housing and Works. It is rumoured that a silver certificate will be the prerequisite. Will the minister identify how many gold and silver certificates have been issued to date? What is the cumulative figure since the program was implemented? Will the minister provide a list of the recipients and the date on which they received their certificates? Finally, what is the recommended time frame in which the certificates have standing, and how long does it normally take to receive a gold or silver certificate?

Mr J.C. KOBELKE: The detail sought in those questions will have to be provided by way of supplementary information. However, I will respond to the overall issue. As a part of a code that was put in place over a year ago for the building and construction industry, we are clearly seeking to maintain standards in not only the quality of construction, but also health and safety and the contribution to training. There are a range of issues. With respect to health and safety, when government contracts valued at more than \$1.5 million are let, the company must comply with a certain standard. The issue is what the standard is to be. Some standards have clearly been set but they are still under development. If we can get down the specific issues, I will be happy to provide an answer by way of supplementary information. What were the questions?

[10.20 am]

Mrs C.L. EDWARDES: I asked for the number of gold and silver certificates that have been issued to date this year, the cumulative figure since the program has been in operation, the list of the recipients and the dates on which they receive their certificates, the recommended time frame in which to renew a certificate - for example, the standing of one of five years old -

Mr J.C. KOBELKE: They have a standard life.

Mrs C.L. EDWARDES: What is the time frame on average that it takes to receive a silver and/or a gold certificate? I am happy to receive an answer by way of supplementary information.

Mr J.C. KOBELKE: I hesitated for a moment, because I am not sure that we have the information for the last part of the question, but I am sure we have the information for the other parts of the question. We will certainly provide the answer to the last part of the question if that information is available.

The CHAIRMAN: May I make this observation? The guidelines for my role here, having been discussed at the Standing Committee on Procedure and Privileges and by the Speaker, Deputy Speaker, Acting Speakers and chairpersons, suggest that supplementary information should generally be sought about a particular matter under discussion for which more detailed information is required. I am quite happy to allocate a supplementary information number to the range of questions the member has asked, but I advise the member that the way in

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which she has asked the questions and the detail she has asked for would be most appropriately sought by way of a question on notice, which is also available to the member.

[Supplementary Information No A5.]

Mr J.R. QUIGLEY: I direct the minister's attention to page 414 where one of the major initiatives for 2003-04 is a major review of the consumer protection boards and committees. Has this review been completed and what are the expected benefits for consumers that the minister foresees arising from the results of this review?

Mr J.C. KOBELKE: The review of consumer protection boards and committees has been a fairly major project which we have initiated and will continue through into next year. The Acts that are covered clearly indicate the regulated or licensed industries. The provisions cover real estate and business agents, settlement agents, land valuers licensing, builders registration, painters registration, hairdressers registration, water service coordination, which covers plumbers, motor vehicle dealers - currently it is only dealers but a Bill introduced in the Parliament will extend it to repairers - debt collectors, arrangements for credit providers, employment agents and travel agents. There are therefore a large number of industries in which registration is currently carried out by the department. A couple of those industries are with other agencies, and they will be with the Department of Consumer and Employment Protection, which is very important for those industries, the wider community and employment protection.

Many of the boards and committees were set up because a need was seen at a particular time; in fact, the plumbers licensing board was set up by the Government only a few years ago. They often looked to the needs of an industry and not at how best in the longer term to manage licensing and regulation in a particular industry. We are well aware from recent years that the finance broking industry went right off the rails. I have concerns about hairdressing registration because there have been problems with it for some years. Although most of the boards and committees operate on a satisfactory to very good basis, from time to time some run into trouble.

We are initiating the State Administrative Tribunal so that disciplinary matters of all the boards and committees will be transferred to SAT, which will play a very important role in making sure that standards are maintained. An appeal process will be available to practitioners if they cannot get a licence or they feel that they have been treated unfairly in the processes. It will mean a more standard approach for the disciplinary and prosecution roles. That has driven us to consider how we can look at the boards as a whole, rather than merely looking at one that may have run into trouble, and to look to see how we can improve issues.

We have looked at the Gunning inquiry recommendations, because it considered not only finance brokers but also most of the others as well. We have looked at the Temby royal commission recommendations. Our conclusion is that there has been a lack of consistency in how different boards have operated and also between boards and the department, whether the old Department of Fair Trading or the Department of Consumer and Employment Protection. We want to make sure that the boards perform at the best possible level and that there is a good exchange of information. For example, the finance broking industry inquiry showed that someone had had trouble with the real estate industry but the information was not passed across. The requirement therefore is for a more central control of staffing of the boards to ensure a much more effective and uniform compliance and a better exchange of information.

We must also make sure there is reasonable consumer representation on the boards. Some have good consumer representation but currently some have next to none. We want to make sure that as we review the boards and committees we ensure there is better consumer representation, a sharing of information and much more effective and uniform compliance so that people know that the standards across the various industries will be on a par, not some doing well and some doing poorly. It is a major issue which entails a huge effort by the department. I am now in the final stages of consultation with specific industries and existing boards so that I can take a final recommendation to Cabinet in the near future, which will mean changes to all the relevant pieces of legislation. This will mean a great deal of drafting, but we hope we will be able to follow that on from SAT legislation, which will require changes to all these Acts anyway because all disciplinary matters will be referred to SAT. While we are doing that, we would also like to make changes to ensure that the boards are providing the best possible service to the wider community and the industries.

Mr J.R. QUIGLEY: Part of the service the boards provide to the community is brought about by the fact that sitting on the boards are people with expertise in particular fields, such as hairdressing or plumbing. How does the department propose to retain that level of expertise once it has taken over the functions of the boards by their consolidation?

Mr J.C. KOBELKE: Our current proposal, which has been put out to major stakeholders of the boards, leaves the boards intact. They will still have the key licensing role. They will still kick off with prosecutions or disciplinary matters going to SAT, but the department will service them. Many of the boards are already serviced by the department. Only a small number employ their own staff. The issue then is putting in place a

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service agreement. Some boards control considerable amounts of money that comes from industry funds. They will still control those funds, but they will enter a service agreement with the department, and the department will service them. They will also have a significant say in the appointment of the registrar, which is the title of the chief officer who services the board.

The boards will still have basically the same power except that it will move to SAT, but we will make sure that through the department we can better service the boards and that the officers working for the boards have an opportunity for promotion through the department instead of being shut off in a small entity. Standards and compliance will be much more uniform because resourcing to the boards will be much more centralised. Often when small boards have good people they run well, but sometimes someone does not come up to scratch. When boards run into trouble because of the bad management of staff, it is very difficult to fix the problem because they are not in a larger agency which has human resources and other capabilities with which to deal with the issue. If the staff who service the boards are serviced from the Department of Consumer and Employment Protection, we will be able to give them training, career opportunities and human resources backup to make sure that those problems do not occur.

[10.30 am]

Mr P.B. WATSON: I refer the minister to dot point 4 on page 407 of the *Budget Statements*. Is the minister happy with the level of satisfaction for the Government's policy on fuel prices in rural areas such as Albany, and is the minister concerned about the Commonwealth Government's downstream petroleum policy framework, which was introduced in late 2002, and the concerns that it will reduce competition in the fuel industry?

Mr J.C. KOBELKE: Taking the last part of the question first, the commonwealth petroleum policy provides for refinery mergers. It has been announced that the refinery in South Australia will close, which is of great concern to people in that State. The Government will consider any proposal for a refinery merger with great caution, due to the possible detrimental effects that such a merger might have on competition in the market. That is within the commonwealth area. I do not think it is appropriate to go into those commonwealth issues now; however, the Government is certainly keeping an eye on them because they have implications for the States. Another issue that runs alongside, but is not within, the commonwealth petroleum policy - at least I do not think it is - is the ethanol issue. We have called on the Commonwealth Government to act on a national basis, whereas it wanted the States to act independently. We support the Commonwealth's action in terms of labelling, so that people will know whether there is ethanol in the fuel they are buying. We are monitoring those sorts of issues at the commonwealth level.

The first part of the member's question related to the price differential between retail fuel in metropolitan Perth and that in non-metropolitan areas. Figures can be provided that clearly show that since the Government put in place FuelWatch and related policies, there has been a significant drop in that differential. People do not often pick up that point, because they look at the lowest price in Perth on one day and the highest price in a regional centre during the next week or two and compare the two. We have captured the data for hundreds of service stations in metropolitan and regional centres. Therefore, we have the exact price of fuel sold at those outlets on a continual basis. Those figures show that we have made inroads into the differential; there has been a drop. I am happy to provide by way of supplementary information a table that shows that there has been a clear reduction in that differential, so that country motorists are no longer paying the same excess over metropolitan prices that they once were paying. The price is still too high in many centres. The Government will continue to work hard to get those prices down even lower. One recent step was to extend FuelWatch to a further 29 non-metropolitan centres. Those centres will come into the collection, and motorists will be aware of the prices in those areas.

Mr P.B. WATSON: Price boards?

Mr J.C. KOBELKE: And also price boards. Before and after price boards were monitored in the member's seat of Albany, and clearly showed the effect there. A lot more is still to be done. There has been a clear reduction in the differential between what people pay in metropolitan Perth and what they pay in most regional centres.

[*Supplementary Information No A6.*]

The CHAIRMAN: The supplementary information will be a table of data on price records.

Mr J.C. KOBELKE: It will provide information on price differentials between regional centres and metropolitan Perth.

The CHAIRMAN: I am just looking through the standing orders of the Estimates Committee. It may be possible to table those figures and have them incorporated. It will be provided as supplementary information until I can get a specific answer on that issue.

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Dr J.M. WOOLLARD: I refer to the dot points on page 408 of the *Budget Statements* that relate to the Occupational Safety and Health Act. Some changes have been made to this Act to provide protection for police officers. The purpose of this Act is to reduce the frequency of fatalities, injury and disease. In relation to the major initiatives for 2003-04 listed on page 417, what is the department doing to prevent smoking in public places in terms of the hospitality industry? Has the department prepared a response to the review of the Tobacco Control Act, which I believe was circulated to the department last year; and, if so, can I have a copy of the department's response? I believe that carriage of this matter may have been taken from the Minister for Health. Does the Minister for Consumer and Employment Protection now have carriage of this issue, or has it gone to the Premier's department? What initiatives will be taken to protect workers in the hospitality industry? Is the department considering legislative changes to the Occupational Safety and Health Act, or is it considering supporting the review? I would like a copy of all correspondence from the department in relation to the Australian Hotels Association and other areas on this issue. I do not know whether that information can be tabled or provided by way of supplementary information. When in opposition, the Labor Party gave a firm commitment to assist these workers. The time is now ripe for the Government to show its willingness to introduce further measures to stop people from smoking in public places.

Mr J.C. KOBELKE: The member is quite right in pointing out that environmental tobacco smoke is an occupational health and safety issue. It is a major community issue. Some highly contentious information was recently released. People may not place much weight on its suggestion that there is little risk from environmental tobacco smoke. That is not my view and I do not think that the information, even though it was purported to be scientific data, has been accepted by the scientific community. It is a big issue. I will ask Director General Brian Bradley to explain the role played by WorkSafe in the policing of the current regulations. The other questions the member asked relate to a matter that is currently before the Government, and the Government is in the process of reaching a determination on it. It is not practice, and it would not be acceptable, to release the documents that are currently going backwards and forwards while the Government finalises its response to the review undertaken by the Minister for Health. The Government will shortly provide its response to that review. At the moment we will not make available the range of documents that are involved in the process on which the Government is endeavouring to finalise its position. Mr Bradley may be able to provide more information than I can on the enforcement regime that is currently in place.

Dr J.M. WOOLLARD: And future trends; what is the department planning to do under the Occupational Safety and Health Act?

Mr J.C. KOBELKE: We are already doing it. Mr Bradley can explain the current regime and what WorkSafe does in this area.

[10.40 am]

Mr BRADLEY: There are two arms to our enforcement processes; one is that the general duty of care applies and has applied in these establishments since the Act was introduced in 1988. Towards the end of the 1990s regulations were introduced that basically said that employees could not smoke in enclosed workplaces, and that an employer needed to provide a designated smoking area. Inspectors enforce that to the point where, if we receive a complaint, they will go out and investigate it. I cannot give the exact figure, but when I last looked a few months ago, we had issued 45 or 46 improvement notices and two or three prohibition notices, in enforcing those regulations. We have also provided a substantial amount of awareness-raising material about what employers should do. We apply the hierarchy of control, where we try to eliminate the hazard through administrative controls. Many people in the hospitality area are advancing this issue through administrative controls, by rotating people through the workplace, so they are not exposed to excessive levels of environmental tobacco smoke.

Dr J.M. WOOLLARD: I wish to ask a supplementary question along the same lines.

The CHAIRMAN: I know it is confusing to members, but supplementary questions, when we are sitting as the House, normally follow on from the question just asked. In committees, supplementary information is a very formal administrative procedure that is used to provide follow up information that cannot be supplied in detail in the course of the committee. I apologise for the confusion in the terminology. Members may by all means ask follow-up or additional questions.

Dr J.M. WOOLLARD: Mr Bradley has explained the current model. However, the minister has stated that he intends to improve occupational safety and health in workplaces. We know that in the hospitality industry workers are exposed to cigarette smoke seven and a half hours a day, thirty-seven and a half hours a week, and there is no safe level of exposure to cigarette smoke. What will the department do to protect those workers?

