

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

**Division 44: Commerce, \$66 606 000 —**

Mr P. Abetz, Chairman.

Mr P.T. Miles, Parliamentary Secretary representing the Minister for Commerce.

Ms A. Driscoll, Acting Director General.

Ms S. Draper, Acting Director.

Mr M.L. Squires, Acting Chief Finance Officer.

Mr L. McCulloch, Executive Director, WorkSafe.

Mr P. Gow, Executive Director, Building Commissioner.

Mr K. D. Bowron, Executive Director EnergySafety.

Ms K. Berger, Acting Executive Director, Labour Relations.

Mr D.M. Hillyard, Acting Commissioner for Consumer Protection.

Mr M. Connolly, Principal Policy Adviser to the Minister for Commerce.

Mr P. Groves, Principal Policy Adviser to the Minister for Commerce.

**The CHAIRMAN:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those points for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item program or amount in the current division. It will greatly assist Hansard if members can give these details in preface to their question.

The parliamentary secretary may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the parliamentary secretary to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the parliamentary secretary's cooperation in ensuring that it is delivered to the principal clerk by Friday, 19 June 2015. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

[Witnesses introduced.]

**The CHAIRMAN:** Member for Mirrabooka.

**Ms J.M. FREEMAN:** I refer to the line item "Labour Relations" on page 498 of the *Budget Statements*. During last year's estimates hearings I asked about the additional labour relations operating expenditure of \$500 000. I was told by a representative of the department —

The appropriation is to fund the labour relations division for five FTEs for this current financial year, as a discrete decision coming out of cabinet.

When I asked the parliamentary secretary about that, he confirmed with me that it meant there had been a reduction of 19 full-time equivalents in that area. *Hansard* continues —

**Ms J.M. FREEMAN:** There was a reduction of 14 FTEs, but there would have been a reduction of 19 FTEs in that area?

**Mr P.T. MILES:** That is correct.

For 2015-16 it is budgeted that the department will go from 60 FTEs, down to 44—a decrease of 16 workers. Is that in addition to the 19 FTEs previously cut from the agency, and where will these workers come from?

**Mr P.T. MILES:** I will pass this one over to the acting director, Anne Driscoll, to finalise, but there are some numbers shifting around, for sure.

**Ms J.M. FREEMAN:** Clearly—there are some big numbers shifting around there!

**Mr P.T. MILES:** Yes, numbers are being moved around, and there are obviously some new processes coming into play to further streamline some of our processes, but I will ask the acting director to put that forward.

**Ms A. Driscoll:** Firstly, there is now greater transparency across the six services. In recent times, only three services were reported in the budget papers, so consumer protection and industry and innovation were stand-alone services, and then four divisions were combined as one service. In the interests of achieving greater

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

transparency, we have now sought to report on each of the other primary activities so that we now have greater clarity in relation to labour relations, the Building Commission, EnergySafety and WorkSafe. Essentially, we are in the process of looking to now allocate resources across those services in a transparent way in the budget, and we are also the subject of quite a number of savings measures. We have an agency expenditure review and the workforce renewal et cetera. The distribution of FTE, and also the dollar allocations, are, to some extent, indicative in that we are about to embark on a consultative process with staff to look at just how the allocations will be detailed across each of these services. To some extent, the impact of the agency expenditure review and the workforce renewal will be the subject of consultation about where we might make those savings and what the impact on services will be. In broad terms, obviously, we are certainly looking to contract labour relations services, so there will be some changes in the way we produce information material; there will be very much a reliance on the web. Certainly, we are looking to basically cease operating the pay equity unit as an independent unit.

**Ms J.M. FREEMAN:** Will the pay equity unit be abolished?

**Ms A. Driscoll:** I will ask Ms Berger to talk in more detail, but it recognises the fact that the commonwealth is now playing a much larger role in that arena. Certainly, there is an impact for labour relations, as there is for every other division with intended savings measures. I can go into some detail —

**Ms J.M. FREEMAN:** Yes, please.

**Ms A. Driscoll:** I will go into detail later on how the agency is looking to respond to those savings; labour relations is one of the areas. Certainly, as the member for Mirrabooka has observed, the \$500 000 funding that was applied last year as additional funding to assist with public sector workforce activities has now ceased, and that is certainly one of the reasons for the change in FTEs.

**Ms J.M. FREEMAN:** My question was very specific: are the 16 in addition to the 19? In effect, in the last two years, we had 19 last year and 16 this year. That is a very specific question.

**Ms A. Driscoll:** I think the other important thing to say about FTEs is that for some time the primary driver of salary capacity is the budget and the salary cap assigned.

[10.10 am]

There is a need, once we review the distribution of funding as part of the midyear review, to review the FTE capacity in that it does not clearly align—and we will not know for sure because it impacts on the distribution of salary and non-salary, but it would appear that those figures need to be realigned after we have applied the agency expenditure review.

**Ms J.M. FREEMAN:** Maybe Ms Berger could answer the question. The question is very clear, parliamentary secretary. Is the 16 in addition to the 19 that we were told of last year?

**Mr P.T. MILES:** I guess I will start with that before I hand over to Kristin. There will be, and there is going to be, some further rationalisation of FTEs, but we do not know what that will amount to. Although it looks from here that it will possibly be up to another 16 staff; it may not be that.

**Ms J.M. FREEMAN:** So is that 35 in total?

**Mr P.T. MILES:** It may not be that overall, because we have to see what practices we need to continue and what practices we need to no longer look after because of the Fair Work Act. But I will pass over to Kristin.

**Ms K. Berger:** The FTE number is still uncertain, as was expressed by Ms Driscoll, because we are looking at the actual salary budget. We are currently exploring options. Definitely with the cessation of the \$500 000, we are looking at how that will be carried out and looking to focus on core services. So it is not 16 at this point in time, but definitely it will be five.

**Ms J.M. FREEMAN:** So could it be more than 16?

**Ms K. Berger:** No. Excuse me —

**Ms J.M. FREEMAN:** Sixteen is what you pose at this point in time based on these numbers, and you are going down to 44. Given that you are not certain, could it be more than 16?

**Mr P.T. MILES:** No, it will not be more than 16. Until we do a proper review—that is going on right now—I assume we will know in the next three to six months where we are at with that, and then obviously where the government is going with that will be in the midyear review documentation. This is all part of the government's workplace reforms announced by the Treasurer just recently.

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

**Ms J.M. FREEMAN:** How many of those maybe 16, maybe not, and the 19 last year, were inspectors who ensure that workers are not being ripped off by their employers, or employers are not being ripped off by their employees, but mostly it is the other way around? Can the parliamentary secretary give me a breakdown of what areas there were last year and what areas are proposed for this year?

**Mr P.T. MILES:** We have already done that for this year, but I am happy for Kristin to answer that.

**Ms K. Berger:** I would have to take that on notice. I do not have the split here.

**Ms J.M. FREEMAN:** Can we have supplementary information on the numbers for last year and the proposed numbers for this year and where they are coming from?

**Mr P.T. MILES:** I am happy to do that.

**The CHAIRMAN:** Would the parliamentary secretary clarify exactly what he will be providing?

**Mr P.T. MILES:** I will provide information on the breakdown of full-time equivalents for last year and also for—we do not know for this year —

**Ms J.M. FREEMAN:** The classifications and the roles.

**Mr P.T. MILES:** Of the inspectors, yes.

**Ms J.M. FREEMAN:** No; for all of them.

**The CHAIRMAN:** Let the parliamentary secretary clarify what he is prepared to provide.

**Mr P.T. MILES:** Yes. I am getting bashed up by the member! Just remember when you are in the chair, member! We will provide the people's roles that have gone, and what those roles were. We cannot provide the information for this year because we do not know.

**Ms J.M. FREEMAN:** Can you provide what you propose for this year, and the levels?

**Mr P.T. MILES:** We do not know that as yet. We can provide the member only with what we have done. We have not done anything this year. So we can provide the member only with the roles for last year.

