

Mr John Kobelke; Chairman; Mr Dan Barron-Sullivan; Mr John Bowler; Mrs Cheryl Edwardes; Mr Matt Birney;
Mr Radisich; Dr Janet Woollard; Mr Tony O'Gorman; Mr Martin Whitely; Ms Jaye Radisich

Division 26: Consumer and Employment Protection, \$40 934 000 -

Mrs Hodson-Thomas, Chairman.

Mr Kobelke, Minister for Consumer and Employment Protection.

Mr B. Bradley, Acting Director General.

Mr P. Walker, Commissioner for Fair Trading.

Mr J. Radisich, Executive Director, Labour Relations and Commissioner of Workplace Agreements.

Mr B. Appleby, Director, Corporate Services.

Mr D. Goodwin, Manager, Finance Services.

Mr G. Vivian, Manager, Finance and Resources.

Mr KOBELKE: There will be the opportunity for people to ask questions regarding the new department, which I will be very happy to answer. Obviously, I will not take up the time of the committee by doing that without a question. However, I suggest to members that we have three outputs: consumer and business services, which was the Ministry of Fair Trading; occupational safety and health, which was WorkSafe Western Australian; and labour relations, which was the Department of Productivity and Labour Relations. Under the standing orders, we can jump all over the place, and what I say is not intended to preclude people from jumping anywhere within the division. However, we would have a more productive committee if we could stick to one section at a time or try to hold questions to one output for a while. I am not suggesting that we cannot come back later if people think of a new question or wish to pursue a line of questioning on which they are still seeking further information. However, it is my suggestion to members of the committee that they exercise a bit of self-discipline as we go through the process. It would make more sense to lump questions together to cover one output at a time, otherwise, the huge diversity of matters that are covered by this department will leave members perplexed about what we are dealing with. That is just a suggestion. It should in no way limit the ability of members to ask questions at any time if they get the call.

The CHAIRMAN: It is up to the committee to determine how it deals with divisions, but once a division is passed, we cannot go back.

Mr BARRON-SULLIVAN: We are happy to comply with the minister's wishes as it makes sense to go through the division in order. We may, from time to time, need to hop back but hopefully not too often.

I will start with business and consumer affairs. On page 445 of the *Budget Statements*, the second dot point under consumer protection refers to legislation that is being drafted up on untenable and unconscionable conduct and so on. It is legislation that is intended to protect small business. When does the minister envisage that this legislation will be ready? Correct me if I am wrong, but did that legislation come out of the recommendations from the small business safeguards reference group? What other recommendations are being carried through to policy or legislation; for example, improved commercial tenancies rights and security of payment legislation and so on?

I have given the minister a dorothy dix question; can he give me a straight answer.

[9.10 am]

Mr KOBELKE: Security of payments are not being handled by the Department of Consumer and Employment Protection. That is a matter for the Minister for Housing and Works; he looks after government contracting and is pursuing that matter. We have been involved and are aware of what is happening but it is not something of which we have carriage. That answers the last part of the question.

The more substantive part of the question relating to the dot point referred to the measures that protect small business. Although we are not embarking down that road at present, I am keen and the Minister for Small Business is also interested in having consumer protection provide an added level of protection for small business. The new department is certainly seen as being pro-consumer and anti-business. However, we need to set standards that will be of assistance to all businesses so that they know that they are playing on a level field. Small business can also be subject to actions by larger business, which is very much to the detriment of small business. Therefore, there is a consumer protection role for looking after small business. That in part answers the question but does not come to the specifics of it.

Another part of the question related to unconscionable conduct. The last Government introduced a green paper on unconscionable conduct. We recently had a review group with all the key stakeholders represented. That working party, chaired by Nick Catania, reviewed the Fair Trading Amendment Bill 2000, which as I said is the

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Green Bill. The working party has come back with recommendations, which I am considering. Hopefully, I will be able to move on those before the end of the year in order to protect small businesses from unconscionable conduct. The issue of retail tenancy is also a matter we wish to progress, but at this stage there is still a fair bit of work to be done. However, I am hopeful that both matters will come forward on the Government's legislative program next year.

Mr BARRON-SULLIVAN: So next year, you would hope?

Dot point two on page 451 of the *Budget Statements* states that there is a commitment to reviewing the regulatory frameworks that affect small business. We have spoken about two areas of legislation that impact on small business, but obviously there is a raft of legislation, and concern has been expressed about a number of legislative impositions on the small business community. How will the Department of Consumer and Employment Protection review the total regulatory framework that affects small business? What processes have been set up?

Mr KOBELKE: The total review is a matter outside this agency, but it is a matter that the Government is pursuing. In fact, a cabinet subcommittee has this matter on its agenda and it will be progressed. However, the total review of regulation, red tape and the effect on small business and business generally is beyond the scope of the Department of Consumer and Employment Protection. The member for Mitchell might be aware that the Minister for State Development has set up a group to look at expediting the approval processes for large business. Therefore, different programs are addressing the same issue of government regulation being an impediment to business. We have one program looking at major projects and getting those cleared more quickly. The general issue of red tape is being reviewed as a whole-of-government issue, and in the area of consumer and employment protection there is a real interest in making sure we handle that matter, because regulation is a key area covered by the Department of Consumer and Employment Protection. We are not anti-regulation at all. If regulation is to work, and work effectively, the Department of Consumer and Employment Protection must be conscious of the downside of regulation - which is the added burden that it may place on business - and how it can put in place effective regulation that minimises the administrative load placed on small business. We are very conscious of that in all the things we do. With regard to the member's specific question about the review, that is being taken up as a whole-of-government issue.

Mr BARRON-SULLIVAN: Following on from exactly what the minister has just said - this is the reason for my line of questioning - I have had people in the small business community tell me that they are confused about how the Government will review these matters. For example, dot point two states quite clearly that there is a commitment to reviewing the regulatory frameworks that affect small business, and that is a commitment under consumer and employment protection. We know that there are three ministers involved: the Treasurer, with business tax review, the Minister for Small Business and the Minister for Housing and Works. There is a degree of confusion about how this will all pull together. The *Budget Statements* state that your ministry will be involved in reviewing the regulatory framework that affects small business, and that the focus of this initiative includes - it does not preclude other things - improving commercial tenancy rights and so on. I am trying to find my way through, because it has been suggested to me that at some stage the regulatory regimes that are imposed by an agency should be looked at outside that agency. At the moment the minister is saying that there will be a cabinet subcommittee. Who will service that cabinet subcommittee?

Mr KOBELKE: I cannot disclose those details at this stage. Cabinet workings are disclosed when Cabinet makes a decision and announces that decision. However, I have indicated that it is already on the agenda to be looked at from a whole-of-government perspective.

With regard to dot point two, I have also indicated that because the Department of Consumer and Employment Protection is very much involved in regulation in a range of areas, we are cognisant of the fact that that can have negative impacts on business. Therefore, we need to be mindful of that and seek to minimise the impact on small business.

The second sentence in dot point two qualifies the first, because while the first sentence states our commitment to review the regulatory framework and its effect on small business in a number of areas and on an ongoing basis - reviews are already under way - the second sentence qualifies that by stating that the focus of this initiative includes improving commercial tenancy rights of small business retailers and introducing protection against unconscionable conduct. They are both matters I hope I answered adequately in an earlier question.

Mr BOWLER: I refer to dot point one on page 445. How will consumers be protected through stronger formal dispute resolution mechanisms?

[9.20 am]

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Mr KOBELKE: With regard to the formal mechanisms, we are looking at the registration of motor vehicle repairers - which was an election promise - and I will come back to that in more detail, because there is a lot to be said on that issue. However, we are definitely committed to that, and the money for the introduction of that regulatory regime is in the budget. We are also looking at a range of legislative measures to protect consumers. We have already introduced legislation into the other House that will protect people from the excesses of payday lending. Legislation is being developed - hopefully it will be introduced into Parliament quickly - that seeks to strengthen the Motor Vehicle Dealers Act. There is a huge problem with backyard operators who sometimes sell vehicles that are unsafe. Therefore, there is a safety issue, as well as the fact that people are being ripped off, and that is clearly a consumer protection issue. There is a range of formal issues.

In the area of consumer protection, the informal dispute resolution mechanisms - that is, the allocation of resources - receive a real and substantial increase in this budget, and in the out years. We are looking at an additional 40 positions this financial year. A number of those will not be fulfilled until the end of the year because of the time it takes to advertise, employ people, and set up programs or expand existing programs for those people to move into. To go over it quickly, there will be 18 staff in enhanced compliance and consumer protection; this figure comprises part-time positions, so they will add up to slightly more than 40. They will look at trading standards, extending product safety surveillance, business names, charitable collections, registration of associations, and so on. There is a real importance here. When it lost office, the previous Government recognised this need, which was driven home by the scandal we had with finance brokers. While a range of issues led to the finance broking scandal - it is not appropriate to go into them now - one of the issues was the under-resourcing of the then Department of Fair Trading.

People trust that the Department of Consumer and Employment Protection will deliver assurances that standards will be met. However, it has not been adequately resourced to do that. The Government is conscious of the fact that further finance broking scandals could open up in different areas if the department is not adequately resourced. Product safety is another area that requires more staff. People assume that goods on sale, particularly for young children, have been vetted and meet safety standards that ensure they are safe for children and that dangerous goods do not come into their hands. Two additional staff will be employed to ensure that standards are complied with. The additional 18 staff will be employed in a number of areas to enhance the compliance and consumer protection program.

The department is lacking organisational development, professional development and enhanced training. The whole inspectorate regime must be as effective as possible. The department plays a very important educational role in informing consumers, retailers and the broader community about standards in specific areas. That requires additional staff, and an additional 15 staff will be on board by the end of this financial year to assist in those areas.

The department also requires improved information technology support. Four staff are required for that area. Yesterday we announced that, as part of the fuel watch system, prices will be posted every day for the following 24-hour period. It is important to create a more competitive market in which people can choose where they buy their petrol. On that basis, consumers will be able to designate 10 retail fuel sites and receive advice of fuel prices by e-mail on a daily or weekly basis. It is a flexible system. The development of those communication strategies using modern technology is one small aspect of the enhancements that can occur with the extra staff and resources that will go into technology support.

Four staff have been designated for consumer education awareness. A major commitment has been made to enhance the petrol products pricing unit; therefore, four staff have been designated for that area. The department will reintroduce business name renewals, which will require more resources. The previous Government had abolished that requirement a few months before the election.

Mr BOWLER: Has the fuel watch strategy been successful?

Mr KOBELKE: It has been quite successful. The Government has set a very high goal and it has a long way to go to achieve it. However, it has had some success. As I said earlier, I announced yesterday the capacity for people to be advised by e-mail of the price of fuel at 10 nominated retail fuel sites to enable them to choose the cheapest fuel.

The department's analysis reveals the wild fluctuation in prices more as a result of the marketing tactics of the major oil companies than changes in the international price of oil and the dollar's exchange rate, although they clearly have a major impact on fuel prices. The marketing strategies of the major oil companies have led to huge, regular fluctuations from one day to the next by as much as 10c a litre. The regulated system of reporting and nominating fuel prices over 24 hours means that Western Australia, in advance of any other State, has a detailed data collection and greater transparency of the market. From that database it is apparent that the levels

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of fluctuation have changed and prices are more stable. However, insufficient stability has been achieved. Fluctuations are in excess of what is expected in a truly competitive market, so we must continue to push for greater compliance.

There has also been a struggle to get compliance with the maximum wholesale price. Our maximum wholesale price is at or above the price at which fuel is available. The issue now is to ensure that system is working properly and that transparency is being maintained in invoicing. Regulations have been implemented that require the invoices for the supply of fuel to designate all the component parts of cost so that it is clear whether the wholesale price is at or under the maximum wholesale price. The cost paid by the retailer can include badging, transport, insurance, and promotional or other costs. The invoicing requirements laid down in the regulations require the invoices to show the actual wholesale price and the add-ons. Not all the oil companies fully comply with those invoicing transparency requirements. Although we now know that fuel is available at or below the maximum wholesale price, to ensure its continuation, we are pursuing the matter.

Mr BOWLER: Are there companies that are not complying?

The CHAIRMAN: I remind the minister that the answers should be kept brief so that we can get through as many questions as possible.

Mr KOBELKE: This is a complex area.

Mrs EDWARDES: How did we get from business names to maximum fuel pricing?

Mr KOBELKE: I was asked the question. To conclude, even though it is only a partial answer, I do not think it would suit our purpose for me to name companies off the cuff. However, I announced to the House some time ago that expressions of interest had been called for a company to undertake forensic accounting on the books of the oil companies. An accounting firm has been engaged that the Government has judged to have the expertise to do that. That is under way. That recruitment is an important part of following through both on the sale of fuel at the maximum wholesale price and the requirement for transparent invoicing.

Mr BARRON-SULLIVAN: That answer embraced a number of matters, some of which I will deal with later. I am quite sure the minister did not take a breath through his entire answer!

When was the requirement for the annual renewal of business names scrubbed? On what basis did the Government decide to reintroduce the system? What consultation was carried out with the small business community?

Mr KOBELKE: The previous Government made a commitment in 1992 or 1996 to remove the requirement for renewal of business names. That was acted on just prior to the election. On 1 January 2001 the renewal fee for maintenance of business name registration was reduced. The \$75 annual fee was abolished. No comment was made on it at the time, so I do not think the Government announced that it would remove it. In the short time the Labor Government has been in power I have received queries about the integrity of business names. People have complained because an unused name has been on the register for ages and it is a name they need. People have been hanging on to names in the hope they will have future value. That can be an impediment to business. Consultation did not occur on that move. It re-established the requirement to renew business names until the end of last year.

The situation in other States is that Queensland requires renewal every year, while the other States and the Australian Capital Territory require renewal every three years. Western Australia will now also require a triennial renewal. If renewal is not effected after three years, that company or person will lose the right to that business name. This measure will help ensure that the system of business name registration works effectively and has some real meaning. I was astounded that, in my first three months as minister, there were three cases of complaints about the checking of business names and the registration process. If there is no requirement to renew, a form of cleansing process cannot take place, and the system will bog down. A fee of \$75 is being imposed, which compares with the cost in New South Wales of \$91, in South Australia of \$87, in Queensland \$54, in the Australian Capital Territory \$91, and in Tasmania \$105. The cost is below that of other States. The Queensland cost is lower, but it is annual, not triennial as in Western Australia. I do not think the present system is effective and workable, if it does not require people to renew business names. A charge must be involved, or people would simply renew even if they had no intention of using a name.

[9.30 am]

Mr BARRON-SULLIVAN: Apart from the fact that at present some people pay the \$75 fee and hold onto a name they are not using, all that is required is a regular review of the business naming situation. There may be some arguments in support of the proposal, but at a time when small business is desperate to get rid of red tape,

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the forms that flood onto their desks every year, and little fees all over the place, the Government decides to have a major regulatory review of legislation that impacts on small business. On the page I referred to in the *Budget Statements*, a cabinet subcommittee is mentioned. The minister says he takes all this very seriously, but then, in an autocratic way, he simply slaps the thing straight back in again. There may be widespread support for this measure amongst small businesses, though I doubt it, but it strikes me that the minister, in response to a few complaints, has put the measure in place without consulting with small business.

I want to talk about fuel promotion later on, probably after the lunch break, but the minister has mentioned the matter of publicising retail fuel prices. A matter I have raised with the minister before, and publicised, is that, since the maximum wholesale pricing system is not working, I am receiving expressions of concern from independent fuel retailers - and the minister and his commissioner are well aware of this - that the extensive promotion of retail pricing is leading to the demise of independent retailers. Concerns have been raised about predatory pricing, when an independent retailer finds that the major oil companies are subsidising sites around his outlet. It is almost as though, coincidentally, the major oil companies are subsidising those sites on an alternating basis. That means that, every single day of the week the independents are being forced to sell at minuscule retail margins, whereas the oil companies are able to alternate between a healthy margin and a small margin. Because the Government does not have the maximum wholesale price working and - correct me if I am wrong - fuel is still not being sold at the maximum wholesale price -

Mr KOBELKE: The member was obviously not listening to my earlier answer. Fuel is being sold at the maximum wholesale price, or below.

Mr BARRON-SULLIVAN: I will rephrase that. Because the Government is not getting a maximum wholesale price system that is enabling the independents to be competitive, the Government is actually promoting the major oil companies over the independents.

Mr KOBELKE: I do not accept that.

Mr BARRON-SULLIVAN: Is the minister saying that all the independent chains are now happy with the way the system is operating?