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Mr J.C. KOBELKE: Mr Bradley has explained that we already have inspectors active in enforcing the current regulations in this area. The Government is considering possible changes to that regulatory regime. Once that is done, WorkSafe will ascertain whether it needs to change its enforcement regime in the light of any changes made. We cannot judge what will be the changes on the ground until the Government's position is made public and the department is asked to take up its proper role in enforcing compliance with regulations or changed policies.

Mrs C.L. EDWARDES: The minister seems to be allowing the Minister for Health to take the lead in the review of the regulations. What role has the minister been taking in the protection of workers from passive smoking and smoking in enclosed public places? Workers do not want to think that the minister is allowing the Minister for Health to make the running when he is there to protect them.

Mr J.C. KOBELKE: As explained, there is already a role for WorkSafe, to make sure that the regulations are complied with. Those regulations, put in place by the previous Government, were clearly there to provide a high level of protection for workers from environmental tobacco smoke in the workplace.

Mrs C.L. EDWARDES: What role is the minister now playing in the review now being undertaken?

Mr J.C. KOBELKE: The agencies and my office have been in consultations and discussions with the people in the office of the Minister for Health and the Department of Health in working up the various proposals. It will then be a matter for the Government to decide on.

The CHAIRMAN: Can the member for Alfred Cove provide me with the reference she is quoting?

Dr J.M. WOOLLARD: I could give several references. I could refer to page 408, or to page 417, which includes a dot point referring to initiatives to improve occupational safety and health in workplaces. This is certainly an initiative to which the Government has made a commitment.

The minister has stated that this issue is under discussion between his department, the Minister for Health and the Department of Health. Each day is another seven and a half hours and each week is another thirty-seven and a half hours. There have been successful cases in the eastern States, in which business proprietors have been sued by employees. Are we waiting for litigation in Western Australia before the Government moves, or can the minister give an indication of when the discussions between the departments might come to fruition?

Mr J.C. KOBELKE: I do not have control over the timing of that matter, but I hope it will be in the near future. The range of steps that can be taken and the impact of litigation are parts of a whole set of complex issues. Even if the Government did nothing, the threat of litigation impinges on decisions made by management to allow employees to smoke. There is a range of forces, and the Government must craft a package that reflects those forces in a practical way, so that it will be effective. I am not personally of the view that, in responding to an addictive behaviour such as smoking, going over the top will necessarily produce the results. Regulations are needed that can be enforced, and account must be taken that a percentage of the population is addicted to smoking, and that we must try to help them change that, so that it does not affect their health and the health of others. It is a very complex issue, and that is part of the reason the Government is taking some time to make sure it gets it right.

Mr D.F. BARRON-SULLIVAN: We have discussed beer glasses, now let us go to some pub talk. There is no subject like petrol prices, and it would not be an Estimates Committee if I did not ask questions about it. I will ask a series of questions during the course of this morning, but I will begin with today's situation. Today, the terminal gate price for Caltex is a little over 81c a litre, yet some petrol stations in Perth are selling fuel for less than that. I cannot believe they are selling fuel at a loss. My first question relates to this terminal gate price. How does it compare with the old maximum wholesale price the Government abolished at the end of last year? I know the department tracks the terminal gate prices, but does it regularly calculate the maximum wholesale price? Is the minister able to tell me how the terminal gate price has differed from the maximum wholesale price over a period? I do not want the figures for the whole State; just BP or Caltex at Kwinana will do. Is there a significant difference between the terminal gate price and the maximum wholesale price?

Today, in Albany, the price is more than 14c a litre above the terminal gate price, and around 15c a litre above what fuel can be bought for in Perth. In Bunbury, the average price of fuel is 91.8c a litre, which is around 11c a litre above the terminal gate price. On 14 May the assistant prices commissioner referred to the price of fuel in Bunbury, when it was 11c a litre above the price in Perth, saying that it was unacceptable. She said she was concerned that Bunbury prices had not fallen as much as they should have, given that international prices had tumbled since the outbreak of the war in Iraq. Today the price differential between Bunbury and Perth is still 11c a litre. The difference in Albany is 14c a litre. In Perth, petrol is being sold 15c a litre cheaper than in Albany, and lower than the terminal gate price. Can the minister tell us what he will do about this situation? The Government has deregulated the wholesale price of fuel, and no longer controls it through the maximum

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wholesale price - not that that was being enforced anyway. The Government has left it up to the oil companies, and now country motorists are still paying a huge price differential, and the terminal gate price or the wholesale price is being undercut by retailers in Perth. I do not believe they are selling fuel at a loss.

[10.50 am]

Mr J.C. KOBELKE: The member draws conclusions on the basis of numbers for one day, which do not stack up as presenting the facts of the matter. We collect the data for a place like Bunbury - we will get these details back to the member by way of supplementary information - and have done so for a couple of years on a daily basis for every site. Therefore, for every day of the year we know the exact price at which the fuel is being sold. We do the same for all Perth sites and we have the full data on which to make comparisons and say whether, on average, people are getting cheaper or more expensive fuel. If we simply consider one day's figures - as I alluded to earlier - it may cause concern that on that particular day there is a difference in price of 12c a litre. However, that does not indicate what is happening over the long term or even over that month. Some service stations with a low throughput may buy fuel at the top of the cycle when the prices are higher, which is what occurred with the Venezuelan problem and the Gulf War. Those stations take a while to empty their tanks and cannot drop their fuel prices when the others come down. Fuel loading has occurred over the past few weeks with drops of 20c a litre. In fact, just a day or two ago sites in Perth were selling fuel at less than 80c a litre as opposed to over \$1 a litre. If a station in a small regional outlet has bought its fuel at the high price and cannot get rid of what is in its tank, then clearly it will sell its fuel well above the price of others. The warnings given by the assistant price commissioner related to when the prices had fallen in terms of the international benchmark - the Platts price from Singapore which is generally used by the Australian industry - and the price at the pump had not fallen commensurately. A widening gap was seen as an excessive profit gap that was being picked up on by station owners. I do not have the reports since that warning but anecdotally, from watching the service stations, there has been a substantial fall in fuel prices. There are many elements to the question and I will try to answer them all. With respect to the differential between metropolitan and Perth prices, the irrefutable facts are that the price has actually come down. The process still has a long way to go and fluctuations continue to occur as part of the day-to-day cycle in which it looks like people are being ripped off. Some of that is justifiable because of the carryover in tanks but a fair bit of it is market positioning or the retailers taking advantage of the public because they can get away with it for a little while. That is when the department tries to crack down on them to get the best deal for the motorists and, on the whole, it has been successful. That is the issue with respect to the differential between metropolitan Perth and regional centres.

Another part of the member's question related to the terminal gate price and the maximum wholesale price. The maximum wholesale price was the recommendation from the committee, which was chaired by the member for Mitchell. We certainly took up that recommendation and put a lot of energy into considering it. At the end of the day, however, we acknowledge that it did not work because the Government, through the Department of Consumer and Employment Protection, was setting the maximum wholesale price on a daily basis and the companies said they did not have supplies or made other excuses. As a result, prosecutions are still going through the system because we believe that the companies were not meeting obligations. If the member likes, I can provide him with the details of those prosecutions and where they are up to in the process. We then moved to the terminal gate price model that was largely borrowed from Victoria, which said it was delivering. Obviously, that State has a different market and therefore its needs are not the same as ours, but we saw it as a model where the companies would set the terminal gate price and would have to guarantee to sell for a spot contract as opposed to a long-term contract. The terminal gate price would clearly be a little higher because if someone just rolls up with only 24 hours warning and wants to get a load at a spot price, that is the terminal gate price. It is taking longer to define how that is working because a key element in making sure that the terminal gate price delivers benefits is to follow through on the invoicing to make sure there are no other hidden costs. People have collected the data but it has taken a little longer than we had hoped to see whether a case must be mounted. The issue relates to the extension of FuelWatch, which means that staff have been directed to address that because we see it as a priority. We are now following through with the checking of invoices which is not just a matter of getting the invoice from the retailers, but following through and seeing whether it matches with the supplier. This can be in the form of a range of pieces of paper or electronic data. Often subsequent data must be sought in order to make sense of it because the price instruction can be quite complex and involve a range of elements. We need to see whether those elements are individually justifiable to make up the differential between what might be the terminal gate price and the price at which the fuel is retailed. I hope that we can soon get the final analysis as to whether the terminal gate price is working. At this stage, I do not have the answer.

Mr D.F. BARRON-SULLIVAN: Are you able to provide the corresponding maximum wholesale prices over a period? For example, is your department able to say what the corresponding maximum wholesale price for today would be at Kwinana for BP or whatever the supplier might be?

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Mr J.C. KOBELKE: Given that the terminal gate prices are set by the companies that have to then post that information which we collect, and given that the department no longer deals with the maximum wholesale price on a daily basis but it may be possible to calculate it because it is based on a range of parameters, I will give an undertaking to provide a form of comparison between the maximum wholesale price and the terminal gate price. We can probably find a couple of benchmarks from which to get some form of comparison.

[*Supplementary Information No A7.*]

Mr D.F. BARRON-SULLIVAN: Did the minister say that he is looking at the terminal gate price at the moment to see whether it is a fair wholesale price in effect -

Mr J.C. KOBELKE: I will clarify that. The key issue with the terminal gate price was to provide greater transparency. Part of the issue with the price cycle is that there is price support - as the industry calls it - or discounting - as it is more commonly called - and the issue is whether discounting is used in a predatory way rather than as a result of fair and open competition. Transparency is required so that we know at what price the companies are benchmarking the fuel - including if there is a discount for bulk sale or long-term contract - and the other costs for terminalling, transport, insurance etc. We need to go through all those details to see whether there is a fair deal for a retailer with a brand different from that provided by the terminal that has its own brand.

Mr D.F. BARRON-SULLIVAN: I will pursue that in more detail later in another question about the forensic audit.

Earlier I asked a question about retail pricing in Perth today, which is showing an average of 89c a litre when there is a terminal gate price or wholesale price of 81c a litre. Bearing in mind that freight costs around half a cent a litre around Perth, and taking into account the add ons and a margin of about 4c a litre for a moderately good site - sites are operating on less than that as the minister would be aware - would the minister agree that Perth motorists are being ripped off at the moment? They are paying 89c a litre on average and the wholesale price in Kwinana is 81c a litre - a difference of 8c a litre. Can the minister say that the oil companies today are charging a fair retail price in Perth?

The CHAIRMAN: Before I give the minister the call, I point out that members are required to address their questions to the estimates. The estimates deal with the appropriations for government administration. Seeking the opinion of the minister about whether consumers are being ripped off does not go to the question of the appropriation.

[11.00 am]

Mr D.F. BARRON-SULLIVAN: I explain the point to which I relate. On page 416 of the *Budget Statements*, the third dot point reads -

Regulation of fuel prices continued to be a major focus during the year, with key initiatives including:
introduction of a Terminal Gate Price system . . . to provide wholesale price transparency;

I am attempting to inquire about the terminal gate price system, and whether it is providing transparency about whether motorists are paying through the nose.

The CHAIRMAN (Mr A.D. McRae): The question is not quite getting there, member for Mitchell. The member needs to bring his question down to the appropriation statements and ask about the department's administration.

Mr D.F. BARRON-SULLIVAN: Fair enough.

The CHAIRMAN: If the member wishes to pursue the matter, I am happy to give him the call again.

Mr D.F. BARRON-SULLIVAN: I will have another go. In terms of the administration of the item to which I just referred, can the minister tell me whether the department assesses the application of the terminal gate price system, and the regulation of fuel prices generally, in order to determine whether the prevailing retail prices are fair? Consequently, is today's price of 89c on average in Perth a fair price considering the terminal gate price is 81c a litre?

Mr J.C. KOBELKE: I thank the member for the question. Clearly, the Government is devoting a considerable amount of resources in the budget to the FuelWatch program to get the best possible deal for motorists. Whether it delivers is an important performance indicator. Therefore, it is an appropriate question to look at that aspect. How one makes that measure is not straightforward - people can look at a range of measures, and sometimes a particular style of judgment can be made. I suspect the recent Australian Competition and Consumer Commission report used data that we considered to be unreliable; some data was wrong, although perhaps they were typographical errors. Two aspects of the question are very important: first, what is the average retail price for fuel in Perth, and, second, what benchmark does one put it against? One benchmark is to look to Sydney and

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Melbourne, against which this State is doing very well. I am happy to go into detail on that aspect. On average, the overall system is working.

Terminal gate pricing has price cycles with large fluctuations that clearly have nothing to do with the supply cost. One would not get a change of 10c from one day to the next when it comes from the same refinery and the same tanks -

Mr D.F. BARRON-SULLIVAN: What causes that price cycle?

Mr J.C. KOBELKE: It is marketing strategies and marketing positioning. The ACCC considers the price cycle with large fluctuations to be evidence of a competitive market; therefore, motorists get a better deal. I am more sceptical than that. I feel that although price cycles may play a role, the steep change in our price cycle is more about marketing positioning; consequently, it has the potential for smaller operators to be squeezed by larger companies, which can afford to sell at a loss. I accept the view of the major companies that at the bottom of the cycle, some of the majors are selling at a loss to pick up customers.

