

**STANDING COMMITTEE ON ESTIMATES AND
FINANCIAL OPERATIONS**

2013–14 BUDGET ESTIMATES HEARINGS

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
THURSDAY, 26 SEPTEMBER 2013**

**SESSION FOUR
DEPARTMENT OF COMMERCE**

Members

**Hon Ken Travers (Chair)
Hon Peter Katsambanis (Deputy Chair)
Hon Martin Aldridge
Hon Alanna Clohesy
Hon Rick Mazza**

Hearing commenced at 4.00 pm

Hon MICHAEL MISCHIN

Minister for Commerce, examined:

Mr BRIAN BRADLEY

Director General, examined:

Ms JULIE DeJONG

Executive Director, Industry and Innovation, examined:

Mr DAVID GOODWIN

Chief Finance Officer, examined:

Ms KRISTIN BERGER

Acting Executive Director, Labour Relations, examined:

Ms ANNE DRISCOLL

Executive Director, Consumer Protection, examined:

Mr PETER GOW

Executive Director, Building Commission, examined:

Mr MARTIN CONNOLLY

Principal Policy Adviser, Office of the Attorney General; Minister for Commerce, examined:

Mr PETER GROVES

Principal Policy Adviser, Office of the Attorney General; Minister for Commerce, examined:

The CHAIR: Good afternoon, everybody. On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I would like to welcome you to today's hearing. Witnesses before the committee are required to read and sign a document headed "Information for Witnesses". Can the witnesses confirm for the benefit of Hansard if you have read and signed a copy of this document?

The Witnesses: Yes.

The CHAIR: For the benefit of Hansard, can you confirm that you understand the document that you have signed?

The Witnesses: Yes.

The CHAIR: Again, I note that all the witnesses have responded in the affirmative.

Witnesses need to be aware of the severe penalties that apply to persons providing false or misleading testimony to a parliamentary committee. It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being held in public, although there is discretion available to the committee to hear evidence in private either of its own motion or at the witness's request. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question.

These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. The committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observations. To assist the committee and Hansard, please quote the full title of any document you refer to during the course of this hearing for the record; and please be aware of the microphones and try to talk into them. Ensure that you do not cover them with papers or make noises near them. Members, it will greatly assist Hansard if, when referring to the budget statements volumes or the consolidated account estimates, you give the page number, item, program, amount, and so on in preface to your questions.

Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia. The committee values your assistance with this.

For the benefit of members and Hansard, I now ask the minister to introduce his advisers to the committee, and for each adviser to state their full name and the capacity in which they appear before the committee.

[Witnesses introduced.]

The CHAIR: Shall we go to Hon Kate Doust.

Hon KATE DOUST: Firstly, I have got a series of questions that I want to look at in the area of industry and innovation. So, looking at page 640, “Outcomes, Services and Key Performance Information”, we have the words: what are the targeted priority and emerging sectors? It is in relation to that part of the quote where it talks about: regarding the measure, the extent to which clients and key stakeholders consider the division’s services contribute to innovate industry development. How is this to be measured, and how often will this be done?

Hon MICHAEL MISCHIN: I am sorry, page —

Hon KATE DOUST: Page 640.

Hon MICHAEL MISCHIN: So, it is page 640?

Hon KATE DOUST: Yes. The reason I am asking is we know that in the area of industry and innovation there are currently 62 staff. We understand that with the government’s program of employment rationalisation—staff cutbacks—there are jobs that are going to be going in that area, and there are some flow-on implications for those decisions. So I suppose what I am trying to find out is: When that unit is cut back—and I would like to probably know by how much—how many FTEs will go? What are the flow-on implications of losing staff in that unit in other areas? I then want to talk about the implications for the Innovation Centre out at Bentley, and a number of other things. Perhaps, rather than worrying about the quote, let us just talk about the number of FTEs that are going to go and the implications for how that unit then operates.

Hon MICHAEL MISCHIN: I will defer to the director general.

Mr Bradley: Honourable member, the funding for this year allows us to retain 60 full-time equivalents and an operational budget of \$33 million. That is made up of grants, service operational funding and corporate services contribution; a divisional operation funding of \$10 million. So, at the current time, all current functions will be retained. The FTE prior to science leaving the organisation was 76, and we transferred 15 FTE—14 people plus one vacancy. So, for this year of 2013–14, we will be retaining the current activity for that division.

Hon KATE DOUST: How many of those 60 or 61 that are left will be offered redundancies?

Mr Bradley: We have in the agency offered redundancy to all people. We have 71 confirmed redundancies across the agency.

Hon KATE DOUST: I am specifically wanting to know how many for that unit.

Mr Bradley: I am coming to that, honourable member. At the present moment, we have approved up to 34 for the industry and innovation division, but one must understand that we have not got acceptance to those as yet. We have made the offer, but until the acceptances come back, we do not really know the exact number.

[4.10 pm]

Hon KATE DOUST: That is a significant number in one unit of an area where the government, indeed the Premier, has talked about the need to boost innovation in our state. Last night on the ABC news, we saw discussion around the Innovation Centre WA at Technology Park Bentley potentially closing. If possibly 34 out of 60 staff are going, how can the department possibly provide the services to industry and others that it currently does and meet the ideals that are set out in these outcomes and services? How can that be done with reduced numbers?

Hon MICHAEL MISCHIN: Just dealing with the Innovation Centre at the moment; I was aware that there was a broadcast last night, some story on the media regarding that, but I have not seen what was said about it. I expect that there is concern that it may shut, but the Innovation Centre operates under a biannual contract and there is no guarantee at any time that that contract will be renewed. It is not a permanent fixture of either the Department of Commerce or a permanent fixture of the industry and innovation division. So that will be considered in due course.

Hon KATE DOUST: It is the minister's intention to renew the contract?

Hon MICHAEL MISCHIN: I am not going to commit to renewing contracts in advance of having business cases to support them. I have been down to see the Innovation Centre only a matter of weeks ago and I was very impressed with what I saw, but I do not think it would be responsible of me to commit in advance to renewing contracts on behalf of the state unless and until I get a satisfactory business case at an appropriate time, when that contract is due for renewal, and the value of the centre is being considered and whether there are other options that are available.

So far as industry and innovation is concerned, yes, it is taking a significant hit in staff. It is government policy to have a rationalisation of programs across government, and the Department of Commerce is not immune from those efficiencies and those reductions in resources. There are increases in some areas; there are also some economies that need to take place. Now, I am still working with the department as to where these economies will take place and what they will involve and no final decisions have been made. But it is plain that that division will suffer to some degree from a reduction in the number of FTEs available to it and its budget. I am still working through that with in mind the government's commitments to increase local industry participation and to develop industry and innovation generally in the state.

Hon KATE DOUST: The minister can understand the concern. We hear today that there are potentially 34 out of 60 staff in that unit going to disappear. We have this uncertainty now about whether the Innovation Centre will continue into the future, and then when we go back to the budget papers and "Significant Issues Impacting the Agency" —

Hon MICHAEL MISCHIN: Can I just correct something?

Hon KATE DOUST: If you let me finish what I am going to say. A raft of issues are canvassed in those couple of pages that the Department of Commerce is working on, but there is not a single mention in those significant issues about industry and innovation in terms of that unit. I particularly reference the fact that in the last financial year there has been a review finalised of the Industry and Technology Development Act. It has been parked, as I understand, in cabinet since the end of last year—that is based on two responses I have had from you in this place over the last few months—and we have had no indication about what is happening with that. That is a significant review, because that underpins the work done by that unit and the operation of TIAC, the Bentley Technology Park and the Innovation Centre, and I think you have some significant issues there. I am baffled why such an important and significant area of work is totally ignored in that part of the

budget and that this government and you, the minister, have not been able to articulate to the public a clear plan for the future of innovation, a viable innovation unit, to assist industry in this state to move forward. You might want to comment on why there is a gap there.