*[Supplementary Information No A5.]*

**Mr J. NORBERGER:** My question relates to page 495 and the heading “Significant Issues Impacting the Agency”. The first dot point is about reducing costs without compromising standards. One of the initiatives that the Department of Commerce is proposing to introduce is a change to the licensing of employment agents. That is of interest to me. I used to be an employment agent, so I know what it is like to become a licensed employment agent. I have not heard of a negative licensing scheme before. Can the parliamentary secretary give some clarity around how that will work? It is stated in this dot point that the government believes this will retain the same level of protection for job seekers. As a former employment agent, I am interested to know how that scheme will work.

**Mr P.T. MILES:** As the member rightly says, under the Employment Agents Act 1976, employment agents are required to hold a licence. We looked at that. There was a review of the act in accordance with the competition policy that was laid down. Some objectives were completed in 2003, and there was a recommendation that the licensing of employment agents under the act be abolished and replaced with what is called negative licensing. That is part of the red-tape reduction report that was issued in 2009. I also made the recommendation. These recommendations were made on the basis that negative licensing would result in lower costs to businesspeople and also to government, and would reduce the regulatory burden, which is really why we are having some of these reviews within the agency. Under the negative licensing system, employment agents would still be required to comply with regulatory standards and to operate in accordance with the act. Industry entry would not be regulated by the government, but the government would reserve the right to exclude those who breach the conduct standards of the industry. Consultation has been widespread, and all stakeholders have been given an introduction to what is going to happen. Does Ms Driscoll want to comment further?

**Ms A. Driscoll:** The parliamentary secretary has covered it very well, but I can highlight that particular area of interest. Essentially, the control would be, first, to have a code of conduct that specifies, similarly to what happens now, the requirements in terms of how employment agents should operate, in particular emphasising that they cannot charge job seekers for seeking work on their behalf. That is an important ongoing safeguard in that we often have scammers and fly-by-nighters who abuse the situation and engage itinerants and tourists and expect them to pay money to start work somewhere. So that is a fundamental ongoing measure. We had the competition policy review in 2003 and the red tape reduction in 2009, and they emphasised that this is not an area of ongoing concern with legitimate employment agencies; therefore, we should move to a scenario in which we can stamp out people who are behaving improperly and we can easily differentiate between their behaviour

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

and the behaviour of others in terms of warnings to the public, and we can probably achieve the same end without the imposition on credible —

**Ms J.M. FREEMAN:** Will you be doing that by legislation or by regulation?

**Ms A. Driscoll:** Absolutely; it will be by way of legislation.

**Ms J.M. FREEMAN:** Given the speediness of bringing in commerce legislation and progressing it through Parliament, when does the parliamentary secretary anticipate that this piece of legislation will be before the Parliament?

[10.20 am]

**Mr P.T. MILES:** That is an interesting one. The government obviously has quite a bit of other legislation on the table to bring into the house. The Department of Commerce also wants to bring forward some other pieces of legislation first, so it is on the list to be looked at. Maybe it will happen in the second half of this year, if not next year, and then we will see how the legislation can progress through and whether it gets the support of both houses.

**Ms J.M. FREEMAN:** How much does the department expect to save in this financial year if it anticipates that the legislation will not be introduced until the end of this year or next year? How much will it save in this financial year? The parliamentary secretary announced it in his press release; he should remember.

**Mr P.T. MILES:** I do not do press releases; the minister may do press releases.

**Ms J.M. FREEMAN:** The parliamentary secretary did it in a ministerial statement.

**Mr P.T. MILES:** I do not know what the quantity would be. At this point, it is probably more hypothetical. I think it is important to look, from both a government point of view and a business point of view, at every little piece of legislation that can be removed. The more that we can move out of the way of small businesses particularly, as well as large businesses—although I am not fussed about large businesses because they seem to have a different level of red tape, as much as they keep bashing all governments over the head about regulation—the better. It is a combination of getting rid of red tape and removing, when we can, the regulations that are becoming more of an imposition than a help. When governments get out of the way, it can be looked at from an overall point of view. It cannot be defined as a cost, but overall, as with everything else that the Department of Commerce does, it has to help.

**Ms J.M. FREEMAN:** The department has defined it as a significant issue and a significant saving. My understanding is that employment agencies put people directly into employment with employers. In the United Kingdom, employment agencies, such as nursing agents, can employ people, and that way they get around paying awards and conditions. There was a major incident in the UK in a shellfish industry with a lot of people being underpaid and their working conditions were quite bad because they were employed by employment agents. I want the parliamentary secretary to clarify what the department is intending to do. My concern is that by doing negative licensing—in effect, that means that a code of practice will operate and when an agency does not operate well, it will be prosecuted—it will undermine the wages and conditions of employees and they will not receive the same pay as those who are directly employed.

**Mr P.T. MILES:** We will not bring in anything that will allow for backdoor pay rates. The awards are the awards, whether they be at a state level or a federal level. Both the federal and state mechanisms are in place to protect people. I will ask whether Kristin wants to add anything, because it would obviously directly relate to her portfolio.

**Ms K. Berger:** No, I do not have anything further to add to what the parliamentary secretary said.

**Ms L.L. BAKER:** Earlier in response to questions from my colleague the member for Mirrabooka about the service areas of the budget referred to on page 501 of the *Budget Statements*, the parliamentary secretary mentioned the pay equity unit and said that that had been abolished. Could he tell me how much has been saved by getting rid of the work that was being done on pay equity?

**Mr P.T. MILES:** I will start and then I will get the acting director general to finish. The federal Fair Work Act has pretty much taken over the space so, as staff have left this policy unit and moved into other parts of the agency, those roles have not been filled. I understand that the last person who was there has had a baby, so that role is not there at the moment. It is not an area that we feel we now need to staff as an individual policy unit, because most of the work that was done by that unit has now been enacted through labour relations specifically to do with government. I will ask the acting director general to make some further comments on that, because it is an issue that we have often discussed in the ministerial office. Basically, we think it has achieved its purpose and now it is a matter of still having the act and the policy but allowing the general IR area to look after it.

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

**Ms A. Driscoll:** In recent years, the pay equity unit, as I mentioned before, has become —

**Ms L.L. BAKER:** When you say “recent years”, which years?

**Ms A. Driscoll:** If I can just finish the sentence —

**The CHAIRMAN:** That is a further question.

**Ms L.L. BAKER:** I am sorry, but could the acting director general be specific about the years?

**Ms A. Driscoll:** Perhaps just to give the member some context, the commonwealth has very recently become, as I mentioned before, very much more engaged in this pay equity issue.

**Ms L.L. BAKER:** When did it start that? It is the same question; I am just seeking clarification.

**Mr P.T. MILES:** I will allow Anne to answer and then maybe the member can ask a further question. In that way, we can explain that the equity unit has not been defunded but is still being worked on, and then I will ask Kristin to follow up. The member wants to know the details over that time. Those questions were asked in discussion about previous budgets.

**Ms A. Driscoll:** In essence, I do not have a precise date, but overall the commonwealth has very recently taken a much more engaged role in equity. Basically, all private sector organisations with more than 100 employees must meet the federal gender reporting requirements each year. It also provides extensive information to employers and employees on gender equity issues and is very much engaged in reporting on profiles in that arena. Within Western Australia, the labour relations division will continue to monitor and provide policy advice on pay equity, particularly for government employees. However, it is really quite ridiculous for the state to continue work that the commonwealth is now focusing on in a major initiative. At a time when we are looking to manage our resources as best we can, it makes a lot of sense to defer to that commonwealth effort and to continue to support and augment, if you like, the work being done in the federal domain. I will pass to Kristin if I can.

**Mr P.T. MILES:** We will go to Kristin to follow up on the question.

**Ms K. Berger:** I think we are talking about the establishment of the federal Workplace Gender Equality Agency in 2012. The Workplace Gender Equality Act requires all private sector employers with 100 or more staff to annually report against a series of gender equality indicators. Other states have also closed their pay equity units. As has been said, we will still clearly advise the minister and the parliamentary secretary on gender pay issues and we still have resources on our website. However, clearly, in times of constraint and due to the fact that the unit has decreased its staffing over the years, it has been decided to officially close it.

**Ms L.L. BAKER:** Clearly, if other states have also shut theirs, we must all be doing very well. Would the parliamentary secretary tell me how well Western Australia is doing with the pay equity gap compared with the federal pay equity gap?