Mr D.F. BARRON-SULLIVAN: So the minister sympathises with the oil companies.

Mr J.C. KOBELKE: No. When they go to the top of the cycle, the price is way beyond their costs. If they can maintain the price at the higher level for a period, the companies will take excessive profits. The fundamental value in FuelWatch is to give consumers the information so they can make informed purchases; that is, they can drive slightly further to the outlets with lower prices, which is fundamental to creating real market pressure. If companies ramp up prices, as they do on a fairly regular basis, they will have fewer customers. They cannot hold the higher price, and must bring down that price.

Mr D.F. BARRON-SULLIVAN: Can the minister name one other industry that operates on a price cycle in this manner?

Mr J.C. KOBELKE: No.

Mr P.B. WATSON: The TAB.

Mrs C.L. EDWARDES: I refer the minister to page 407 and the third dot point concerning the rate of work-related injury, disease and fatality statistics. I note the improvement in the figures from July 1997 to June 2002 as a number of good years were in that range - for instance, in 1998-99, fatalities were down to 11. The minister has also raised some concerns in the media that a worker dies of injuries this year every 17 days, and that every 25 minutes a Western Australian is injured on the job and needs time off. What is the number of work-related fatalities for 2001-02 and the year to date? What is the number of work injuries and diseases notified to WorkSafe for those same years; namely, 2001-02 and the year to date?

Mr J.C. KOBELKE: I ask Mr Bradley to provide the data on fatalities.

Mr BRADLEY: The fatalities for 2001-02 were 17. The fatalities for 2002-03, year to date, currently stand at 20.

Mrs C.L. EDWARDES: What about the number of injuries and diseases notified?

Mr BRADLEY: Does the member seek the lost-time injury frequency rate?

Mrs C.L. EDWARDES: No. I seek the number of work injuries and diseases notified to WorkSafe for the year.

Mr J.C. KOBELKE: We are happy to provide that as supplementary information.

Mrs C.L. EDWARDES: If the department has the lost-time figure -

The CHAIRMAN: I first clarify the supplementary information sought.

Mrs C.L. EDWARDES: I refer to the number of work injuries and diseases notified to WorkSafe for 2001-02 and the year to date.

Mr J.C. KOBELKE: We are happy to provide that information, with the following qualification: the main base for the collection of notification of injuries is WorkCover, which has a time lag.

Mrs C.L. EDWARDES: It is until December.

Mr J.C. KOBELKE: We will provide the best estimates we have on the most recent data.

Mrs C.L. EDWARDES: I understand that.

[*Supplementary Information No A8.*]

Mrs C.L. EDWARDES: Mr Bradley mentioned that he might have the lost-time rate available for the same period.

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Mr BRADLEY: The lost-time frequency rate for 2001-02 is 14.

The CHAIRMAN: Minister, no adviser can directly respond.

Mr J.C. KOBELKE: I will get Mr Bradley to respond as he has the document in front of him.

Mr BRADLEY: The rate for 2001-02 is 14, the previous year was 14.8, and the year previous to that was 17.5.

Mrs C.L. EDWARDES: Does the department have a breakdown in the figures for men and women?

Mr J.C. KOBELKE: That is a table, which perhaps we could provide by way of supplementary information. It provides frequency rates over a number of years for persons, and also a breakdown for male and female rates.

[*Supplementary Information No A9.*]

Mr J.C. KOBELKE: To qualify that information, that data relies heavily, almost solely, on the workers compensation statistics. If people are not reporting for a range of other factors, it changes the data. Although we have seen the incidence fall, I am concerned that it may be as a result of financial pressures on the system; that is, some workers take sick leave because they do not want to go on workers comp and have their wages reduced. It may be that a lot of low-level incidents are not being picked up. The change may relate to statistical collection issues, not what is actually happening. The reason for my concern is that serious injuries and fatalities have not shown the same marked decline. Therefore, we need to look very carefully at what look like excellent figures to ensure we are getting it right and not having just a statistical aberration.

[11.10 am]

Mrs C.L. EDWARDES: Does the minister have the information about fatalities? Can it be provided as supplementary information? I require a breakdown in statistics between country and metropolitan areas for those two years. I also require information on the industry breakdown - where are the deaths occurring?

Mr J.C. KOBELKE: We have the information here. For 2002-03, there were 13 deaths in the country and seven in the metropolitan area.

The CHAIRMAN: It is probably more appropriate to provide the details as supplementary information.

Mr J.C. KOBELKE: We will do that. The information can also be provided by type and age group because the document is already prepared.

The CHAIRMAN: What is the title of the document?

Mr J.C. KOBELKE: It is a table on traumatic work-related fatality statistics.

[*Supplementary Information No A10.*]

Mrs C.L. EDWARDES: For which year? I have been given information up to 2002.

Mr J.C. KOBELKE: The table gives information back to 1988-89.

Mrs C.L. EDWARDES: Thank you.

Mr N.R. MARLBOROUGH: I refer to page 414. Will the minister please advise what submissions have been made to the national wage case? Petrol is an issue this morning. I am particularly concerned about people on the basic wage and whether they can afford to buy petrol. Are people's wages keeping in step with increasing costs? What submissions does the minister intend to make to the forthcoming state wage case and what are the likely outcomes of the submissions?

Mr J.C. KOBELKE: I thank the member for the question. This is an area in which the Government has been able to make significant improvements and one that I see as a major goal. As the member is aware, the previous Government left workers with a minimum wage that was \$50 a week below the award minimum wage that applied across the rest of Australia. For people on the lowest income in the community to be that far below those in a similar position in the rest of Australia makes it impossible for them to survive and have a reasonable standard of living. They are below the poverty line. The Government saw that as a major issue that needed to be fixed. It has done that through legislation and getting rid of workplace agreements. It has also been done by making submissions to the national and state wage cases. The national wage case, pushed by the ACTU, asked for an increase of \$24.60 a week. Western Australia joined with the other States in recommending an \$18 a week rise. The Australian Industrial Relations Commission made an award of \$17 a week for people on the minimum wage. For people on slightly higher wages, the increase was \$15 a week. The increases now need to flow through to the state awards. It is a matter that will come before the Western Australian Industrial Relations Commission for determination in the state wage case. The Government will propose that the full \$17 flow on. In addition, the adult minimum wage set under the Minimum Conditions of Employment Act should move in line with it. It is proposed that the adult minimum wage receive the \$17 a week increase. That would mean that

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since the election of the Gallop Government, the increase in the adult minimum wage in Western Australia will have been \$80.40, an increase of 22 per cent. That is incredibly important to the lowest-paid workers in the State. It gives them a chance to survive and care for their families. It is a huge achievement by the Government. The Government will go in to bat for the flow-on of the full \$17 a week to the award minimum and adult minimum wage in the State. I understand the case will be heard next week. The concern is what this will do for employment. The lowest paid workers spend every penny they get. The money goes back into the small business community. It has an overall positive effect, not a negative one. Since the changes have been put in place under the Gallop Government, we have seen good growth in employment. About two months ago we had the lowest unemployment rate of any State. We currently sit equal lowest with Victoria. A report released today by the Western Australian Chamber of Commerce and Industry predicts five per cent economic growth when the figures for other parts of Australia are being brought back. There is no way a person can build a case to say that increasing the minimum wage for the lowest paid in the State has had a negative impact on the State's economy. The increase is certainly looking after people who are battling to survive. Regarding the state wage case, Western Australia has a real problem with trainees and some apprentices. In some areas, there is no award coverage and no set minimum wage for trainees. The state wage case gives the Government the opportunity to present to the commission for its ruling the potential to establish training wages. Whether it takes on the national training wage or is in some other form is something for the commission to determine.

Mr N.R. MARLBOROUGH: Is it to be heard next week?

Mr J.C. KOBELKE: Yes, it starts next week. Given that the Government, through its legislative changes, also put in place a requirement that the state wage decision be delivered within 30 days, there is very little time for the matter to be considered. Some weeks ago the Government wrote to all the key participants and asked them to consider what the Government should do about a training wage. There has been no real consensus in the feedback. Nevertheless, the Government will seek to establish standard training wages. It is also cognisant of the fact that if we move to the national training wage, the increase in a trainee's wage in some areas could be in excess of \$70 a week. We will need to consider whether it should be phased in over two or three years so it does not become an impediment to young people obtaining traineeships or apprenticeships. The national training wage has general acceptance. We need to see that an equivalent standard is put in place in Western Australia with, perhaps, a phase-in arrangement over the next two to three years so there is no cost disincentive, which would mean that employers are less likely to take on trainees.

Mr N.R. MARLBOROUGH: Is the minister able to provide figures of how many workers at the time of the initial application to improve the basic wage - which had fallen behind by \$50 a week - were affected by the increase?

[11.20 am]

Mr J.C. KOBELKE: As the member is probably aware, because of the way in which workplace agreements were registered, which was part of the mechanism of undercutting the standard wage, there was no way to interrogate and determine the number of workplace agreements etc. Therefore, various types of surveys have been done. Some data was presented to me recently that measures the number of people who are not covered by awards and are on low wages. That data, which seems to have some equivalence, although we cannot say that it can be translated directly, indicates that about 2.5 per cent of the work force is likely to be in that category. That is the best estimate that we can come up with at this time, realising that exact statistics are not collected in this area.

Mr P.B. WATSON: I refer to page 412. One of the major achievements for 2002-03 was a multimedia campaign on the Labour Relations Reform Act 2002 to provide information and assistance to the general community and the private and public sectors in metropolitan and regional areas. How successful was that campaign?

Mr J.C. KOBELKE: The Labour Relations Reform Act 2002 came into effect in two stages in July and September 2002. The multimedia campaign was implemented to inform employers and employees of the changes that would affect them. It was very important that employers who were using workplace agreements could plan ahead rather than have the changes catch up with them and not be prepared for them. Therefore, we ran a series of local and statewide newspaper and radio advertisements to draw people's attention to the changes, particularly the cessation of workplace agreements. The cost of that advertising campaign was just under \$300 000. Fourteen public information seminars were also held, and local businesses and communities were advised of the venue and the time so that they could attend and be advised directly on how the changes might affect them. A further four seminars were held specifically on the cessation of workplace agreements and to explain the alternative options available to employers. A further mini advertising campaign was run in March to remind employers and employees that some workplace agreements would cease in that month. The cost of that smaller campaign was \$22 000. I know that the member for Albany has had people in his constituency approach

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him. We would be happy to go back into local communities if a particular issue is of concern. The matter seems to have largely settled down, and I am not finding that people are seeking further information. However, that does not mean that there are not still people who have failed to adequately address their employment requirements under the changes. The overwhelming majority of employers were not using workplace agreements; over 90 per cent of employees were not employed under state workplace agreements, therefore no change was involved. However, we were keen to help those who potentially would be caught by the changes. We have not been putting a huge effort into compliance and prosecution, because we want to help people through the changes. However, in the near future we will make sure there is compliance, and if people are not doing the right thing they may find themselves in the difficult position of having to pay back the appropriate wages to make up for any underpayment. We want to help people work through the changes that affect them, and if people have not made the necessary changes to provide the correct wages we will pick them up later through our normal compliance processes.

Mr P.B. WATSON: Does the minister have any concerns about some of the agreements that are floating around? Some businesses that have set up separate agreements are targeting my electorate of Albany. Does the minister have any concerns about the legality of the agreements in some of those businesses?

Mr J.C. KOBELKE: The situation is that a small number of employers - often small employers who do not have the expertise - were frightened about how the changes might impact on them, and they sought a form of contract of employment that might keep their wages low, perhaps even artificially low.

Mr D.F. BARRON-SULLIVAN: And the unions and Carmen Lawrence frightened them away, but that is another story.

Mr J.C. KOBELKE: I do not know whether that has any relevance to the matter we are discussing. The issue is that some of those people have opted to go to Australian workplace agreements and have sought to use the new guidelines that have been made available by the employment advocate with regard to the no disadvantage test. This enables people not to pay the standard employment rates, particularly penalty rates, on the basis that the employee is choosing to be paid less. To me that is a nonsense. My legal advice is that it does not stand up. The threat to those small employers is that if a case is taken to the High Court and the agreement is overturned, their contracts of employment will no longer be legal, and they may then have to pay back any wages that have been below the accepted minimum wage. There is a real risk that a small business that has taken one of these cheap outs that is later found not to be in compliance with the law will be in considerable jeopardy.

Mr D.F. BARRON-SULLIVAN: The minister has said that he will be undertaking compliance measures in the near future with regard to the industrial arrangements that employers have with their staff. A lot of small businesses are in a quandary. They do not have the corporate structure or the sophistication to go onto AWAs or consider other industrial measures. A number of them are floundering in the wake of the abolition of workplace agreements. What compliance measures or audits of employers will be undertaken? Will the minister be looking at particular industries? In the past the minister has tended to target hospitality and retailing. Which industries will be targeted first? Does the minister intend to have prosecutions, or will warnings be issued?