Hon MICHAEL MISCHIN: I have not heard a question yet.

Hon KATE DOUST: There is a question. What is your plan for industry and innovation in this state in the future?

Hon MICHAEL MISCHIN: At the moment we are looking at giving effect to government policy in respect of the economies that are required across government and which programs need to be rationalised, which need to be kept and which can be enhanced in order to achieve government objectives, so it is a work in progress. I cannot give you a final decision or definitive answer on any of these things because I am still working on them and I will continue to work on them with the department to achieve the objectives that government has set.

Hon KATE DOUST: I am sure before the next election we might hear something.

On page 645 there is reference to the Bentley Technology Park expenditure of \$1.6 million and the completion of the specialised area structure plan. Can you advise where that structure plan is currently at?

Hon MICHAEL MISCHIN: The capital project will expand the Bentley Technology Park with a view to creating a wider area known as the Bentley technology precinct. The department is continuing progress of the project in collaboration with the Department of Planning, and in the 2014–15 budget there is a further amount in the forward estimates of \$1.636 million for the completion of the specialised area structure plan.

Hon KATE DOUST: Given that there is discussion about the government having to, perhaps, rationalise some of its assets, does the government plan on selling Bentley Technology Park?

Hon MICHAEL MISCHIN: I am not aware of any plans of selling technology park.

Hon KATE DOUST: May I continue?

The CHAIR: Yes.

Hon KATE DOUST: Moving on to pages 642 and 647 and turning to the issue of local content. Can the minister outline how many significant contracts have been awarded to local firms under this framework?

[4.20 pm]

Hon MICHAEL MISCHIN: Since July 2011 there have been \$53.4 billion worth of publicly announced, locally awarded contracts. The estimate is that it has generated something like 190 000 jobs. The state agreement act reporting shows an increase in levels of local content achieved by major projects up to 77 per cent as of May 2013, which I think was the time of the last six-monthly local participation framework report which I think was tabled at about that time or shortly thereafter. Assistance to local businesses through the industry facilitation support program has, to date, resulted in \$117 million worth of contracts for an outlay of \$1.2 million. Chevron has committed funding to an assistance round for Onslow-based businesses in the order of \$100 000. A business case is being considered at the moment to secure further royalties for regions funding for assistance and workshops for regional suppliers. A variety of other achievements have been realised by the local content policy, but we currently estimate that local content and state government contracts are running at about 85 per cent. I think that covers the areas you were directly concerned about around contracts and the like.

Hon KATE DOUST: Would we please be able to have a list of the local firms that have been the beneficiaries of these contracts under the local participation framework?

Hon MICHAEL MISCHIN: Put that on notice.

Hon KATE DOUST: Happy to have that on notice.

[*Supplementary Information No F1.*]

Hon KATE DOUST: You also made reference to other achievements. I am not too sure what you meant by that, whether —

The CHAIR: Keep going, member.

Hon MICHAEL MISCHIN: All right.

Hon KATE DOUST: I am happy for you to provide a list.

Hon MICHAEL MISCHIN: Some of the flow-on effects and so forth.

Hon KATE DOUST: I am happy, minister, for you to provide the list if you want to do that.

Hon MICHAEL MISCHIN: Okay. Perhaps I will do that, and that will save a bit of time. We will put together a list of all the achievements.

The CHAIR: Are we including that as part of F1?

Hon KATE DOUST: I am happy to make that part of F1.

If the minister would look at page 647 of the *Budget Statements*, “Details of Controlled Grants and Subsidies”, there is no allowance for industry and innovation grants. There is an explanation that these were part of the department of science. Will there be any grants made available for innovation in industry or to support projects in this area?

Hon MICHAEL MISCHIN: That is not anticipated. The grants made in the past were part of the component of science that used to be in industry, science and innovation. As indicated, that has been transferred now to the Premier’s portfolio.

Hon KATE DOUST: Does that include the awards like the innovator’s award and the moneys attached to those sorts of things as well? Has it all been moved over?

Hon MICHAEL MISCHIN: The innovator’s award, I am advised, is continuing.

Hon KATE DOUST: Okay.

Hon MICHAEL MISCHIN: It is rather different to the grant.

Hon KATE DOUST: Yes, I know; I realised that as it popped out of my mouth, but it was worth asking. There is a series of those things, but I am sure we will ask lots of questions about those.

The CHAIR: Member, after you ask one more topic, then I will move on to another member.

Hon KATE DOUST: Sure; thank you.

Again, on page 647, under “Details of Controlled Grants and Subsidies”, could the minister please provide a breakdown of what the words “Other Miscellaneous” means, and where that money was issued?

Hon MICHAEL MISCHIN: Five hundred dollars to the Consumers’ Association of Western Australia and a state contribution to the Ministerial Council for Consumer Affairs in the order of \$13 500. That is inclusive. There is a bit of fat there.

The CHAIR: Have you finished that one?

Hon KATE DOUST: I am happy to come back and ask more.

The CHAIR: I will come back to you member. We will go to Hon Rick Mazza.

Hon RICK MAZZA: Thanks, Mr Chairman. On page 651 of budget paper No 2 there is a reference to “Proceeds from Departmental Miscellaneous”. What is that?

Hon MICHAEL MISCHIN: It includes receipts under the gas appliance rectification scheme.

Hon RICK MAZZA: Why is it dropping so significantly?

Hon MICHAEL MISCHIN: The scheme is completed.

Hon RICK MAZZA: Completed, is it? No problem. The next one down, you have got “Proceeds from Fees and Charges—Licences”. It is estimated to decrease by \$4 million in the next year. Is there any reason why there is such a decrease there?

Hon MICHAEL MISCHIN: Look, I can give you some information about the heading. It is proceeds from various fees and charges, licences; it includes receipts from WorkSafe, EnergySafety, consumer protection and the Building Commission divisions. From 2011–12 it also included proceeds from the introduction of the building services levy, which is principally one of the functions under the former builders and painters registration boards. As to why there is a decrease I cannot tell you at the moment and nor can my chief financial officer, but we will find out for you.

Hon RICK MAZZA: If you could, please, that would be good.

The CHAIR: I am just unclear.

Hon MICHAEL MISCHIN: I cannot tell you the reason for the foreshadowed decrease in the receipt.

The CHAIR: Are we taking that as a question on notice?

Hon RICK MAZZA: Yes.

[Supplementary Information No F2.]

Hon RICK MAZZA: The last thing I had was the “Sale of Goods and Services”. I see there from 2012–13 to 2013–14 there is a drop of almost half, and I just wondered why that is decreasing by so much as well.

Hon MICHAEL MISCHIN: I refer to Mr David Goodwin, the chief financial officer. He has some comment that he can make that might assist.

Mr Goodwin: Thank you, minister. Clearly, the numbers are made up of revenue sources from a number of different areas. We do not necessarily have that level of detail and schedules today. On some of the items it may well be a classification issue between years. For instance, I notice that the decrease in fees and charges from licences is offset by an increase in “Proceeds from Fees and Charges—Other”. The figures oftentimes come through from the Treasury budgetary system. If some of the parameters are incorrect, some of the lines, particularly into the out years, may have inaccuracies between the lines. With the minister’s agreement, we could provide some more detail on that.

[4.30 pm]

[Supplementary Information No F3.]

Hon MICHAEL MISCHIN: The Commissioner for Consumer Protection can also add something to those remarks.

Ms Driscoll: In relation to the last line item of the bottom table on page 651, “Sale of Goods and Services”, it is useful to add that the sale of goods and services in part—indeed to an enormous extent—relates to drawdowns from the rental accommodation account. It is my understanding that there had not been a drawdown for some years due to the fact that we were undertaking a close costing of that process, such that the estimated actual for 2012–13 reflects some past year drawdowns as well, which has impacted on the aberration that appears there.