Mr KOBELKE: We would be in Utopia, if all fuel retailers were happy with the system under which they have to work. The present system is better than the previous one; it is improving, and the Government will take it further. The situation I outlined earlier in an answer to a question from the member for Eyre, is that fuel is now being sold at or below the maximum wholesale price. A potential difficulty is that this must be a sustainable system. Given the games played by major oil companies, I do not expect that delivering the maximum wholesale price today means it will be available tomorrow, next week or next year, but the Government's system must give the best possible certainty to the retailers that they will be able to purchase at the maximum wholesale price. There are provisions in the Act, which the Commissioner for Fair Trading can apply at an appropriate time when the facts are presented to him, to award damages if people are hurt by the behaviour of a company in not complying with the regulations. The Government would rather the system worked without having to go to those ends. We are not resiling from using every available mechanism in the Act, when it seems appropriate, and when it may be effective, but the situation is that fuel is now being purchased at or below the maximum wholesale price. We want to make sure that that system is stabilised on an ongoing basis, not with a bit here and a bit there. The difficulties in making the system work are due to a whole range of matters, and the key one I was addressing in my earlier answer is the transparency requirements of invoicing. I have already indicated that this provision is not being fully complied with.

Mr BARRON-SULLIVAN: Why will the minister not name the companies that are not complying?

Mr KOBELKE: Because a whole range of things are happening, and I want to give a more considered answer based on the data before me, rather than what I hear off the cuff. I do not have all the data before me. I am also a bit tentative because investigations are under way - I mentioned the forensic accounting - and prosecutions could take place. Mentioning a name here or there may not be conducive to the effective resolution of those investigations. I am not saying the names will not be announced in time, but I would rather do that at a time suitable to our overall operation.

Mr BARRON-SULLIVAN: Is the minister saying that naming these companies would jeopardise the investigation?

Mr KOBELKE: I am not saying that would definitely be the result, but the potential is always there to jeopardise the effectiveness of the whole operation, and therefore I want to give a very considered decision on whether to name those companies at a given time. I am not in a position to give that the proper consideration.

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Mr BARRON-SULLIVAN: If that is the case, will the minister agree to provide that information by way of supplementary information, when he has been able to give it that consideration?

Mr KOBELKE: The difficulty is that supplementary information has to be provided within two weeks, and it may now be four or more weeks away from a time when I wish to go public and name those companies. I do not wish to pre-judge, right here and now, in the pressure of this situation, what will be the most effective time to name those companies. I do not preclude naming them, but I do not want to do it now.

[9.40 am]

Mr BARRON-SULLIVAN: If the minister's commissioner were advising that the naming of those companies would jeopardise any investigation or prosecution against them, I would not be asking for the information. In the interests of openness and community concern about this matter, let us have the names of these companies. If the minister needs to qualify an answer and say that a particular company is not doing one thing and another company is not doing something else, the minister can provide that by way of supplementary information. I chaired a committee. In the foreword of its report it named companies that had not complied with requests from the committee. It did that in a fair and open way. It is in the public interest to know which companies are doing the right thing and which are not.

The community is well aware that there have been improper tactics or tactics that do not reflect a competitive situation. The public has the right to know which oil companies are not living by the rules. If the minister is to protect oil companies that are not prepared to do the right thing and are contributing to a totally unfair fuel pricing system, the minister has a lot to answer for. If naming those companies will jeopardise an investigation or prevent any prosecution being successful, I will withdraw the question immediately. I want to see any company that does the wrong thing prosecuted and nailed to the wall. It is only fair that the minister should name those companies. I am quite happy that the minister do that by way of supplementary information if he needs to provide qualifications of which companies are not complying with which mandatory requirement.

Mr KOBELKE: I have answered the member's question. Let us leave the histrionics out of it. The fact is that this Government is delivering and the member's Government did next to nothing in eight years. Delivering does not mean going over the top and grabbing headlines. When I judge the time appropriate, announcements will be made. On the surface it may appear that a company is not complying, but until a proper process is gone through and information is vetted to see whether it is correct, we could be caught making an unsubstantiated accusation. We will work through the issues. When we judge it appropriate, companies that are clearly contravening the rules will be named. I will not do it here simply to fit in with the member's histrionics and headline grabbing.

Mr BIRNEY: The third heading on page 447 reads -

Funding for Employer-Employee Agreements and former CWA functions from 2002-03.

In the interests of clarity I draw the minister's attention to division 27 on page 468. The minister will note the total budget for the Commissioner of Workplace Agreements for this year.

Mr KOBELKE: That is not in this division.

Mr BIRNEY: It is not. My question relates to division 26, but in the interests of clarity I draw that reference to the minister's attention and the fact that the Commissioner of Workplace Agreements' total budget for this year is \$1.65 million. Page 447 indicates that the funding for employer-employee agreements and former CWA functions from 2002-03 is in the order of only \$737 000. Given that the Commissioner of Workplace Agreements had a budget of \$1.65 million and given that the budget for the ensuing year is only \$737 000 to deal with essentially the same issue, is the minister expecting fewer people to sign employer-employee agreements and is it a reflection of the downward nature of the budget?

Mr KOBELKE: This is a complex issue because it cuts across different agencies. The office of the Commissioner of Workplace Agreements will be phased out. Page 447 indicates that no money has been allocated in 2001-02, but the 2002-03 budget for the Department of Consumer and Employment Protection labour relations division includes an allocation of \$737 000. The Department of Consumer and Employment Protection will have to pick up a range of matters because there will be ongoing workplace agreements. That is what the money is in there for.

The Western Australian Industrial Relations Commission registrar will take over the role of administering employer-employee agreements. That will require funding. Some work has already been done on that. It will be appropriate to deal with that later when we get to that division, if the member wishes to pursue the matter. Some money will have to go into DOCEP to look after the ongoing workplace agreements that will be phased

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out. Money will have to be allocated to the Western Australian Industrial Relations Commission registrar for the establishment of employer-employee agreements because it will administer that process.

As for whether numbers will drop, I suspect they will. However, I think they will still be substantial and they will have to be looked after. The Commissioner of Workplace Agreements' office will be phased out. The number of registrations has been dropping away, so staff numbers have been reduced. Because people are aware that we are abolishing that office, some staff are seeking re-employment in other agencies. If that fits in with their career moves, it is to be encouraged. Mr Jeff Radisich, an executive director in the department, is the Acting Commissioner of Workplace Agreements. It is appropriate that we discuss those matters under the other division.

I am trying to give the member an overview of why an entry on the page refers to part of the split-up. We will manage the transition as smoothly as we can. The overall amount of funding will be reduced. It will be more efficient for these functions to be carried out by the Western Australian Industrial Relations Commission registrar, so there will be cost savings there. I expect there will still be a substantial number of individual contracts but possibly not as many, so that will also represent a reduction. The Ayres report to the previous Government suggested that the whole operation of the old workplace agreements could have been managed by the Western Australian Industrial Relations Commission so that it was cognisant of the efficiencies and that there was no need to have a separate agency.

Mr BIRNEY: The minister said that he expects the number of people signing employer-employee agreements to drop in comparison with the number of people who have currently signed workplace agreements. Why might that be the case?

Mr KOBELKE: There is already a drop. Workplace agreements have been used in different industries in different ways. Many were in the public sector because the previous Government forced people onto workplace agreements. We are no longer using workplace agreements in that way.

Mrs EDWARDES: They had a choice.

Mr KOBELKE: They were forced. They either signed the agreement or they did not get the job. That was the policy of the previous Government. Our policy as employers is to prefer collective agreements.

There will be very few registrations for public sector employees. We will use workplace agreements in limited areas. That will be one area where there will be fewer workplace agreements. They were also used as a method of undercutting existing standards of remuneration. Because our employer-employee agreements will require a no-disadvantage test against an award, that will not occur. Many people will find that the award system suits their purposes; others will not because an award may be overly restrictive with too many details that create management difficulties for small business. In those areas, people will still wish to use employer-employee agreements. A range of issues will result in the reduction of individual contracts.

Mr BIRNEY: It appears that the Government has a clear agenda that involves encouraging people to take up the award rather than the employer-employee agreements -

Mr KOBELKE: That is our stated policy.

Mr BIRNEY: Sure - and involve themselves in unionism. Does the minister have any figures that might explain how many people he expects to sign an employer-employee agreement in the year 2002-03 for which he has budgeted \$737 000?

[9.50 am]

Mr KOBELKE: That would require crystal ball gazing. We would have to see how that goes.

Mr BIRNEY: That figure of \$737 000 must have some basis.

Mr KOBELKE: No, it deals predominantly with old workplace agreements that must be phased out. People may come forward with complaints, resolutions of disputes and a range of other issues, and we need funding to handle those matters. No other factors are costed in there; the funding is for handling the tail-out of the old workplace agreements.

Mrs EDWARDES: I ask a complex question about the Government's parity policy and the 2001-03 wages policy referred to in the fourth dot point on page 457. The fifth dot point states that during the state wage case, the former Department of Productivity and Labour Relations completed a review and adjustment of all public sector award wages. The last dot point on page 458 refers to an advisory and consultancy service and the second

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last dot point deals with the whole of the public sector wages policy. Page 447 deals with the parity and wages policy and page 138 of the *Economic and Fiscal Outlook* refers to the cost across the whole public sector. I have a number of questions and I am happy to have the detail provided by way of supplementary information.

Mr KOBELKE: Before we get to supplementary information, the member's questions are important but cover a huge area. I am sure the Chair will allow the member to break them down into sub-questions so that we can work through them. There may not be a need for supplementary information; I may be able to answer them.

Mrs EDWARDES: At page 138 of *Economic and Fiscal Outlook* the estimated total cost of implementation of the Government's parity and wages policy is \$31.5 million over the forward estimate years.

Mr KOBELKE: That is not before us now.

Mrs EDWARDES: The minister is responsible for the implementation of the whole of that policy and that is the reason I am talking about it in relation to those dot points. How is that policy to be funded and how are the savings to be achieved? What is the parity line, what is the benchmark and can we have a copy of that parity line? What will happen to the public servants above the parity line who are on workplace agreements when their agreements expire? It appears from answers to questions of other agencies that they will stay on that level, although there is confusion among the agencies about what will happen. Will they stay on that line or become part of the existing enterprise bargaining agreement or award? If the EBA is in excess of the parity line, what will happen to the wages of those public servants? What will happen to the public servants who are on conditions greater than the parity line? Will there be parity of conditions; and, if so, when will those changes occur? Have arrangements been established for the transition of the dual system; and, if so, can we have a copy of those arrangements? The minister said in answer to a question on notice back in May that they were not ready but that he expected them to be finalised soon. Can we have a copy of the wages policy referred to on page 457 and the review that DOPLAR conducted as part of the state wage case? When will the consultants' advisory service be set up, what is the cost of it and how many FTEs will it comprise?

Mr KOBELKE: I shall answer the last question specifically and answer the other questions generally because, obviously, there are many questions and I cannot answer each one specifically. I shall try to give a general explanation and leave it open to the member to ask questions on the parts I have not covered.

In answer to the last question, I do not believe I have the numbers. However, the issue is that the former DOPLAR, which administered the role under the last Government, worked under a different regime with a different process. That approach using workplace agreements and a range of EBAs - more than 200 across the public sector - was resource intensive for DOPLAR. We are finding that, as we work through those EBAs and establish our system, fewer staff will be required to deal with the range of EBAs and workplace agreements. It is very labour intensive for DOPLAR to go through each agreement and negotiate with individuals one by one in so many different areas. Our approach is to have fewer numbers of a more general EBA and therefore use fewer resources in that area. An additional resource will be required for establishing this whole-of-government approach and, therefore, there will be a balance. The advice I have is that, on the whole, there will be a net decrease in staff to manage the new system; two processes will be going at once -

Mrs EDWARDES: My question is how the Government is putting the process in place.

Mr KOBELKE: I am coming to that. I shall answer the last part of the member's questions and come back to the more general questions. People are under a lot of pressure currently because of the heavy workload of easing out of the old system and helping to develop a new one. The member's last question related to FTEs and the resources in the department.

Mrs EDWARDES: Only in terms of the special consultancy and advisory unit that the Government is setting up.

Mr KOBELKE: Yes. The people who will be transferred to that are currently bogged down in the minutiae of a range of issues that will become irrelevant as we go to the new system.

Mrs EDWARDES: Does the minister have a set number or is it something that will develop as it is needed?

Mr RADISICH: Our number is currently 15, which we expect to increase to 17 over time. There has been a decrease in overall numbers in the public sector in the past 12 months, from 21 to the current 15; however, there is scope to improve on that.

Mr KOBELKE: The point is that there will be a net saving in staff but we need a whole-of-government approach and we are working on that now. Coming back to the range of questions asked by the member, our approach is to have a much more centralised system.

Mrs EDWARDES: I am not questioning the Government's policy; I want to know how it will do it.

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Mr KOBELKE: I am coming to that. We want to put in place a benchmark, both for salary ranges and conditions. We want to conclude an agreement on that benchmark with key unions.

Mrs EDWARDES: Has that happened yet?

[10.00 am]

Mr KOBELKE: No. There is a difficulty with putting on the table an agreement that is tied up, locked away and has no room for negotiation; that is not the right way to go. The other end of the scale is to have only vague notions, which also has problems. It is hard to get a happy medium. I met with groups of unions earlier in the week that, again, have a problem with working out how much detail to put on the table and how much is movable. I hope to get to a situation of more productive talks to lock that down.

The offer put on the table was that the benchmark would be established at the 1995 rate plus 20 per cent. That was based on the fact that there had been three general wages policies since 1995 under the previous Government. The average or expected increase was seven per cent, seven per cent and six per cent, which adds up to 20 per cent. The higher the benchmark is set, the quicker parity is achieved. What happens is that those below the benchmark will immediately be paid and brought up to it. Everyone on the benchmark will then get an additional three per cent a year. Again, the offer on the table was that the first three per cent rise would be from 1 January 2002. As the benchmark passes the salary level of an employee, he will get the increase. If an employee's salary were two per cent above the benchmark, he would get a one per cent increase to bring him up to the benchmark when the three per cent rise is introduced on 1 January. Someone whose salary is in advance of the benchmark must wait until it reaches him. The higher the benchmark, the quicker everyone is brought into parity. However, the higher the benchmark, the higher the cost. I went back through the processes required of the expenditure review committee and was given approval on the costings for it to be 22 per cent. That results from a cumulative consideration of the seven per cent, seven per cent and six per cent rise, which is closer to 22 per cent. It has been agreed to put that on the table. The time of the implementation of this arrangement and a range of detail are still on the table for negotiation. We are basically talking about the general public sector area, because nine designated industry areas have industry standards. This wages policy will apply to them. They will come under the same umbrella, but the application of it will be somewhat different. Industry standards are in place for police, teachers, prison officers and other groups. They will still come under the wages policy for the three per cent rise, but the benchmark and the approach taken on those issues will be handled differently.

Mrs EDWARDES: That is the same way we did it.

Mr KOBELKE: Yes. Unions other than the Civil Service Association of Western Australia are covered by this arrangement, but it refers to the general area of the public sector. The concern is that a number of workers will wait too long before receiving their first pay increase. We are negotiating for the return of conditions at an earlier date and whether there is the potential to manage some increase to those people.

Mrs EDWARDES: The question of working hours is a simple example when considering return of conditions. Some people on workplace agreements work 40 hours a week as a trade-off on other conditions of employment.

Mr KOBELKE: Some people on enterprise bargaining agreements have also traded-off hours.

Mrs EDWARDES: Yes, and some of the EBAs are exactly the same as the workplace agreements. If conditions are to be returned, will the standard be 37.5 hours a week or 38?

Mr KOBELKE: The reason for the doubt is that it is one of the matters on the table. My preference is for a 38-hour week, but that is on the table.

Mrs EDWARDES: If conditions are returned to 38 hours a week, will there be a cut in wages? Those people may work fewer hours.

Mr KOBELKE: No, there will be no cut in wages.

Mrs EDWARDES: How will that be delivered? During the past couple of days, I have asked chief executive officers and finance managers about this issue. They do not understand how it will work. They do not understand what will happen when workplace agreements expire.

Mr KOBELKE: I will try to answer three parts of that question. The first thing is that the distinction between workplace agreements and EBAs is not crucial to the issue we are discussing here. Both are managed in the same way. If employees stay on the workplace agreement for some time, they will simply stay on that wage. As the benchmark picks them up, they will simply come across onto the standard framework or EBA. That happens with both types of agreement.

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Mrs EDWARDES: Can you run that by me again?

Mr KOBELKE: A person who is employed on an EBA or a workplace agreement which is in advance of the benchmark will stay on that level of remuneration and conditions until the benchmark reaches him. A person who is working 40 hours a week instead of 38 hours a week and whose salary is in advance of the benchmark, may have little or no salary increase when the benchmark reaches him but will come onto the standard conditions at that time.