Mr J.C. KOBELKE: Our compliance is ongoing, so if complaints are made they will be followed up. There are also general inspectorate duties. In order to be more effective, we tend to target particular industries, so there is a targeting program. In all cases we do that in consultation with the industry. It is not a matter of our trying to catch people out. In the example of the hospitality industry - restaurants and cafes - the unions and key employer groups and associations were involved. There was first an education program to make sure that people understood the requirements. That was followed up with a fairly vigorous inspectorate regime. If it was found that there was a high rate of non compliance - as was the case in this instance - the parties were given the opportunity to correct the matter. It was only after that had been done that prosecutions were mounted. In a moment Mr Radisich might like to elaborate on how that works. We will continue with the general inspectorate. From time to time we will target specific industries. The other issue is that because of the changes to the Labour Relations Reform Act and the big effort that we have put into education, we had to use to maximum advantage the resources in the labour relations division of DOCEP. Although a bit of extra money has been put in, that basically had to come from existing resources, which meant there was a reduction in the level of activity for the inspectorate and compliance areas. Now that we have had that education and information campaign, it is envisaged that we will not need some of the resources that have gone into that education and advisory capacity, and those resources can be returned to the full inspectorate role. For instance, the process when people phone is quite complex. Mr Radisich will be able to provide more detail. More resources were put into the phone room. However, if we find that there are fewer inquiries, those resources may be moved back into the inspectorate roles.

[11.30 am]

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Mr D.F. BARRON-SULLIVAN: Given that the minister mentioned that compliance measures will be taken in the future - I am not so much interested in what has happened in the past - what industry will be targeted first?

Mr J.C. KOBELKE: No industry will be targeted first. The point I am trying to make is that the huge number of resources that have been used to help the industry cope with the changes has led to a slight diminution in the number of those in the inspectorate role. We are now in a situation in which resources can be rearranged back into the inspectorate. Therefore, there will be more activity at that level.

Mr RADISICH: In the coming year we propose to target campaigns in the transport, earth moving and retail industries. However, at this stage, they are only proposals. The process that the minister outlined is quite correct. The objective of the campaigns will be to advise employers of their responsibilities, not to pursue a large number of prosecutions. On that point, and even though it relates to a previous campaign, last year's cafe, restaurant and tearooms campaign recovered in the order of \$750 000 in underpayments without one prosecution. Almost every employer we approach is willing to correct the mistakes that have been made in the provision of salaries and employment benefits to employees.

Sitting suspended from 11.32 to 11.45 am

[Mr P.W. Andrews took the Chair.]

Mr D.F. BARRON-SULLIVAN: I gave the minister some notice that my next question would be on forensic audits. The department previously engaged consultants to do these audits. I am sure the minister is expecting the obvious questions, which are: what did the forensic audits cost and what were the results? Is the minister able to table any of the results, particularly any non-commercial information? I understand that the auditors would have gone through a lot of commercial information. Can the minister broadly tell us what the forensic auditors were looking for, what they found, and what were the results? Once those answers have been provided, I will ask a couple of specific follow-up questions. My questions relate to dot point three under the major achievements for 2002-03 listed on page 416 of the *Budget Statements* and to the regulation of fuel prices being a major focus during the year etc. The forensic audits examined the wholesale pricing component of the fuel industry in this State and presumably led to the introduction of the terminal gate price system in December 2002, which is referred to in that dot point.

Mr J.C. KOBELKE: The forensic audits are ongoing. However, the target may shift a little. We are using the same firm. It would be better for Mr Walker to answer the question as he is more conversant with the detail.

Mr WALKER: McKessar Teileman, an accounting firm, was engaged in September 2001 to undertake a review of terminalling costs at metropolitan and country fuel terminals. The project was commissioned to assist the department in the development of a maximum wholesale price for country terminals and in the review of the existing maximum wholesale price for metropolitan terminals. The companies selected to submit terminalling costs were the big four - BP, Caltex, Mobil and Shell. At that stage the department did not select Gull Petroleum (WA) Pty Ltd in the light of Gull's relatively lesser role in the wholesale supply of petroleum products in the Western Australian market. It is worth noting that in contrast to its competitors, Mobil outsources its terminalling activities to Coogee Chemicals Pty Ltd, a private company that is principally involved in the manufacture and sale of industrial chemicals and operates a large bulk tank storage facility alongside the BP refinery in Kwinana. The cost of that project was \$83 399. As the minister has indicated, from time to time we may request from that firm of accountants some ancillary and subsidiary information on terminalling costs. The primary benefit of the audit was the establishment of individual terminal operating costs and historical benchmarking data that will assist me in my role of monitoring terminal operating margins submitted under the terminal gate price regime. At the moment each of the companies named must provide its TGP, which is broken down into component parts. That information is commercially confidential and will not be provided. Additional benefits of the project included the department gaining an understanding of wholesale supply and demand and implications for pricing strategies, particularly within regional Western Australia, and providing the department with a more detailed understanding of the business models employed by each of the major oil companies, including supply logistics, which has improved the level of transparency of wholesale and retail pricing. It also assisted us in policy development in other areas related to petroleum pricing. One of the key benefits is that those companies now know that the department knows their business better, so when it comes to the department commenting on the appropriateness of wholesale and retail margins, they are aware that it has a better understanding of the industry and the actual costs.

[11.50 am]

Mr D.F. BARRON-SULLIVAN: Three specific further questions flow on from that. I thank Mr Walker for that introduction. My first question is, did the forensic audit work determine that it was possible to supply a spot market from the refinery in Kwinana? I will just give a little bit of background information. As the minister is

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aware, in the not-too-distant past, some Caltex retailers experienced problems. Caltex was unable to obtain additional supply from BP in a particular month. BP indicated that it could not make the additional supply to that company. That matter was referred to the Australian Competition and Consumer Commission, and Caltex copped the flak over it, whereas my understanding is that Caltex simply ran out of supply, went to BP and was advised that the taps could not be turned on any more. Did the forensic audit show that it is possible to supply a spot market in this State? The second question is, did the forensic audit or any other evidence demonstrate the transfer pricing arrangements between the oil companies in this State? Is it around 7c or 8c a litre? The third question relates to the minister's statement earlier that he would be looking at the terminal gate price. Why is he investigating the terminal gate price when, as Mr Walker just indicated, the forensic audit has already done that? I would have thought that he had a pretty good understanding of the maximum wholesale pricing mechanism in this State.

Mr J.C. KOBELKE: I am obviously not close to the forensic audit, but I think the member's assumption that the forensic audit somehow shows that the terminal gate price will work is incorrect. That is not my understanding.

Mr D.F. BARRON-SULLIVAN: I said the terminal gate price or any other measure. A number of key things need to be understood about the oil industry in this State. These things have been debated in this House on numerous occasions. Regardless of whether it is the forensic audit or any other work, three questions flow from it. Firstly, is it possible for BP to supply a spot market in this State? In other words, can the company simply say that it does not have supply, or can it supply a spot market? Secondly, what are the transfer pricing arrangements between oil companies? Is it the case that oil companies are selling between themselves in this State for 7c or 8c a litre below the terminal gate price? Thirdly, why did the minister say that he would look at the terminal gate price again when I have just heard that he has already reviewed the wholesale pricing system?

Mr J.C. KOBELKE: The point I was making earlier is that I am having some difficulty coming to grips with exactly what the question is because I think there is a basis to it that is not my understanding. The forensic audit is just one of the devices being used to get a better window on the industry. Sometimes, it is for the general purposes of understanding the industry, and in other cases it may be because we want specific data relating to a matter. I am happy to take further questions, but I wish to make sure that we are talking about the same thing. The provision of FuelWatch, the posting of a terminal gate price and information that comes through the transparency of invoicing give us a much more detailed view of a very complex picture. The forensic audit is just a part of that. The forensic audit may also be very useful when we need specific information. Part of that is to ask what are the transparency issues for the terminal gate price. That requires a lot of detailed auditing work. We are not just looking at one price that fuel is sold for and another that is charged to the retailer. A range of other components go into the price. The issue of discounting can be tied up in that. To my knowledge, we have not worked out what might be the specific discounting across the industry. It may come up from time to time if it becomes the particular focus of part of the work. We would not necessarily have data to generalise with. Mr Walker may be able to add a little more to that. The questions from the member seem to be going beyond what we were seeking to do with the forensic audit. The forensic audit could also turn up information that is useful in the prosecutions currently before the courts.

Mr D.F. BARRON-SULLIVAN: I have got the message that it goes beyond the forensic audits, so could we just go to the three questions? First, can BP supply a spot market? Second, what are the transfer pricing arrangements?

Mr J.C. KOBELKE: So are you asking whether BP can supply a spot market?

Mr D.F. BARRON-SULLIVAN: Can the company supply a spot market at the terminal gate price or the maximum wholesale price, and under what conditions?

The CHAIRMAN: Can I suggest to the member that, if he has three further questions, the committee deals with them one at a time? We have gone over the same questions three times. It would be remiss of me to let that continue. Perhaps the first question can be answered, then the second, and then the third, if that is the desire of the committee.

Mr WALKER: I may be able to provide the answer the member for Mitchell is looking for about the spot market. The department currently has two prosecutions in progress - one involving BP. One of the defences BP has raised is its inability to supply, and the department will be challenging that proposition as a result of information it has. That may answer the question about the spot market. The capacity to supply of any major oil refinery, in this case BP, can vary from week to week and month to month. In the current prosecution, we will be challenging the defence, should BP raise it, that it did not have supply on that occasion.

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Mr D.F. BARRON-SULLIVAN: The second question was the transfer pricing arrangements between the oil companies. Is it the case that they are selling between themselves in this State for 7c or 8c a litre below the terminal gate price?

Mr WALKER: The department is aware of transfer pricing arrangements. They are commercially confidential. The gaps are not in the order suggested by the member, but I should not go any further because of the commercially confidential nature of it.

Mr D.F. BARRON-SULLIVAN: The third question relates to the terminal gate price. Earlier the minister said he would be looking at the terminal gate price again. I would have thought that by now he would have a pretty good understanding of the wholesale pricing mechanisms in this State.

Mr J.C. KOBELKE: The terminal gate price came in during the last quarter of last year. There was some public interest, and I was asked questions in January or February of this year. At that stage I was told that there was still a fair bit of work to be done, and I conveyed that information publicly. In my earlier answer I said that, even though we are now into May, that work is continuing, firstly, because it was more complex than I first understood it to be, and, secondly, because the unit that looks after petrol pricing and FuelWatch has had some of its resources diverted to the extension of the scheme to other rural centres. The work begun at the end of last year is ongoing. We now have a reasonable collection of data, but the analysis and the follow-up to get more detailed information is continuing. I hope it will not be too much longer before I will be able to draw clear inferences from that work.

Mr D.F. BARRON-SULLIVAN: I am sorry to dwell on the issue, but I would like one more point clarified. A very important point has just been made, and that is that the transfer pricing arrangements between the oil companies indicate that they are selling between themselves at below the terminal gate price. I realise the minister cannot say what any individual arrangements are because they are commercially confidential, but it must be possible to provide a broad indication, across the board, of what the gap might roughly be. If it is not 7c or 8c, which is the information I am receiving from the industry, is it in the order of 3c, 4c or 5c a litre difference?

[12 noon]

Mr J.C. KOBELKE: The terminal gate price model provides an open competitive market for fuel retailers when getting their fuel from the depot. We are not seeking to capture arrangements between major oil companies that go to their internal transfers. It might become subsidiary information that helps us to understand the broader industry and what is going on, but those matters would be commercially confidential to those companies. We may be privy to that information because we have considerable powers to seek and gather information. However, that is not what we are trying to do, and there are rules governing commercial confidentiality. Incredible powers are contained in the legislation for getting that information and it is important that we do not release information that could damage one player against another. We are cautious about what we say about those numbers, but the more important issue is that that is not our target.

The last point is that the terminal gate price was set up for transparency and as a spot market. For instance, if Gull Petroleum Pty Ltd, as a major retailer and an independent, tied up a long-term contract with one of the major companies and got its fuel below the terminal gate price, that is what is expected with normal market behaviour because it is not simply taking a spot load at a spot price. Clearly, most of the contracts of any length will be signed below the terminal gate price. The terminal gate price is there to help keep the retailers honest. I was told some time ago that a retailer was able to utilise that provision because if he felt that he had been disadvantaged, he could organise his own transport to pick up a load of fuel. However, it was never envisaged that would become a major volume of sales for that retailer. A larger volume of sales over time is locked into a long-term contract and will generally be below the terminal gate price.

Mrs C.L. EDWARDES: At the top of page 414 in the *Budget Statements* reference is made to regulations for elevated work platforms and hoists, particularly in relation to the fruit growing industry. Twelve months ago I raised the lack of consultation on this issue. It is to the credit of the minister and the department that that matter was deferred and that consultation has taken place. I understand that regulations were to be introduced on 1 June, but that has now been deferred to 1 August. I also understand that there is still some concern about the lack of clarity of information coming from the WorkSafe Western Australia Commissioner as to what the industry needs to comply with according to the Australian Standards or the manufacture's specifications. A draft paper has been submitted to the industry for consultation regarding the new regulations, and I will refer to it to point out the concerns about the lack of clarity. It states -

The new regulations provide for a greater reliance on the instructions of the designer or manufacturer. The main change is that the reference to the Australian Standard, relates to the inspection and maintenance of the plant, not just the operation. . . . the Australian Standard will only be used as the

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reference where either the manufacture's, or supplier's instructions, or instructions approved by the Commissioner, are not available.