Hon ROBIN CHAPPLE: I refer to page 642 and the draft Labour Relations Legislation Amendment and Repeal Bill 2012 and the comments therein. Given that that impacts on households with an increase in the price of utilities and that we have already put out the green paper looking at

some of those issues, will the minister be going back, given the length of time that this green paper has taken, to look at some of the new impacts coming forward on minimum wages?

Hon MICHAEL MISCHIN: Can the member expand? The impacts —

Hon ROBIN CHAPPLE: The impacts on a minimum wage. People on a minimum wage have now got increased costs. Will the minister look at the minimum wage structure with a view to taking into account some of the increased costs of utilities?

Hon MICHAEL MISCHIN: The question of the minimum wage and the like, so far as it relates to state awards, is the subject of a state wage case that is considered annually, and submissions are made on behalf of the government in respect of that process. We recently had a decision on the state wage case, and the decisions come into effect on 1 July every year. That is how we take into account the impact that the cost of living and the like would have on the minimum wage. The member quite rightly said that the Labour Relations Legislation Amendment and Repeal Bill was put out as a green paper last year, and we are very close to introducing the finalised legislation. I hope to do that by the end of the year.

Hon ROBIN CHAPPLE: That was my second question.

Hon MICHAEL MISCHIN: Yes, but that is a different question entirely from the impact that the consumer price index and other increases have on the minimum wage and low-income workers. This legislation is close to finalisation. I need to make a couple of policy decisions on it but I am hoping to introduce it very shortly. They are two separate issues.

Hon ROBIN CHAPPLE: Is there any component within the draft labour relations legislation that deals with the CPI?

Hon MICHAEL MISCHIN: I do not recall. Some legislation will be introduced that requires the Western Australian Industrial Relations Commission to take into account government wage policy in its decisions with respect to public sector salaries. That has been announced as part of the economic initiatives that the government must consider, but that is a separate exercise.

Hon ROBIN CHAPPLE: Since the green paper has gone out, has there been no further consideration of some those issues as we have moved into a situation in which there are certainly problems at the lower level of income?

Hon MICHAEL MISCHIN: It is a separate issue from the content of that particular bill. My understanding is that it is an issue for, as I say, the state wage case.

Hon ROBIN CHAPPLE: Thank you, minister. Can we expect to see that bill in this place within the year?

Hon MICHAEL MISCHIN: I hope by the end of this year; there are no guarantees, but I hope it will be very shortly.

Hon MARTIN ALDRIDGE: I have a couple of questions relating to page 650 of budget paper No 2 under the subheading “Fines”. There are regulatory fines in 2011–12 of \$132 000 jumping up to an estimated actual for 2012–13 of \$250 000 and continuing into the out years of the forward estimates. Can the minister give me an explanation for why there is such a significant increase in the amount of regulatory fines from one year to the next?

Hon MICHAEL MISCHIN: It covers fines imposed under a variety of departmental operations by regulatory arms of the department, including the Building Commission, the EnergySafety division and the Consumer Protection Division, as regulatory functions. I cannot give the member a reason for that estimate being established. I will make some further inquiry on that. Some of it could be related to changes in legislation over the past 12 months that have increased the penalties, creation perhaps of some additional offences when there were none in the past, anticipated improvements in enforcement action and greater efficiencies. As an example—I have no particular matter in mind—

if some infringement notice procedure is included, that might make it more effective to enforce some aspect of the department's regulatory regime and it might translate into improved efficiencies in the recovery of penalties. That is one possibility.

I am advised that changes to the Australian Consumer Law that have been adopted by Western Australia—in fact, the recent Fair Trading Amendment Bill that went through this place introduced a further alignment of Western Australian law to the Australian Consumer Law—would have had a potential impact. There are greater penalties in there and a greater range of conduct that may be criminal. There have been recent changes to the Residential Tenancies Act and enhanced penalties. I understand that previously the Building Commission did not form part of the regime, so penalties imposed by that would not have been taken into account, and criminal procedures for the adoption of infringement notice potential for other consumer protection activated enforcement would have a bearing on it. Otherwise, it is essentially an guesstimate based on past performance and what is hoped to be improved by increased recovery penalties.

[4.40 pm]

Hon MARTIN ALDRIDGE: Further down that same page under the subheading “Other”, there is a line item “Rental Accommodation Account—Interest”. I assume that relates to the lodgement of bonds from tenancy agreements and the interest earned by the department in relation to that?

Hon MICHAEL MISCHIN: Yes, that is right. The rental accommodation trust account that is established under the Residential Tenancies Act currently holds about \$200 million worth of tenants' bonds. The interest earned under the account is available for purposes defined in the act and as approved by the Treasurer. The interest is applied to the payment of grants to non-government organisations for the provision of tenancy advice and assistance, as well as to reimburse the department and the Department of the Attorney General for costs incurred in fulfilling their functions under that act. The interest income is projected to be stable over the budget and over the forward estimates period.

Hon MARTIN ALDRIDGE: I refer to the income received from interest. There is a fairly sharp drop from the 2011–12 actuals to the 2012–13 estimated actuals, which I assume makes up the assumptions in the forward estimates. The accounts drop by more than half. Does that relate to the rate of return on the investment or is it some regulatory changes, or a mixture of both?

Hon MICHAEL MISCHIN: I understand that the department has revisited its projections based on current interest rates, which have been going south, as we well know, for several years now. It is probably a more realistic assessment of the interest that can be earned on that account.

Hon MARTIN ALDRIDGE: I refer to “Spending Changes” on page 639 of budget paper No 2. In 2012–13, there was an increase in spending of \$500 000 against the item “Regional Buy Local Initiatives”. Looking at budget paper No 3, there was \$1 million allocated in that year, so I assume originally there was a \$500 000 allocation that was then doubled for some reason.

Hon MICHAEL MISCHIN: I was a little distracted; I apologise. What was the question?

Hon MARTIN ALDRIDGE: I referred to the last line on page 639, under “Spending Changes”.

Hon MICHAEL MISCHIN: It is on a different page from my papers, that is why I could not find it. There is \$500 000 in 2013–14. There was one-year funding that was approved by the royalties for regions fund for the regional Buy Local initiative. It was a one-off. There was an allocation of \$500 000 for the period September 2012 to October 2013 to implement two principal activities under the regional Buy Local initiative. The funding was divided amongst \$100 000 for business development information briefings. A series of eight of those were held on business opportunities for existing and prospective suppliers to the resource and government markets, along with details of state and commonwealth government assistance programs and policies. Four hundred thousand dollars of that \$500 000 was for the delivery of a regional round of state government industry

facilitation and support program. Given it was for a fixed period, that is why it will not appear in the projections for this current budget or for the future.

Hon MARTIN ALDRIDGE: Was that initiative a multi-agency initiative, because on page 225 of budget paper No 3 the line item for regional buy local initiatives indicates an estimated actual for 2012–13 of \$1 million?

Hon MICHAEL MISCHIN: I cannot comment on what may have been done out of royalties for regions funding.

Hon MARTIN ALDRIDGE: Was the Department of Commerce's component in 2012–13 limited to that \$500 000?

Hon MICHAEL MISCHIN: That is my understanding. If something was applied to another aspect of the Department of Regional Development's program, I could not comment on that. I can only assume that was the case.

Hon MARTIN ALDRIDGE: Of the \$10 million shown in the budget estimates and the forward estimates, how much of that is coming to the Department of Commerce to administer the regional buy local initiatives?

Hon MICHAEL MISCHIN: It is only what is shown there.

The CHAIR: Is the minister's agency the lead agency on the buy local initiatives?

Mr Bradley: Yes.

The CHAIR: So would your agency not know how the rest of that money was distributed—it is the lead agency?

Hon MICHAEL MISCHIN: I cannot comment on whether the money was distributed. That is a line item that appears in the budget for a different department.