[10.30 am]

**Mr P.T. MILES:** What is the member referring to?

**Ms L.L. BAKER:** What is the pay equity gap in Western Australia?

**Mr P.T. MILES:** The member may need to clarify what she is referring to.

**Ms L.L. BAKER:** No. It is the pay equity gap. It is well documented. Perhaps if the parliamentary secretary defers to someone, they might be able to tell me what it is.

**Mr P.T. MILES:** Yes. I do not have figures with me. I do not know whether Kristin does.

**The CHAIRMAN:** Parliamentary secretary, if you could refer to people with their full names, it would make it easier for the audio people and Hansard. Thank you.

**Mr P.T. MILES:** Okay. I defer to Kristin Berger.

**Ms K. Berger:** Thank you, parliamentary secretary.

**Mr P.T. MILES:** Hopefully, I have it right, Kristin.

**Ms K. Berger:** The Western Australian gender pay gap is 25.7 per cent and the national gender pay gap is 18.8 per cent.

**Ms L.L. BAKER:** We are obviously doing very well, is all I can say!

**Ms J.M. FREEMAN:** I have a further question; this is not my question. Are there are other areas within the department in which the parliamentary secretary is looking at doing a similar thing because the Feds do it?

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

I could ask whether the parliamentary secretary is looking at sending off WorkSafe or consumer affairs because the Feds do it, but I will not. Are there other areas such as Wageline in consumer affairs that the parliamentary secretary has looked at in which the federal sphere is doing similar things and providing services, so the parliamentary secretary has decided to abolish a unit because it is no longer necessary? I am not talking just about labour relations; I am talking about the whole department. The parliamentary secretary is saying that he has looked at the budget and decided he needs to look at what is being duplicated with the Feds because it is doing such a brilliant job—clearly, with a 25 per cent pay gap versus 18 per cent—so are there other areas for which the parliamentary secretary is doing the same thing, given the financial constraints on the agency?

**Mr P.T. MILES:** The short answer is no. Every year, we look at what we are doing in this state and how well we do it. We look at how possibly one of the federal agencies could be doing something. We compare either to ensure that we are doing better than the east coast or to see whether policy needs to be made. I think this question came up last year as well. As a government, we are not going to secede any powers in industrial relations over to the federal system, which I know a lot of other states have done. We are not going to do that because I much prefer to have our system locally; we are too far away from the east coast. That will come up in another session. To do with the Consumer Protection Division and WorkSafe, no, we will be keeping all of our processes intact because they are operating as the best in the nation.

**Ms J.M. FREEMAN:** Is the department continuing with Wageline?

**Mr P.T. MILES:** Yes, it is.

**Ms J.M. FREEMAN:** Will it continue in the department in the labour relations area or will it be put together with, say, the consumer affairs line?

**Mr P.T. MILES:** I will ask the acting director to answer that specific question.

**Ms A. Driscoll:** At this stage, the proposal is to have it as a stand-alone unit. It is the case that as we continue to consider the best way to deliver services the most efficiently, we really need to think about whether there are like areas that could operate as one. We are very mindful of the complexity of labour relations issues, consumer protection issues, Worksafe and the like, and the difficulties that would arise in putting them as one unit. But in some ways, everything is up for consideration. Could we put licensing activities within one area—taking the Building Commission as well as consumer protection licensing into one area et cetera? At the moment, the answer is no, but as we look to achieve efficiencies, everything is up for debate.

**Mr P.T. MILES:** Having visited most of the agencies and their front offices—although front offices are not used as much these days—or their telephone areas where they take their inquiries —

**Ms J.M. FREEMAN:** Frontline services.

**Mr P.T. MILES:** I do not think we would save any money by locating that in one area. I did this in the private sector—that is, we had a national call centre. It did not save any money at all because we still had to pay the same number of call centre staff and have the same number of desks and so forth. In that case, the only difference was that we were able to have a longer period of opening because the time difference between the east coast and us meant we were able to manage that better. From what I have seen of our agencies, I cannot see the benefit of having one call centre to operate in this way.

**Ms J.M. FREEMAN:** I refer to “Consumer Protection” on page 499. In the 2013 estimates hearing, the member for West Swan pointed out that the full-time equivalent allocation in 2011–12 was 396, and in 2013–14 it was estimated to be 367. The actual full-time equivalent in 2013–14 was 321, which was fewer than estimated, and in 2014–15, it was 326—a loss of 70 full-time equivalents in that agency. I note that in 2015–16, there is a budget for an increase of 33 workers, but the department is doing that at a reduced net cost of service and a reduced total cost of service. Is this an example of the agency applying the government’s policy to undercut wages by employing people on reduced classifications and harvesting the savings to pay government debt? Seventy workers were already cut from the agency between 2011–12 and 2014–15. What classification level were those 70 workers on? Of the 33 workers to be employed, what classification level will they be employed on in 2015–16? The parliamentary secretary may need to take that as a supplementary question.

**Mr P.T. MILES:** I will refer that question to Anne Driscoll, the acting director general, because it is more detailed than the information I have. She was the consumer protection executive who made those decisions.

**Ms J.M. FREEMAN:** She cut those jobs—slash and burn, Anne!

**Ms A. Driscoll:** Unfortunately, I am not the Treasurer, but, yes. Firstly, in going back over the years to 2011–12, I think it is important to remember that there were a number of Council of Australian Governments initiatives that meant that activities were very publicly, and through the Parliament, transferred to the commonwealth—namely, business names, credit regulation, trade measurement and the register of encumbered vehicles. There

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

was quite a significant drop in staff numbers. Importantly, I think a very smooth transition was managed over that period for staff as well in that no people were made involuntarily redundant et cetera through that process. Managing that involved almost 80 staff, so some of the changes over the years related to that. As I mentioned before, though, when we are looking —

**Ms J.M. FREEMAN:** Of the 80 staff lost over that period, do you know how many were in relation to that?

**Ms A. Driscoll:** My recollection is the total of 80 was involved in the Council of Australian Governments changes. It may have been between 60 and 80.

**Ms J.M. FREEMAN:** Was that in addition to other redundancies? Were there redundancies or staff decreases separate from that?

**Ms A. Driscoll:** Outside of that process—there were voluntary severances, yes.

**The CHAIRMAN:** When the member asks a supplementary question, the parliamentary secretary actually needs to respond and refer the question just to keep the protocol working.

**Ms J.M. FREEMAN:** Okay. Through the Chair, parliamentary secretary, how many staff were lost outside that 80 staff that went to Council of Australian Governments processes?

[10.40 am]

**Mr P.T. MILES:** I defer to Anne Driscoll.

**Ms A. Driscoll:** I think to be absolutely certain, if it is acceptable, I would like to detail the number of people who ceased activities associated with the Council of Australian Governments and, separately, the number of people who have accepted voluntary severances from the Consumer Protection Division. One needs to remember that there are other ins and outs over this process. For example, with the abolition of the real estate and settlement agents boards, a small number of staff came into the agency through that process. There is a lot of fluidity in terms of how things operate.

The member asked about full-time equivalents. In relation to the FTE reported in the budget papers, as I mentioned at the outset, it is important that I flag that at the moment the reference to FTEs in the budget papers does not yet reflect the impact of the corrective measures. We have not yet recognised how we are going to make those savings, because under the memorandum of understanding with unions and staff there is a requirement to consult on where the savings should take place. It is our intention to make quite a lot of those savings in non-salary areas and therefore the FTE may not be significantly affected. But it is the case that given the quantum, there will also need to be some reviews of activity. We are obligated through the MOU to present proposals to staff so they can consider the best option and whether there are alternatives. We expect to make quite a lot of savings through a number of online initiatives that are already well advanced. For example, in tenancy bonds, which has been very labour intensive for an extended period, we have known that we needed to move to online. In consultation with the staff association we have been paying temporary agency people to do a large proportion of the work, knowing that once we go online that work will cease.