Later it states that -

An inspector would only issue a notice requiring a machine to be upgraded if, in the opinion of the inspector, use of the machine would be likely to expose persons using or maintaining it to a hazard. In a practical sense, the inspector may issue a notice which refers to the Australian Standard, however, it should be stressed that the Standard is not absolute.

Members can understand why the industry is confused. Can a manufacturer or designer be exempt from any part of the Australian Standard 25.50.10 in relation to documents issued for fruit growers regarding elevated work platforms? Is there anything in writing that allows for a departure from the Australian Standard that overrides the manufacture's documents if the notice is being given according to the Australian Standard? However, the standard is not absolute, so where does the fruit grower go to get some direction as to what he must comply with?

Mr J.C. KOBELKE: I will leave the detailed technical answer to Mr Bradley. However, by way of introduction, the department moved on elevated platforms because the industry was not up with Australian Standards. It left the potential for second-hand, below standard equipment, which could not be used in other States, to be off-loaded into Western Australia. We had to ensure that we complied with the rest of Australia and improved our standards. Although the department was very proactive in addressing that matter, the consultation was perhaps not optimal. It was an issue that had to be given more time and worked over carefully. Clearly, there had to be an increase in the current standard to meet the Australian Standard, which meant cost implications and problems for the industry. WorkSafe has tried to work with the industry to ensure that it has standards that are not only adequate but also hopefully match the rest of Australia. The staff involved in that process had a very important role, and I commend them for stepping back and listening to the industry to take on board its concerns, and working with the industry to get its compliance. Mr Bradley will answer the technical details about which the member asked.

Mr BRADLEY: The information that the member has is correct and the decision to move the date from 1 June to 1 August was made only yesterday. That was brought about by the fact that we have put a lot of time into consultation with the fruit growers on this and other issues. However, on this issue we have been working with the Western Australian Fruit Growers Association and the various manufactures to accommodate their concerns. The regulation introduced 12 months ago made it mandatory for them to comply with the maintenance requirements of the Australian Standards. The industry felt that that was an injustice given that the machinery probably only worked for three or four months of the year in any event, which turned upon a full maintenance requirement every 10 years -

Mrs C.L. EDWARDES: Is that every 10 years and every five years thereafter?

Mr BRADLEY: Something like that. I am not sure about the five years thereafter, but primarily we asked the industry what it would be prepared to live with. It said that it needed to stay with the manufacturer's instructions, so that was built in as the first level; if they come up with a manufacturer's instruction, we enforce to the manufacturer's instruction. It was then put that some of these machines are effectively 20 or 25 years old and that getting a manufacturer's instruction would be difficult. We then wished to build in a requirement that, because we design and review these machines, we would look through our records to locate the instructions at the time. We put in that the commissioner's instructions would be the next level. If all that fails, we then revert to the Australian Standard. However, in the first instance we will be enforcing to the first level.

Mrs C.L. EDWARDES: Therefore, is the manufacturer's documentation essentially exempt from the Australian Standard because that is being put in first?

Mr BRADLEY: Yes, that is right. I can see where the member is coming from.

Mrs C.L. EDWARDES: Will that be the way the regulation is drafted?

Mr BRADLEY: That is the way it is drafted.

Mr J.R. QUIGLEY: I refer to the initiative of WorkSafe with the Police Department -

Mr J.C. KOBELKE: What is the page number please?

Mr J.R. QUIGLEY: Page 416 in the *Budget Statements* refers to the implementation of this program. Has the program been implemented yet and have inspectors conducted any inspections of the police stations or their workplaces and found deficiencies?

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[12.10 pm]

Mr J.C. KOBELKE: It is my understanding that it has not been implemented. It is a well-worked program. Mr Bradley may be able to provide details.

Mr BRADLEY: The changes to the legislation will come into effect on 3 January 2004; royal assent was given on 3 January 2003. The transitional period, which commenced on 3 April 2003, allows for a consultative mechanism of elections for health and safety representatives to committees to commence. I am not sure what stage it has reached. We are still developing a code of practice with the Police Service. The second part of the question is whether any inspections have occurred. As a matter of courtesy, we went out with the Police Service to identify areas we would look for in enforcing the general duty of care in a range of police stations and police buildings. That occurred about 18 months ago.

Mr J.R. QUIGLEY: What were the primary areas identified in the police stations? What will be the main issues for the service?

Mr J.C. KOBELKE: I will ask Mr Bradley to attempt to answer that question.

Mr BRADLEY: I cannot recall.

Mr N.R. MARLBOROUGH: The final paragraph of dot point three on page 414 refers to collective agreements replacing individual employer contracts to reduce collective agency agreements from 350 to 55. Can the minister give a general idea of the industries not yet part of the collective process? I do not expect him to name all 55.

Mr J.C. KOBELKE: This relates only to the public sector.

Mr N.R. MARLBOROUGH: I refer to that aspect. What areas of the public sector are not within the collective process, and what problems are involved with bringing agencies into that process? What is the timeframe by which we may see them fall into the collective process?

Mr J.C. KOBELKE: There are two parts to the answer. One is the phasing out of individual workplace agreements, and the other is the reduction from 350 to 55 in such agency collective agreements. Individual employment agreements are largely phased out. Some might yet terminate, but they will terminate by 15 September this year. Clearly, no more have been offered for the past couple of years. Therefore, those agreements are working their way through the system. Perhaps there has been not as quick a movement in some of the government trading enterprises as the Government would have liked, but they are diminishing quickly in government departments.

Mr N.R. MARLBOROUGH: Is that mainly the trading authorities such as Western Power and the Water Corporation?

Mr J.C. KOBELKE: Yes, and the port authorities. One hopes that those agencies will soon be in compliance. With the removal of workplace agreements, the Government's policy is for people to use a collective instrument. The policy of the last Government was to devolve that control to individual agencies; therefore, each agency put in place its own collective agreements. As indicated in the budget papers, there were 350 such agreements. This was administratively an extra burden. Each had to be negotiated separately. Getting those agreements down to 55 across industry sectors reduced this burden. A classic example was nurses. Nurses in different agencies were on different agreements. We can standardise that to one major agreement for nurses employed in the public sector, even if they work in different agencies.

Mr N.R. MARLBOROUGH: Has that happened, or is it still being worked upon?

Mr J.C. KOBELKE: It is advanced, but not finalised. A lot of progress has been made with the reduction in collective agreements from 350 to 55.

Mr N.R. MARLBOROUGH: Yes; it is tremendous.

Mr J.C. KOBELKE: The last two being worked on are for prison officers and TAFE lecturers. The classic example, as the member well knows, is TAFE, which has 12 different colleges. We will have one TAFE enterprise bargaining agreement covering TAFE lecturers. Consequently, one will have less work in administering the agreements, and each independent college and agency need not undertake negotiations and perhaps employ a legal specialist because the process can apply across the industry sector. Also, it will give greater flexibility to the public sector generally. When different EBAs applied to people doing the same job in different agencies, a further impediment applied to transfers. When this Government amalgamated departments to bring the number from 46 to 21, a major problem arose in bringing people together if employed under different conditions to do the same work. Clear advantages arise in having a reduced number of collective

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agreements as disparity is not found between people doing the same work. Therefore, one has much more efficient organisations.

Mr P.B. WATSON: I refer the minister to dot point three on page 412. A major initiative for 2003-04 is that DOCEP will release a range of on-line products including education awareness initiatives on consumer issues. These include -

trialing the use of a Telecentre as a means to improve access to consumer protection services in remote communities;

publishing a consumer protection guide for indigenous consumers;

publishing a guide for homebuyers about the process of buying a home and the possible pitfalls; and

expanding the WA ScamNet service to include public warnings and early identification of scams.

Do these programs result from reactions from the public in remote areas that they are not getting access to these facilities?

Mr J.C. KOBELKE: I will ask Mr Walker in a moment to provide more specific details. The Government wanted to give the entire area of consumer protection, previously fair trading, a higher profile and to be more proactive in ensuring the protection of consumers. Part of that process was opening up communications to advise people of their rights and to tell them where they could obtain specific information. Big issues are education, information and the involvement of the community. The programs outlined are specific examples of how the Government sought to meet that need.

[12.20 pm]

Mr WALKER: The telecentre trial is a recognition that we can, and perhaps should, be doing more for regional and isolated members of the Western Australian community. There is an emphasis on, and push for, that aspect. We receive about 25 000 approaches each year from people seeking information about real estate and settlement agent transactions, home purchases etc. We wanted to provide that information in a better way; therefore, we established the home buyers guide.

My colleagues around Australia currently are considering consumer services to our indigenous communities. It is a standing issue on the agenda for ministers for consumer affairs throughout Australia; New Zealand has also taken an interest in that aspect. The challenge is how to address serious consumer issues in outlying locations. Two examples of the book-up arrangements, which some community stores use, involve people using credit cards and personal identification numbers. There is an issue around that. There is also the issue of whether the types of services and the groceries they receive are appropriate. We receive information from time to time that use-by dates are not strictly adhered to. Another issue for the Northern Territory, but potentially for the north west of this State, is the sale of very cheap cars. Most of them come from South Australia on transporters. There are no servicing facilities so when the cars break down they tend to be left where they are. The communities simply purchase other cars. It is really the capacity to do something better.

The WA ScamNet service has been an unbelievable success. It was introduced 12 months ago. We decided to take a different approach from that traditionally used by other consumer affairs agencies, both in Australia and internationally. Normally, when a consumer affairs agency is advised of a scam, the agency tells the person concerned not to participate and to throw all documentation in a bin. The department has decided to tell people not to participate but to send in all the details. The department has established ScamNet using Internet technology. As a result, in the past 12 months it has been able to name 50 scams operating prominently in Western Australia.

Mrs C.L. EDWARDES: Nigeria.

Mr WALKER: That is the number one scam. Nigeria is still the home of scams and their permutations. We have had 6 000 items submitted by consumers; 1 000 contributors are regular contributors. That provides some insight. A mailing list does the rounds so people who have been gullible once remain on a mailing list. It has been a very successful program. It is something that other States and jurisdictions are looking to take up. We will never solve the problem but, ultimately, our ambition is to make Western Australia an unprofitable market for scammers.

Dr J.M. WOOLLARD: I have questions relating to items on pages 413 and 414 concerning consumer protection and a major initiative arising from the review of consumer protection boards. I am also concerned about the finalisation and introduction into Parliament of legislation regulating loan broking. I am really talking about the finance broking issue.

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Mr J.C. KOBELKE: Loan broking refers to pawnbrokers and payday lending.

Dr J.M. WOOLLARD: In that case I will ask about consumer protection boards. During the term of the previous Government, a supervisor was appointed to the Global Finance Group Pty Ltd. The supervisor was the liquidator for John Margaria. Some of the information the community wished to present to court was put on hold because the supervisor felt that the information was not necessary. The Government funded only so much of the supervisor's role. There has been a shortfall in funding to the supervisor. The community is being asked to pay the difference in costs. The money is being taken from trust accounts that are not general trust accounts; they are accounts that individuals had on hold between projects. Will the Government consider paying the full fees of the supervisor, which was a commitment given to the community?

Mr J.C. KOBELKE: Since 1999, the Government of Western Australia - not just this Labor Government - has committed nearly \$11 million for activities associated with supervising liquidators appointed to Global Finance, Grubb Finance, Knightsbridge Finance and Geraldton Finance. To date, about \$8.3 million has been paid. There is ongoing funding for a supervisor for Geraldton Finance and specific recovery activities pursued by the liquidators appointed to Global Finance and Grubb Finance. The member is suggesting that the Government has not paid all the costs of a supervisor. I do not think that is correct. All costs have been paid for the person's role as a supervisor. When a liquidator is appointed under federal law, he is out of the State's control because we have no jurisdiction. Those costs are generally met from recovered money, which will reduce payments to claimants. To my knowledge, the Government has fully met the costs of supervisors in supervisory roles. As can be seen from the figures, the previous Government and this Government have spent a huge amount of money trying to help the process so that less money is taken from the pockets of investors who have already lost substantially due to a range of maladministration and malfeasance by particular finance brokers. In some cases it was put to me whether we should continue the role of the supervisors and pay them, as it might assist the matters to be resolved and for investors to get their money back. People would then be less out of pocket because the Government would be putting in more. Some investors put a contrary argument that the role of a supervisor actually held up matters, which meant delays in investors receiving their money. The delay may potentially lead to extra costs meaning investors would lose more money. The Government has taken the general policy that unless there is a clearly defined role for a supervisor, who the Government has good expectation will deliver clear benefits to investors, it will withdraw the supervisor. As such, a supervisor's role comes to an end. It is sometimes also because a liquidator has taken over. Sometimes it is because there is further advice that there is no profitable outcome and therefore no role for a supervisor to play. That is sometimes contested. In many cases, people's interests varied even though they were all investors who were losing money. They were in different categories. Some investors wanted quick settlement and others took matters to court because they wanted to pursue their interests. To the extent that the Government could play a role in clarifying matters in getting people to sort out things, that was done. When there was no clear role for the Government because it was a matter of litigation between different parties, it was seen best that the Government withdraw and let the matter be settled as quickly as possible so that, on the resolution of the matter, people could obtain a payout.

Dr J.M. WOOLLARD: Before I move to the second part of my question, is it possible to obtain a copy of the criteria and responsibilities of supervisors? There is concern that the supervisors have not fulfilled their roles. If I can obtain details, I can put them to the community and then present a case to the minister.