The CHAIR: I would have thought if your agency is the lead agency, it might be able to inform the committee from its knowledge of how that money was being distributed.

Hon MICHAEL MISCHIN: I will ask Ms DeJong, who is executive director of industry and innovation, to respond.

Ms DeJong: We are the lead agency on issues around local content and participation in Western Australia. The \$500 000 was an arrangement made with the Department of Regional Development that we have been delivering through the industry facilitation support program. If the regional development people have funds associated with this activity, we would probably be engaged with them, but I would not be able to tell the member right now specifically what some of those activities would be. They would have other things they would be doing in the regions that I could not articulate to you.

The CHAIR: If you are coordinating that would not part of that be knowing what they are doing, so there is a whole-of-government approach to it?

Hon MICHAEL MISCHIN: The Department of Commerce only received \$500 000 and if there is \$1 million in their budget that has been provided for that purpose —

The CHAIR: I am sure the minister is not encouraging a silo approach to these matters!

Hon MICHAEL MISCHIN: No, I am not!

The CHAIR: That is what I am trying to get beyond. It is interesting that the minister is seeking to suggest that the agency operates in a silo, and even when they are the lead agency they do not take a broader approach and coordinate how these matters are dealt with across the state.

Hon MICHAEL MISCHIN: That is not what I am suggesting. That is not fair.

The CHAIR: I think it is by your answers.

Hon MICHAEL MISCHIN: No, that is not what I am suggesting. I am simply saying that maybe the Chairman is asking the questions of the wrong minister.

The CHAIR: No; I am asking what your agency's knowledge is of that amount of money.

Hon MICHAEL MISCHIN: The Chairman has received the answer, which is that we can say how the \$500 000 we have received has been spent, but we cannot comment on how another \$500 000 that appears in another department's budget has been spent.

The CHAIR: No, but you can tell me your knowledge of what that money was intended for.

Hon MICHAEL MISCHIN: If the Chairman wants me to find out, I am happy to take it on notice and to provide a response. But I cannot tell you what the answer is today and nor can the executive director of that particular division. We will find out for the committee.

[Supplementary Information No F4.]

Hon MARTIN ALDRIDGE: I refer to the line item for royalties for regions' various projects on page 647 of budget paper No 2 under "Details of Controlled Grants and Subsidies". Would it be correct that the bulk of the funding shown there is in relation to the regional mobile communications program?

[4.50 pm]

Hon MICHAEL MISCHIN: That is right. It is a project that is funded by royalties for regions and focuses on extending mobile communications coverage for Western Australia in conjunction with the Community Safety Network project, which is managed by Western Australia Police. Currently it is budgeted to end after 2013–14, which is why you will not find anything in the forward estimates past this current financial year.

Hon MARTIN ALDRIDGE: I do not expect you to do it today because 113 new mobile phone towers are being built but could the minister supply the committee via supplementary information with a list of towers commissioned to date and expected commissioning of the remaining towers and their locations?

Hon MICHAEL MISCHIN: Yes, I will do that.

[Supplementary Information No F5.]

Hon MARTIN ALDRIDGE: I have one final question, and it might not apply to this department, but does the Department of Commerce have carriage of the Workers' Compensation and Injury Management Act?

Hon MICHAEL MISCHIN: No, it does not come under the department.

Hon PETER KATSAMBANIS: I have two specific issues I want to raise today. They both relate to your service area of consumer protection. The first issue is in relation to the significant issue that you highlight on page 641 around international fraud. You discuss under that dot point how there seems to be a shift in emphasis from looking at situations in which fraud is perpetuated at low value but high frequency transactions towards more sophisticated scams that aim to secure large amounts of funds from a more limited pool of potential victims. Is that an actual shift in emphasis in what the department is doing to protect consumers or is it simply highlighting one more area that you are focusing on?

Hon MICHAEL MISCHIN: I will defer to the Commissioner for Consumer Protection, who oversees several projects to combat international fraud.

Ms Driscoll: The focus on scams is probably one of the few areas in consumer protection we are looking to further develop because its significance continues to grow. For example, for the year to date, we have had people come forward advising us of \$11.1 million in losses compared with people coming forward in the whole of last year advising us of \$2.1 million in losses. We are

continuing to provide a full service in the traditional ScamNet service, so very much focusing on people who are receiving letters suggesting that they might participate in some scheme or scam lotteries et cetera. We have also widened our focus to consider issues such as Project Sunbird, which is focusing on relationship scams and investment scams. As you know, we are sending letters to people as we are monitoring moneys being transferred out of Australia which we suspect are scam and fraudulent transactions. We have had great success with that. At the moment we are sending about 150 letters out to people we initially suspect are involved in some sort of fraud and then a second letter follows. The first letter is having the effect of basically stopping people sending money in 63 per cent of cases, and after the second letter is sent, in a further 40 per cent of cases, we are seeing people stopping sending money.

In answer to your question, we are continuing our traditional focus but certainly we are also expanding our horizons as the fraud people are escalating and becoming more sophisticated. We are also now engaging through the WA Police with the AFP, the Nigerian police and the South African police, both in relation to property fraud as well as relationship and investment fraud that we are seeing grow at present.

Hon PETER KATSAMBANIS: Thank you. Your answer was comprehensive, and it answered one of the questions that I had about your relationship with bodies other than the major fraud squad and WA Police, as identified in the budget, so I now do not need to ask it.

In relation to these letters that you send to potential victims of fraud, how do you obtain intelligence about the transfer of funds? Is there some sort of Big Brother watching over the transfers and reporting them to you? Is there some sort of protocol for that? How is that happening?

Ms Driscoll: Firstly, the access to this information is basically as part of a police investigation. It is through the AUSTRAC process. It is done through a small number of staff in consumer protection who have been provided with access to that data as part of a police investigation. We have an MOU established with the police. This initiative was begun by members of the fraud squad. They essentially were unable to deal with the quantum of work and sought the assistance of the department in their investigations. We have kept the number of people who have access to this information to a handful—the details are not available to me, for example. We are participating with the police in the development of the intelligence database. Essentially, through that process we are able to track names and accounts and scenarios that are provided to victims, et cetera. We are finding that that data is invaluable in helping people to recognise that the relationships that they have developed are not real. It is tightly controlled in terms of access, and it is through the AUSTRAC process, as I have said.

Essentially, it is about money that is going to five West African countries. Analysis is done of all transactions, and those that are clearly business-related and personal family-related are peeled back. Then we send general letters to households saying, “We think there may be an issue in terms of a relationship fraud; please consider these issues and contact us”, and then there is a much more direct letter if we see the transfers continue.

Hon KATE DOUST: This is unfortunately an escalating problem and there are very few people who have not been touched by this. I think you are doing a good job in trying to get the message out. But has any consideration been given or moneys allocated to running a much more public education program via the media to try to make people more aware of what to do in this situation; and, if so, how much?

Ms Driscoll: One of the key aspects to the strategy is to ensure that the message gets out. We have been very effective, I think, in ensuring that the public generally is aware of this issue. Only the night before last, Project Sunbird was an item on 7.30 and went out nationally. Unfortunately, there have been tragic incidents, such as the one involving Mrs Jette Jacobs, the lady who we believe was murdered in South Africa. Each of these incidents tends to result in a spike in the inquiries that we receive and adds, I think, a level of reflection when we also ask relatives and close friends of people

who have online friends to review what is happening. We certainly see spikes in people coming forward, and I think it assists in the reception that people have to these letters. So, yes, the media is very much part of the strategy, and we have had great success, with the cooperation of both television and radio media, in telling the stories about these incidents.