**Ms J.M. FREEMAN:** One hopes it will cease.

**Ms A. Driscoll:** It will diminish. The member is quite right; all the difficult ones will stay. Certainly, we have a core of permanent public servants who will continue to be very actively involved in sorting out the more complex cases. It has been a deliberate strategy. We have a lot of people coming through that agency who of their own volition move on, so we expect to manage that with no impact on permanent staff. That lodgements process has gone live with real estate agents in the last few weeks. The next phase will be for disbursements, and that will be live in the next few months. We will be driving that pretty hard. We have worked closely with the Real Estate Institute of Western Australia to implement that and it has compatible systems working with us. Online licensing is a major priority. It will make it much easier for people in business to license and they will get very quick turnarounds et cetera. We expect that to be implemented by the end of the next financial year. A big focus on that will ideally mean that we can make some real savings with very little impact on services.

**Ms J.M. FREEMAN:** Am I to understand from that response that whilst I see an increase of 33 workers from 2014–15 to 2015–16, that may not actually be the case and there may be fewer workers? The budget papers state the number of FTEs does not yet reflect the corrective measures. So that is 33 or maybe fewer?

**Mr P.T. MILES:** Yes, that is correct. At the moment this is our estimate of agency staff —

**Ms J.M. FREEMAN:** It is the government's budget actually.

**Mr P.T. MILES:** It may be a budget allocation but it is still an estimate of where we are. As I said before, we will know for sure by the midyear review where the agency will go on staffing and whether there are payroll

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

savings to be made. There will be people who we have allocations whose positions are not filled, so we may be able to drop those empty positions as well. Anne Driscoll may want to further add to that.

**Ms A. Driscoll:** I need to make an important clarification. The FTE figures reported here for each of the services include a corporate services component. As there is no separate service for the corporate overhead, there is a proportionate distribution of the corporate overhead to each service. I need to make that very clear.

**Ms J.M. FREEMAN:** I note consumer protection's income between the 2014–15 budget and the 2014–15 estimated actual was \$8 million less than budgeted. Why is it \$8 million less? Why has a \$32 million income been budgeted for 2015–16, given income seems to be about \$28 million? The agency budgeted for more, but did not get the additional income it wanted. Why did consumer protection not get that additional income? Why is consumer protection budgeting for more additional income given it has not got it in the past?

**Mr P.T. MILES:** I thought the Chair had nodded off.

**The CHAIRMAN:** No, I was looking at the figures.

**Mr P.T. MILES:** I defer that straight over to Anne Driscoll.

**Ms A. Driscoll:** I think the member is referring to the fact that consumer protection's total cost of service went from —

**Ms J.M. FREEMAN:** No, I am talking about the agency's income: "Less Income". It was \$37 million, down to \$29 million and then up again to \$32 million.

**Ms A. Driscoll:** Thank you. That situation is reflected on page 494 of the budget papers in the line item "Consumer Protection—Grants Expense", which has diminished quite significantly at close to \$5.5 million. Essentially, this is a correction on what was overstated for a period after the department took responsibility for real estate and settlement accounts. It reflects that we are not paying as much in real estate and settlement agent fidelity payments. That is errors or defalcations on the part of a real estate agent. The consumer protection budget includes those grants. Now that we have been operating in this domain for three years, we have corrected it and we are not paying out as much in fidelity payments as anticipated. The home buyers assistance account activity is less than has been budgeted for in recent years as well.

**Ms J.M. FREEMAN:** I am sorry, but that makes no sense. If a correction has been made for that, why has it again been increased this year? I understand that "Less Income" means income into the agency and the adviser is talking about income out of the agency. That does not make sense to me and the adviser needs to be clearer. If that is the case and it has been corrected over time, why has the amount been increased for 2015–16 and not continued the correction? It still makes no sense as an income prediction.

**Mr P.T. MILES:** I will defer to Anne Driscoll.

**Ms A. Driscoll:** Firstly, I was talking about the drop between the budget and estimated actual. The increase in 2015–16 reflects, as I understand it, an increase in the interest we are earning off the real estate and settlement agent accounts. We have large accounts held in trust that are collected from consumers through real estate transactions et cetera and this reflects a recalibration of the interest we anticipate. I might just confirm that with Mathew Squires, our chief finance officer.

[10.50 am]

**Mr M.L. Squires:** The interest revenue projections for the department are lowering, especially also around the agent trust accounts. Under the Real Estate and Business Agents Act 1978 and the Settlement Agents Act 1981, moneys held by those parties are held in a financial institution. Money or interest earned on that is remitted back to Parliament. Given the lowering interest rates over several years, we have seen that amount of money deteriorate. We projected that in our midyear review and it is reflected in these financial statements.

**Ms J.M. FREEMAN:** It still makes no sense. That is what was done in the past. It is as if the government is repeating the mistakes of the past. If that is the case, why will the income increase again in the future? That makes no sense to me. The parliamentary secretary is telling me that it is something that happened on an ongoing basis and we have corrected ourselves but we have still decided to inflate ourselves in the 2015–16 budget.

**Mr P.T. MILES:** I will just highlight some stuff before I go back to Mathew. This account has about \$300 million in it. In the past it was earning a very good rate of return. Whilst we have not been giving out as much money to first home buyers to reduce the cost, because the interest rate has gone from about four per cent down to 1.5 per cent or something like that in the past year, we were required to take a little extra money out to cover the cost of running that part of the agency. It is a full cost recovery part of the agency. That is my understanding of it.

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

**Ms J.M. FREEMAN:** I get that, but why is it being done next year? That is my question.

**Mr P.T. MILES:** I will hand back to Mathew Squires.

**Mr M.L. Squires:** The interest rates used in our forecast modelling are based on the midyear projections drawn up by Treasury at the time. Within those Treasury papers, there are budget assumptions about the public bank account and the interest earned. They show a low interest rate in 2015–16, which progressively increases over the forward estimates. Using those Treasury assumptions, we apply that to the likely holdings within those accounts and therefore see an increase in those interest revenues to be earned over the forward estimates. That is why we have seen an increase in the later years.

**Mr V.A. CATANIA:** I refer to page 504 of budget paper No 2. First, I wish to refer to the regional community services fund. That comes under the royalties for regions fund. Is that linked to the regional communications program? If so, in the 2013–14 budget, how many regional communication towers were put up in the regions and how many is the government looking to complete in 2014–15 and 2015–16 and onwards?

**Mr P.T. MILES:** I will start and then hand over to Sandra Draper. This is one of those excellent programs that is operated out of the agency through the royalties for regions fund. It is one of those areas of government that has direct impact and benefit to regional people. I have been to many of these sites. I know that the member has been to those openings as well. We go into towns that have never had mobile phone communications. It is not about Facebook and Twitter and all that sort of stuff. One farmer in Malyalling was in the middle of a paddock with his son. He was cutting down some trees or whatever and his chainsaw broke but he was 40 minutes from home. His son was playing a game on his iPad. The farmer was able to download a manual on the iPad and fix the chainsaw in the paddock at that time because he had direct access to that sort of material. I think that is great for farmers and also businesspeople. I know that the Malyalling hotel has used it extensively. More importantly, it also comes down to emergency services. One tower was recently completed in one member's area to the south. The week the tower opened, a police officer was able to communicate safely to ambulance services and was able to save somebody who was in a car crash. From an emergency services point of view, this has huge benefits as well.

I think 113 towers have been completed so far. A further number of towers are yet to be completed. I will ask Sandra Draper, who is the acting executive director of that area of the agency, to fill in the numbers.

**Ms S. Draper:** I am more than happy to continue the conversation around the regional telecommunications project. However, if I am not mistaken, I understand that this figure on page 504 relates to the Regional Buy Local initiative, which enables an amount of \$1.5 million per annum to be invested in the Industry Facilitation and Support program and also delivers some small business initiatives in the regions.

**Mr V.A. CATANIA:** Is the amount appropriated for royalties for regions as set out on page 505 the money for regional communications?

**Ms S. Draper:** That is partly for the Regional Telecommunications Project and for Regional Buy Local.

**Mr P.C. TINLEY:** I want to focus on innovation. I refer the parliamentary secretary to the “Details of Controlled Grants and Subsidies” on page 505 of the *Budget Statements*, specifically “Industry and Innovation”. There are nil entries in the 2013–14 and 2014–15 budgets, then there is \$240 000 and then there are nil entries again in the out years. Can the parliamentary secretary explain what the \$240 000 is for?

**Mr P.T. MILES:** I will defer to Sandra Draper for the detail on that.

**Ms S. Draper:** I understand that the \$240 000 was the carryover of some private sector investment in the Innovator of the Year program and also the Industry Facilitation Support program. Both of those programs receive private sector sponsorship, and that was a carryover of sponsorship.