Mrs EDWARDES: If long service leave entitlements had been traded-off from seven years to 10 years, which amounted to just over one per cent, when they get the extra one per cent, will they go back to the seven years and not lose any of the cut?

Mr KOBELKE: No. They get the pay increase at the time the benchmark reaches them. The benchmark agreement is for salary levels and a range of conditions. As soon as the benchmark reaches an employee, he will pick up both the salary and the return of conditions. The benchmark may at some time reach the salary level that a person is on. That person will pick up the conditions at that point. As the benchmark goes past him, he will get the salary increase as well. That was the first offer on the table. That is also coming to the second part of your question. I commented upon the reason for the level of uncertainty earlier. If a total package were put on the table for negotiation that was already locked down, there would be no negotiation. We want to negotiate in good faith. Part of the uncertainty arises from the fact that we are in genuine negotiation on these details. What I am saying to you now is that the negotiations have moved on to consider enhancements on the first offer, including whether people who are still in advance of the benchmark can have conditions returned to them. Wages will not drop.

Mrs EDWARDES: It is just that it might take a few years to get to any increase.

Mr KOBELKE: One of the difficulties we are still seeking to resolve is that it is our understanding and analysis that 13 per cent of the general area of the public sector - I am not talking about specific industry groups - would still be waiting for a pay increase in 2003. The CSA has said that it is a much bigger percentage than that. It is still among the matters being resolved. Thirteen per cent is a fairly small number of people to be waiting. Whether it is 13 per cent or a slightly higher percentage, we are considering whether conditions can be returned to those people earlier than was provided in the first offer. We are mindful of the cost factors. We are considering whether there are ways to enhance remuneration in a way that can be managed in the total cost to the whole system. That is the part of the negotiation in which we are currently involved.

Mrs EDWARDES: I appreciate that explanation. I will go back to some of the questions in which I asked for copies of documents. The arrangements are obviously not yet in place, because you are still negotiating them. The wages policy has been put on the table and is fluid. I accept that.

Mr KOBELKE: What we put on the table was a fairly indicative document towards wages policy. I hope that we can determine that within a few weeks. It is still being worked on.

Mrs EDWARDES: I understand that. Can I have a copy of the review document or paper that was prepared by the Department of Productivity and Labour Relations as part of the state wage case, which is referred to under dot point five on page 457 of the *Budget Statements*? I think that was the only other document I wanted.

Mr KOBELKE: I am not sure whether there was a review document. DOPLAR completed a review and an adjustment of all public sector wage schedules in terms of the wage line and through the whole agency of the labour relations division. That went through and updated all the records relating to the new level of remuneration based on the state wage case. The state wage case flowed from the national wage case, which was for \$13, \$15 and \$17 in different wage brackets. That had to be instituted in all the awards. No single document reflects that.

Mrs EDWARDES: That is fine. I expected it to be a different type of document. Thank you.

The CHAIRMAN: There are a number of members in the queue for the call. I ask members to be fairly brief with their questions and supplementaries.

Mr BARRON-SULLIVAN: There are a number of references to the regulatory regimes in place and all those sorts of things. I will not refer to a specific point, because I am sure the minister will be able to answer my question off the top of his head. It relates to retail trading hours. If the minister needs me to point to something to justify the question, I will do so. I would like information from the minister on the current situation. Is it correct that the minister was recently lobbied to change retail trading hours in the metropolitan area and possibly country areas? Will the minister give us an update on that and indicate whether he would rule out any further changes to retail trading hours in both the metropolitan and country areas?

[10.10 am]

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Mr KOBELKE: The lobbying for the further extension of retail trading hours could be characterised as consistent rather than recent. In fact, a senior executive of one of the major Australian food chains has made an appointment to see me in the next few weeks. I assume he will lobby further. Labor gave a clear election commitment that there would not be further deregulation of trading hours in metropolitan Perth. We will stick to that. That is what I am saying in response to the many representations I receive about deregulation, mainly from big business. Our position is based on the fact that it would decimate small business. We are holding the line and giving a clear commitment that for the four-year term of the Gallop Government, trading hours in metropolitan Perth will not be deregulated.

We are maintaining the policy stance that existed in regional centres when we came into government; that is, a consultative process that can lead to the changing of hours in non-metropolitan areas if there is general agreement of the traders. I have received complaints from some traders that it becomes very wearing when one or two vested interests seek to extend trading hours in a rural town, which is opposed by the small retailers, who must then go through the process of voicing their opposition and gathering petitions, etc. They win their case, the hours are not extended, and six months later the matter is put back on the agenda by one or two vested interests that again wish to change the trading hours. I am giving consideration to the matter - it is not under active review - of giving support to those small retailers. If they get public support in their area to maintain the status quo, perhaps we should not allow the whole process to be initiated again as quickly as it has been, so that they will have some certainty about trading hours. The overall policy is in keeping with that which was in operation when we came into government. There will be no change in the metropolitan area, and in the regional areas the current system of consultation on any variation will continue.

Mr BARRON-SULLIVAN: The minister mentioned that there would need to be general agreement among retailers in a regional centre before he would consider allowing -

Mr KOBELKE: That has been policy for some time.

Mr BARRON-SULLIVAN: Does that mean, strictly speaking, that a majority of retailers must indicate support for extensions?

Mr KOBELKE: Yes. The rule of thumb is that an extension of trading hours must have the support of local government and a clear majority of retailers in the area.

Mr BARRON-SULLIVAN: What about the local community? How does the minister canvass the local community's point of view?

Mr KOBELKE: That feeds into that process. One way for the community to voice its opinion is through the local authority. The councillors are representatives of the community. A general campaign is run. Petitions are gathered and public meetings are held. There is not a tight rule or precise formula. All retailers in a town may be affected, and efforts are made to ensure that their views are heard and documented, so that we are clear about the number of local retailers for and against the proposal. However, the views expressed by the local government authority and the community generally, through a range of means, are also taken into account. There is not a strict formula on numbers. However, that is the process, and it has been in place for some years. That has not been changed. The only thoughts I have had on this - they have not been put in a formal paper - are that if the current process is followed, and a decision is made not to change the hours but to preserve the status quo, perhaps the process should not be started again for at least another 12 months or so. Complaints have been made by some rural towns that they win, the status quo is maintained, and then the process to try to get the hours changed starts again almost immediately.

Mr BARRON-SULLIVAN: The reason I ask is that the minister's party went to the election with a firm commitment in this area. That commitment was that under Labor there would be no change to existing retail trading hours outside the metropolitan area, except when a majority of the local community and retailers wanted trading hours extended. The way the system operated before worked fairly reasonably, in that the local communities were given ample opportunity for consultation. However, there was never a firm distinction that a majority of people in the community and a majority of retailers were needed. In that situation, a far more precise mechanism than the one described by the minister is needed. How will the minister comply with his party's policy in this area?

Mr KOBELKE: We are complying with it, without going to a legalistic and complex process that designates what is and is not a majority, and who can and cannot vote. That wording was never intended to mean that we would put in place a rigid structure. We are complying with a policy commitment and delivering on it.

Mr BARRON-SULLIVAN: Labor could have saved a lot of writing by simply saying that it would do what the former Government was doing.

Mr KOBELKE: One does not normally put that in election policy documents.

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Mr BARRON-SULLIVAN: Funny, that.

Dr WOOLLARD: Dot point four on page 452 states that the Western Australian Royal Commission into the Finance Broking Industry will deliver its findings during 2001-02, and that consumer protection will respond, as required by the Government, to the outcomes of the commission. The minister stated this morning that the Finance Brokers Supervisory Board was under-resourced by the previous Government and that it would be properly resourced by the Gallop Government. The insolvency management fund hopes to take the Government to court in the next two years. I quote from the weekend edition of *The Australian Financial Review* of 14-15 July, which states -

After reviewing the evidence available, the IMF is convinced there is a prima facie case that the supervisory board was negligently inert while the finance brokers plundered the savings of unsophisticated mums and dads.

Is the minister able to give an assurance that consumer protection will deal fully with the Finance Brokers Supervisory Board, so that this issue is brought to completion on behalf of affected investors, and it is not left to the insolvency management fund to pursue the interests of people affected by the finance broking scandal?

Mr KOBELKE: Part of the statement contained in the question is wrong. I did not earlier refer to the Finance Brokers Supervisory Board. I said that the deficiencies in that whole scandal are ones that we, as a Government, must address. The last Government started to recognise that it had to address them. I am not saying that this Government has done everything from scratch. The last Government had started the wheels rolling slowly. This Government has picked up these matters with enthusiasm because they must be fixed. That comment related to a whole range of consumer protection issues. I did not then go on to talk about finance broking.

Dr WOOLLARD: Maybe I read that between the lines.

[10 20 am]

Mr KOBELKE: Yes. That is not to say that there is not a real issue with the finance brokers. However, my earlier statement related to consumer protection across a range of areas, and was not specific to finance broking. I turn to the finance broking issue. The member read from an article in *The Australian Financial Review*. It is clearly in the IMF's financial interests if it can show that the supervisory board was negligent, because it will make money. The fact that an organisation can make money by showing something does not mean it is true. Proper process will ascertain in due course whether there is a case to answer. Prior to the election, Labor put out a policy containing five points. I believe we are delivering on all those points. Not all have been completed; some are still under way. We have set up the royal commission, which was alluded to in the dot point to which the member referred. A term of reference of that royal commission covers the area of government agencies and the effectiveness of their role. If that then leads to clear findings of culpability by the Government or a government agency for the loss suffered by one or more individual investors, we have given a commitment that the Government will meet those obligations and that it will not use the considerable legal and financial power of the State to drag the investors through every court in the land to avoid meeting those commitments. However, there is a great distance between an agency not adequately fulfilling its role and its being culpable for acts by third parties which were clearly in breach of the law. For example, if a person calls the police because someone is breaking into his house, and the police are late to arrive and therefore the person suffers further loss, it does not mean that the person can sue the Police Force because it was not as effective and efficient as one might have hoped. There is a great distance between what we have admitted was a deficiency in that area of government prior to the election and mounting a successful claim that places liability on a government agency or the State. That matter will be pursued through various channels and we await the outcome of that.

Dr WOOLLARD: Within what time frame does the minister expect this issue to be dealt with?

Mr KOBELKE: That is up to private litigants and the court system. As I have indicated, if, through a range of processes - the royal commission being one - there is irrefutable evidence of a liability of the State, one of the five points of our commitment was to meet that liability.

Mr O'GORMAN: I congratulate the minister on introducing the no-disadvantage test in the current negotiations on wages. I refer to dot point five on page 446. How will the Government restore fairness and justice for employees, which was denied to so many under the previous Government?

Mr KOBELKE: The question relates to the role being played by the department's labour relations division in the development of the legislative changes in keeping with the Government's election platform. That is going ahead as a matter of priority. It is of some frustration to me that it is taking much longer than I intended. However, the objectives are very clear. The legislation, when drafted and presented publicly, will reflect fulfilment of that promise. That promise was a very specific one. It was a very clear balance between the rights of employees -

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there is ample evidence that they were not upheld by the previous Government; people were put in a clear position of disadvantage - and the needs of employers. Western Australia is a very dynamic economy. Its economy, more than that of any other State in Australia, is locked into the international marketplace; therefore, we must be able to compete on those terms. We need that balance to ensure that there are well-paid jobs in Western Australia, and that there is flexibility for employers to compete in that international marketplace. We believe that the policy will deliver on that, and the legislation being developed will reflect that.

Mrs EDWARDES: What is the department's role in that?

Mr KOBELKE: The dot point is there. The department has the job of implementation.

Mrs EDWARDES: And drafting the legislation?

Mr KOBELKE: The department is helping. Obviously parliamentary counsel is drafting it. The department has a key role to play in consultation and double-checking it against the policy document. I am thankful for the job it is doing.

The issue of the delay is, in large part, due to the complexity in the transitional arrangements. Hopefully, that is something we can resolve fairly quickly. There is a conflict between some of the specific provisions in the undertaking we gave to enable people to upgrade the conditions during those transitional arrangements and the undertaking that would keep those transitional arrangements as simple as possible. In my judgment, the drafting is too lengthy and complex. We may need to revisit the model to make it simpler, or, alternatively, we may be able to get simpler drafting. That is the key sticking point to concluding the legislation at this time and bringing it into Parliament.

Mr WHITELY: Can the minister outline the strategies that the Government will undertake to ensure that there is consumer protection from the recurrence of situations like the finance brokers scandal and the HIH Insurance collapse?

Mr KOBELKE: There are two different issues. The recurrence of the finance brokers scandal is a matter of both political will and adequately resourcing the agency. I have outlined that the consumer protection division of the Department of Consumer and Employment Protection is receiving a major increase in resources and staffing. It is one of the few agencies that will receive an increase, because our election commitment was to put extra resources into health, education and police. Also, there was a need for an extra increase in funding in keeping with our forest policy.

Another area of which I am aware and for which I have responsibility is training. More funding has gone into training because of the improved commitment from the Commonwealth under the Australian National Training Authority. Consumer protection has also been a big winner. Clearly, that is a response to an unacceptable situation in fair trading under the previous Government. It was not only about finance broking but also a range of other areas that were not dealt with. Issues to do with weights and measures have been sitting there for years. We tried to have national uniformity on the Consumer Credit Code. The previous Government was opposed to template legislation. The other States got impatient. For up to two years the other States could not act on matters they saw as urgent because Western Australia was dragging the chain. We have a much more proactive approach from government. As I said in my answer to an earlier question, we have put in the resourcing to ensure that we have the people, the skills and the resource base to do a much better job and provide the protection that consumers expect. Also, in answer to an earlier question, that will offer some protection and support to small business, but that is a new area that we will need to develop.

A major issue with the HIH collapse relates to both workers compensation, which is outside this area, and builders. We took a whole range of steps to help people manage through the HIH collapse. We established a forum, which was very useful in providing feedback. It also brought together the various industry players so that they could put things on the table and sort them out. We found that insurers were saying one thing, one group of builders was saying something else and another group of builders was saying a third thing. By getting them around a table, we could sort out the facts. That was of direct assistance to the various players and it also advised government. We put in place a rescue package at a cost of about \$6 million. A survey and a review have been conducted into how housing indemnity insurance should work in the medium to long-term future. I made a statement about that to the House only a week or so ago. We will put forward a position on those reform proposals. We also held up the review of the Home Building Contracts Act, which contains the housing indemnity insurance provisions. The review had concluded, but we reopened it so that these matters and any changes that may be envisaged to the Home Building Contracts Act could be taken into account. We have initiated a whole range of measures and have helped industry to get through a very difficult time after the collapse of HIH. The federal Government had responsibility for HIH. It established a royal commission, which started hearings last week. On the face of it, there is a real issue that the federal government body, the Australian

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Prudential Regulation Authority, has failed in its obligations to ensure that there was conformity by HIH with a whole range of prudential standards.

[10.30 am]

Mr BIRNEY: Page 447 lists decisions taken since the state election. One of those decisions is the priority assurance dividend, for which the net saving for 2001-02 is \$522 000. What items comprise that \$522 000 saving for the department?

Mr KOBELKE: The difficulty is that this saving is apportioned across the various divisions, because when we started this process, they were different agencies, and they have now been grouped together in the budget papers. The saving of \$522 000 comes from the labour relations and consumer protection divisions, and that saving will be spread across the agency. The saving for WorkSafe Western Australia Commission is under a different item. To my knowledge, we have not designated that saving of \$522 000 into particular areas. There will be no shutting down of programs. There will be some attrition of staff in existing areas, as we alluded to in an earlier answer. Some savings may be gained by not replacing staff as quickly. A range of measures such as that will pick up those savings.

Mr BIRNEY: The natural attrition vacancy savings are listed separately on that same page and are to the tune of \$379 000.

Mr KOBELKE: As I said, that saving of \$379 000 is from WorkSafe. The saving of \$522 000 is from the labour relations and consumer protection divisions.

Mr BIRNEY: Does that include some natural attrition?

Mr KOBELKE: Yes.

Mr BIRNEY: Are there any other major items?

Mr KOBELKE: No. The priority assurance dividend is a little less than was being sought by Treasury, and that has been matched by a few areas in which we have been able to pick up a bit of revenue. One of those areas is the register of encumbered vehicles, known as REVS. I cannot recall when REVS was introduced, but it is very successful. We have now extended REVS to boats. A person who wants to buy a boat through an advertisement in the paper or a boating magazine, or from a person whom he does not know, can check with REVS whether that boat is subject to a hire purchase agreement. Business is a big user of REVS. If a person drives into a car yard with a car that he wants to sell, the proprietor of that car yard can check with REVS to make sure that car is not encumbered by a hire purchase or other finance agreement. REVS is an important service and is used by a huge number of people. We have changed the telephone number for REVS to a 1300 number, which means that people pay a slightly higher toll for that call, and that raises revenue for the department. Small things such as that have improved the revenue flow for the department, and that has meant that the cut in some areas has been less than was asked for by Treasury to meet the percentage that is required for the priority assurance dividend.