[5.00 pm]

Hon PETER KATSAMBANIS: I would like to move on to another element of consumer protection that has particularly come to my attention. It is about how some consumers are being denied access to consumer rights by the use of some traders of payment provisions contained in the Construction Contracts Act. I know that it is not an act that your department administers, but this is about the denial of consumer rights because of the operation of that act. I will explain the way it works and how it has come to my attention. That act, of course, is about payment for subcontractors doing building and construction work—mainly large-scale commercial construction work. Consumers are buying what they consider to be a consumer product, such as an air conditioner, solar panels or a hot water service, which requires installation and is considered under that act that you do not administer to be construction work. That act has very strict provisions about payment. You serve the account and if you do not get payment within seven days—I see the executive director nodding; she understands the general nature of how it works—it triggers arbitration provisions that force payment. In this more consumerist area in which consumers are not engaging in a building contract—they are buying an air conditioner or a set of solar panels for their roof—they often find that the product is not delivered as described or the unit does not work or the workmanship is completely not right. Consumers contact your department or read your website—I will try to speed this up—and are initially directed to contact the person who provided the service or product to seek resolution. There is then an exchange of emails, letters or telephone calls. Meanwhile, the seven days comes up and these traders trigger the provisions of the Construction Contracts Act, which effectively frustrate the normal consumer protection provisions. From doing a bit of simple research, I know that this is happening far more than I initially realised after it was first brought to my attention. I am aware that some of these matters have come to your department at an operational level. What I am seeking from you today is, firstly, an indication of how prevalent this practice is; and, secondly, whether as a department you have taken any action to see whether the provisions of the Construction Contracts Act can be amended in some way. I believe a very neat amendment can be made to ensure that real consumers are not caught up in this system, but I will not bore you with that today. I am therefore seeking from you today some details of any action you have taken on that.

Hon MICHAEL MISCHIN: Perhaps I could ask the Building Commissioner, Mr Gow, to say something about the operation of that legislation, as it falls under the Building Commission's remit. Then perhaps Ms Driscoll can add some comment from the consumer protection point of view, after he has said something about it to give you the whole picture.

Mr Gow: Yes, the Building Commission division does administer the Construction Contracts Act. You are correct that it covers what you might call consumer-level law for home building-type contracts. I should say by way of historical accuracy that the bill, when it was originally enacted in 2004, excluded those contracts from coverage by the Construction Contracts Act. However, Parliament in fact saw fit to amend the bill to make it cover those contracts, which would otherwise have been dealt with by the Home Building Contracts Act, which looks after the consumer end.

The rapid adjudication process in the Construction Contracts Act triggers the appointment of an adjudicator. That adjudicator looks at the claim for payment and, if satisfied there is a requirement for payment, can make a determination. That determination ultimately can be enforced in court as an order of the court. It has the effect of moving payment on in the construction chain. It does not take away any of the party's rights to have the dispute or the matter fully aired in a court or an

arbitration or whatever, so it is really a quick assessment as to whether there is a plausible argument that money should be paid, in which case it is paid and argued over in more detail later.

Hon PETER KATSAMBANIS: That is the point I am making: it takes away the consumer's leverage for payment, which is one of the very strong aces that a consumer has in these cases in which they feel that the product that they purchased has not been properly delivered. Where a trader has received full payment for something they have not delivered, the impetus to solve the problem effectively disappears from the trader's consideration.

Mr Gow: I understand the point that you make, and I think it is a real conflict between the aspirations of various pieces of legislation trying to deal with different matters. As I was going to say, an adjudicator is appointed and they make a determination. Those determinations are copied to the Building Commission. I do not read them all individually, but my staff do. I do not know of the prevalence of the type of issue that you talk of, but I can certainly go away and have a sample of adjudications examined to see how bad that problem is.

Hon PETER KATSAMBANIS: I would appreciate that, thank you.

Mr Gow: It would certainly be a matter of interest to see whether that is being misused. The act is subject to a review in the short future, so that would be a matter that we can add to the terms of reference for the review. If I can just finish with one other point: consumers do have the option in this case of bringing a complaint to the Building Commissioner in respect of the service they have received, and those complaints can be dealt with fairly quickly. If there is any need to look at these issues further, we can intervene reasonably quickly. To be frank, I am not aware of a systemic problem of the nature that you talk of that has been drawn to my attention; I need to go away and have a look.

The CHAIR: Do you agree to take that as supplementary information and to be provided with some further information?

Hon PETER KATSAMBANIS: Yes. We will see what eventuates. You may not have a lot of evidence or you may have lots.

[*Supplementary Information No F6.*]

Ms Driscoll: I only add, potentially, that if there is an issue, I too would be keen to work with the Building Commissioner to identify a way forward. Indeed, I was nodding earlier, expecting you were going to say something else. I too was not aware that this was a significant issue, and it is pleasing to hear there may be an issue that we need to investigate and we certainly undertake to do so.

Hon PETER KATSAMBANIS: I might follow it up by writing through the minister and suggesting a potential way forward.

Hon SUE ELLERY: Page 641 of the *Budget Statements* talks about significant issues impacting the agency, and there is the heading "Housing and Tenancy"—you need not to turn to that page. It is not what I am asking about; it is just the area I want to go to. There was a respected program funded by the Department of Commerce and provided through the Council on the Ageing to provide education to seniors on housing. That has been cut and I think it is particularly disappointing, given the recent parliamentary committee report that highlighted the need for specialist housing-related education and advice for seniors. My questions are: In the first instance, what evaluation was done to gauge the success or otherwise of the COTA program before the cut was made? In addition to that cut, I understand that the FTE in the department's own advice centre, the Seniors' Housing Centre, has also been cut, so given the combined cut, can you advise seniors where they need to go now to get education and advice on housing-related matters?

[5.10 pm]

Hon MICHAEL MISCHIN: I would ask that the Commissioner for Consumer Protection provide that information.

Ms Driscoll: In relation to the seniors' housing service, an evaluation is currently underway. It has not been completed at this stage.

Hon SUE ELLERY: So why would you make the cut before you have done the evaluation?

Ms Driscoll: The funding for this particular project, and the basis on which the service was provided, was for a two-year trial, and that basically takes us through to January 2014. Therefore, at this stage the service is being provided. As I said, it is also being evaluated in terms of whether it should continue. It is the case that we are having to revisit the staff applied to a range of different activities, but it is certainly intended that we will still provide a service to seniors that is specialising in their area of activity and their housing needs. I might add that in many ways I anticipate that, during 2014, the information to seniors will actually be augmented through our community education team in that that team adjusts its focus dependent on current activities. Next year we will see the roll out of the retirement village amendments, and we are going to need a very intensive education campaign and will have probably three people in addition to the seniors' housing service focused on that area. As for this year, the focus has been on residential tenancy. As each of those projects unfolds, beyond that, I am anticipating that park homes will be an emphasis. It is also about us ensuring that we have a full range of education activities as particular issues unfold. That is an ongoing emphasis for us.

Hon SUE ELLERY: Can I just get clear, then, was the two-year trial the program delivered through COTA or the whole Seniors' Housing Centre? What was the two-year trial?

Ms Driscoll: In some respects the whole of the service was, in that that was the basis on which we had approval to commence the service. But I can say that the funding for the external provider was through basically a finite fund, which was the credit penalty fund, which has existed historically through our administration of the Credit (Administration) Act. Where occasionally penalties were imposed upon credit providers, that fund was supplemented. That has dried up with the transfer of that service and regulatory authority to ASIC. Our means of funding this service relied upon us drawing down on those funds. At this stage, as I said, we are evaluating the service, we will provide a report to the minister and, from there, there will be an assessment about the nature of the service going forward; and, if there is a need for additional funding, that process will obviously need to be considered as part of that.

Hon SUE ELLERY: Can you confirm for me the FTE in place now to deal with senior-related advice through the Seniors' Housing Centre?

Ms Driscoll: In terms of COTA, I believe there —

Hon SUE ELLERY: No; those employed directly by the department.