Mr J.C. KOBELKE: The issue is that the role of supervisors varies depending on the case and what they are appointed to do. If there are specific complaints I am happy for the member to refer them and they will be looked into.

Dr J.M. WOOLLARD: In that case, I will move to the second part of my question because there are no criteria and there is variation between cases.

Mr J.C. KOBELKE: There is no single standard set of criteria that can be applied to all cases.

Dr J.M. WOOLLARD: I would be happy to look at general criteria because people want to know what is the baseline.

Mr J.C. KOBELKE: If the member will forward the details of a complaint, it will be investigated to see whether there is a matter of substance about the role of a supervisor.

[12.30 pm]

Dr J.M. WOOLLARD: I will forward details to the minister. The second issue relates to the prosecutions occurring now. We know that when in opposition, government members described in *Hansard* some of the people involved as spivs, crooks, gangsters, evildoers and the dirty dozen. Three cases have been lost in the criminal courts. The police are saying it is the fault of the Director of Public Prosecutions, and the DPP is saying there is insufficient evidence. The DPP states in correspondence that he will take to the Court of Criminal

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Appeal a number of legal questions that have arisen and require determinative resolution, including matters such as the nature of the deceit necessary to establish a conviction for fraud under the Criminal Code. The Director of Public Prosecutions is questioning whether it is because of the inadequacy of the Criminal Code that three cases have fallen down. I have compared the funding for the Director of Public Prosecutions in Western Australia and the other States, and Western Australia is certainly not up at the top with regard to the level of funding per head of population for the DPP. Will the Government ask the Director of Public Prosecutions to look respectively at those cases that have fallen down? A lot of people are very concerned that because only one case has succeeded under our legal system, the wonderful commitment that the Government made to help these people is falling flat because of the failure of the legislation. What is the Government doing to assist the Director of Public Prosecutions to look at this issue?

Mr J.C. KOBELKE: Obviously, I totally reject the assertion that it is falling flat. This State has a fantastic record of success in taking up the issue and doing something about it. I could go on for an hour about all the things that have been done; however, I will just make a few brief comments. Part of the question relates to funding for the Director of Public Prosecutions. That is a matter that the member needs to take up in estimates with the Attorney General. It is not a matter that is currently before this committee. The other part of the question is what has been done by the Department of Consumer and Employment Protection. Following the Temby royal commission, we referred to all the appropriate boards any suggestions of misbehaviour or any adverse findings that could be implied from the commission. The Temby royal commission made only one major recommendation, but matters were raised and information was provided that led us to believe that certain people had done things that were not right. That very extensive list and the references in the report were sent to all of the appropriate boards, and to the Director of Public Prosecutions and the police. They were also sent to a number of the professional organisations that have some disciplinary power over their members, whether they be surveyors, land valuers or whatever. If any reference was made to a member of one of those organisations, it was referred to that organisation. There has been follow-up correspondence from one or more of those organisations. That has led in some cases to codes of conduct or practice being revised to make it very clear that these people will be caught in the future.

Part of the reason that we have not yet taken action to make changes and get rid of the Finance Brokers Board, which is what the Temby royal commission recommended, is that we want the board to first take up under the current Act any disciplinary cases that are mentioned in the commission's report. It has been doing that, and I understand that is almost complete. The effect is that if someone has behaved in a way that is improper or totally unacceptable, an adverse finding will be recorded against that person by the board, which means that if that person seeks registration in real estate or a related area, that finding will be on the public record and the person may not be judged a fit and proper person to be licensed in that area. It is very important that we follow through on that, because in some of these cases it may not be possible to get a criminal prosecution, but if there is any possibility that an adverse finding or a disciplinary matter can be taken against the person under the current structure, that should be pursued and has been pursued. I understand that in the near future, the Finance Brokers Board will have completed the massive list of cases that was put before it following on from the Temby royal commission.

Dr J.M. WOOLLARD: The minister has said that the board is looking at cases that may prevent these people from being registered in the future. We know that some of the lawyers who were involved have been banned from practising for only two years. The community is saying to me that one person may have 200 cases against him, but only one case has gone to the Director of Public Prosecutions; therefore, the DPP is unable to prove that there is a pattern of behaviour. Just as the lawyers will be back in practice again after two years, what will stop the brokers from going back into practice if they have 200 cases against them but are charged with only one? What is to stop them from going back into practice again if they get off scot-free for the other 199 cases? Where is the protection for the community?

The CHAIRMAN (Mr P.W. Andrews): It has taken virtually one hour to get through one round of questions. The Speaker will drop me to the reserves unless we get through more questions; and obviously I want to retain my position, with all the money that goes with it, so after this answer I would like to push members to keep the questions and the answers short, if that is the will of the committee.

Mr J.C. KOBELKE: The member was suggesting that there may be a particular player in the finance broking scandal to whom a range of adverse or unlawful activities can be attributed and the Director of Public Prosecutions will look at only one of them. I do not think there is any chance of that happening at all. As I have already indicated, all of the information available from the Temby royal commission has been passed on to all of the appropriate authorities. If there was a lot of information that did not go to Temby, that is matter for those people to bring to the relevant authority, which quite likely could be the Director of Public Prosecutions. With regard to what the machinery of government did, a royal commission was called. The royal commission ran its

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course. It was a very public inquiry. Many people came forward and gave evidence. All of that evidence was considered by the commission. The information was then either referred by the royal commission to the prosecuting agencies, or through the report of the commission were taken up and referred to the appropriate authorities. A new broom has been used in cleaning out those people. If some people did not make reports, they certainly had ample opportunity to do so. All of the reports have been forwarded to the appropriate authorities, who have judged the merits of the cases and, I hope, have taken appropriate action.

Dr J.M. WOOLLARD: The Director of Public Prosecutions may have had 200 cases from one broker. He has been able to take only one case to the criminal courts. I know that the Government asked Denise Brailey two years ago to list a number of cases that could be used. However, because not all of the cases have been used -

Mr J.C. KOBELKE: The member is talking about a matter that relates to the Director of Public Prosecutions. That matter is not before this committee.

Mr D.F. BARRON-SULLIVAN: I refer to the table at page 425 that lists a number of the cash receipts that are held by the department. One of those relates to retail trading hours exemptions. That is the only specific mention of retail trading hours in this document. However, there are a number of mentions of employee expenses and so on for staff in the department. The minister is the minister responsible for the Retail Trading Hours Act. Why do the appropriations not specifically provide for some effort by the department with regard to the current review of retail trading hours?

For example, the little booklet was released by the Department of the Premier and Cabinet. I understand that whenever retail trading functions are held - I have been to a couple - the minister is present, not the Premier. The only reference to retail trading hours is the \$80 000 that relates to the cash receipts held by the department. Will the minister explain why the *Budget Statements* do not include substantial information about retail trading hours? Will he outline the contribution his department made to the appropriations for the review of retail trading hours? Further, will the minister, the Premier or the Treasurer make the submission to Cabinet?

[12.40 pm]

Mr J.C. KOBELKE: The member for Mitchell has quite rightly alluded to the fact that retail trading hours fall within the responsibility of the Minister for Consumer and Employment Protection. Retail trading hours have not been included because retail trading hours became a key issue only after the budget papers were first drafted at the end of last year. A number of our people were intimately involved in the current process of public consultation and the development of a policy. Retail trading hours fall within my department's area and we are very much involved in that issue. The member for Mitchell also rightly pointed out that the Department of the Premier and Cabinet has carriage of the public consultation process. Retail trading hours have become a federal affairs issue, and, given that the Premier is the Minister for Federal Affairs, the matter falls within his responsibility. It is also very much a Treasury matter because of the National Competition Council's threat that WA will lose a substantial amount of its competition payments. The matter extends across government because more than one portfolio is involved. It very much relates to federal affairs, and, therefore, the Premier's department is the driving agency in terms of the public consultation -

Mr D.F. BARRON-SULLIVAN: Does the Premier have prime responsibility for the matter?

Mr J.C. KOBELKE: No. Retail trading hours are the responsibility of the Minister for Consumer and Employment Protection. At the end of the day, the Minister for Consumer and Employment Protection will either leave things as they are, or, under the current regulatory powers, will change retail trading hours. The matter is being forced to a decision by the NCC, and, given that it relates to federal affairs and impacts the budget, it is also the responsibility of the Premier and the Treasurer. The Department of Treasury and Finance is a key body in assessing the compliance requirements of the National Competition Council. Given that the matter is across government - it relates to more than one agency - the consultation and development of changes that may take place have been taken over by the Premier. I am responsible for the day-to-day running of this matter. However, my department consults with the working group in the Department of the Premier and Cabinet so that a decision will be made across government.

Mr D.F. BARRON-SULLIVAN: What about the time frame?

Mr J.C. KOBELKE: I will get to that. Unlike most other ministers, I make the call on many of the issues that arise under my portfolio. I do not have to refer matters to Cabinet. In some cases I may consult with another minister because a matter may impinge on that minister's portfolio. If conflict arises between two portfolios, or if a decision has major implications for another portfolio, the responsible minister and I may decide that the matter should go before Cabinet. As I have already explained, because this matter is across government, it will go to Cabinet for resolution. The National Competition Council's assessment period closes in June this year, by which time a decision must be made. Whether that decision is effective from that point or a later stage is a

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question for which there is currently no answer. The Government will have to clearly state its position by 30 June this year.

Mrs C.L. EDWARDES: I refer the minister to outputs 1, 2 and 3 on page 409 of the *Budget Statements*. The budget for community information and assistance, which comes under output 1, is \$13.931 million and includes 152 full-time equivalents. Will the minister break down the budget and FTE figures for consumer protection, occupational safety and health, energy and labour relations?

Mr J.C. KOBELKE: I regret that I cannot do that. As the member for Kingsley is aware, the new Department of Consumer and Employment Protection encompasses the old WorkSafe Western Australia, the Department of Productivity and Labour Relations and the Ministry of Fair Trading. Energy safety has also been added. Basically four different silos were working within the same department. We have now reached full integration and the outputs relate to community information, regulatory framework and enforcement, not industrial relations, WorkSafe and consumer protection. Although there are clearly inspectors in WorkSafe, the policy advisers and those who work in human resources and computers are no longer locked into one part of the organisation. The structure is new, so we cannot look to find continuity. If we look at the performance indicators and break it down to a lower level, there is no continuity with the figures that have been presented. However, when we bore down to the specific details, there is a greater level of continuity because WorkSafe has not changed the service it provides to the community and industry. At this level there is too much crossover in the range of staff to be able to break down the figures and align them against the figures of the old silos.

Mrs C.L. EDWARDES: Does that apply to the same extent for output 3, which deals with regulation enforcement? I know there are inspectors across each of the agencies -

Mr J.C. KOBELKE: The regulation enforcement in output 3 - I will not give a comprehensive answer - will cover the inspectors in the labour relations division who check that time and wages records are correct. It will cover the WorkSafe inspectors in their effort to achieve general compliance with health and safety and the range of inspectors in the area of consumer protection. We have talked at length about the active role that has been played in monitoring the petrol industry. A range of those inspectors could be funded under regulatory enforcement.

Mrs C.L. EDWARDES: Will the minister break down the number of inspectors for each of the services, including energy, for this budget and compare it with last year?

Mr J.C. KOBELKE: We will provide that by way of supplementary information.

[*Supplementary Information No A11.*]

[12.50 pm]

Mrs C.L. EDWARDES: Is the Building Industry and Special Projects Inspectorate included in output 3? If so, are its inspectors included as part of the ordinary number of inspectors or is BISPI considered a separate agency? Given the criticism by the Cole royal commission, does the Government propose to increase those numbers?

Mr J.C. KOBELKE: That criticism was totally unfounded.

BISPI is part of the labour relations inspectorate, which is under output 3. However, a little of output 1 also relates to it in terms of education, information and the like. Predominantly, the inspectors themselves will be part of output 3. Increasing it will depend on demand, because at various times there is a high level of demand and at other times it falls off. The issue then of course is that if there is a lower level of activity, inspectors could be involved in other duties. That is one of the reasons for the term "the building industry and special projects", because there may be other areas in which their skills and expertise could be employed if the building industry did not require them. Clearly the building industry is their primary target. If there is a level of complaint or concern, they would be fully committed to the building and construction industry.

Mrs C.L. EDWARDES: Given the integration between the divisions now, could the minister provide, by way of supplementary information if he has nothing that could be tabled now, a framework of the new department with the breakdowns of each of the outputs, if that is how it is operating, and the full-time equivalents that are allocated to each of the areas?

Mr J.C. KOBELKE: I can certainly provide by way of supplementary information the organisational units within the Department of Consumer and Employment Protection along with the number of FTE positions in it.

Mrs C.L. EDWARDES: Could the minister provide a chart of the hierarchy?

Mr J.C. KOBELKE: In addition, we will provide the organisational hierarchical structure.

[*Supplementary Information No A12.*]

Chairman; Mr Dan Barron-Sullivan; Mr John Kobelke; Mrs Cheryl Edwardes; Mr John Quigley; Mr Peter Watson; Dr Janet Woollard; The Chairman (mr A.D. Mcrae); Mr Norm Marlborough; The Chairman:

Mr P.B. WATSON: I refer to the member for Mitchell's question on regional retail trading hours. Is it the sole responsibility of local government to make decisions on regional areas such as Albany?