Mr BIRNEY: You have detailed one of the initiatives that comprises that saving of \$522 000. Are any other major initiatives included in that \$522 000?

Mr KOBELKE: That \$522 000 includes a reduction in overheads for car and equipment repairs and servicing, and new and cheaper finance for a computer system, which is designated to save \$93 000; and a reduction in central costs, comprising a reduction in three corporate service positions, which, along with some other measures, will save \$235 000. We also had an economist position, which has been vacant for some time, and an assistant director position, and by not filling those positions we have made another \$157 000 of savings.

Mr BIRNEY: Does the department have an economist now?

Mr KOBELKE: The position exists, but it has not been filled for some time.

Mr BIRNEY: You do not intend to have an economist in the department?

Mr KOBELKE: That position will not be filled.

Mr WATSON: Page 451 states that one of the major achievements for 2000-01 is the Government's FuelWatch strategy, and that the department is continuing to expand its methods of providing information and services to the community. Recently, a trial of mandatory price boards for service stations was conducted in my electorate of Albany. Can the minister provide some information about the success of this initiative for the public?

Mr KOBELKE: The member has on many occasions approached me about fuel pricing in Albany; it has obviously been a key issue for his constituents. Although we have been able to move ahead in a range of areas,

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in some respects the regional centres have not been able to pick up on those initiatives because we have had to get the metropolitan system working first. However, the member for Albany was very keen to have mandatory price boards in Albany. We have found as we have embarked on these areas that they have been far more complex than we have thought initially, and that it is a good approach to trial these initiatives first. Therefore, at the urging of the member for Albany, Albany was chosen to trial mandatory price boards at all service stations. Those price boards became mandatory on 18 August, and the FuelWatch data that we have obtained from the 24-hour notification of prices has enabled us to monitor what has happened both before and after price boards were made mandatory in Albany. The statistical data and graphical representation has indicated a clear trend towards a drop in prices since the introduction of mandatory price boards. When I say "a drop in prices", I need to be a bit careful, because we all know that whatever action we may take at the state level, we continue to be influenced by the international oil price and the exchange rate of the Australian dollar. The price is currently moving down because of the drop in the world price of crude oil and, therefore, the price out of Singapore of the refined product, and that means that we have to benchmark the price against something other than the actual price.

We have compared the differential between the Albany and Perth prices, because the complaint, quite rightly, was that Albany prices were way in excess of what people in metropolitan Perth were paying. We compared the average figures for the month before price boards became mandatory and the month after they became mandatory, and we found that the differential between the average price of fuel in Albany and Perth had been reduced by 2c per litre. That is clear evidence that mandatory price boards have resulted in a 2c per litre reduction in the price of fuel for Albany motorists. I therefore congratulate the member for Albany for his active advocacy, on behalf of the motorists in Albany, in getting us to trial mandatory price boards in Albany. We will do a thorough analysis of that operation. Some issues about the legal approval requirements for signboards have been identified, as have a range of technical matters that can create problems for small business - we have already discussed those. We wish to ensure that businesses know about and can live with the regulations, and that the regulations are sufficient for the system to work. It is our intention to then roll out the mandatory requirement for price boards at service stations across other parts of regional Western Australia. I congratulate the member. He has achieved a good result for Albany, and I hope we see that same result in other regional towns in Western Australia.

[10.40 am]

Mrs EDWARDES: I seek the committee's indulgence to combine two questions. I refer the minister to pages 452 and 453. Page 452 deals with output 2, occupational safety and health services. The total cost of that output is \$13.055 million, which is a seven per cent reduction on last year's costs. Could we have a breakdown of that? If the costs follow the actuals rather than the estimates, there will again be a revenue windfall. The papers show a 2.5 per cent reduction in staff, which obviously relates to the natural attrition rate.

My specific questions relate to driver fatigue management and the auditing role of the Department for Planning and Infrastructure and WorkSafe. What funding has been provided for that? The answer will probably be provided as part of that breakdown of the global figure. The department employed two additional inspectors for that area. Do they remain in that area? How much will the department receive this year from the Department for Planning and Infrastructure?

The second dot point on page 453 relates to enforcement action. What enforcement action has been taken? Have any prosecutions commenced? If so, against which transport companies were those prosecutions made, when did they occur, and what were the offences? Did the companies breach the code of practice or not comply with the fatigue management plan? For how long will this project run, given that 580 companies are still to be audited?

Mr KOBELKE: With the forbearance of the Chair, I will answer a couple of questions at a time so that I can provide more specific answers.

Mrs EDWARDES: I am happy to take some of them on notice.

Mr KOBELKE: The former Department of Transport last financial year contributed \$100 000 to assist with the fatigue management program, which has been successful. Mr Bradley will comment on that. It is my understanding that no money has been provided in the budget for the forthcoming year, although there is a commitment to approach the road trauma trust fund, which has considered making an allocation. I do not have confirmation that such funding has been included as a budgetary item, but we expect that \$250 000 will be made available. However, we are sensitive to that, as it may still be under consideration.

Mrs EDWARDES: Has the program stopped as of 1 July?

Mr KOBELKE: No.

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Mrs EDWARDES: You are robbing Peter to pay Paul.

Mr KOBELKE: The \$100 000 we received from the Department for Planning and Infrastructure was used in addition -

Mrs EDWARDES: That was last year's funding.

Mr KOBELKE: Yes. However, WorkSafe resources have also been applied to the program.

Mrs EDWARDES: Is that another \$100 000?

Mr KOBELKE: Yes. Internal resources are still being used. However, we are considering seeking additional funding from the road trauma trust fund to fully fund the program. Mr Bradley will comment on the effectiveness of the fatigue management program. He may also be able to provide answers to one of the member's many questions relating to prohibition notices and prosecutions.

Mrs EDWARDES: I am talking about only the enforcement action relating to fatigue management. I do not want general figures for the department. I will get to those another day.

Mr BRADLEY: The program is still running. We are hopeful we can access the \$250 000 from the road trauma trust fund. We have received 981 fatigue management plans, of which 956 have been audited, resulting in 1 029 improvement notices and 33 prohibition notices. We are investigating a fatigue issue with a view to possible prosecution relating to a recent accident in Fremantle. We have sent out 1 823 letters in the course of this program. It has been successful. The fatigue management code of practice has been in operation since October 1998. We are in the process of reviewing that code of practice because some anomalies in its use in the workplace have been identified. That process is taking place under the Department for Planning and Infrastructure.

Mrs EDWARDES: Will you provide as supplementary information the breakdown of the global figure of \$13-odd million, which is the item on page 452? One of the concerns of transport companies is that eastern States companies that are often involved in accidents fall outside our jurisdiction and therefore escape the provisions with which the transport companies must comply. Would the minister comment on that?

Mr KOBELKE: They are two separate questions. I will answer them both, but I will separate them and answer the last one first. The question related to the road transport fatigue program.

Mrs EDWARDES: What is our role in respect of eastern States companies, particularly when they are involved in an accident in Western Australia?

Mr BRADLEY: That is a complex area. If an accident happens here, we investigate it as a fatigue issue. The difficulty is whether our legislation has application to employers that are registered in other States. When incidents occur in Western Australia, we treat them as accidents and investigate them.

Mr KOBELKE: The member was responsible for getting this program up and running, which is a feather in her cap. She would be well aware that this involves a change of culture. It is an educational program that aims to get people to set standards and comply with them. The issue of people coming from other States is secondary, because our first goal is to raise the standards in this State. We want to then extend the application of the standards to all transport vehicles, whether they originate from this or other States. Those first steps are working well. As with all programs, it will be reviewed, modified and extended when necessary. I hope we continue to do that.

Mrs EDWARDES: I hope so too. Can the minister provide by way of supplementary information a breakdown of the \$13-odd million costs for output 2?

Mr KOBELKE: It is such a broad question that I am not sure if a supplementary answer will provide the information the member wants.

Mr BRADLEY: Regulatory services account for \$9.6 million and information accounts for \$3.4 million.

Mrs EDWARDES: Thank you.

Mr BARRON-SULLIVAN: An explanation of the \$522 000 priority assurance dividend listed on page 447 might identify the reasons for the reduction in the costs of that output.

Mr KOBELKE: I realise it is a long session, but I have gone through that with the member for Kalgoorlie. In brief, there are two different items. One relates specifically to WorkSafe, and we have gone through some of those savings. The other one lumps together the savings from the former departments of consumer protection and labour relations, and I have gone through the component parts of that.

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Mr BARRON-SULLIVAN: I will read it in the *Hansard*.

Mr BOWLER: My question relates to dot point two on page 458. I come from the regions, so I am naturally concerned about the practices in those areas. What will be done to improve labour relations and the provision of services in places like the goldfields?

[10.50 am]

Mr KOBELKE: I thank the member for the question. I am trying to find the file for that section. I had a specific answer in my briefing notes, but I may have to get some help from Mr Radisich as I go through. There are two aspects to this matter: first, under the previous Government, the Department of Productivity and Labour Relations - which is now the labour relations division - was more interested in selling workplace agreements than in upholding minimum conditions, and, therefore, the role of the officers was more one of information and education. We have ensured that those people in the regional centres can carry on a full inspectorial role. This means that people in regional centres will be able to get a more direct response when they have a substantial complaint about the payment of wages or conditions. From 1 November it is hoped that those staff will be in place. This has implications across the whole of our labour relations division. We think it will not only give a better service to regional and country Western Australians but also make the department more effective, because the serious complaints will come through to Perth, the office in Perth will deal with them, and those officers will spend less time following up investigations and complaints in the metropolitan area. There will be a benefit in the metropolitan area by having the other problems largely resolved in the regional centres. Officers who are now inspectors will receive training and be able to carry on that role very effectively.

The other element that impinges on this, but is a different issue, is that the amalgamation of the three agencies and the transfer of electrical safety from the Minister for Energy's portfolio to this portfolio - that minister's department has officers in different parts of the State as well - will give the agency a larger number of people in the regional centres. This will enable a real coordination of services and, in many instances, a collocation of services, although that may not happen.

The situation in Kalgoorlie and Bunbury is being worked on, and we are ready to move to collocation in Karratha. Previously one officer, perhaps with a part-time administrative assistant, was stationed in many of these towns. That situation resulted in a low level of service, because if that person was out of the office, often there was no-one with the expertise to help those who needed advice. I will clarify that, because officers may be a bit intimidated and people may fear that they will not get an appropriate level of service if I create the expectation that someone going into the Kalgoorlie office or any other regional office will find an officer who will deal with, for example, the underpayment of wages, a consumer protection issue, a WorkSafe issue or electrical safety. That is not the way it will work. People will need to be trained and have specific expertise in each of those areas, but we will have more of a critical mass of people in each location, and eventually, we hope, in each office, with the necessary support staff. If someone comes in with an issue relating to WorkSafe, but the officer with that expertise is out on an investigation, on leave or in court dealing with a prosecution, other officers with appropriate knowledge will be there, so that, in the case of a simple inquiry, they will be able to provide the required forms or pamphlets. If it is an urgent issue, those officers will have enough knowledge to refer the matter to Perth so that it is acted on straightaway. Alternatively, they will be able to get hold of the relevant officer, who may be at another location, and get him to respond. This will provide a much better service for regional Western Australia, first, because we will ensure that the labour relations people are there in inspectorial roles; and, secondly, with the amalgamation of the agencies into one department, we will have a much larger presence that will be properly coordinated and give a much better response in regional towns across the whole range of areas.

Mr BOWLER: This service will be as much for employers as for employees.

Mr KOBELKE: Absolutely. Employers often simply want to know the required wage rates, and that can be dealt with over the phone. Sometimes employers will come in seeking advice on how they can expand their businesses and the requirements involved. We can also help businesspeople in that way by ensuring that they understand their obligations and rights and the way in which they can deal with those issues most effectively.

Mr BARRON-SULLIVAN: I draw the minister's attention to the budget allocation on page 447. It is also referred to in the *Economic and Fiscal Outlook* document and elsewhere. I refer to parenting leave for public sector parents, which has an allocation of \$3.2 million in the forward estimates for 2004-05, but there is nothing before that. Can the minister explain the proposed schedule for implementing this new policy? It appears the minister has delayed the matter by about three years compared with the schedule that was being looked at by the previous Government.

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Mr KOBELKE: We made commitments to provide parenting leave for public sector employees. It was always envisaged that not all commitments would be delivered in the first year. We are delivering on a very large percentage of them. However, I think the member is correct in indicating that the program has perhaps slipped back a little more than I would have liked because of the budget position in which we found ourselves. We will deliver on that promise. A time limit was not indicated, so we will not be breaking a promise. However, I share the concern expressed by the member that the implementation of this commitment is being delayed. Of course, I know the member's friend and colleague, the Leader of the Opposition, does not think forward estimates mean much. However, we may be able to achieve this a year or two earlier, but because of our financial situation and our desire for proper financial management, it is currently committed to being implemented in 2004-05. I certainly hope that we can bring that date forward, but it will require work with subsequent budgets to see if we can do that.

Mr BARRON-SULLIVAN: We have narrowed it down to the fact that the minister has put back the introduction of parenting leave for three years. Can the minister tell me what his policy is: specifically, which areas of the public sector will be covered, will parenting leave be granted, for example, for six weeks on full pay, and will it be available to males and females?

Mr KOBELKE: We will obviously have to work through a whole range of issues, but I will ask Mr Radisich to provide some of the detail.

Mr RADISICH: The current policy for the public sector is that unpaid parenting leave is available to all public sector employees. Paid parenting leave, which could be negotiated at enterprise level through the various agreements, was available under the previous policy. One of the problems with that approach to introducing paid parenting leave was that it involved a negotiation of the cost of paid parenting leave against wage increases, which produced an outcome of only 13 agencies taking up the paid parenting leave provision. The situation as it stands now is a little difficult because of the amalgamations, but before the amalgamation of government departments the employees of 13 public sector agencies could access paid parenting leave to a limit of six weeks pay. However, the general application of the policy is that unpaid parenting leave is available.

Mrs EDWARDES: What will be the policy from 2003-04? Will it be six weeks paid parenting leave and will it go across the whole of the public sector to include teachers, nurses etc?

Mr KOBELKE: Obviously, that is what we will be developing.

Mrs EDWARDES: There is already a figure in the documents, so the minister must have some idea. How else is it costed?

Mr KOBELKE: As I indicated, the forward estimates result from good financial planning. We can work it in two ways: we can develop a policy that costs more and find the extra money, or we can develop a policy that limits the amount of money that is available in each year.

[11.00 am]

Mrs EDWARDES: Will they get only three weeks paid parental leave, which will cost about \$6 million a year?

Mr KOBELKE: The commitment in the forward estimates indicates that the Government will be doing it. The detail still needs to be worked through. I am glad that the member for Kingsley has so much confidence in the Government's forward estimates that she thinks that an amount of money allocated for 2004-05 is such that all the fine detail has been worked out and the figure has been locked away. I am glad she has such high expectations of the Gallop Government.

Mr BARRON-SULLIVAN: Obviously, forward estimates can be moved around, but they are a good indication sometimes of government policy, and I suggest this is one of those times. Perhaps the minister's advisers could give a rule-of-thumb figure on this question. Roughly how many people are in the 13 agencies that have come to the party on this matter; and, also, what is the figure now for total public sector employment?

Mr RADISICH: To answer the second part of the question - this is a figure off the top of my head - I believe that public sector employment is in the vicinity of 85 000 full-time equivalents, which comprises approximately 100 000 full-time and part-time employees.

Mr KOBELKE: As a definitional issue, that would exclude government trading enterprises and a range of agencies that are not core public sector agencies.

Mr BARRON-SULLIVAN: Would organisations such as the Water Corporation not be included under this policy?

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Mr KOBELKE: The Government may put in place a policy that requires those agencies to fund the program themselves, so they may actually apply a slight variation on government policy.

Mr BARRON-SULLIVAN: The minister would give an indication to his officers on the development of the detail of the policy. Is it his intention that parenting leave be paid to both men and women, and - dare I ask - to same-sex couples? I do not ask this to be controversial, but to determine the Government's policy.

Mr KOBELKE: That is one of the details the Government will work through, and it will want to discuss it with the unions. Given the Government's clear intent of removing discrimination, that would certainly be part of the agenda. It may be that, when this is negotiated with unions, and priorities need to be set, the final package varies some of the details a little. We cannot predetermine the fine detail at this stage, but the direction of this Government is to remove discrimination, both between men and women, and between people of different sexual orientation.