Ms Driscoll: Right now, we have a level 6 officer who is full-time in that service, but that is supported by the customer advice service, the conciliation service, which works in the seniors and the general residential tenancy area.

Hon SUE ELLERY: So, in terms of FTE?

Ms Driscoll: One is fully designated as the seniors' housing first port of call.

Hon SUE ELLERY: The information I have is that within the department-provided service, not COTA, the FTE devoted to providing advice to seniors has been cut down to one part-timer. I do not know what the actual FTE number is. That is what I am trying to establish. Is that the case or not?

Ms Driscoll: As I said, it is one level 6 officer who has full responsibility for seniors. There are a number of other staff, though, that from time to time are available to assist. She works with the

education team, and so they would then work to deal with an inquiry if she is perhaps out of the office running a seminar somewhere.

Hon SUE ELLERY: So there has been no cut to the FTE?

Ms Driscoll: There has been a cut, yes. Formerly there were three people, and then for some time there were two, and currently there is one.

Hon SUE ELLERY: Thanks very much. The evaluation is being conducted by whom?

Ms Driscoll: By an internal officer who is responsible for regional service delivery.

Hon SUE ELLERY: And you anticipate the evaluation being completed by —

Ms Driscoll: Certainly a report to the minister before the end of the year.

Hon MICHAEL MISCHIN: It is my understanding that this service is provided under a contract with the Council on the Ageing WA, and it cannot simply be renewed in any event. There has to be a new competitive selection process for someone to take over that contract if it is to be renewed, and they would have to be competing as part of that process. I understand the arrangement is that it is not a matter of simply saying, “Here’s some more money, and go ahead and carry on for another couple of years.” There has to be a process that is gone through in order to award that contract to someone who can provide the appropriate service.

Hon SAMANTHA ROWE: My questions refer to page 641, “Home Indemnity Insurance”. Who will be ultimately responsible for the implementation of the recommendations handed down by the ERA?

Hon SUE ELLERY: Let us hope you are not the lead agency.

Hon MICHAEL MISCHIN: Currently, the insurers that provide home indemnity insurance boil down to two, which is QBE and Calliden. Calliden has a fairly small representation in the market. The majority of the home indemnity insurance is provided by QBE. QBE has indicated that it wants to exit the market, which is a similar process that has occurred in other states and territories—those that do have home indemnity insurance. I think at least one territory—I think the Northern Territory—does not have any at all. But, in any event, statutorily, in Western Australia there is a requirement for home indemnity insurance, and it covers two aspects. One of them is the collapse of builders who leave projects unfinished, and the other aspect is the home indemnity for the warranty period of six years after the completion of construction. In the light of the indications from the insurers that they want to remove themselves from the market as underwriting the risk, the department has been engaging in negotiations, and those are still currently underway. We have to make some decisions fairly shortly as to the extent to which the state will be involved in this and underwrite the home indemnity insurance. That is work in progress. I cannot reveal more about the detail of it, but it is something that the Department of Commerce is very closely examining. There has been a report prepared by the Economic Regulation Authority. That is with the Treasurer. I am not aware of whether it has been released—it has been tabled, I am informed. So we are addressing the issue with a view to coming to some appropriate arrangement that will give comfort to the industry that it can maintain its statutory obligations and at the same time comfort for consumers.

[5.20 pm]

Hon SAMANTHA ROWE: Has any money been allocated yet or in the forward estimates in relation to this issue?

Hon MICHAEL MISCHIN: No, not than I am aware of. As I say, the extent to which the state will be exposed to any expense is still to be determined.

Hon SAMANTHA ROWE: Do you have a time frame for when that will be determined?

Hon MICHAEL MISCHIN: There has been an extension of time to 31 October. We are working towards a solution before that time limit expires and before QBE ends its involvement.

Hon ALANNA CLOHESY: I want to come back to the local content unit within the industry and innovation division. What were the budgeted funding levels for 2012–13 and the estimated actual for 2012–13? What is the budget estimate for 2013–14 and for each of the forward estimates?

Hon MICHAEL MISCHIN: Your question was related to the local content unit?

Hon ALANNA CLOHESY: Local participation division, whatever it is called these days.

Hon MICHAEL MISCHIN: That component of industry and innovation?

Hon ALANNA CLOHESY: That is right.

Hon MICHAEL MISCHIN: I will have to take that on notice to get those figures for you.

[Supplementary Information No F7.]

Hon ALANNA CLOHESY: Can I also ask then—I am happy for this to be a supplementary as well—within that unit, so we are on the same area, what were the FTE numbers budgeted for that unit for 2012–13 and the estimated actual for that year? What is the number of FTEs that unit is expected to have for 2013–14?

Hon MICHAEL MISCHIN: We will take that on notice as well.

[Supplementary Information No F8.]

Hon ALANNA CLOHESY: Again relating to that unit, what are the key effectiveness indicators for that unit?

Hon MICHAEL MISCHIN: I am advised that the KPIs include the value of contracts that are awarded as a result of the initiative and the assistance outcomes for local business.

Hon ALANNA CLOHESY: They are two key indicators of the value of the contract and the assistance provided?

Hon MICHAEL MISCHIN: Yes.

Hon ALANNA CLOHESY: Could you explain how the assistance provided is measured?

Hon MICHAEL MISCHIN: I add that regular reports are tabled in Parliament, six monthly, which commenced in 2011. I recall having tabled the latest report a couple of months ago.

Hon ALANNA CLOHESY: Indeed, I have read them from cover to cover. It does not explain necessarily, though, how assistance provided is measured.

Hon MICHAEL MISCHIN: Is that the next question?

Hon ALANNA CLOHESY: That is the specific question. Within that KPI, how is assistance provided measured?

Hon MICHAEL MISCHIN: We will have to take that on notice, because it is a calculation, breaking it down amongst the value of the contracts and the amount of assistance that is provided, and other factors.

Hon ALANNA CLOHESY: I would be happy with that if that information includes what “assistance” is. Is it the number of contacts the unit may have had with a local company? If it is, I would be concerned about that because that is just contacts; that is not a measure of effectiveness, so there is no outcome in that. So you may have had 25 contacts, but no effective outcome in relation to that.

Hon MICHAEL MISCHIN: I think I understand what you are driving at, and we will take that on notice and provide the information.

[Supplementary Information No F9.]

Hon ALANNA CLOHESY: I have one other question.

I want to know whether the contract information can be broken up into different areas. Within the report in particular, there is a kind of global figure: Can the value of the contracts be broken up into construction, services and manufacturing?

Hon MICHAEL MISCHIN: We will break it down as much as we can. You can make that —

Hon ALANNA CLOHESY: Again, because that would make it more useful information.

[*Supplementary Information No F10.*]

The CHAIR: Unless another member indicates they have further questions, it is over to you, Hon Kate Doust, and when you finish, that is it—no pressure though!

Hon KATE DOUST: That is all right; I will resist the pressure.

Hon MICHAEL MISCHIN: There is no need to trouble yourself by resisting very hard!

The CHAIR: Which also might encourage the minister to ensure that he gives concise answers as well!

Hon KATE DOUST: Thank you.

I am looking at the line item “2012–13 Reduction in Full Time Equivalent Ceiling” under “Spending Changes” on page 639 of the *Budget Statements*. Can the minister please outline how many WorkSafe and how many EnergySafety inspector positions are currently vacant, and how they are going to be addressed, considering what appears to be a reduction or no further increase in FTEs?

Hon MICHAEL MISCHIN: We will have to take the EnergySafety one on notice as there is no-one representing EnergySafety here today. But insofar as WorkSafe is concerned, the director general may be able to assist.

Mr Bradley: Thank you, minister. We have 15.6 FTEs currently vacant in WorkSafe. The manufacturing and transport unit has three vacancies; the health hazards has 2.6; and the construction unit has 10.

Hon KATE DOUST: I note there is an advert out at the moment for two construction inspectors.