Mr J.C. KOBELKE: I will ask Mr Walker to be more explicit on the detail in a moment. The decision still rests with the minister. The process was put in place by the last Government. It required that the local authority in the area conduct consultation and provide a recommendation to the minister of the day. We have not changed that process other than in one respect. A very clear example occurred in the south west. A number of shires covered the same area but only one shire was consulted even though the patrons of a shopping centre in that shire were drawn from two other nearby shires which were not consulted. The only change I have made to the policy is that we consult a little more widely with councils that could be directly affected if a proposal comes forward for change.

Mr WALKER: I think the minister has answered the question pretty comprehensively. Essentially the minister ultimately retains that responsibility but, in accordance with recent past practice, the local government will make a recommendation. Provided that it keeps within the framework and can identify and articulate the level of consultation that it has gone through with the community and business, generally the minister will endorse its approach.

Dr J.M. WOOLLARD: I appreciate the fact that the Australian Prudential Regulation Authority is federal. In this State Law Mutual (WA) is not an authorised insurer. Its mutual funds are therefore outside the Insurance Act and not regulated by APRA but administered by the Law Society. It is not specified who makes up the shortfall in funds should liabilities exceed the assets. This is a consumer protection issue that is referred to at the fourth dot point on page 416. Some of the other States that wish to ensure that funds are sufficient have enacted legislation to give a guarantee. This State currently has the Legal Practice Bill on the table. It would be possible for the department to look at the wording in the Bill to ensure that this is covered. The current wording does not require insurance to be provided by an authorised insurer. Because of the finance broking issue and the fact that the pool of funds may not be sufficient, there may be a shortfall in the future. Has the minister considered looking at an amendment to the Legal Practice Bill to ensure that the pool of funds is sufficient and that it comes under the Insurance Act?

Mr J.C. KOBELKE: The member quite rightly points out the fact that the regulation of insurance is a commonwealth matter. In some areas where insurance covers issues that are clearly the responsibility of this portfolio, we would look at them and perhaps comment on APRA. The member is referring to a matter that rests within the responsibility of the Attorney General and relates to lawyers. Although the finance broking scandal in this State was echoed a bit in other States where lawyers' trust funds had perhaps not been administered properly and there were similar rorts, the matter the member is referring to is totally outside this department's responsibility and relates to a statute that comes under the responsibility of the Attorney General. This department has no responsibility in that area at all.

Dr J.M. WOOLLARD: I will be putting forward an amendment to that Bill, which I believe will give protection to the community. I hope that I may discuss that amendment with the minister and his staff.

Mr J.C. KOBELKE: The member needs to discuss it with the Attorney General. I do not have responsibility for the Act.

Mrs C.L. EDWARDES: I refer the minister to page 413 and to the quantity of output performance measures dealing with 12 major policy projects, 35 policy projects and 2 700 policy tasks targeted for 2003-04. When one refers to cost efficiency, the average cost per major policy project is \$293 959, the average cost per policy project is \$86 298 and the average cost per policy task is \$985. What are the 12 major policy projects and the 35 policy projects?

Mr J.C. KOBELKE: I thank the member for the opportunity to try to explain this. Twelve major policy projects are a target, because we are often working on more than that. We must set a priority if we cannot resource more. There is no specific list of 12 projects. The sorts of things we are looking at include the Associations Incorporation Act. We are working with the fitness industry to develop a code of conduct. That has been going on for some time and continues. We have a major review of the Fair Trading Act. I have alluded to the fact that we are looking to a major rearrangement of the boards. Although the rearrangements are minor for each board, bringing them all into line is a major project. Those are the types of major projects we are looking at.

Policy projects relate to some of the codes of practice, such as those for licensed charities. Submissions will be made to the Industrial Relations Commission, such as those in the state wage case coming up. There is also the review to extend working hours, which we discussed earlier. The bulk of the carriage of the consultation lies with the Department of the Premier and Cabinet, but my department has people involved in that. We would therefore classify that as a policy project.

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Mrs C.L. EDWARDES: Is the review of the hours of work a major policy project or a policy project?

Mr J.C. KOBELKE: It is a policy project.

Mrs C.L. EDWARDES: Therefore it is only minor and will cost only \$86 298.

Mr J.C. KOBELKE: An independent group and not the department will conduct the review. It will be resourced from the department and will run from three to six months. There is a bit of judgment on whether it is classed as a major policy project or a policy project. Major policy projects tend to run for a year or more - some several years. At times they may be quiet and at other times have a high level of activity, whereas a policy project is fairly well confined and defined even though it may be a matter of quite major significance.

Sitting suspended from 1.00 to 2.00 pm

[Mr A.J. Dean took the Chair.]

Mr P.B. WATSON: I refer to major policy decisions on page 408 of the *Budget Statements*. The amount allocated in the budget for workplace inspectors has increased from \$862 000 in 2003-04 to \$1.484 million in 2004-05. Will the inspectors have greater authority than they did previously, especially after the increase in the number of deaths in the workplace from 17 to 20, about which we heard earlier?

Mr J.C. KOBELKE: The Government has given a commitment to improve occupational health and safety in Western Australia. We are examining the way in which WorkSafe operates, the laws under which it operates and the resources provided to it. The director general had tried to allocate internal resources to safety. However, given its other priorities, that was difficult to do. Therefore, we have made a commitment to provide eight additional inspectors in the coming year and six in each subsequent year. That is a major addition to the WorkSafe inspectorate. Where the inspectors are used and in which industries they are applied is a matter for the director general, as required under the Public Sector Management Act. He already has set some priorities. He might wish to comment on how these inspectors will be added to the existing inspectorate and comment on what they will be focused on.

Mr BRADLEY: We intend to allocate 50 per cent of those additional inspectors to the construction industry. In the first intake, four of the new inspectors will be allocated to the construction sector. In subsequent intakes we will look at locating inspectors in the regions. Much of that work will include monitoring the developments in the Burrup Peninsula to see whether additional inspectors are needed there and also in the south west.

Mr P.B. WATSON: Of the 20 deaths in workplaces, how many occurred in the construction industry and how does that compare with last year?

Mr J.C. KOBELKE: We will see whether we can find that information for the member. I will ask Mr Bradley to provide those details.

Mr BRADLEY: In 2002-03, there were seven deaths in the construction industry and last year there were two deaths.

Mr D.F. BARRON-SULLIVAN: I refer to the last dot point of significant issues and trends on page 408, which states that present Australia-wide labour relations issues that have potentially significant implications for Western Australia include paid maternity leave. Will the minister provide an indication of the current situation with paid maternity leave for the public and private sectors?

Mr J.C. KOBELKE: Mr Radisich might have more specific details on this matter. Currently, the policy in the Western Australian public sector is to provide parental leave to either the father or the mother. The person on leave must be the primary caregiver. On that basis, only about two per cent of fathers took up parental leave in Western Australia. Predominantly, maternity leave is taken but it is open to the father also to take paternity leave. About 60 per cent of employees in the public sector had maternity leave made available to them. We have made a commitment that from 1 July this year, six weeks paid parental leave will be available across the entire public sector. The granting of parental leave was basically agreed to on a sector-by-sector or department-by-department basis during the negotiations of enterprise bargaining agreements. The current application of parental leave can be different from department to department in small technical matters. We are seeking to implement a standard clause that will overcome some of the complexities of variation from 1 July. That could be implemented as each EBA comes up for renewal. Paid maternity leave will be extended across the public sector and the conditions that apply to it will be standardised. We do not have any figures on the private sector. It would depend on the awards or the degree to which the employer sees that as a benefit to attract and retain staff.

Mr D.F. BARRON-SULLIVAN: What is the Government's policy on paid parental leave in the private sector? Does the Government intend to encourage such provisions in industrial awards or other industrial arrangements?

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Mr J.C. KOBELKE: Unpaid maternity leave is available. We will encourage employers to take up paid maternity leave. An Australian Council of Trade Unions case is being launched, which has not proceeded, seeking 14 weeks paid maternity leave.

Mr D.F. BARRON-SULLIVAN: Will the Government support that?

Mr J.C. KOBELKE: We will support it in principle. We may vary with regard to the implementation of some of the details. We would like the principle of paid maternity leave implemented across the work force. The matter has had a very high profile since the Sex Discrimination Commissioner, Ms Pru Goward, has been running with the issue. However, I understand that the federal Government is not too keen on the idea. Its response has generally been lukewarm. It is inevitable that the principle of paid maternity leave will be implemented across the work force. It is a matter of giving industry and Governments time to factor it in before providing it. The main issues are conditions in the workplace - that is, family-friendly workplaces - and the retention of staff. Another issue is the very low birth rate in Australia. Not enough children are being born to replace the population. Bigger social and economic issues across the nation may cause us to consider this matter as a national priority. We must encourage people to have children. I suggest that paid maternity or paternity leave in various forms is one part of that equation.

Mr D.F. BARRON-SULLIVAN: You mentioned that the Government supports the ACTU's case.

Mr J.C. KOBELKE: We support the principle.

Mr D.F. BARRON-SULLIVAN: Has the Government done an assessment of the cost implications of that for the business community?

Mr J.C. KOBELKE: That is still being developed. As I said, the ACTU will make a case. We support the principle of that case. We will have to develop workable proposals, an acceptable time line and costs. All that work is being done now. We would prefer a national scheme to be in place. Clearly, the Commonwealth Government is better able to fund it. All sorts of problems arise when these schemes apply to only certain States or industry sectors. It would be better for the Commonwealth Government to fund a scheme up to the average weekly earnings or up to a certain amount; for example, up to the award base for all parents for a given period. It would then be up to employers to top up the payment if the employer were on a higher wage. A range of details need to be worked through. No single scheme can be picked off the shelf, although the Government agrees with the principle.

[2.10 pm]

Mr D.F. BARRON-SULLIVAN: Will the department be carrying out that sort of assessment work?

Mr J.C. KOBELKE: We will follow through on details.

Mr D.F. BARRON-SULLIVAN: Will the minister provide an undertaking to provide details when the assessment is carried out?

Mr J.C. KOBELKE: As I already indicated, the Government prefers a national scheme. Therefore, it does not see the value of committing a huge amount of resources to work on costing a scheme that might never get off the ground. We want the national scheme more clearly identified before we do our work to see the impact on businesses and government in Western Australia.

Mr D.F. BARRON-SULLIVAN: Is the Government not budgeting for a paid maternity scheme arrangement in the public sector?

Mr J.C. KOBELKE: That is six weeks parental leave. The general push is for 14 weeks maternity leave. It might end up at eight to 12 weeks leave, and maternity leave rather than parental leave - we do not know. It may be part-government and part-employer or all-government funded. We will wait to see that wide range of options narrow, and the department will then work on a reduced set of possible outcomes to generate a response.

Mr D.F. BARRON-SULLIVAN: Lastly, what is the annualised cost of the six weeks paid leave?

Mr J.C. KOBELKE: Our estimate is about \$17 million across the public sector. The extension we are considering in the areas not covered is estimated to cost about \$3 million. That is to be met by the departments' own resources.

Mrs C.L. EDWARDES: What is DOCEP's figure?

Mr J.C. KOBELKE: We did those calculations some months back, but I do not have them with me. I am happy to provide it as supplementary information.

[*Supplementary Information No A13.*]

Chairman; Mr Dan Barron-Sullivan; Mr John Kobelke; Mrs Cheryl Edwardes; Mr John Quigley; Mr Peter Watson; Dr Janet Woollard; The Chairman (mr A.D. Mcrae); Mr Norm Marlborough; The Chairman:

The CHAIRMAN: Can the minister clarify the supplementary information to be provided?

Mr J.C. KOBELKE: It is our estimate of costs to DOCEP with the extension of the availability of six weeks paid parental leave.

Mr N.R. MARLBOROUGH: A major initiative for 2003-04, as outlined in the second dot point on page 414, is a review of extended working hours. The minister touched on the issues involved prior to the luncheon break. What detailed process does the minister intend entering into before any appropriate recommendations are before him relating to extended hours? I use my electorate of Peel as an example of this subject: the State's heavy industrial estate is in this area, and it contains predominantly blue-collar workers who are mostly working a minimum of 12-hour shifts. Clear evidence is arising of the impact of that workload on the family structure. A breakdown of any sort of normal family activities is taking place out in the community. I have been approached in my electorate by all the key churches about this matter, and they are concerned about evidence of family breakdown and pressure relating predominantly to males working 12-hour shifts. Men come home at two or three o'clock in the afternoon to sleep, just as teenagers come home from school. The teenagers cannot play their music or engage in normal activities because dad is asleep. There is a reduction in the number of volunteers available to sporting organisations. This trend is emerging in the community.

The CHAIRMAN: Is there a question, member for Peel?

Mr N.R. MARLBOROUGH: I asked a question at the beginning. I asked the minister to advise us about the processes put in place to consider the problems associated with the extension of trading hours. Also, are any other States looking at this issue? Does the minister believe the issue needs to be tackled at a national level, rather than a state-by-state level?

Mr J.C. KOBELKE: To answer the last part of the question first, I understand that Tasmania about a year ago conducted a study on only the mining industry. It was done by the Australian Centre for Educational Research at a Tasmanian university.

Mr N.R. MARLBOROUGH: What were the outcomes and recommendations?