**Mr P.C. TINLEY:** It is not for local content, if I understand correctly, or maybe it is.

**Ms S. Draper:** In part, it is.

**Mr P.C. TINLEY:** Related to that, I think, are the two dot points on page 497. I presume that sort of funding is used in those areas. I am particularly interested in the second dot point relating to defence industry and the Australian Marine Complex. I will let the parliamentary secretary answer that question before overloading him with a question about the AMC.

**Mr P.T. MILES:** There are two parts to the member's question. He wants to know about the AMC.

**Mr P.C. TINLEY:** No.

**Mr P.T. MILES:** The \$240 000 was specifically for funding of local content.

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

**Mr P.C. TINLEY:** So both those dot points. I was just using it as a reference point.

**Mr P.T. MILES:** The member's main question is about the \$240 000.

**Mr P.C. TINLEY:** Yes.

**Mr P.T. MILES:** I defer to Sandra Draper.

**Ms S. Draper:** The \$240 000 was comprised of investment. Of that, \$120 000 was for the local industry participation program through the Industry Facilitation Support program.

**Mr P.C. TINLEY:** I refer the parliamentary secretary to the second dot point on page 497, "Defence Industry and the Australian Marine Complex (AMC)". It states —

The Industry and Innovation Division will continue to implement recommendations contained in the State's response to the Defence White Paper ...

How many contracts have been won in the past 12 months and how many does the government expect to win in the next 12 months? I am talking about industry generally through the AMC and their total value, past and future.

[11.00 am]

**Mr P.T. MILES:** We will have to take that question on notice to provide a bit more detail. Is the member talking about the Australian Marine Complex specifically?

**Mr P.C. TINLEY:** The common user facility—the CUF.

**Mr P.T. MILES:** I do not know whether there has been direct access. I will take that on notice.

**The CHAIRMAN:** Please clarify exactly what you will be providing.

**Mr P.T. MILES:** I will provide information about contracts that have been applied for and possibly won through the AMC.

[*Supplementary Information No A6.*]

**Mr J. NORBERGER:** Parliamentary secretary, I draw your attention to local content on page 497, which comes under the greater heading of "Significant Issues Impacting the Agency". How does one measure the success of the department's engagement with industry in and around local content? I know that it shares a number of steering committees and the like. The local content clauses in some of the state agreements that we have come across do not seem to be enforceable—there does not seem to be either a stick or carrot approach and it seems to be a fairly optimistic statement about the fact that we would like to see local content. How does the department measure the success of those who are engaged in promoting local content?

**Mr P.T. MILES:** The industry and innovation division is a unique department, especially in the field of local content, because it is able to liaise directly with large and small business to get participation through small grants and other areas and it can also network and facilitate introductions. The industry and innovation division is quite a good leader in this field; in fact, it came into play when this framework came into place in 2011. We believe that about \$62 billion in publicly announced contracts has been awarded to local suppliers because of this through Chevron and other oil and gas projects. We have created an estimated 223 000 jobs in the state both directly and indirectly. Clearly there are other initiatives that the state government has for the industry facilitation and support program. I have met with the member for North West Central on several occasions and we have been able to facilitate small grants to small businesspeople to lift their accreditations so that big businesses such as Chevron, BHP and Rio Tinto will start looking at them as suppliers. One fitter and turner who has been operating out of Port Hedland for many years never gained any work from Rio until he got his five-star accreditation. He was able to start picking up small amounts of work that equated to \$100 000 jobs, which was huge because he had never done such big jobs and was used to doing brake ducts and things like that on cars. That is the sort of stuff that this agency does. It is unique and I know it will continue. The amount of money given to funding recipients is not large—it has been \$3.5 million to date—and I am sure that over the coming years that will increase in partnerships with any supplier who comes to town to get further work and support our local content.

**Ms L.L. BAKER:** I refer to the Employment Law Centre Western Australia on page 505 under "Details of Controlled Grants and Subsidies". My copy of the budget has disappeared into my back pocket. There was funding of \$440 000 for last year but zero funding for 2015–16 and the out years. I understand that the government has offered the Employment Law Centre \$139 000—I am sure that it is celebrating—which, I understand, was done by cutting funding to the Environmental Defender's Office Western Australia. Clearly a \$301 000 cut from its budget—that is the total after subtracting \$301 000 from \$440 000—is a pretty significant

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

cut. I assume that that is wind-up funding for the agency. I cannot imagine what else it could be for. What is the government's plan to fund the Employment Law Centre beyond 30 June 2016?

**Mr P.T. MILES:** There are two things about the Employment Law Centre. As the member rightly pointed out, it will not be funded by the Department of Commerce. Minister Michael Mischin wants to retain parts of it, and that is why it is not being funded by the Department of Commerce, and there is a figure of zero in the statement. Any further funding will come from the Attorney General's portfolio. The Attorney General is probably the best person to answer that. The Attorney General is a believer of retaining some form of the Employment Law Centre, but how that will go forward will depend on federal funding, which will continue through 2015–2016, because the majority of its funding still comes from the Feds. I cannot provide a definite number because the funding no longer comes from the Department of Commerce. I do not want to fob off the member, but the minister does want to retain it in some shape or form.

**Ms L.L. BAKER:** How many inquiries does the Department of Commerce's Wageline refer to the Employment Law Centre?

**Mr P.T. MILES:** We do not have those stats with us today, but I am happy to take that on as a supplementary question.

**The CHAIRMAN:** What will be provided?

**Mr P.T. MILES:** We will provide information on the Wageline calls that may have been referred to the Employment Law Centre and what those statistics were for the past 12 months.

*[Supplementary Information No A7.]*

[11.10 am]

**Mr D.A. TEMPLEMAN:** I refer to the last dot point on page 495 and the ongoing issues with retirement villages legislation. I have a series of questions on this. The first is: does the department have a register of retirement villages in Western Australia; and, if not, why not?

**Mr P.T. MILES:** I do not have that information. I will pass to Anne Driscoll.

**Ms A. Driscoll:** We do not maintain a formal register. We do, however, have a very comprehensive list of retirement villages as a service to people making inquiries through the seniors housing service. That is maintained actively, and we also undertake proactive visits to retirement villages to check that they are maintaining compliance with the legislation. The current retirement villages law does not prescribe that a register should be maintained. If there was a desire to establish such, one would expect that that would be through the law or in turn through secondary legislation.

**Mr D.A. TEMPLEMAN:** Given the fact that legislation has been amended and, indeed, another bill is proposed to introduce a tranche of further amendments to the Retirement Villages Act, and given there is a growing population of seniors and other people who may seek to go into retirement villages, does the department intend to create a register to get a handle on how many villages there are in Western Australia?

**Mr P.T. MILES:** I thank the member. This is a question that has never been posed to me. This is the first I have heard of some sort of centralised database on where the retirement homes are. As Anne Driscoll stated, there is nothing in the legislation to suggest or even imply that the agency needs to have one. Although there probably is an unofficial list for in-house use, I will pass to Anne for further comment on whether she believes there needs to be one.

**Ms A. Driscoll:** I am reminded that this issue was canvassed as part of the review of retirement villages in a consultation paper three or four years ago. I believe the recommendations arising out of that were not to proceed. It is certainly an issue that I guess remains open, but it is not currently in scope for consideration. Obviously, we continue to operate in an environment in which reduced regulation and red tape is expected. It is not currently in scope for the review of bill 2—however, I believe it was canvassed as a possibility in the earlier consultation documents.

**Mr D.A. TEMPLEMAN:** How many retirement villages are currently under investigation by the department for whatever reason because of noncompliance or concerns about their not complying with the legislation?

**Mr P.T. MILES:** I will have to take that as a supplementary question.

**Mr D.A. TEMPLEMAN:** As a supplementary, I request a list of all investigations currently being undertaken by the department with regard to retirement villages and their management in Western Australia.

*[Supplementary Information No A8.]*

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

**Mr D.A. TEMPLEMAN:** Of those that the department is investigating, are any currently being investigated for bullying and/or abuse of retirement village residents?