Mr Bradley: Yes.

Hon KATE DOUST: Are there issues for you with attraction and retention of inspectors?

Mr Bradley: At this point in time, not as difficult as it was 12 to 18 months ago. We are getting a good number of people applying for the positions as opposed to previously, and the quality of applicant is also encouraging. We are confident that we should be able to fill these positions.

Hon KATE DOUST: Given that every other department is having to look at staff rationalisation and you already have this significant gap of inspectors, how many FTEs in WorkSafe will be cut? How many inspectors, and how many non-inspector staff?

Mr Bradley: In terms of inspectors, I have made a commitment to ensure that the 103 authorities we have had in the past will be retained.

[5.30 pm]

Hon KATE DOUST: Sorry, are those 103 authorities just for field inspectors or are those authorities given to a range of other staff working within WorkSafe as well?

Mr Bradley: In essence, the bulk of them are for field inspectors, but there would be one or two that do audit work, especially around the issue of high-risk work licences. So they are not out there looking at particular hazards in the workplace, but they are auditing the training that is undertaken and the veracity of the licences.

Hon KATE DOUST: Sorry, I interrupted you. You were going on.

Mr Bradley: I was just trying to find the actual number of FTEs for WorkSafe in particular. At the present moment they are tracking at 150.5.

Hon KATE DOUST: That is the number of FTEs in WorkSafe?

Mr Bradley: That is right.

Hon KATE DOUST: How many have been offered redundancy?

Mr Bradley: In WorkSafe, in terms of the inspectorate, there was one, and we did a job swap with another vacant item, so that ensured that we retained the 103 authorities. From memory, there are one or two others only that have been offered redundancies.

Hon KATE DOUST: Perhaps if we come now and look at page 644 and “Safety and Employment Protection and Construction Standards”. I have got some general questions around how WorkSafe has operated over the past 12 months. I am just sort of wondering how many fatalities have occurred in the last 12 months and, with those fatalities, how many completed reports were provided by the inspectors?

Hon MICHAEL MISCHIN: There were 18 traumatic work-related fatalities notified to WorkSafe in 2012–13. All of them occurred in individual events. The greatest number of them were in the agriculture, forestry and fishing industry division with six deaths, which equates to one-third of all workplace-related fatalities in WA. As at the end of August, there were two traumatic work-related fatalities in WA for 2013–14, one being the BGC Concrete one that I think you raised several weeks ago and the other one involved the collapse of a roof at a recycling workshop.

As for reports, you were talking about completed investigations, is that right?

Hon KATE DOUST: Yes.

Hon MICHAEL MISCHIN: You are after the number of completed reports in respect of the fatalities, is that right?

Hon KATE DOUST: Yes.

Hon MICHAEL MISCHIN: I cannot quickly pick up whether they have all been completed, but let us have a look.

Hon KATE DOUST: Minister, is that perhaps a document that you might be able to table?

Hon MICHAEL MISCHIN: I can find out the information. The information I have is that the last of the fatalities was recorded on 28 June 2013 for that financial year. It may well be that there is still an inquiry ongoing for that, but I can find out which ones have been completed and let you know.

Hon KATE DOUST: Can the minister provide that information on notice?

[Supplementary Information No F11.]

Hon MICHAEL MISCHIN: Are there any in particular you are interested in that you want to find out more about?

Hon KATE DOUST: No; I do not need names or anything, but perhaps the minister can provide the detail of the incidents and the actions taken. I suppose that leads on to my next question. Of each of those 18 deaths, is the minister also able to provide information about which, if any of them, ended up under prosecution?

Hon MICHAEL MISCHIN: As far as providing further information about each of the fatalities, a state of the work environment report was done by WorkSafe, published by the Department of Commerce in July this year.

Hon KATE DOUST: I must read that; it has been a long time since I have read one of those.

Hon MICHAEL MISCHIN: It has a table in appendix 2, which is a summary of the work-related fatalities for 2012–13. It gives in very short form the date of the fatality; a brief description of what it was about; the nature of the injury; the bodily location of the injury; the mechanism of the incident, for example, a vehicle incident, being hit by an object or something; the agency of the injury, what type of equipment was involved, whether it was fire, hydraulic equipment, a vehicle or whatever; and the breakdown agency of the injury, which, essentially, is the sort of thing that caused the problem. That might be of some assistance to you. As to the number of prosecutions that have emerged, we will find out that information and whether they have been completed. Some, by their very nature, would not result in a prosecution. At least half of them that I counted involved either self-employed, farmers or people like that who came to misadventure through carelessness on their part, which resulted in their fatality. Less than half are those in which there has been a third party agent or potentially a lack of supervision or breakdown in the safety processes.

Hon KATE DOUST: Thank you for that, minister. Given you have already referred to the fact that about a third of those tragic deaths occurred in the agricultural industry, which has been an ongoing issue, I note that in the budget papers there is reference to farm safety. What action is WorkSafe taking to provide better education in that industry to ensure that the numbers decline in the future?

Mr Bradley: The agricultural area is one that has caused us some concern for some time. Quad bike riding is the recent phenomenon that has caused not only us concern but also like bodies around the country. We are working on trying to come up with the appropriate code of practice and standard for how quad bikes should be designed in the future. We have had that grant, as you correctly pointed out, for Farmsafe, and it has been running for a number of years now, designed to provide a mechanism for training people in the farming and rural areas. There is also an agricultural committee to the occupational health commission, which is looking at ways of addressing the various instances in the rural sector. We are working with the sector to try to address the concerns everyone has about the number of fatalities in that area.

[5.40 pm]

Hon KATE DOUST: That leads me into my next question, which picks up on that issue. For an extended time now Western Australia has been waiting to see whether or not it will be part of the harmonisation of the national occupational health and safety laws. I have not been able to find a reference to it in the department's significant issues, but can the minister provide some detail on the current status on whether or not we will be party to those harmonised law laws; and, if so, is there an allocation in the budget to assist with that process?

Hon MICHAEL MISCHIN: The question of whether Western Australia pursues participation in the national occupational health and safety regime is presently being considered. There have been some significant issues with that. I should say, as a matter of philosophy, I am not keen on harmonisation for its own sake, unless there is an objective to be achieved by it. The original objective of that idea seems to have been to have uniformity, and grafted onto that were changes in concepts. Some studies have been done, but no commonwealth regulatory impact assessment has been performed that is relevant to Western Australia. There has been a sort of assessment done, which has raised some issues that I am presently considering. I expect to resolve those shortly. There are a number of ways to go. Western Australia's occupational health and safety regime is fairly robust. There is, of course, room for improvement and that act is due for review. It may well be, even if we do not pursue the nationalised regime—I should add that a number of states have already departed from it—that there is room for improvement in Western Australia's regime.

Hon KATE DOUST: Has the delay in making a decision, which now stretches into a couple of years, created any difficulty with ensuring that Western Australia stays up to date in the current codes of practice or regulations?

Hon MICHAEL MISCHIN: To my mind it has not, for a variety of reasons. One of the concerns is that the commonwealth has been putting out draft regulations and codes of conduct and the like

for quite some time and with very short time limits to consider and respond to those. It does not seem that it has ever been in a position to be sufficiently mature a project to be enacted. Of course, as I have indicated, a number of states have already gone their own way in occupational health so as to stymie the idea of there being a uniform cross-country scheme. It also introduces a number of concepts. I will not go into too much detail about it, but a number of concepts have been introduced into the proposed national scheme that are very vague and untested; there is no legal authority on them and they could result in unintended consequences. As I say, I have no evidence at all that Western Australia has been worse off without it. I am also sure there are ways we can improve our regime, even if we were not part of it; in fact, it would possibly be easier to do it if we were not part of it because we could pick the eyes out of what is happening in other jurisdictions and improve ours accordingly. But I have no evidence we have been worse off without that scheme. No decision has been made by government whether to continue down that path or to abandon it and to do something better, so I will not pre-empt that. I am just raising some of my concerns about what has been achieved and done to date.