Mr J.C. KOBELKE: I do not have them at hand. We will take them into account. The Labor Party was cognisant prior to the election that this was a real issue, and it gave a commitment to review long or extended working hours. The Government is about to kick off that process. It was envisaged prior to the election that the review would be done in the third year of this government, in view of the pace and number of changes to be put in place. I am interested to hear the member say evidence of this problem is showing up in his electorate. It has shown up in other communities - I was not aware it had prominence in the member's electorate. A study I saw two or three years ago indicated that Western Australia had a higher percentage than elsewhere in Australia of people working excessively long hours. It is clearly an issue for Western Australia. Certain operations have people working long shift arrangements, and this impacts on families and communities. We will establish within a matter of weeks a small review panel to consult the public. It will contain some expertise in this area to try to craft a range of proposals for the Government to ensure it can provide some sensible restrictions on the extraordinary working hours some people work. I have repeated a classic example many times: one contractor in the eastern goldfields worked people on 12-hour shifts for 13 weeks before a break. That was utter madness. I do not know where to draw the line. I do not have a problem with 12-hour shifts, but it depends on the work being performed, the roster, how many shifts are worked in a row and other such factors.

The terms of reference for this review committee are not finalised, but I hope to announce them in a few weeks. The review will focus on a range of matters. To be brief, I want two issues handled: I want specific recommendations for areas in which there are clearly identified problems. In some areas of the mining industry, 12-hour shifts are worked for many days. How do we resolve that? The last few years have seen the development of a fatigue management code for the transport industry. That seems to be a success. Maybe codes could be applied in some industries. Statutory limits may be needed in other areas. This review group will provide models in certain circumstances. We can then work with the industry sectors to work up the proposals to be put in place. They are the areas of primary focus. I want something done; I do not want it to drift on. The second focus is broader; that is, the longer term effects on health, family life and communities. It is more difficult to manage. The Government will look for guidance on the issue. I do not want an extensive report outlining so many things to be done that the Government has difficulty getting a handle on them. I want advice on the big issues and the current hot-spots. We can then work with the industry sectors to put some controls on what might be characterised as extreme elements.

[2.20 pm]

Mrs C.L. EDWARDES: I refer to the third dash point on page 415, which refers to the minister's second wave of labour relations reform. What is proposed in the terms of reference for the public consultation process?

Chairman; Mr Dan Barron-Sullivan; Mr John Kobelke; Mrs Cheryl Edwardes; Mr John Quigley; Mr Peter Watson; Dr Janet Woollard; The Chairman (mr A.D. Mcrae); Mr Norm Marlborough; The Chairman:

When does the minister expect to introduce any changes into the Parliament? The second dot point suggests that that will take place in the 2003-04 financial year.

Mr J.C. KOBELKE: I am checking because we are close to putting that out to key parties for discussion. I do not think it has gone out to those key parties, but it is very close. We signalled in our election commitments that there would be a second stage of reforms, which, to a large extent, would be uncontroversial. We would ride that off the Fielding report of 1994 or 1995, of which the member, as the former minister, is aware. No legislative changes were taken up from that report. The Government has not accepted the report in full, but a range of very sound recommendations had wide acceptance from all parties. We want to take those forward. I have had a report completed, which I will release -

Mrs C.L. EDWARDES: Publicly or just to stakeholders?

Mr J.C. KOBELKE: It will go to stakeholders, but it will become public. We will speak to the key stakeholders first to get their feedback because there may be a couple of other issues that were not picked up that could also go in the package. Once that is tied down, we will put the specific recommendations out for further consultation to then develop the legislation.

Mrs C.L. EDWARDES: From the minister's comment in the *Western Australian Business News* the other day about new regulations for industrial advocates, does he propose that industrial advocates will be incorporated as part of this second wave?

Mr J.C. KOBELKE: That is correct. That was one of the recommendations. There is general agreement - perhaps by everyone except industrial advocates - that that area needs tightening up and that this is the appropriate legislation in which to do that.

Mrs C.L. EDWARDES: The same dot point indicates that the Government is developing terms of reference for the mid-term review of labour relations legislation and refers to advising and contributing to the review. How does the minister propose to go about this mid-term review, who will conduct it and what are the likely terms of reference?

Mr J.C. KOBELKE: Those matters have not yet been considered. At this stage we have considered only the time line. We did give an undertaking to do a mid-term review so there would be some objective assessment of the results of the Labour Relations Reform Act. As the Act does not come into full effect until September this year, when the total removal of workplace agreements will occur, it is envisaged that we will kick it off around then. Some preliminary work can be done because the change is already flowing through the system, but the formal start will take place about September or October this year. We hope to have that report in our hands if not by the end of the year then early in the new year; that is, January, February or March.

Mrs C.L. EDWARDES: Therefore, any changes that would flow out of that mid-term review could be incorporated in that second wave of changes?

Mr J.C. KOBELKE: No. There is a potential that they might, but that is not the objective. We are reviewing areas which are quite controversial and about which there is a clear division of opinion between different sectors of the community. The second stage of the Labour Relations Reform Act was largely to complete machinery aspects, not pick up the controversial matters in the Labour Relations Reform Act. It may be that out of that review a key issue arises about which there is agreement or on which the Government thinks it should act. In that case, there is the potential to involve it, but that is not currently the intention. The current intention of this mid-term review is to do an objective assessment of how the changes are going and then plan what adjustments and further changes should take place.

Mr J.R. QUIGLEY: I refer to the second last dot point on page 417, which states that as a result of a recommendation made by the Functional Review Taskforce, full industry funding for technical and safety regulation of the energy industry by the energy safety directorate will be implemented. Before the report of the Functional Review Taskforce was completed, I take it that there was not a full safety regime for the energy industry.

Mr J.C. KOBELKE: No, the regime is there. This is simply a matter of funding.

Mr J.R. QUIGLEY: Had it not been funded before? What was the recommendation of the Functional Review Taskforce?

Mr J.C. KOBELKE: Mr McGill from the energy safety division will give a little history of what has happened.

Mr MCGILL: Until the formation of the Office of Energy and Western Power, these functions were undertaken by the State Energy Commission of Western Australia and were fully funded by SECWA in that regime. When

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it became a separate independent regulatory office under the Office of Energy, and later the Department of Consumer and Employment Protection, it was funded jointly by licensing fees from electricians and gasfitters and by contributions from the consolidated fund. It is now proposed to revert to the pre-1996 position and for the energy industry to fund the remaining part between the moneys raised by licensing fees and that required to operate the regulatory regime.

Mrs C.L. EDWARDES: I refer to fatigue management as referred to in the dash point at the bottom of page 413. What funds are being provided for the code of practice and the implementation of fatigue management plans? How many fatigue management plans are up and running in industry? How many of those plans have been audited? Have any prohibition notices, prosecution notices or improvement notices been issued in relation to the fatigue management plans? Last year \$250 000 from the road trauma trust fund was allocated to the fatigue management plan. Where will the money come from this year? Will it go towards the continuation of the two inspectors? Does the minister propose to add to those two inspectors?

Mr J.C. KOBELKE: The feedback provided to me indicates that this initiative has been very successful. I acknowledge that the member asked the question when the minister kicked off the process. Obviously this Government has funded it, which has made the whole thing work. That was an election promise that we made. We promised to fund it in our election commitments, we found the money, and it has been delivered. I do not know whether we can answer generally the detail for which the member has asked, or does she want me to give specific answers to her questions, which would mean I would have to take them on notice?

Mrs C.L. EDWARDES: Perhaps the minister can start with the amount of funding for 2003-04. Where is that money coming from?

Mr J.C. KOBELKE: It is coming from the consolidated fund, but I will ask Mr Bradley to answer that.

Mrs C.L. EDWARDES: Is it coming from the road trauma trust fund.

Mr BRADLEY: An amount of \$250 000 is still available from the road trauma trust fund, whereby two dedicated inspectors are used to police the current code. As the member knows, the code was very successful in its early days in helping us to focus on the fatigue issues experienced by long-distance commercial drivers. When we evaluated the code, we felt there was a need to take it to another level. We are now trying to incorporate into legislation the operating procedures that were contained within the code. It is being watched nationally to see how effectively we can do this, because long-distance driving is quite a problem on not only the western seaboard but also the eastern seaboard. We are confident that, after a lot of consultation yet again, we have come up with a proposal that will work. The code of practice will be released by the commission probably towards the end of this month for three months of public consultation. The regulations are scheduled to come into operation on 1 July, from memory.

[2.30 pm]

Mrs C.L. EDWARDES: Can I receive by way of supplementary information the number of fatigue management plans from the transport companies that are in place, the number of improvement and prohibition notices that have been issued, and the number of prosecutions for 2002-03 and 2003 to date?

Mr J.C. KOBELKE: We will seek to provide that information to the member.

[*Supplementary Information No A14.*]

Mr D.F. BARRON-SULLIVAN: There are at least three significant references to revenues from user charges, fees, regulatory fees and fines: one at page 419, another at page 422 - that is an administered account - and another at page 424. Can the minister provide a breakdown of all the user charges, fees, regulatory fees and fines either imposed directly through the department or for which the department operates administered accounts, and an indication of when those fees, charges and fines were last increased? One indication of the impact of the increase can be found at page 424, which indicates under the heading "Taxation" that in 2001-02 the revenue from business name registrations was around \$2.9 million. That will increase to \$5.6 million this year and \$5.7 million in the forward years. This is a very good indication of the impact on the small business community of the Government's decision to annualise and increase the fees for the registration of business names. That will be a \$2.3 million additional burden on small business. I am happy to take this by way of supplementary information, but I would like a breakdown of all the fees and charges imposed by or administered through the department, the individual revenues from each of those fees and charges, and when they were last increased.

Mr J.C. KOBELKE: All of the fees and charges had to be approved, so I would have no trouble in providing a list. There are pages and pages of fees for photocopying and all sorts of things. However, I am not sure whether we can easily provide what the amounts were previously. The amounts were generally increased by the rate of

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inflation, but in some cases there were some cost recovery moves. We will seek to note next to each fee what the increase was, but I do not want to give that undertaking and find that it will involve a huge amount of work.

Mr D.F. BARRON-SULLIVAN: Would it be possible to also note the fees and charges that have gone from a triennial to an annual basis?

Mr J.C. KOBELKE: We can certainly give the member a list of all the fees and charges, and we will seek also to provide some indication of the changes, but I will not make a commitment to provide that information extensively if it will require a huge amount of work.

[Supplementary Information No A15.]

Mr J.C. KOBELKE: The member quite rightly referred to business names. Business name registration will also require reregistration, with a fee. That was the practice until 2000, but it was removed, supposedly to help lift the burden from small business. Every other State has a reregistration system. The problem is that there are about 30 000 business name renewals every year. We have found that since the requirement to reregister a business name has been removed, a lot of people are just letting the name sit there. We are trying to cleanse the register of names, because the problem I confront continually is that businesses say they want to register a particular name but some other business objects because it has a similar name. We want to reduce the number of business names. In the Government's view we need to have a small cost that is more than just a straight administrative cost so that people will think about whether they should reregister a business name and pay the fee, because under the current registration system we are not getting an adequate cleansing of names that are no longer in use.

Mr D.F. BARRON-SULLIVAN: Does that mean the minister will be attempting to make further changes to the arrangements?

Mr J.C. KOBELKE: No. What is built into these figures is that we will be bringing into the Parliament a Bill to allow for reregistration. That was done by way of regulation. However, the regulation was disallowed in the upper House on the basis that the fee was above cost recovery. We are seeking to reinstate the fee at the old level - not at a higher level - through a specific piece of legislation, so that we can have a more efficient business name registration process and not have the names simply rolled over even though they are no longer in use.

Mr D.F. BARRON-SULLIVAN: Will that account for the full \$2.3 million of additional revenue?

Mr J.C. KOBELKE: Yes. The fee will still be among the lowest in Australia. All the other States have such a system.

Mr D.F. BARRON-SULLIVAN: I have just got the minister to admit that he will be having another go at doing what was defeated in the upper House, when the minor parties joined with the Liberal Party in opposing his attempt to slug small business with an extra \$2.3 million in fees. The minister has just told me that he will hit small business with an extra \$2.3 million. Have the minister and his lot not woken up to the fact that small business has had an absolute gutful of this sort of nonsense and additional expense? This is rubbish.

The CHAIRMAN (Mr A.J. Dean): I draw the member's attention to the standing orders.

Mr J.C. KOBELKE: The regulation was thrown out in the upper House, perhaps for a range of reasons, but the clearly stated one was that it was above cost recovery. This is necessary for the good management of business names. I am one of the people who have to deal with the businesses that are not happy that they cannot register their name because two names are very similar and there is a contest.

Mr D.F. BARRON-SULLIVAN: Then why not make it revenue neutral?

Mr J.C. KOBELKE: The issue is that if a small cost is not involved - that is, \$75 - people will just fill in the paperwork and send it in. Now they will have to think about whether they really need to do that.

Mr D.F. BARRON-SULLIVAN: Instead of getting an extra \$2.3 million of revenue, at the expense of small business, if the minister wanted he could make it revenue neutral.

Mr J.C. KOBELKE: We are talking only about reregistration. The cost has been placed in there so that people will have to think before they seek to reregister.

The appropriation was recommended.

[2.40 pm]