Mr WHITELY: On page 450 of the *Budget Statements*, note (a) states that full-time equivalent positions in the Department of Consumer and Employment Protection will increase by 41, to a total of 302. Could the minister outline how those additional staff will be deployed?

Mr KOBELKE: I gave part of the answer to this question earlier. The consumer protection budget has been increased quite substantially, to the extent of enabling the creation of an additional 40 positions. Some of those positions will not be filled until late in the financial year, so the average FTE is below the number given in note (a) on page 450, since the funding will not be for the full year for all 40 positions. Some will be part-time positions. It is envisaged that 18 of the staff will enhance compliance and consumer protection programs, which includes matters such as trading standards and fair measurement. Farmers whose wheat is weighed as it is loaded onto a ship at 10 per cent less than when it left the farm, will lose 10 per cent of the value of their product. There is a range of issues there, including weighbridge testing and trading standards, for which two extra staff are designated. Two additional staff are designated for product safety surveillance, which will enable better coverage of regional areas. Four additional compliance staff are assigned to business names, charitable collections and the registrar of associations. There was some discussion earlier on the subject of business names, but there is also a need to lift our game in the area of charitable collections. I have already indicated that a number of measures will ensure that, when people donate to charity, they will have the highest possible assurance that the money will be properly spent. Charities are very supportive of this measure, because otherwise the public will lose confidence and will not donate. The registrar of associations has languished, and I have been aware of that for many years. A whole range of organisations are incorporated under the Associations Incorporation Act 1987, which needs an update, and the resources are required to assist in that and ensure that high standards are maintained. A local tennis club, which might have an annual turnover of \$100 000, and the Royal Automobile Club, with an annual turnover of several hundred million dollars, are both incorporated under the same Act. Both have the same requirements for accountability. Three additional compliance staff are assigned to deal with emerging issues of unlicensed motor vehicles, and two additional staff are assigned to both investigative work and proactive compliance in the licensed motor vehicle dealer industry. There has been a big problem there with stolen vehicles and existing licensed dealers claiming they are being put out of business by unfair competition from backyard dealers. The previous Government disbanded the squad within the Police Service that had helped in this area. There are problems with the standards in the industry, and the theft and re-badging of cars. A measure is being taken by either the Department of Transport or the Police Service to enter a national register. The Department of Consumer and Employment Protection is picking up on a range of issues connected with motor vehicles. That is just one of the areas in which the new staff will be deployed. I can perhaps discuss the matter further with the member for Roleystone. I could look at a range of other divisions within the department, where a real need exists to improve capabilities, and the staff resources have been allocated to do that. This is an area in which needs change. Therefore, someone may be put into an area such as petrol pricing, and once things are working well in that area, that person can be reallocated to an area where an unmet need exists. Consumer protection languished under the previous Government, which made no proactive moves to look after consumers. This Government takes a very different view, which is reflected in the commitment it is making with extra resources and people.

Mrs EDWARDES: I refer the minister to the third dot point on page 454 of the *Budget Statements*. This is the only place that the minister refers to a reduction in any statistics, in this case the rate of work-related fatalities. There used to be a vision within WorkSafe that Western Australia was to be free of work-related injuries and diseases, and at least there were targets for reduction by which benchmarking could take place, particularly of comparative performance. It appears from the *Budget Statements* that the Government is walking away from that vision. Could the minister provide to the committee the number of work-related fatalities for the year 2000-01 for all industries, and a breakdown by industry sector? Will the minister provide the number of deaths investigated as a potential work-related fatality, and give a breakdown by industry sector? Will the minister

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provide the number of work-related injuries and diseases for 2000-01, and give a breakdown by industry sector? Will the minister provide one of those pretty graphs, for which the department is so well known, showing the trends for fatalities and injuries and diseases for the period from 1994-95 to 2000-01?

[11.10 am]

Mr KOBELKE: The member will have to ask much of that as a supplementary question, but I can answer two parts of the question. I think the statistical data the member is seeking is available, but not for the final year. As the member will know, the source of most of this data is workers compensation data, which has a time lag of one to two years. We will provide the member with the latest available data, but unfortunately there always has been, and there is still, quite a considerable time lag between the occurrence of events and their being recorded in the data.

Mrs EDWARDES: From memory, I think those figures are available about now.

Mr KOBELKE: The fatality data is available up to 2000-01.

Mr BRADLEY: We cannot give the data for injuries and diseases until December when it becomes available. We can tell the member that there were 21 fatalities last year.

Mrs EDWARDES: Do you have a breakdown by industry sector?

Mr BRADLEY: Not with me.

Mrs EDWARDES: Could that be provided by way of supplementary information?

Mr KOBELKE: The second dot point on page 446 reads -

The above statistics are for the year ending June 2000, which is the last year of confirmed workers' compensation lost time injury and disease data for employees in Western Australia. Data is not available for non-employees, ie. for employers themselves or for self-employed people who may be injured at work, as these groups are usually outside the workers' compensation insurance system. One of the major issues for this Government will be the identification of gaps in the recording of injury data to provide a more complete picture of lost time injuries and diseases in Western Australia.

Mr Bradley, the acting director general, met with me earlier in the week to discuss ongoing work in that area. I am very concerned that the gaps call into question the reliability of our data. It is a very difficult area in which to collect accurate data. There are problems with collecting accurate statistics. I want that improved. However, an improvement in the collection of statistics will give worse figures. I believe there is ample evidence that we do not capture fatality statistics in a whole range of accidents in the workplace. I have set a priority of trying to improve the system, which is being worked upon. I recognise that any improvements that are made will still fall short of being perfect. We are addressing a whole range of collection issues as a matter of importance.

Mrs EDWARDES: I am pleased to hear that the minister is not walking away from some form of benchmarking. As bad as projections might be, they do give some form of benchmark of what is happening in Western Australia in comparison with other States. Although I was one of the strongest critics of using comparative data, it does give an indication.

Mr KOBELKE: I thank the member for the comment. I am happy to provide supplementary information in answer to the member's request for specific statistical data. For the purposes of the recording, I ask the member to say exactly what supplementary information she is seeking.

Mrs EDWARDES: Mr Bradley referred to 21 workplace fatalities. I ask for a breakdown by industry sector of the number of deaths investigated, as each was a potential work-related fatality, and again a breakdown by industry sector of the number of work-related injuries and diseases for 2000-01. The minister has suggested that information for the number of injuries and diseases will not be available until the end of the year, so we can come back to that at a later time.

Mr KOBELKE: That will not be part of the supplementary information.

Mrs EDWARDES: No, it is not available. I also ask for a graph showing the trends of fatalities and injuries and diseases. I realise information on fatalities can be given to 2000-01, but information on injuries and diseases can be given perhaps only to the previous year for which statistical data was available. Perhaps the information could be provided for the years commencing 1994-95.

Mr KOBELKE: I am happy to have that provided by way of supplementary information.

Mr BIRNEY: On page 447 the second line under the heading "Decisions taken since State Election" refers to the establishment of a motor vehicle repairs licensing board. I take it the minister intends to establish a board

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that would license certain mechanics to undertake repairs. What would be the criteria for licensing such a mechanic?

Mr KOBELKE: I will keep the answer short, although there are many issues I would like to put on the record. The development of some regulatory mechanism and registration process for motor vehicle repairers has been around for a long time. In 1992 Hon Cheryl Davenport chaired a motor vehicle repairers review committee, whose report suggested that we should do something in this direction. The report was obviously detailed, but I am trying to keep my answer short. A second committee was established under the chairmanship of Hon Bob Bloffwitch, MLA, in 1993. In December 1997 the second committee recommended legislation along the lines of the New South Wales motor vehicle repairers Act. We made a commitment at the time of the election that we would put in place that regulatory regime.

The \$900 000 is the establishment cost of the board. It is assumed that the board will be self-funding, with people paying on a three-yearly basis or whatever. We have not yet set the time because the legislation has not been drafted. They would pay a registration fee, which would license them for that period of time. A spray painter, mechanic or whomever would obviously need to have trade qualifications to obtain registration. There may be other methods for those already in the industry who did not obtain trade qualifications. Those issues must be sorted out. The legislation may, through regulations, codes of conduct and so on, allow for the establishment of those standards. Although the legislation is not yet drafted, we are making a clear commitment to that. The progress of the legislation is that we came into government with that clear commitment.

In answer to a previous question, I referred to the big issue of motor vehicle dealers. The previous Government drafted legislation but did not proceed with it. I was looking to bring the two pieces of legislation into being at the same time, if the industry agreed to that. In consultation with industry over several months, I reached the view that there were still a lot of unresolved issues around motor vehicle repairs and we needed to continue that consultation with the industry. That would mean holding up the legislation for motor vehicle dealers. As I commented a moment ago, there is a big issue. Motor vehicle dealers feel they are being pushed to the wall by backyard dealers. There is a whole range of issues around the safety of vehicles sold from backyards and the theft of motor vehicles.

I have now made a decision to proceed with the motor vehicle dealers reform legislation, which means that the motor vehicle repairers legislation will be put off for a while; however, I hope to bring it into the Parliament next year and that it will be operative in 2002-03 when we have allocated the money for it. That gives a little of the background of the development of the legislation. The specific details of the motor vehicle repairers legislation will be worked on in consultation with industry, but the New South Wales model is generally regarded as a good one with which to work.

[11.20 am]

Mr BARRON-SULLIVAN: I refer to the table of key effectiveness indicators at the bottom of page 454. I am particularly interested in the third indicator; that is, the extent to which the Government accepts policy advice and submissions. The actual figure for last year was 100 per cent. This year only 75 per cent of policy advice and submissions is expected to be accepted by the Government. Does that mean the minister anticipates that he or Cabinet will disagree with the submissions and policy advice provided by senior officers? Alternatively, does it mean that a fair amount of policy development will occur outside the minister's portfolio, for example, in the Department of the Premier and Cabinet, and is it anticipated that by the time that policy gets to the ministry there may be a degree of disagreement? It is extraordinary that the Government expects to disagree with a quarter of all the policy advice it will get.

Mr KOBELKE: I must apologise as that is a typographical error; it should be 95 per cent. One would gauge from the very nature of that effectiveness indicator that, because we are developing policy, a wider range of views would be prepared by the department and presented to the minister so that the minister can make real choices on the way forward in some contentious areas. There is no way that we would expect 100 per cent agreement, because that would mean a *Yes Minister* syndrome was in place whereby the only submissions made would be those that the minister would accept. Even a figure of 95 per cent might be high. The material prepared by the department and sent to print went through a lengthy process, and that is the first area in which we picked up a couple of errors. That figure should have been 95 per cent. I thank the Deputy Leader of the Opposition for drawing it to my attention.

Mr BARRON-SULLIVAN: Does the indicator referring to clients mean employees and employers as a whole, or is there a breakdown between the two figures?

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Mr KOBELKE: The word "client" is used because both employers and employees seek advice from the agency, and it reflects that it could be either or both. I do not have the figure with me, but a high percentage of calls to WageLine are from employers wishing to check the correct rates of pay they should be paying their staff.

Mr BARRON-SULLIVAN: I would like to explore this matter a little more because I realise that the key effectiveness indicators are often broad indicators.

Mr KOBELKE: We, as a Government, had a real rushed process putting this budget together and we did not give much attention to reassessing the effectiveness indicators and in some areas redesigning them. It is clear, from going through the documents in the past few days with staff, that we have a lot of work to do because they do not necessarily meet our needs, and I suspect that some of them did not meet the needs of the previous Government. The Deputy Leader of the Opposition would be right if he pointed out that we could do a lot better with some of these efficiency indicators.

Mr BARRON-SULLIVAN: Is the minister saying that he will revise these indicators in due course or by the next election?

Mr KOBELKE: In time for the next budget.

Mr BARRON-SULLIVAN: That begs an obvious question. We are about to go into a different environment of industrial relations under the Labor Party's policy that will be introduced towards the end of this year. In this financial year, the level of understanding of the new system by both employees and employers, and how satisfied they will be about information published, is very much up in the air. Is it not ambitious to suggest that the same level of satisfaction will be achieved when the Government is about to go to a completely different system, especially when figures outlined under a different division clearly indicate that employers are very happy with the current system? Blind Freddy could see that many people will be disgruntled about going into the new system, yet the budget papers do not reflect that dissatisfaction. According to the budget papers, all the advice and support provided will lead to roughly the same outcomes of the past, although it will be a completely different environment.

Mr KOBELKE: The member is confusing two issues which, although interrelated, are quite different. One is the way in which the system will impact on various employees, employers and other parties. That is an issue that we can have points of view on, obviously, and can ascertain objective facts about the level of satisfaction with the system. However, key effectiveness indicators do not deal with that. They indicate the extent to which people are satisfied in their estimation of the service delivered by the labour relations division of the Department of Consumer and Employment Protection. The relationship between the two is that when significant changes are made, we may need to provide additional resources to the advisory service to maintain the same target level of satisfaction. There is therefore an interrelationship between the two but we must take that on board, and it is already under consideration. When changes that lead to uncertainty are implemented, we must ensure that we have the resources to answer questions and to educate people about the new system. If we do that effectively, we can maintain the same satisfaction level in the services we offer, which is a different issue from the satisfaction level with labour relations in the community.

Mrs EDWARDES: I refer to the second dot point on page 459 relating to the new industrial relations system and framework. One group in the community services sector that is concerned about the impact of these changes is charitable and non-government agencies. In the light of the proposed changes, has the minister regarded that group as stakeholders and considered the adequacy of state government funding to meet award entitlements and other minimum conditions of employment, particularly for paid carers and the like; the financial implications for non-government agencies of any increase in wages and conditions arising out of the Government's proposals; and the implications for the level and quality of service delivery to people with disabilities and others in the community services sector? There is a deal of concern in the community because the only source of income of those agencies is state and federal funds. The changes will impact on them greatly and they want to know from where the money will come for those changes. They believe that if no further money comes from the Government, there will be cuts in their services.

[11.30 am]

Mr KOBELKE: The member used a dot point to branch off into a different and important issue, but she referred to two matters. One related to the workplace advisory service and its establishment throughout regional Western Australia. I answered an earlier question indicating that the Government is undertaking major change in that area, but our intention is to do that without the advisory service suffering.

Mrs EDWARDES: I referred to dot point two on page 459 of the *Budget Statements*. It does not refer to the advisory service.

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Mr KOBELKE: I am sorry, I was on the wrong page.

Mrs EDWARDES: That item refers to the new and fairer industrial relations system. I suggested that it would not be fairer in some agencies.

Mr KOBELKE: I can assure the member that it will be much fairer in all areas. The member raised a point which has some substantial basis; that is, that for the not-for-profit sector or small private organisations which offer services largely funded through government programs, the general expectation from the State and federal Governments is that they will do more with less. There is no fat for those organisations to meet increasing costs. Any change is unsettling, because they are not sure about the cost implications and they are aware that they simply do not have extra money to meet increasing costs. Labour cost is one element of that and it is perhaps the primary element. Many of those organisations found the increases in workers compensation two or three years ago difficult, because they could not find additional money. We are cognisant of that, but we are also aware that there must be reasonable minimum standards. We will work through how those groups can cope if the standards increase. We cannot divorce one sector or industry grouping from another. Service industries help people through programs such as the home and community care program or women's refuges. They generally deliver a large service on a small amount of money from government. The problem for some is that they have difficulty filling positions, because they simply do not pay people enough money. We cannot necessarily control those market forces, but we can try to influence them in some way. That relates to both the State and federal Governments being realistic about what can be purchased by these community services with the dollars that are given to them. We want to ensure that there are reasonable minimum standards. If some of those organisations delivered a service but have gone below acceptable minimum standards, we will need to help them work through that. We will not back away from the establishment of minimum standards.

Mrs EDWARDES: Will they be treated as stakeholders in the development of the legislation?

Mr KOBELKE: That was in the policy, which has been laid down. We are now delivering that policy. Consultation is of a different form. We are also conscious that it impinges on areas such as those involving disabled workers who work in sheltered workshops. Those people are generally paid less than the wider community standard. We will ensure that the legislation takes that into account, so that those people are not caught up in the changes. That is a slightly different area from the one raised by the member.

Mr O'GORMAN: I refer to dot point four on page 458 of the *Budget Statements*. What will the department do to educate employers and employees on award and employment law entitlements?

Mr KOBELKE: Does that relate to the availability of information on the web site?

Mr O'GORMAN: Yes. The dot point says -

As part of its advisory service, DOPLAR developed and produced a number of publications . . .

That indicates what has occurred in the past. What will happen in the future?

Mrs EDWARDES: The member is basically asking whether a publicity campaign will be run to promote the new legislation.