Hon KATE DOUST: Thank you, minister, for saying that. Given that it has been an extended period of time and we have had a number of ministers in that portfolio, can you give us a time frame for when you will make a decision as to whether or not we will proceed with or reject the harmonisation laws?

Hon MICHAEL MISCHIN: Very soon.

Hon KATE DOUST: Very soon!

Hon MICHAEL MISCHIN: I cannot on my own make a decision on behalf of government on an issue that has been the subject of a COAG project. I expect a decision very, very soon.

Hon KATE DOUST: I will certainly keep asking you about that, minister.

Hon MICHAEL MISCHIN: I welcome it.

Hon KATE DOUST: I want to come back and look at a couple of the other issues that were canvassed under “Significant Issues Impacting the Agency” on pages 641 and 642. The second dot point deals with retirement villages and residential parks. We already know that for some reason the bill that was passed in 2012 will not be implemented until sometime in 2014. Can the minister please provide an explanation as to why the delay, given the extensive lead-up time to the bill coming into the Parliament? I also note that there is reference to the second tranche of legislation that is anticipated in this area. When will that bill be presented to the Parliament or do we have to wait until after the first bill is enacted?

Hon MICHAEL MISCHIN: As to the second, as presently advised, yes, because resources are being devoted to the completion of the scheme that has already been passed and only came into operation on 1 July this year. There has been a significant amount of consultation necessary to hammer out appropriate regulations and a code of conduct. That is coming to fruition but it has been a lengthy process. I recently indicated that I want that consultation exercise to accord to tighter time limits so that something can be put in place as soon as practicable and to have regulations proclaimed. The current code of conduct is being renewed in the interim, so nothing has changed. The only thing that needs to be put in place is some of the scheme under the new legislation. Were you talking about parks or residential?

Hon KATE DOUST: Retirement villages. I am happy to talk about residential parks as well.

Hon MICHAEL MISCHIN: Retirement villages is what I was addressing.

Hon KATE DOUST: I raise this because when we dealt with that legislation, there was keen anticipation that because of the financial difficulties a lot of people were facing, commitments were made that this would be dealt with expeditiously and now we find that there will possibly be an 18-month time lag from when it was passed to when people can apply that legislation. We have

these people caught who will not be able to sort themselves out financially. I would hope that if there was some way of bringing that on earlier, that would be well received by those people in those retirement villages.

I want to come back and talk about the regional mobile communications project and the fit-for-purpose dot points on page 642. We earlier talked about the reduction in staff that is going to occur in the industry and innovation unit. Can we break that down even further? How many people currently work in the area of industry and innovation who look after the communications area, if you like—the group that would have been responsible for involvement in the NBN and for this regional communication project? How many people are currently employed in that area?

[5.50 pm]

Hon MICHAEL MISCHIN: Nine.

Hon KATE DOUST: How many of those people are part of that group that will be taking redundancy?

Hon MICHAEL MISCHIN: Perhaps the director general could say something about that.

Mr Bradley: That is still work in process. We will not know until we get the acceptance of the individual how many people will be in that group.

Hon KATE DOUST: If nine people work in that particular section, you must be aware of the number of people who will be taking redundancy?

Hon MICHAEL MISCHIN: As I understand it, there are 61 FTEs in the industry and innovation division. Nine of them are currently working on the digital economy aspect. That embraces, as I understand it, the NBN implementation, and that of course may vary with the change of commonwealth government as to its program; I do not know. At the moment, there are nine FTEs in that division. There is also the mobile regional communications network implementation project, which is coming to an end.

Hon KATE DOUST: Will we continue to have nine people working in that space, or will we have zero or two or five or seven?

Hon MICHAEL MISCHIN: I do not think we know. That is the point the director general is making. We do not know.

Hon KATE DOUST: The difficulty is that if there is a decline in the number of people who have expertise in that area, will the government be able to continue to roll out these types of projects?

Mr Bradley: I suspect, member, that that is the challenge that will be afforded to me to manage, because we have 61 FTEs allocated for this year. In terms of what the member is suggesting with the voluntary redundancies, those voluntary redundancies do not need to be exited until 31 March next year, so we legitimately think that we will be able to retain sufficient staff to exercise the activities and functions that we are required to exercise as per what we have been given the allocation for. Toward the end of March, I suspect there may be some challenges. But that is what I have to manage.

Hon KATE DOUST: I suppose you are hoping that you will get the projects finished by the time you have to change.

I refer to page 641 and the dot point about associations and charities. At what point will you introduce that new legislation, minister?

Hon MICHAEL MISCHIN: Is the member talking about the amendments to the Associations Incorporation Act?

Hon KATE DOUST: That is correct.

Hon MICHAEL MISCHIN: We are currently looking at the third draft of that bill, with a view to introduction late this year.

Hon KATE DOUST: Thank you.

I refer to page 645, the heading “Asset Investment Program” and the subheading “Works in Progress”. Can the minister please outline what work has been undertaken on WorkSafe’s information systems; and why is there no appropriation in the budget for additional works in this area, considering that WorkSafe’s case management system does not provide scope for a report to be extracted detailing the type of injury and disease reported? I asked a question about this a few weeks ago in this place.

Hon MICHAEL MISCHIN: The reason there is nothing in the current budget for it is that the project has been completed. The amount of \$179 000 in the forward estimates is for maintenance enhancements to the system.

Hon KATE DOUST: What were those enhancements? My question specifically refers to some of the detail on the information that I understand is not reported; that is, the type of injury and disease. Has that been resolved?

Hon MICHAEL MISCHIN: My information is that it was never designed to capture the injury and the disease. The enhancements have been with a view to assisting inspectors to enter information into the system. They were not intended to do what you have indicated. But I can find out more information about that for you if you wish to either put the question on notice or —

Hon KATE DOUST: I am happy to put that on notice, as I am very interested in the type of detail that WorkSafe provides.

Hon MICHAEL MISCHIN: All right, if it is of no interest to others. Once again, I make the offer that if you prefer to just write to me with the sort of information broadly that you are after, we will see what we can provide.

The CHAIR: Member, do you want to have that taken as supplementary information or would you like to take up the minister’s offer to write to him?

Hon KATE DOUST: I am happy to have that as supplementary information.

[Supplementary Information No F12.]

Hon KATE DOUST: I have one last question and it comes back to the work of the inspectors. Given the types of incidents and the discussion we have had about the number of tragic deaths that have occurred in the last 12 months, can you tell me whether there has been any occasion when WorkSafe has been denied entry to a workplace when the inspectors were out there to investigate either an incident or a fatality?

Hon MICHAEL MISCHIN: I cannot. Are you talking about the last 12 months?

Hon KATE DOUST: In the last 12 months for incidents or fatalities has any WorkSafe inspector been denied access to a workplace to conduct an investigation?

Hon MICHAEL MISCHIN: I cannot give you an answer on that. We will have to take that on notice as well. A lot of incidents are reported. There have been 18 fatalities, as I have indicated. I am not able to give you the answer to that.

[Supplementary Information No F13.]

The CHAIR: Are you indicating that it was your last question or do you have one more?

Hon KATE DOUST: I am happy to put the rest of my questions on notice, Mr Chairman.

The CHAIR: Okay; thank you, members. I will just double-check that no other member has any question.

The committee will forward any additional questions it has to you via the minister in writing in the next couple of days together with the transcript of evidence, which includes the questions you have taken on notice. Responses to these questions will be requested within 10 working days of the receipt of the questions. Should you be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. If members have any unasked questions, I ask them to submit these to the committee clerk at the close of this hearing.

On behalf of the committee again I thank the witnesses and the minister for their attendance today, and we will see everyone tomorrow morning.

Hearing concluded at 5.59 pm