**Mr P.T. MILES:** We are not sure whether there is any in that area, but I am happy to take that question also as a supplementary; that is, whether there are any retirement villages that are being investigated for the bullying or abuse of their residents.

[*Supplementary Information No A9.*]

**Mr D.A. TEMPLEMAN:** Exit fees are a big issue for retirement villages—that is, the fee charged to retirement village residents on the sale of their property. Is the department considering capping exit fees? Is the department aware of the scale of current fees charged on the exit sale of a resident's property? Could the parliamentary secretary give an example of some of the percentages?

**Mr P.T. MILES:** I will defer that question straight to Anne Driscoll.

**Ms A. Driscoll:** Certainly the department is aware of a number of contracts that are operating in the retirement villages sector in that they have been attended to in the development of policies in recent times. The member would be aware of a number of enhancements to protections for consumers of late. We have had cause to look at the way they are structured in also addressing other retirement villages that do not appear to be compliant with the legislation as a comparative. In broad terms, there is a general understanding of the way the market is operating. As I said, we also undertake proactive visits. I have a broad knowledge of how some of them operate, but I would need to confirm it through a supplementary question.

**Mr D.A. TEMPLEMAN:** Is the director general aware that there are now examples of exit fees being up to 40 per cent of the sale price? This is a substantial amount of money being taken from a resident on the sale of their property. Many of them have to sell their property because they might be moving into aged care. I am not having a go at the department, but it is a real concern for me because I have a very significant number of people in retirement villages in my electorate of Mandurah. If the Department of Commerce is going to regulate and keep on top of this growing industry, it must know where the villages are and how many there are and, also, look at the contracts closely so that issues such as exit fees being up to 40 per cent of the sale price are kept in check. Is the department clearly looking at the contracts that are being made, even though it does not know where some of these retirement villages are? It has admitted that. Is it going to do something about genuinely regulating what could be an unfair outcome for people who buy in but then have to sell?

**Mr P.T. MILES:** To some extent the present legislation allows for a disclosure process, once a complaint is received, either from a relative or somebody who has moved in.

[11.20 am]

As to whether there is a shortfall or something lacking within the act or something needs to be tightened up, I take the member's point about the possibility of having a register; I think it is a valid question to be seriously looked at. I ask Anne Driscoll, the acting director, to add further comments to the member's question.

**Ms A. Driscoll:** I accept that it is an area we need to continue to closely monitor. The emphasis in the most recent amendments legislation is very much on enhanced disclosure. The focus has been on ensuring there are long periods of time for people to review documents, for the documents to be developed so that they form almost a checklist for easy comparison against other retirement villages and also for there to be scenarios painted in the disclosure documents making it clear what the percentages will accrue to for a person who resides in the village for 20 years, for example, with some live examples then played out. Every effort has been made to ensure that people walk forward with their eyes open. It is a complex regime. The lease of the home is an interesting and complex arrangement. As members will be aware, there are increasingly variations on what has been a traditional arrangement, and I agree that we need to look closely at those, because in a way they look at shared equity. That gets to be very, very complex, but it is also very attractive to people who do not have high incomes. It is an area in which we need to maintain close vigilance.

**Mr D.A. TEMPLEMAN:** I have one last question. I know I have been very favoured! My question relates to Ms Driscoll's final comment about the need to look at this issue. What is the full-time equivalent staff allocation in the department specifically in regard to regulation and legal matters associated with the retirement villages legislation? I basically want to know whether there are enough staff to address this particular issue, because it will grow; it will get more complex.

**Mr P.T. MILES:** Can I just ask whether the member wants to know how many staff there are in this particular unit that looks after retirement homes as inspectors or policy people?

**Mr D.A. TEMPLEMAN:** I will give an example. Last year I asked the question about the officers of the department who were assigned to the development of an input into the legislation.

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

**Mr P.T. MILES:** So that they become specialists within that area?

**Mr D.A. TEMPLEMAN:** Yes. Now I want to know the FTE allocation in the department specifically looking at issues that come up with retirement villages. I know three or four, because I have met some of them, but I want to know the FTE allocation for addressing issues associated with retirement villages in the legislation.

**Ms A. Driscoll:** There is no single number of staff dedicated to retirement village investigations and legal and policy development. We allocate resources according to current priorities. There is certainly an ongoing number of issues related to retirement villages and there are staff who will be assigned investigations in that domain. However, in recent times we have basically redirected whatever resources are required to deal with priority retirement village issues. In the most recent case the general counsel, another senior legal officer, external counsel, our most senior experienced officer in retirement villages and the policy staff associated with retirement villages were all directed to addressing a specific issue that was local to the member for Mandurah's area. We divert whatever is necessary, having regard to the importance of the matter. The property industry branch and its wider directorate is somewhat well resourced relative to the rest of the Consumer Protection Division in that its funding comes in part from the real estate and settlement agents trust accounts. Real estate agents are often involved in the sale of retirement villages, so we are to a degree able to draw on those resources. That process is very transparent. It has been the subject of cost accountants independent of the department making sure that we do that fairly. Some of the savings initiatives that have been introduced this year are exempt where industry funding applies and it is the case that the property industry branch activities are to some extent exempt from some of those savings initiatives.

**Ms J.M. FREEMAN:** I refer to page 507 of budget paper No 2 and rental accommodation account interest. I note that from 2013–14 to 2014–15 there was a 6.6 per cent increase in the rental accommodation interest income. There was actually a 71 per cent increase on what was budgeted, but there was a 6.6 per cent increase from the 2013–14 actual to the 2014–15 estimated actual. However, the rental accommodation grants were decreased by 26 per cent, so less money was given to the community to assist people with tenancy issues, which I understand is what the rental accommodation grants are for.

**Mr P.T. MILES:** No.

**Ms J.M. FREEMAN:** No? So the rental accommodation grants are not for that. I will continue. The 2015–16 budget for rental accommodation interest income increased by 42 per cent, but the rental accommodation account grants will increase by only 1.67 per cent. I understand that the rental accommodation grants come out of the bond interest to go to tenancy workers of organisations like the Welfare Rights and Advocacy Service, the Northern Suburbs Community Legal Centre, the Southern Communities Advocacy Legal Education Service or the Gosnells Community Legal Centre. In the 2015–16 budget there is a forecast 42 per cent increase and the grants have been increased by only 1.67 per cent, after their funding was cut last year by 26 per cent. How is it fair that when the department is to get such an increase, it is decreasing the grants available to the community to deliver this important service?

**Ms A. Driscoll:** Firstly, it is appropriate to start with the rental accommodation account interest under the "Income" heading. I will later ask Mathew Squires to further develop the response there. Similar to his earlier comments about interest on the real estate and settlement agency accounts, at the moment these budget figures reflect the Treasury expectations at the time of developing the budget for interest earnings in the out years. For example, in early years the amounts were much less and it would now appear these interest rates are too optimistic relative to reality. There have been two recent reserve bank cuts that have undermined the sort of earning potential. In relation to the rental accommodation account grants—the first line item under the heading "Expenses"—the actual payments reflect tender bids that were undertaken by these providers. This is simply over a three-year period plus two one-year extensions, and we are now into the fourth year, so we are essentially honouring the tender bids to 16 different providers across both metro and country, and the central tenancy network. Those amounts are in keeping with the contracts that we have. I think that responds to the question.

[11.30 am]

**Ms J.M. FREEMAN:** Ms Driscoll referred to the amounts in recent times. The actual amount in 2010–11 was \$11 million, it was \$14 million in 2011–12, it was \$12 million in 2012–13, and it was \$10 million in 2013–14. The department budgeted for \$6 million, but received \$11 million, so it is always sitting at around the \$10 million or \$11 million mark. Even though \$16 million has been budgeted for, the actual amount will probably be the same as at present, which is around \$11 million. However, rental accommodation grants decreased last year, and the increase this year is a very small amount. I understand what has been done with the tenders, but given that the budgeted and the actual were higher, there is clearly capacity to allocate more money. Why is the department not ensuring that more of that income goes into providing these vital services?

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

**Mr P.T. MILES:** I defer to Anne Driscoll.

**Ms A. Driscoll:** I am sorry, I thought the member was across one other issue —

**Ms J.M. FREEMAN:** Which is the Magistrates Court—I am across it.

**Ms A. Driscoll:** In the expenses area, three lines up from the bottom is the line item for the rental accommodation account.