Mr KOBELKE: Absolutely.

Mrs EDWARDES: How much will it cost?

Mr KOBELKE: Largely on the prompting of the member, we have been required to make sure that people are properly informed, so that we can get rid of uncertainty and counter misleading information that has come from certain sources - I am not looking at anyone in particular when I say that.

Mrs EDWARDES: Is that why the minister is holding a series of meetings with the Australian Liquor, Hospitality and Miscellaneous Workers Union? He is promoting unions at the same time as he is promoting the proposed changes.

Mr KOBELKE: I will answer the question from the member for Joondalup before I come to the member for Kingsley's question.

Mrs EDWARDES: I am assisting.

Mr KOBELKE: We inherited from the previous Government a WageLine phone room, which provides a vital service. We want to enhance that. We will consider a range of ways in which it can be enhanced. The question relates to the web site and the Internet. Mr Radisich might respond in a moment, but I know that an increased number of people are e-mailing requests for information to the department. The department is developing a way to effectively handle that and is seeking to minimise the turnaround time for responses to people. I have been

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impressed with the way the department uses the phone room advisory service as a training ground for new people to the department. These people often go from there to policy development, the inspectorate and a range of other areas. It is a tremendous approach, which really develops in new staff an understanding of the broad range of issues handled by the labour relations division. There is a similar successful set-up in the consumer protection division. There is always a need to develop new approaches and to enhance existing services. The use of the Internet is clearly one in which a development is taking place. Mr Radisich might like to add to those comments.

Mr RADISICH: The Internet service is developing rapidly. We take 165 000 phone calls a year, but I do not know how many hits are made on the Internet system. I am aware that it is increasing daily.

Mrs EDWARDES: This is a supplementary question. My question relates to the proposed workshops to be hosted in conjunction with the Australian Liquor, Hospitality and Miscellaneous Workers Union. The workshops will not only discuss the State Government's planned changes and how they may affect employees in those areas, but also promote the union. The union's phone number was published in an advertisement. How does that fit in?

Mr KOBELKE: I do not know whether the member is falling into the trap of selectively quoting from an advertisement. Does it also mention the Australian Hotels Association?

Mrs EDWARDES: No, it does not.

Mr KOBELKE: That advertisement might have been directed at employees. Workshops will be run with employers and employees. I thought that was mentioned in the advertisement. I assume that there was no need to place an advertisement in the newspaper because we are working through employer groups. Some employees are members of unions and others are not, so we put an advertisement in the newspaper to advise them of the workshops. We are dealing evenhandedly with employer and employee groups to ensure that they are aware of the standards set in the industry. Full consultation with employer and employee organisations has been going on for some time. It is a great step forward. Once we have gone through the process of advising industry of the requirements and helping them to conform, we will be fairly heavy-handed with any that simply do not want to meet the standards required under the law.

[11.40 am]

Mrs EDWARDES: I refer the minister to dot points two and four on page 454 of the *Budget Statements*, which deal with the role of the occupational safety and health inspectorate. I asked a question on notice about it earlier this year. The minister said that he would not know until the review of the Occupational Safety and Health Act what resources are necessary. He obviously has a strong commitment to improving the role of the inspectorate. Although the outcome of the review may not be known for some time, it is budget time now, and the budget contains forward estimates, in which the minister so firmly believes. How many full-time equivalents are employed in the inspectorate, how does that differ from last year and what in the budget has been provided for the inspectorate role?

Mr KOBELKE: I will ask Mr Bradley to provide information on that. We are increasing our efforts with existing staff.

Mrs EDWARDES: The staff has been cut by 2.5 per cent. Some programs and services must also be cut.

Mr KOBELKE: Mr Bradley will refer to staff in the inspectorate. I put on the record some points about getting better outcomes without increasing the number of staff. Dot point two identifies a range of areas that have been targeted. The areas in which there are problems are assessed by studying information contained in the incident reports, etc. That allows us to target the designated areas. That is standard practice; there is nothing new about it. However, we can always do it more effectively. Resources and inspectors are applied to areas in which problems have been identified and then shifted to other areas after improvements have been achieved. That does not mean the area is again neglected. It is a matter of setting priorities, targeting the priority areas, reassessing that and then moving the resources to different areas. That is one aspect. The other aspect is that the department has now given the inspectors laptop computers.

Mrs EDWARDES: Do all inspectors have them?

Mr KOBELKE: Mr Bradley will comment about that, and he may also provide some figures on efficiencies. The provision of laptop computers has created considerable efficiencies because instead of having to go back to the office to produce the paperwork, inspectors can issue it on the spot, and a record of it is kept in the system. That measure has resulted in a real improvement in the efficiency of the inspectorate. It is an issue of importance. We are seeing improvements, and we envisage further improvements.

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Mr Bradley will comment on the full-time equivalents and provide specific data relating to efficiencies through the use of technology.

Mr BRADLEY: There were 75 full-time equivalent inspectors last year, and there are 75 this year. All inspectors now have access to laptop computers. We estimated a 15 per cent productivity gain from the advent of that initiative. The seven regulatory priority areas identified in dot point two were developed last year. Full information about the effectiveness of those is still not available, but I will provide a sample of how we are taking them further. They will be retained for 2001-02. We have developed checklists for each area, and when inspectors go to a workplace, they check certain items against that list. Those seven areas comprise 36 separate disciplines. The inspectors check for all seven items. However, it may be that only five are applicable in certain workplaces. We then evaluate those questionnaires. I will give an example of the level of noncompliance. Work at heights has been a priority area for us for some time. The practicable control measures still show 46 per cent noncompliance. That is the reason those inspectors are still in that area, and they will remain there.

Mrs EDWARDES: The Government's commitment was to increase and strengthen the inspectorate's role. I accept that efficiencies can also mean better ways of doing the work. However, that does not meet the Government's commitment to increase and strengthen the inspectorate. Following on from Mr Bradley's comments, is a specific group of inspectors focusing on and working proactively to inspect those construction sites which have big problems with falls and the like?

Mr KOBELKE: Mr Bradley will talk about the reorganisation. We will deliver on our commitment. Our first budget, handed down six months into government, delivers increased outputs. We have not yet fulfilled the rest of the commitment, but the member should wait and see.

Mrs EDWARDES: I will remember that phrase!

Mr KOBELKE: We have got to first base, but we have a couple more to go.

Mr BRADLEY: We have developed a team of inspectors to work with the construction industry. We believe we undertake proactive inspections. We have been developing some regulations for demolition work, which came into effect on 1 July. That legislative program is to be implemented. I believe we undertake proactive inspections in the construction industry, but we also respond to many complaints regarding a lack of attention to the regulations.

Sitting suspended from 11.46 to 11.55 am

Mrs EDWARDES: I have a question about smoking in the workplace. There is a reference at page 453 of the *Budget Statements*. A decision was handed down earlier this year in a New South Wales case about smoking in the workplace. There has been a follow-up case in Victoria in which the worker making the application was successful. The Department of Health is to conduct a review about smoking in the workplace. Why should we wait for the review when it is clear that departments have a duty of care under the Occupational Safety and Health Act? A new culture exists in workplaces. I do not think we should wait for more cases. Employers must be conscious of the successful cases that are occurring in Australia.

Mr KOBELKE: I think the decision related to a bar worker from Newcastle. It broke new ground. It is part of the manner in which this issue is advanced. Court decisions quantify the liability to employers of passive smoking. The Government is cognisant of that. There was a considerable delay in obtaining the reasons for the judgment in that case. WorkSafe Western Australia and the Department of Health have dual responsibility in these situations. A review is being conducted by the Department of Health through the Minister for Health. The review will start early next year. The Minister for Health is keen to ensure that there is no delay. Some of the administrative things that need to be done will be put in place before the end of the year. The review will be one important mechanism for consulting with industry and all the various players to ensure they are conscious of the situation and the changes that may need to occur. We must not overlook the fact that WorkSafe has a very active program in this area. I ask Mr Bradley to provide details of how WorkSafe is ensuring that employers are aware of their responsibilities under their duty of care and that standards are being met.

[12 noon]

Mr BRADLEY: As the member will appreciate, it is difficult to determine the threshold level for the compliance of passive smoking. Regulations prohibit any person from smoking at work. Those regulations have been effective to the point that the Department of Consumer and Employment Protection does not receive queries or concerns about people smoking at work. Our web site is available and we have developed and circulated a brochure on the responsibilities of people in the workplace. I do not believe that we have done any more or less to promote the issue than we had done previously. We have not received any major complaints about people smoking at work. Occasionally, concerns are expressed about people working in a situation in which they are

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exposed to passive smoking; however, a law says that, for a certain period, they are exempt. We believe that the issue will be addressed by the review that is being undertaken.

Mr BARRON-SULLIVAN: The member for Alfred Cove raised the issue of the royal commission investigating the finance brokers situation. I am keen for the minister to clarify a couple of matters to which he referred. Is it the minister's understanding that the terms of reference of the commission into finance brokers would enable it to determine whether the State Government or any of its agencies are culpable? The minister referred to the matter of culpability and said that if proper processes were followed and if that determination were made, different things would happen. Has the minister suggested that the terms of reference would enable the commission to conclude whether the State is culpable?

Mr KOBELKE: That is not a line item in this budget. The royal commission has been established in fulfilment of an election policy that fits into this area. However, the establishment and funding of the commission is a matter of responsibility for the Attorney General. A line item in this division relates to legal representation for officers of the Department of Consumer and Employment Protection to appear before the commission. The royal commission is required to report on whether the conduct of the relevant state regulatory authorities was adequate. The state regulatory authorities include the Finance Brokers Supervisory Board, the Land Valuers Licensing Board and the then Ministry for Fair Trading. The terms of reference will deal with that issue. I will not have the member put words into my mouth about what the terms of reference may mean to the final legal judgments. Clearly, the commission has a term of reference that enables it to report on the conduct of relevant state regulatory authorities.

Mr BARRON-SULLIVAN: Bearing in mind that the ministry under the Minister for Consumer Protection's authority may be culpable, I wonder whether the commission has the authority to determine whether the conduct of the relevant state regulatory authorities was adequate or whether the commission has the authority to reach a finding in that regard. There is a specific item in this division about this matter. Has the Department of Consumer and Employment Protection given any advice to the Attorney General or his office about the need to make a budget provision for compensation for people affected by the finance brokers' situation?

Mr KOBELKE: Where there is potential for liability but no actual designated liability, it is not included in the budget. One of the budget papers refers to a potential liability; however, it is not in the items here. I do not expect that that would be mentioned, but I have not checked the Treasury report -

Mr BARRON-SULLIVAN: My question was a little different. Has the minister been given any advice about the potential for liability by any department under his authority?

Mr KOBELKE: No, I have not been advised formally of any such advice.

Mr BARRON-SULLIVAN: Has the minister been given any formal or informal advice from the department?

Mr KOBELKE: Not in any way. Someone might say that advice has been given to someone else, but no advice has come to me with my name on it.

Mr BARRON-SULLIVAN: Does the minister or do any departments under his authority have any outstanding requests for departmental information from any people associated with any of the cases to do with the brokers situation - for example, Doug Solomon?

Mr KOBELKE: I have been trying to clarify two matters. First, clearly there were cases around Doug Solomon - although I am not sure whether his were the only cases - in which people had sought pre-action discovery. We have put in place the required procedures to make that data available, and most, if not all of it, has been made available. There may still be some tidying up to do because it has been a huge job. We have had to take on a number of extra staff to examine all the files to find data. That process took much longer than I thought it would have; however, it has been done. That is not to say that some aspects of the request for data have not been finalised. However, the overwhelming bulk of it has been finalised, if not all of it. Secondly, further requests may not yet have been formalised. We are aware from Insolvency Management Fund Ltd and others that there is the potential for further actions.

The Government will deliver the undertaking it gave that it will not drag out the process through the courts - as the previous Government did - to prevent people getting access to information. People must be given access within the accepted legal standards. When people have made a request that fits in with the general line of earlier discovery action, we have got consent agreements and provided that information. We are not holding up the process by taking that to court. Issues of confidentiality and legal requirements exist that involve data and certain information files. Therefore, we would on some occasions be in breach of the Act if we simply handed over the information.

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On a number of occasions we have gone back to court with consent discovery agreements to authorise material to be handed over. We are not standing in the way of the proceedings. However, procedural issues must be taken into account. A great deal of work must be done to examine the files, which can take time. I acknowledge and apologise that in some cases it took far longer than I thought it would to provide that information.

Mrs EDWARDES: I refer the minister to the reason for significant variation between the 2000-01 estimate and the 2001-02 target on page 457 of the *Budget Statements*. That is the only place in the *Budget Statements* where the building industry task force is mentioned. Obviously, the Government has decided that this indicator is irrelevant; therefore, the task force has been abolished. In response to a question on notice, the minister indicated that the building industry special projects inspectorate had three members of staff. Is that still the case? How many staff did the task force have? How much money was allocated to the task force? Have those funds been allocated globally to the programs and services in this area? Has the factual documentation that was part of the task force documentation been provided to the commonwealth royal commission into the building and construction industry? Has the inspectorate received subsequent information? I understand that a directions hearing will be held in the next couple of weeks.

Mr KOBELKE: What was the last part of the question?

Mrs EDWARDES: Has the minister provided copies of the factual documentation and/or files of whatever is appropriate to deal with the facts of the history of the matters that the task force investigated and those that the inspectorate may have investigated to date?

[12.10 pm]

Mr KOBELKE: With reference to the last part of the question, there has been no request for documents as yet, but an approach has been made by people from the royal commission to meet with senior officers. I presume that at that stage, they will lay down the form of cooperation they are seeking, with which I hope we will be able to fully comply. Coming back to the substance of the question, the Ayres report, which I think the member herself, as minister, established -

Mrs EDWARDES: Yes, that is correct.

Mr KOBELKE: - recommended the abolition of the task force. We considered that, as well as other information, in the development of our policy and agreed that the way to deal with issues in the building and construction industry was through an inspectorate rather than a separate task force. On that basis, the task force was abolished on 28 March and replaced with the Building Industry and Special Projects Inspectorate, which was established to monitor and enforce compliance with awards, agreements and labour relations legislation. It has visited most building construction sites to advise on its role and function and to ensure that people who have complaints, whether employers, subcontractors or employees, can call on those special officers within the labour relations division inspectorate, to help clear up problems. I am happy to take advice or complaints relating to specific problems or the functioning of the Building Industry and Special Projects Inspectorate at any time and pass them on. Although I am not familiar with the building industry, I know enough about it to know that it has its own culture and set of problems. A number of royal commissions have been conducted around Australia and various players suggest that they have been of limited value in getting rid of some of the unsavoury practices in the building industry. It is an area that needs special attention and that is why we have set up the special unit which, by its very title, deals with special projects. However, that is not to say it will not deal with matters outside the building industry. If there is a lull in demand within the building industry, the unit can assist with general or specific inspectorate roles in other areas in which there are problems. The inspectorate is up and running and I am confident it is delivering, but it is still early days. We will see what comes out of the royal commission and we will cooperate with it, as I have already indicated, and we have done that in the past. When a major investigative authority sought records relating to the building industry, all those records were handed over - I am not sure what use they were to it - and they have since been returned. Therefore, the authority had full access to those documents.

Finally, there has been some contention over the issue of no ticket, no start. It is interesting that some of the key players in the royal commission came over to see if they could do something about the removal of no ticket, no start signs. With the full force of federal legislation and no lack of resources, they found that they could not do anything about it, and that was our legal advice also. Although I do not support no ticket, no start signs, our legal advice was the same as that given to the previous Government, which was that, of themselves, they are not in contravention of the law, but they may be useful evidence of the contravention of the freedom of association requirements of the law. I am on the record as saying that I do not support no ticket, no start signs; however, our legal advice is that it would be a waste of resources to try to take any effective action against them.

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Mrs EDWARDES: What are the number of full-time equivalents and the allocation for the inspectorate, and what was it for the task force?

Mr RADISICH: The building industry task force comprised three members. The resourcing for that task force has been absorbed into the general budget for the labour relations inspectorate area. The Building Industry and Special Projects Inspectorate also comprises three members. Therefore, the resources have been simply transferred.

Mr BARRON-SULLIVAN: I will go back to the new fuel pricing system, about which the minister has parried a few questions. I would like to go through a few questions in detail, and the Chairman can cut me off when it is time to go to someone else -

Mrs EDWARDES: Or to your colleague!

Mr BARRON-SULLIVAN: Absolutely. She can just knee me in the shins!

The minister made some comments earlier about the fact that fuel is being sold at the maximum wholesale price. Is the minister now happy that the maximum wholesale price system is working?

Mr KOBELKE: I am very pleased that we now have fuel being sold below the maximum wholesale price. It was not envisaged that the maximum wholesale price would become a fixed standard price at which all transactions would take place; it is, as the name indicates, a maximum wholesale price. However, I am under no illusions as to the difficulties in this area. A range of players with clear vested interests have considerable resources and very smart advisers, and they will continue to play the game according to what suits their interests. To be totally open and frank with the member and the committee, as I am with the public, my big concern is that it will be an ongoing struggle. I would not be surprised if, from time to time, the availability of fuel within the maximum wholesale price range dries up, and that causes me concern. We need to continue to monitor and be active in ensuring that fuel is available at, or under, the maximum wholesale price. It is good to see that, at present, fuel is being sold below the maximum wholesale price. I have asked for advice, but I am not in a position to know if people are still selling above the maximum wholesale price, because that comes back to the transparency issues with the invoicing. We are continuing to check on that matter, and we have forensic auditors involved.

Mr BARRON-SULLIVAN: Things could change in the future, but at the moment the minister is happy that the maximum wholesale price system is in place.

Mr KOBELKE: Our regime has moved a step further up the ladder, but there is still a long way to go. I am always aware, because we have strong competing players, that there is a potential to slide a step down the ladder, and that will happen from time to time. However, we will continue the march upward and make sure that we provide the most competitive market that we can and, therefore, the lowest fuel prices.

Mr BARRON-SULLIVAN: A big test of how confident the minister is that he has it right is that, in the past, he has said that retail price capping cannot be introduced in country areas until the maximum wholesale price is working properly. I could not agree with the minister more in that respect. On the basis of what he has just said, when could we expect country price capping to take place?

Mr KOBELKE: The member's first statement was true. However, the second part of the question changes the basis, because, yes, we did say that that would happen when the current system was established, but it must be established firmly so that it is reliable. The first step is there and we have fuel available at the maximum wholesale price. If we were to introduce the cap on the retail price of fuel for regional centres and then the fuel was suddenly not available at the maximum wholesale price, it would cause a huge problem for our regional retailers. We now need to ensure that the system is sustainable and that we have fuel available at, or below, the maximum wholesale price on an ongoing basis for all those who wish to take it up. We will then provide that cap on retail fuel. However, that does not mean that we are sitting on our hands. Work is already under way to develop the mechanisms for that retail cap. I cannot give a specific date, but contacts are being set up with the relevant players in the regional areas so that we will be able to go to them with the provisions detailing how it will work. While the time delays are frustrating, it is crucial that the Government consult thoroughly with the various players. This has been done on each initiative. The process is being set up so that retailers in regional centres can be interviewed in the next two months, the model can be laid before them and their feedback obtained. The Government is not marking time; the process is taking place, but clearly the Government will not sign off on it until it is sure that fuel is available to those regional retailers at or below the maximum wholesale price.

[12.20 pm]

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Mr BARRON-SULLIVAN: On the basis of what the minister has just said, I take it that the system is not working to the satisfaction of country retailers or independents. The minister earlier spoke about the fact that fuel was selling at the maximum wholesale price. Not only is it selling at that price at the wholesale level, but also it has been selling below the maximum wholesale price at the retail level. With the cooperation of some people in the industry, the Opposition has been monitoring the maximum wholesale price and the retail price, and has found that, all the way through September, the major oil companies were still able to sell fuel at lower than the maximum wholesale price. On 6 September, for example, the maximum wholesale price for unleaded fuel was 86.42c a litre, while the cheapest 100 fuel sites were retailing fuel for between 79.9c a litre and 83.9c a litre. This is happening consistently, and independent and country wholesalers and retailers are saying that the way the maximum wholesale price is being set is very much in favour of the oil companies; basically, it is too high.

I give one example to demonstrate the situation. Today in my home town of Bunbury the average retail price of fuel is \$1.02 a litre - this is principally the price offered by franchise agents and independents. At one company site nearby, the retail price is 97.9c a litre, which is 4.1c a litre below the average price. Somewhere down the line, the independents and the small guys are still not getting the right deal with maximum wholesale pricing. Does the minister think this system he has put in place is hunky-dory?

Mr KOBELKE: I hope the member does not expect me to fall for the ploy of setting such an exceptionally high success rate that I cannot reach it. The Government is delivering on this issue, though it still has a long way to go. It has some good runs on the board and will continue to take up the fight on behalf of Western Australian motorists. The member would understand that the statistics in this area are far more complex than the simplistic examples he gave. I accept that he put to the committee that some service stations are retailing at a price below the maximum wholesale price, and that has happened on more than just the odd occasion. It must be recognised, however, that the issue here is the supply of fuel across the whole of Western Australia, and even in the city of Bunbury there will be a range of prices. The very lowest prices are sometimes below cost, and this opens up the issue of predatory pricing. I am sure that the member has had complaints from retailers that other companies are selling fuel below the cost they buy it for, which has the potential to put competitors out of the business. To the extent that that is predatory pricing, the Government has taken that up with the Australian Competition and Consumer Commission, which has power under the Trade Practices Act to hear such matters. The federal Government has been called on to change the legislation, because in a situation like that, one must show that the lowering of prices was done with the intent of harming a competitive business, which is difficult if not impossible to prove. If the federal law were changed so that dropping the price below cost and putting someone else out of business was an offence and there was no need to show the intent, the ACCC would be in a stronger position to take up those actions. That is not currently the law, and some businesses can be put under pressure because they are undercut by another service station that is selling fuel below cost. Even the major oil companies tell the department from time to time that they are selling fuel below cost price.

If the Government drove down the cost of fuel below the market value, companies would not provide fuel to Western Australia; they would bypass the State. A major refinery in Australia is already looking at sending most of its product to the United States, because a better price is available there due to market factors. The sellers in California cannot source their product because of the high environmental standards. Western Australia is part of the international marketplace. The present regime is aimed at ensuring that Western Australia has the most effective market possible and that Western Australian motorists get the best deal. To be realistic, if the actual price being charged by the price leaders is below what fuel can actually be produced for, that is a marketing tactic. It is not possible to move everyone down to that price, because there would simply be no fuel available. With the 24-hour notice provision, the invoicing and the other components of the regulatory process, the Government is trying to stop that sort of behaviour. Currently, it is not in contravention of the Trade Practices Act, so that legislation cannot be used to close it down. A more complex range of measures is necessary to achieve that end.

Mr BARRON-SULLIVAN: The minister is saying that predatory pricing is going on, and I will not disagree with him there.

Mr WHITELY: Can the member for Mitchell indicate which parts of the *Budget Statements* he is referring to with this line of questioning?

Mr BARRON-SULLIVAN: They are the same sections the member for Roleystone was using earlier. There are three or four references. The activities of the petroleum pricing unit are dealt with on page 446; it is also referred to on page 451 under "Major Achievements For 2001-02", and on page 447 under the heading "Decisions taken since State Election".

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The minister is saying that he thinks predatory pricing is going on, and he is also indicating that oil companies are able to sell at this lower level and push other people out of the market. If the oil companies are able to consistently sell at that lower level - which undoubtedly is happening, as the Opposition's research shows - it gives credence to the concerns expressed by independents that the maximum wholesale price is too high.

Mr KOBELKE: I agree with the point the member is making to the extent that the lowering of prices by some operators can clearly be viewed as predatory pricing. The State does not have the same power as the Commonwealth to crack down on that practice. The Government has taken the matter up with the Commonwealth, but it cannot deal with it on its own. Through a range of other measures, the Government is trying to be effective in its efforts to stop the practice. The member made the point that some of these people are selling fuel below cost over a long period. Those were not his actual words, but he was implying that. That is not my understanding. Part of the tactics of the major oil companies is to come into the market and sell fuel at a very low price that is below their cost price. This then affects a smaller independent operator, which cannot then sell any fuel for a short time.

A major company can afford to operate a site at a loss for up to four weeks; smaller organisations cannot. Part of the reason for the huge fluctuations in price is that major companies have discounted prices at selected sites. The contention of some of the independents is that the sites are selected very much to the financial disadvantage of independents. Having disadvantaged the independents, the price will go up again. The price fluctuates all the time to put pressure on the independents. As I indicated earlier, we are having some success in reducing the range of fluctuation but it is still far too much. We have also had some success with the frequency of fluctuation, because the fluctuation is over a longer period now. However, we have still a long way to go. People must be careful that they do not pick the cheapest price and say it is the benchmark. It is not the benchmark because that price is part of pricing arrangements that I believe are highly suspect. We are trying to get rid of those.

[12.30 pm]

Mrs EDWARDES: One of the new works on page 460 is accommodation for new staff at a cost of \$944 000. How many square metres will that amount of money buy? How many new staff are involved? How will the four agencies be brought together? What is happening to the accommodation of the office of the Commissioner of Workplace Agreements? What are the former Department of Productivity and Labour Relations' current leasing arrangements? What are the current leasing arrangements for WorkSafe WA? What are the former Ministry of Fair Trading's leasing arrangements? Is the minister proposing to have the former departments share corporate services by bringing them closer together and thus save money?

Mr KOBELKE: The amount of \$944 000 on page 460 relates to accommodation for new staff and solely to the expansion of consumer protection. That is currently being worked on. We have not employed any new staff yet but we will be during the financial year.

The amalgamation of the agencies into one department is currently being worked through and there is still a lot of work to be done. Although the ultimate objective would be to have the location of office space in keeping with the needs of an integrated department, which may not mean everybody being in the same location because of different services offered, but clearly the collocation of different parts of the agencies, it is conditioned by existing leases. We will not run up additional costs to achieve the benefits of partial collocation. It will take place where suitable space can be found at a reasonable price. Some of the existing agencies have reasonably long-term leases. We will seek to fulfil those leasing arrangements, but other opportunities may come up which will enable us to make changes. The initial approach would be to not lose any money by failing to fulfil existing leasing arrangements.

Mrs EDWARDES: What are the current leasing arrangements?

Mr KOBELKE: I can tell the member the arrangements for major buildings.

Mrs EDWARDES: Through the integration of the agencies, is it proposed to combine corporate services, human resources, information technology and all those offices that are not agency specific?

Mr KOBELKE: Obviously it is an ongoing issue and many matters are still to be resolved. Mr Bradley has responsibility for this. He would be best able to give the member information on what has happened so far.

Mr BRADLEY: Both WorkSafe and consumer protection have leases of 10 years to run. We must make use of those leasing arrangements. We are looking to collapse all of the services across agencies into one location, which will probably be somewhere with the consumer protection people. The budget figure of \$944 000 is to allow us to take extra space in a building adjacent to where the consumer protection people are currently.

Mrs EDWARDES: Is that available?

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Mr BRADLEY: Yes. Regional agencies were mentioned earlier. The agencies at Karratha will be collocated. We are negotiating the position at Bunbury at the present time. We are looking at the lease of the former Department of Productivity and Labour Relations and WorkSafe, because obviously there are some attractions for us to bring their employees into WorkSafe or the Department of Consumer and Employment Protection. Extra space is available at the Department of Consumer and Employment Protection where we could bring them together. That is currently being worked through but it is too early to say precisely whether it will happen.

Mrs EDWARDES: Is the lease current or has it expired?

Mr BRADLEY: The lease for the former Department of Productivity and Labour Relations is still running.

Ms RADISICH: The lease runs until March 2003.

Mrs EDWARDES: The space obviously includes provision for the office of the Commissioner of Workplace Agreements. When that office is abolished, will that office space be incorporated into the office for the functions of the labour relations service?

Mr RADISICH: Those office spaces are being considered as part of the overall accommodation requirements for the whole of the Department of Consumer and Employment Protection.

Mr KOBELKE: I want to correct something I said earlier when I may not have been entirely accurate? The \$944 000 for the accommodation of new staff is primarily for the additional staff for consumer protection. However, I understand there is also some allowance for the collocation and relocation of corporate staff.

Mrs EDWARDES: How many square metres of office space will the \$944 000 buy?

Mr KOBELKE: The figure is predicated on the basis of 1 887 square metres.

Mr BOWLER: The third dot point on page 453 refers to the ThinkSafe campaign. Will the minister expand on the new directions for aiming at the target audience of the ThinkSafe campaign and the outcomes that he is seeking?

Mr KOBELKE: The previous Government, which initiated the ThinkSafe campaign, led Australia in seeking a broad knowledge and understanding of safety in the workplace. Other States have taken up the approach of trying to convey the message to the wider community. I acknowledge the initiative was positive. Although surveys have been conducted to gauge its effectiveness, and there are some positive stories to be told, there is the issue of getting the message through to the workplace.

Having created the background acceptance of the importance of safety, starting with schoolchildren and the big success there, how do we get the message into the workplace where it counts? That is what the Next Step campaign is about. The campaign was launched in June 2001, and I am sure members will have seen it advertised. The campaign is very much targeted at small business. Data has shown that small businesses are in need of attention because of the incidence of accidents and because of the difficulties in getting the message through to small business.

Most small businesses are battling to survive, even without the goods and services tax, and are putting all their time into keeping their businesses going. There is a real communication problem when requirements such as WorkSafe packages or government red tape are placed on them. They may be able to help them but they just do not pick them up. The target of the WorkSafe campaign in its first step is to try to get that message through to small businesses in a practical way so that they are better able to handle the hazards in their workplace, to ensure that their employees are constantly thinking of safety and to ensure that they put in place practices that will improve safety in their workplaces.

[12.40 pm]

Mr BOWLER: I ask a supplementary question. I will give an example of a worker who was severely injured at a mine site in my electorate. He was told to go to work and sit in the front office for four hours so that the employer's lost time figures would not show up and a graph of injured workers would not be affected. He was basically threatened with the sack if he did not do that, but not by senior management. Senior management took steps in the matter when it found out about it. The problem is that workers are almost indoctrinated about safety and seem to believe that if companies have figures to indicate they are safe, they will have a safer industry. However, that does not get to the base of the problem. It shows better figures but the figures can lie.

Mr KOBELKE: The member raises a very important issue that basically relates to the culture established in the workplace. A culture of simply having good figures and of encouraging people to hide incidents so that the figures look good is not about good health and safety practice. However, we have seen a range of workplaces in Western Australia with extremely high standards of occupational safety and health where the culture is to take the matter seriously and adopt an honest and open approach. It is our job to spread that message through positive

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education programs and a range of awards to recognise people who do take the matter seriously. I have been pleased on a number of occasions to present various awards to employers who have set out to establish the highest possible standards in their operations. It is a real concern to hear anecdotal reports of people who have been told to hang around at work and not go home, although they may not be very well, simply to keep the figures looking good. That relates back to my earlier comments about the degree of unreliability in the data we use. That data is important because the department plans its programs on them. If we are working with false data, we will not be effective in putting resources and effort into the areas where they are required. It is fundamental to good occupational safety and health practice to have reliable data on which to base our programs.

Mr BOWLER: Will the ThinkSafe campaign spread the message that, when a worker is injured, it must be reported?

Mr KOBELKE: There are a lot of conflicting forces and there will always be some people who simply view the reporting of numbers as an end in themselves. That is a nonsense, but some people will view it that way, although we will try to educate them otherwise. It also relates to the workers compensation system, because most of the figures that we report on come through that system. The culture of some workplaces is also conditioned by the criteria in the workers compensation system. However, we are keen to get out to workplaces - we are doing that now with an emphasis on small business - to convince employers that it is in their interests to have good occupational safety and health practices because they will not have to retrain staff due to their turnover; they will get much higher productivity from their staff if they are not injured; they do not have to replace staff; and they have the potential to demand lower workers compensation premiums on the basis of their record. Employers who play games and try to hide cases may get away with it for a short time. However, those games will not address the culture of their workplace; they will not eventually have an efficient, safer and more productive workplace and they will not gain the benefits of addressing the culture in the proper way.

Mr O'GORMAN: My question relates to dot point seven on page 454. I believe an occupational safety and health conference is planned for 2002. Can the minister provide an update on the program and information on some of the main speakers who will attend that conference?

Mrs EDWARDES: And will the Opposition receive an invitation?

Mr KOBELKE: The spokesperson certainly will. The WorkSafe Western Australia Commission, WorkCover WA and the Department of Mineral and Petroleum Resources are working together to present an occupational safety and health conference, which is planned for 26 and 27 March 2002 in Perth. The conference aims to provide the latest information on emerging and current occupational safety and health issues and successful strategies and to encourage employees and employers to work together to effectively manage workplace safety. A range of speakers have indicated their willingness to address the conference. These include: Sir Daryl Dawson, who will speak on the Esso-Longford inquiry, and Mr Timothy Walker, Director General of Health and Safety Executive in the United Kingdom, who will be able to discuss current occupational safety and health initiatives in the UK. The conference is one of the many initiatives taken to highlight the importance of occupational health and safety. It is also a practical way of providing information to people and we hope that the conference will be a great success.