**Ms J.M. FREEMAN:** Is that the Magistrates Court?

**Ms A. Driscoll:** Yes, this is the Magistrates Court, but also the payments to the Department of Commerce, for example, to process tenancy bonds and undertake investigations of breaches of tenancy laws, and also for development of tenancy legislation. The member will be aware from the budget papers that work is being done on boarders and lodgers and domestic violence. It is also the call centre through commerce related to tenancy inquiries et cetera. We actually have two components here drawing from the rental accommodation account. I am very optimistic that we can significantly reduce the department's call on the tenancy accounts so that we can continue to fund the important work undertaken by the not-for-profits.

**Ms J.M. FREEMAN:** Further, I ask for supplementary information on that rental accommodation account. I know that it includes the magistrate, and that it was not outlined in the budget papers in 2010–11 and 2011–12. Can I get a breakdown of that rental accommodation account, and the areas in which the money was spent, such as how much is being paid for the magistrate, because that is only recent; it only came in with the act, did it not? The department has not been paying for the magistrate before that, but it does not really matter. I ask for details on the magistrate, the policy work the department is doing, and the phone line. Is the parliamentary secretary able to break that down to show where it is going over the forward estimates?

**Mr P.T. MILES:** We will provide that as supplementary information. We will provide the breakdown of where that expense is going in more detail.

[*Supplementary Information No A10.*]

**Ms L.L. BAKER:** I propose a slight change of course, parliamentary secretary. I would like to talk about consumer protection. I refer to page 499 of the *Budget Statements*, and the line item “Average Cost per Policy Project” under the heading “Efficiency Indicators”. In relation to policy development in the Department of Commerce, I have had dealings with advisers and others about puppy farming. I am interested to know what consumer protection plans are around both policy and legislative changes to tighten up laws to stop the illegal farming of puppies. Does the department have any campaigns planned to address this issue in the community?

**Mr P.T. MILES:** That is a very good question, member for Maylands. I do not like puppy shops myself. I will ask Mr Hillyard to fill in the gaps for us.

**Mr D.M. Hillyard:** From our perspective, at the moment there is no legislation controlling the breeding and selling of dogs through particular retail outlets and pet shops et cetera. The position that we have taken is that when they are being sold through pet shops we have a clear oversight of them because they are in the retail sector and the Australian Consumer Law applies to those transactions. We have remedies for defective dogs, cats or any other pets being sold. The sale of animals from backyard breeders, if you like, who are not registered concerns us, and we get complaints about that from time to time, but no campaign is planned at this stage to deal with those issues. The registration of the sellers of pets by breeders is not on our agenda at this stage.

**Ms L.L. BAKER:** To refer again to the end of the last question, does the department have any campaigns planned to educate the community?

**Mr D.M. Hillyard:** We have some publications, and we raise that issue as part of our normal approach through our media presence. They are continuing issues that come in as complaints, and we look to raise that as a public issue, but not in a specific campaign about backyard breeding.

**Mr V.A. CATANIA:** I refer to page 497 of the *Budget Statements* and the heading “Local Content”. I know the parliamentary secretary has been to Onslow. The first dot point states —

Whilst a number of factors continue to work against local manufacturers, the Industry and Innovation Division continues to implement the Local Industry Participation Framework. The Department plays an active role in chairing both the Chevron Wheatstone and Woodside Browse Local Content Steering Committees.

What kind of role does the chairing of that committee play, given that one of the biggest decisions to hurt local content was the decision of Chevron to move its workers' village 25 to 30 kilometres away from the centre of town? Did the department play any role in that, or was it brought up in any way at any of the local content

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

meetings? It is pivotal to ensuring that we right the wrongs of the past and build a workers' village in the town rather than on a site that prevents workers and the people who live in Onslow from integrating and creating a vibrant community. Did that committee play any role in any of those discussions? I know that the parliamentary secretary has been to Onslow and has had a lot of discussions with businesses, and he has a fairly good understanding of the issues there.

**Mr P.T. MILES:** The member is right; I went to Onslow a couple of months ago to have a look—we were offering some grants to local businesses—and get a better understanding of where the campsite is in relation to the town, which is 45 or 50 minutes away. I also went to see what work was being done in the town by Chevron and some of the local business people. I do not have with me an answer to the specific question of whether the agency discussed the location of the campsite in relation to the town, but I will ask Ms Draper to fill in any blanks on that issue.

**Ms S. Draper:** I am not aware of any discussion about the relocation of the campsite.

**Mr P.T. MILES:** I am not really sure whether that would be discussed within our agency. I do not think we have anyone who would understand where that level of discussion would take place.

[11.40 am]

I think from my point of view it would probably be more the Department of State Development that would have handled that particular process and decision, but I am happy to look at that at a later date for the member.

**Mr V.A. CATANIA:** I am interested in local content and the role that the department plays, given that that decision I believe in time will affect, or has affected, the ability for local content. So I wanted to see what role the department played in that.

**Mr D.A. TEMPLEMAN:** I refer to this year's budget, page 495 of the *Budget Statements*, again with regard to the retirement villages legislation. When will the second proposed bill be introduced into Parliament?

**Mr P.T. MILES:** I am aware that the agency has done the consultation and is doing some work on that right now. I do not know where we are exactly up to, and I am happy to pass over to Anne Driscoll if there is anything further.

**Ms A. Driscoll:** Preliminary scoping of the proposed changes has occurred, but it is the case that the policy staff at the moment are intensively involved in the implementation of the most recent raft of regulation changes and the new code of conduct, which in part was implemented from 1 April, and other parts of that will progressively be implemented in October and then from the beginning of the financial year 2016–17. So there is quite a lot of education both to residents and to villages themselves that is diverting the policy staff from the bill. However, certainly it is an ongoing body of work. It is critical that we use the people who are familiar with the legislation in this next phase. A person was engaged to do scoping work. That work has been completed and we now need to consult with the minister on the way forward in developing the new legislation.

**Mr D.A. TEMPLEMAN:** Will the second bill address the burning issue for retirement village residents of the increasing management fees that are now being charged? I am hearing that some residents have had an 18.5 per cent increase in management fees and some have had increases of between five and 10 per cent. People on a fixed or low income may have an asset that they live in. However, if the costs continue to increase in the way we are seeing, it will basically price some of these people out of their homes, because they will not be able to afford to live in them. Will the legislation look specifically at charges for the management and administration of a village, and can legislation be the controlling agent of that? Is this an issue that has been raised with the officers in the department through complaints from retirement village dwellers?

**Mr P.T. MILES:** The agency is always looking at ways to make sure that the consumer—in this case somebody entering a retirement village—is protected at all times and goes into any contract with their eyes open. The issue from the government's point of view is that we have to be careful not to over-regulate. If we start fixing exit and entry fees and management fees, we could end up slowing down investment within retirement villages. As the member has stated previously, this is an area of growth within the state. Everybody is getting old. There are a lot more people getting old than there are people being born. So we will end up with a situation in which we will have a lot more retirees than births. I am very conscious, and I know the agency is as well, that when we look at the fee regulations, it is important to put in place a protection mechanism but on the other hand still allow the industry to grow. I will ask Anne Driscoll to add further to that.

**Ms A. Driscoll:** Firstly, the most recent amendments to the regulations and the code provide a basis for much more scrutiny by members of a retirement village in terms of the transparency of information. There is a requirement that residents be provided with more detailed information on budgets and the recording of annual

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

financial statements. There is also a requirement to very much split off personal services as opposed to community services so that residents' contracts are much clearer, and that translates to their financials. Those new arrangements will begin at the start of the 2016–17 year. There are, of course, avenues of recourse if fees are excessive. There is capacity, I believe, through the Retirement Villages Act to approach the State Administrative Tribunal in the event that fees appear to be excessive. I perhaps need to confirm that, but that is my general understanding. I will ask David Hillyard whether he can add to that.

**Mr D.M. Hillyard:** As I understand the situation, a budget that has been proposed and put forward by village owners can be challenged through SAT.