Mr BARRON-SULLIVAN: I would like to ask about funding for regulatory control of the real estate industry. A number of output measures on page 449 relate to the matter I want to talk about and I want to get a little more detail than is provided. There is a figure for the total cost of output on page 448, with a breakdown of quality and quantity assessments on the following page, but none in this area is as detailed as I would like. Can the minister provide details concerning the Real Estate and Business Agents Supervisory Board and on any areas of his department involved in compliance investigation work in real estate? I want to get a handle on the number of inquiries made and the number of successful actions taken as a result of those inquiries. The real estate industry tends to get a bit of a hammering from the public for a variety of reasons. However, the longer I have been in this position and the more I look at the real estate area, the more I find that the real estate industry has a good record. First, what is the full cost of administering the Real Estate and Business Agents Supervisory Board and the associated divisions of the Department of Consumer and Employment Protection; secondly, how many disciplinary hearings involving real estate businesses have there been and, of those, how many have had rulings made against them; and thirdly, what is the cost of carrying out those hearings? More to the point, what is the cost of providing this service per consumer or per unit investigation? I want to get an idea of how much is spent and what is the end result. Much of that detail may have to be given by way of supplementary information and I am comfortable with that.

[12.50 pm]

Mr KOBELKE: I will handle the member's question in three parts. I will first make some general comments. I may then be able to provide figures on how it is currently structured and the amount of money that goes into

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those outputs. The more specific questions may need to be placed on notice. The Gunning inquiry recommended that a range of committees be amalgamated, which would involve more than the real estate area. I do not support the move to amalgamate a range of boards from different industries. I think I have correctly represented the recommendation from the Gunning inquiry. The industry has expressed concern about that recommendation and it is not the position that I have taken. However, the development of a closer working relationship between the Real Estate and Business Agents Supervisory Board and the boards that cover valuers, settlement agents and finance brokers might be examined, rather than amalgamation. Those four boards are in similar areas. I am happy to consider that, but it will not be done until next year. The amalgamation this year of the agencies is a big enough task to handle, before those issues are examined.

One specific matter that relates to the Real Estate and Business Agents Supervisory Board concerns contract of sale documents, on which the board has been active. There was a problem with contract of sale documents because the sale was often conditional on finance. The wording has been changed so that any offer of finance can be taken as acceptance of the offer, rather than a financial arrangement that was certainly beneficial to the purchaser. The board worked on that issue and provided advice to me. That is an example of the range of matters in which the board has been active. It is an incredibly important area. A number of real estate agents have recently been prosecuted in the courts. That is a concern; however, this usually involves only a small percentage of people in the industry and a small percentage of transactions. The licensing and regulatory role of the Real Estate and Business Agents Supervisory Board is important. It is one that the Government wants maintained and enhanced. We will bear that in mind when the structure of those boards is considered next year. There will be public consultation on those matters. That answers one part of the member's question. The board has a service contract with the department. Mr Walker might provide some details on that.

Mr WALKER: We are happy to provide more precise details at a later stage. As the minister said, it is currently a service delivery agreement with the Real Estate and Business Agents Supervisory Board and the Settlement Agents Supervisory Board. It is generally about a 30-70 split between volume of work and cost allocation. The annual cost of the service delivery agreement is about \$4 million. It supports about 50 staff as part of the new department. The Real Estate and Business Agents Supervisory Board and the Settlement Agents Supervisory Board employ about half a dozen staff between them. They have an executive officer, a title business manager, two registrars and support people. The board is active. There are about 10 500 licensed real estate agents and sales people in Western Australia. The total number of board activities across the department is about 140. I am happy to provide an answer by way of supplementary information.

Mr KOBELKE: The member asked a range of specific questions. I ask him to repeat those questions so that they can be put on record. I will then give an undertaking to provide answers by way of supplementary information.

The CHAIRMAN: I ask the member to be brief.

Mr BARRON-SULLIVAN: Yes, of course. The first question is: in the area of real estate consumer protection, what is the full cost of administering the Real Estate and Business Agents Supervisory Board and the associated divisions of the Department of Consumer and Employment Protection?

Mr KOBELKE: That information can be provided.

Mr BARRON-SULLIVAN: My second question is: how many disciplinary hearings conducted by the board were held in the past financial year and how many of those involved successful disciplinary findings or rulings on behalf of consumers? Will the minister also provide estimates for this year? That will obviously be difficult in relation to the number of hearings.

Mr KOBELKE: I can certainly provide, by way of supplementary information, details for the past financial year. I will also provide any figures that will have any meaning for this year.

Mr BARRON-SULLIVAN: Thank you.

Mrs EDWARDES: With the agreement of the committee, and if answers are short, I will be able to ask a couple of questions before one o'clock, because I will not be present at the Estimates Committee after lunch.

Mr KOBELKE: Can we not entice the member for Kingsley to stay?

Mrs EDWARDES: I would love to stay. I can genuinely say that the minister has been really good. I refer the minister to the last dot point on page 457 of the *Budget Statements*, which refers to minimum conditions of employment. The closing date for submissions on the proposed changes has passed. What is the current process with that issue? Will that process include a detailed economic and social assessment of the impact of the proposed changes, particularly on the small business sector? Will the minister incorporate the legislative changes at the same time as the other industrial relations changes?

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Mr KOBELKE: The commitment made in the election policy was to enhance the conditions contained in the Minimum Conditions of Employment Act 1993. That was on the undertaking that they would be reasonably minimal and would have no real cost impact on industry. The Government will consult on that before going ahead with those changes. We are aware that it was a short consultation period. We hoped that if there were general consensus, some of those matters could be included in the legislation that is currently being drafted. There were six suggestions. I pulled some of those out because there was dissent from certain industry sectors. We will not proceed on those until there has been more detailed consultation. We can probably get general, but not total, agreement on three of them, and we are considering including those in the legislation. I do not want to go into detail. There were some misconceptions. People thought this was being foisted upon them. The difficulty in the community at the moment is that people are not used to being consulted in a direct and honest way. This Government is keen to do that. This was an honest attempt to outline what could be done and to ask for feedback on those matters. If some difficulty arose, the Government would step back and discuss it further. It does not mean that those changes will not be made at a later stage, but they will not be brought on quickly if industry is uncomfortable with them. I believe that people accept some of those changes. It is easy to put them in the current legislation. Others require more consultation, so we will hold back on those.

Mrs EDWARDES: I refer the minister to page 462 of the *Budget Statements* and to the item under non-current assets concerning motor vehicles. I asked a question on notice about the installation of cradle hands-free devices in government vehicles, following the change on 1 July to the rules for the use of mobile telephones while driving. The minister has been one of the better ministers in responding to questions on notice, but not on this question. I know that the director general has his finger on the pulse and would be able to tell the minister how many vehicles are Q-plated or private plated and how many staff are issued with mobile phones. Of the Q-plated vehicles, how many are fitted with hands-free systems? If the Attorney General can provide an answer, I am sure the minister can also provide one. Will the minister do that for me?

Mr KOBELKE: The difficulty may have been in the wording of the question. The wording of questions must be carefully considered. The member's question may have been so encompassing that a partial answer could have been provided but not a full one. If the member wants to resubmit her question, I am happy to try to provide as full an answer as possible.

Mrs EDWARDES: Thank you. I refer the minister to page 454 of the *Budget Statements*. My last question refers to the commitment to carry out a review of long working hours, which is not listed under the major initiatives for 2001-02. Will that be done in the future?

Mr KOBELKE: The policy document indicated that that would not be the first cab off the rank. We cannot do everything at once.

Mrs EDWARDES: I am glad you have realised that.

Mr KOBELKE: It is a major initiative, both in terms of funding and commitment of staff. That is something we hope to work on next year so that it can be run in late 2002 or early 2003.

Sitting suspended from 1.00 to 2.00 pm

Mr BARRON-SULLIVAN: I again talk about the matter of petroleum pricing. The minister's portfolio would be responsible for carrying out a number of the recommendations of the Select Committee on Petroleum Products Pricing in Western Australia that reported to the Parliament last year. Does the minister have a list of the recommendations of that inquiry which his department is responsible for implementing? Obviously, some relate to the energy portfolio, the Commonwealth and so on. I am happy to receive that as the supplementary information. I will later ask a couple of more specific questions.

Mr KOBELKE: I have much information about that fairly comprehensive question. The bits of information I have will largely answer what has been asked, but I want to be as comprehensive as possible. The petrol pricing policy unit requires an estimated \$2.034 million to fulfil those commitments: a \$352 000 carryover for FuelWatch information technology acquisitions; \$1.32 million for an additional four staff, which I have mentioned; and \$1.682 million for recurrent costs for the recoupment of specialist accountancy services to analyse the oil company financials - which again we have already covered, although I did not give the amount - and for legal expenses associated with oil company challenges to government reforms. Those are some direct budget numbers relating to that implementation. I am not sure to what extent that satisfies the member, as his question was broad.

Mr BARRON-SULLIVAN: Could the minister indicate by way of supplementary information which recommendations of the select committee his department will implement? Obviously, he has mentioned specific finances relating to the running of the petrol pricing policy unit; however, the unit carries out a number of activities, some of which relate to the select committee recommendations. I assume that someone in the

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department will be involved in setting guidelines or developing the policy for the implementation of the subsidy for bottled liquefied petroleum gas, as that would be a consumer matter. However, it might not be regarded as one. The committee made 20 recommendations. It would be a matter of providing in the supplementary information a list of each recommendation and stating whether it is part of the department's functions or whether the department is working on it in conjunction with someone else. I would also like the minister to indicate - which he has partly done - the amount of funding provided this year and in the forward estimates to carry out each of those recommendations, and a brief summary of progress for each one.

Mr KOBELKE: The parliamentary select committee, with which the member was involved, made a number of positive recommendations which we are implementing. However, that committee is not a budget item. It has now become part of the background for a range of programs. If the member wants to compare the parliamentary select committee recommendations and our vigorous and ongoing program of trying to achieve a better fuel market in Western Australia and lower prices for motorists, it would be more appropriate for that question to be put on notice. It is an important issue; however, the question relates to a report of the last Parliament and it is therefore more appropriate for it to be asked as a parliamentary question on notice.

Mr BARRON-SULLIVAN: I focus on the budget details. How much money has the Government allocated this year and in future years to carry out each recommendation? I accept that the department has only partial responsibility for some recommendations and no responsibility at all for others. The minister could simply weed out the ones that are not the responsibility of his department. I mentioned the subsidy for bottled LPG. Providing that information would be a matter of saying how much money is allocated to the implementation of the bottled gas subsidy recommendation, the year in which the money is to be allocated and whether the administrative cost of doing that is incorporated in the overall budget for the price unit. I want to know the dollars that are being allocated to implement those recommendations. I thought that, rather than bog things down now, the answer could easily be provided as supplementary information.

Mr KOBELKE: That is not the way we have organised the extensive range of measures developed for this area. We have moved on from the select committee, and we have not done a one-to-one correspondence of the select committee recommendations and our very extensive policy. The matter should be raised through other channels or as a parliamentary question.

The CHAIRMAN: We now have 53 minutes left to deal with three divisions. Perhaps the Deputy Leader of the Opposition should put that question on notice.

Mr BARRON-SULLIVAN: Is the minister not prepared to go down that line? Does he want me to put the question on notice?

Mr KOBELKE: Okay.

Mr BIRNEY: I refer to page 458 and the statement that the former Department of Productivity and Labour Relations initiated 35 prosecutions in 2000-01. How many of those prosecutions were successful?

Mr KOBELKE: I thank the member for the question. It is the sort of question I asked many times while in opposition. I am keen to provide as full an answer as possible. However, the member should understand the complexities of what we are dealing with. There is no simple relationship between prosecutions and the outcomes. People make complaints and the department seeks to sort them out. My criticism of the last Government was that it sorted them out in a way that did not maximise the benefit to the employee with the complaint. We have our own positions on that.

I am very keen to uphold the maximum benefit to the complainant when there is a justifiable claim. The question is how that is enforced. After time for resolution is given, the department moves to initiate a prosecution. Once a prosecution is initiated, it does not necessarily mean the case will end up in court. During the past financial year, 35 prosecutions were initiated and my advice is that only two cases went to court.

[2.10 pm]

Mr BIRNEY: How many of those potential prosecutions were resolved successfully?

Mr KOBELKE: That was the point I was trying to make. It depends on how success is measured. If "successful" means that claims go away, the rate could be 100 per cent. If successful means that the claim was substantiated and the person making the complaint - normally the employee - received 100 per cent of his entitlements, the rate would be very low. Claimants do not normally get the full amount. An employer may pay the full amount claimed when a claim is initiated or he may offer 90 per cent or another amount. If accepted by the employee, the prosecution will not proceed. Claims often comprise several constituent parts. There may be argument about the validity of each part. If the case reaches court, the court will decide on that. In the overwhelming majority of cases, it is decided before it reaches court. They may be cases in which the employee

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is advantaged by settling out of court. Cases may be sound and arguable but it does not mean they will win in court. An employee may decide to accept a reasonable offer, even if it is only half of what is claimed. The case may not be as strong as the employee would like and the employee will settle for a lesser amount. Many cases involve a lot of negotiation. Negotiations should obtain the full entitlement for claimants in the greatest number of cases. If there are cases in which people are holding out and not complying with clearly established standards, we will more readily move to prosecute. Once prosecutions are initiated, it does not automatically mean they will end up in court. Only a percentage of court cases will result in successful prosecutions.

Mr BIRNEY: Only two of last year's 35 cases were prosecuted in court?

Mr KOBELKE: Once a prosecution is initiated, it has to go to court. If settlement is made prior to it going to court, the case will not proceed. Only two cases went to court in the past financial year. I have verbal advice that both cases were won. That further elucidates the answer I gave. Only the strongest cases are taken to court. Cases can often be settled before going to court. The Government would prefer that, if there were a transgression of the law in terms of an employee's entitlements, it be pointed out to the employer. Good employers will pay up. Sometimes there is disagreement; the claim of the employee may not be able to be validated or the claim may be vexatious. The claim may not be well-founded. Those matters need to be worked through. Judgment must be made about which cases are taken up. In the first instance, the department tries to resolve the differences between the parties. If there is no resolution, the final recourse is to initiate a prosecution. If the matter is not resolved at that stage, it will proceed to court.

Mr O'GORMAN: The department has been criticised in the past for not prosecuting employers. What has changed under this Government?

Mr KOBELKE: I have answered that in part, but I will elaborate. My complaint in opposition was that the policy of closing files after 90 days was the objective, rather than the outcome, for complainants. Closing files after 90 days may be a good thing for management, but it is not the objective. Employees do not often understand the system and they have no resources to pursue their rights. As such, they seek advice. If an employee is advised that he has little chance of getting more than 10 per cent of his claim and that he should go away, that will close his file, but it will not deliver justice to the complainant who has been robbed of his entitlements. It places responsibility on the department to ensure that staff dealing with those cases have adequate training. A professional role falls to the officers to understand the entitlements of the employee and justify that a claim is valid and that the employee is not being vexatious or has misunderstood his rights. Having sorted through that, the staff must try to get the parties to resolve the matter. When there is no resolution, they must move to prosecution. Since coming to government, an important change is that a prosecution is triggered after 90 days. Instead of closing a file after 90 days, the department will initiate a prosecution.

The CHAIRMAN: I am mindful of the time. It has been pointed out that members want to ask questions about divisions 27 and 28.

Mr BARRON-SULLIVAN: I have one last question. As of 10 February, how much work was done by the Government on planning, initiating and implementing the new fuel pricing system?

Mr KOBELKE: None.

Mr BARRON-SULLIVAN: No work had been done at all?

Mr KOBELKE: The current Government was not in power on 10 February.

Mr BARRON-SULLIVAN: The Government of the day.

Mr KOBELKE: Is the member asking what was done by the previous Government? I am sorry, I misunderstood the question. I thought the member was asking what this Government had done.

Mr O'GORMAN: I have a point of order. This appears to be a very general question.

Mr BARRON-SULLIVAN: It relates to the establishment of the pricing unit mentioned at page 446.

The CHAIRMAN: The minister is willing to answer the question.

Mr KOBELKE: The FuelWatch program, which requires the nomination of 24-hour pricing, started on 2 January. There was a loophole in the legislation, which the Government has now fixed. The monitoring of fuel prices in regional Western Australia started under the previous Government. The process of setting the maximum wholesale price was initiated, but I was disappointed on coming into Government in mid-February to learn that it had not progressed very far. A consultant had been engaged, but we were only at the start of the process. The process is now in place.

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Mr BARRON-SULLIVAN: Considering that the legislation took effect on 2 January, it sounds as though the ministry worked very hard.

[2.20 pm]