**Mr D.A. TEMPLEMAN:** The department is aware of a particular retirement village in Mandurah that has some serious issues associated with contracts and the treatment of residents. That example shows in my view that we need a much more detailed analysis of all contracts that exist and are causing issues, and of new contracts as new retirement villages come on stream. The contracts are the crucial element. I accept the parliamentary secretary's issue about the need for the owners of retirement villages to make a quid and be profitable. However, it does not need to be exploitative, and that is what I think we are getting to with the running of some existing retirement villages, and possibly also in the future. That is why I am interested to know why we do not have a register of retirement villages in Western Australia and an analysis of the contracts and models of operation. As the parliamentary secretary knows, some retirement villages are strata operations and have a lifelong lease, and some have both. There is a mix of models in retirement village living.

I am not convinced that the department has the resources at this stage to address these existing and growing issues. The parliamentary secretary has not satisfied me about the resourcing of this area in his department. There are retirement villages in every member's electorate. I think more of these issues will arise in the future, and it is something that the department will need to get its head around and its hands on very quickly. Is the department considering a specific code of conduct or behaviour, or the like, with regard to how retirement village owners and operators should communicate with and relate to residents? I do not want to name this particular retirement village, but there are a couple of examples of where the treatment of residents has been absolutely abhorrent, and I can show the parliamentary secretary the letters. Are we going to make sure that a specific code of behaviour or conduct is required of retirement village owners and/or operators in how they relate to the residents?

[11.50 am]

**Mr P.T. MILES:** I understand what the member is asking for—that is, whether some sort of minimum code of conduct will come forward in the second tranche of reforms to be placed in the act or subsidiary legislation. I will ask Anne Driscoll to further answer that because I am sure that it has been discussed.

**Ms A. Driscoll:** We have had issues in the past and the basis on which we have been able to take action has been through the wider law. Under the Australian Consumer Law, a number of general provisions relate to harassment and coercion, one relates to the disparate powers or positions of people and certainly one relates to unfair contract terms, but there is another one as well. We have been able to use the general law; indeed, I am reminded that in one retirement village, we got a very significant resolution for the members in the order of \$60 000 to \$80 000, I believe.

There are broader protections that exist. WorkSafe issues can also arise in that retirement villages are generally a workplace and, as a consequence, it is possible to call on those laws as well. We already have powers to take action. Certainly, we can consider the extent to which the current retirement village laws apply, but I prefer them being generally available because they extend to other environments, such as residential parks, standard tenancy arrangements and any other situation in which there is an imbalance between the bargaining positions of the various parties.

**Mr P.T. MILES:** Although there may be a rogue operator—it sounds as though the member may have one in his electorate—it would be better for us to do something directly with that operator, whether it be through some form of grievance whereby they are named and shamed about their behaviour. We do not want to change an act for every retirement village because of one or two rogue operators. I do not see why we would want to clamp down on every operator.

**Mr D.A. TEMPLEMAN:** I am not necessarily assuming that, but, unfortunately, there are examples of people who, quite frankly, should not be owners and operators of retirement villages because they are treating the people disgracefully. Does the department have any ongoing information, reports and/or actions relating to retirement villages that do not have the required residents committees operating under the legislation?

**Mr P.T. MILES:** I will ask that question of Anne Driscoll.

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

**Ms A. Driscoll:** I am not aware of scenarios whereby retirement villages do not have a functioning residents committee when they wish to have one. There may well be retirement villages in which the residents are not minded to basically be active as part of an ongoing committee.

**Mr D.A. TEMPLEMAN:** Is it not a requirement under the legislation?

**Ms A. Driscoll:** As I said, I am not aware of a retirement village that does not have one operating. It would be silly of me to say that every village has one.

**Mr D.A. TEMPLEMAN:** But there are some that the department does not know exist.

**The CHAIRMAN:** Order, member.

**Mr D.A. TEMPLEMAN:** That is the reality. There are some retirement villages that the department does not know exist at the moment because it does not have a register.

**The CHAIRMAN:** We will move on.

**Mr J. NORBERGER:** I refer to the heading “Continued Enhancement of Housing and Tenancy Laws” on page 495 of the *Budget Statements*, which is the same area that the member for Mandurah referred to. Obviously, it is great that some work is proposed to be done around residential parks and the Residential Tenancies Act. The parliamentary secretary took a grievance from me about the dividing fences legislation, which received quite a bit of positive feedback. I was surprised with the number of people who contacted me and shared similar concerns and issues. I know that the parliamentary secretary said in his response to the grievance that there was a possibility that aspects of that act could be reviewed in time. Can he shed any light on whether what was discussed during the grievance could be included in the coming period and, if not this year, maybe in the out years?

**Mr P.T. MILES:** The member for Joondalup is right; I and I think every member would have experienced somebody complaining about a dividing fence issue. Although I said at the time that the act is quite old and parts of it need modernising, I think that would have filtered down. I will ask Peter Gow, the Building Commissioner, to speak up, so let us listen intently.

**Mr P. Gow:** The Dividing Fences Act deals specifically with compelling a contribution to the cost of building a new fence or repairing an existing fence; it does not specifically deal with the standards of the fence or other boundary issues that relate to building work. Those boundary issues are now largely covered by the Building Act. Although there is a fair degree of alignment between the two processes, we are looking at a series of further reforms in the building legislation, and part of that is an overall attempt to try to make sure that all the different pieces of legislation are acting effectively together. There is not a specific project running at the moment to amend or update the Dividing Fences Act, but it is being looked at as part of our overall program. If there is a need to either modify it or put on a full review, that will become apparent as we do our policy work, and we expect to know that around the end of the year.

**Mr J. NORBERGER:** I thank the Building Commissioner for his response. I will not repeat the grievance, but I will give him an idea of what it was about. The dividing fences legislation is very prescriptive about what circumstances need to exist for only one party to be responsible for the full cost of the repair or replacement of the fence. At the moment, there are only two circumstances in which that can occur: the house burns down or a tree or part of a tree damages the fence. Under any other circumstance, the legislation allows no other outcome other than a 50–50 share of the cost. As I said, one example of many was that a house was sold and the new owners got some landscapers to do some work and the landscapers damaged the fence. Even though it was blatantly obvious who damaged the fence —

**The CHAIRMAN:** Can you come to your question, please, member?

**Mr J. NORBERGER:** The house did not burn down and a tree did not fall over, so the other neighbour had to pay 50 per cent. When the Building Commissioner does the review, maybe that matter could be looked at. I think there would be quite some interest within the community in looking at making changes in that area.

**The CHAIRMAN:** That was a statement more than a question, I think.

[12 noon]

**Ms J.M. FREEMAN:** I refer to page 501 and will ask some questions about WorkSafe. In the 2013 *Hansard* estimates, the director general said the department had 103 authorisations for inspectors. In the 2002 estimates there were as few as 69 inspectors. In the 2013 estimates there were 87 inspectors. In the 2014 estimates, the WorkSafe Western Australia Commissioner stated that there were 92 inspectors and still 103 authorisations. How many inspectors are currently employed at WorkSafe? Is the department still maintaining the same number of authorisations?

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

**Mr P.T. MILES:** My understanding is that we have not reduced the full-time equivalent allocation; it is still 103.

**Ms J.M. FREEMAN:** No, authorisations are different from full-time equivalents.

**Mr P.T. MILES:** However, I think there are 92 employed inspectors. I will defer to Lex McCulloch who can give us a more detailed answer.

**Mr L. McCulloch:** We will have 103 authorisations —

**The CHAIRMAN:** Mr McCulloch.

**Mr L. McCulloch:** Sorry, Chair; I am very keen to get into it! We still have 103 authorisations. We currently have 89 inspectors; 80 in the metropolitan area and nine in the country. We have 14 vacancies; 12 in the metro area and two in the country.

**Ms J.M. FREEMAN:** Given that in 2012 and 2013 there were 103 authorisations, which is 103 FTEs, and the FTEs will increase in 2015–16 to 182, is there any possibility in the 2015–16 period that the agency will employ up to 103 FTEs as inspectors? Alternatively, is the 103 the buffer and it will always remain around 90 people, given the history? Is it the truth that the agency actually employs only about 90 people?

[Mr I.M. Britza took the chair.]

**Mr P.T. MILES:** The truth is that we would like to employ 103 people. The truth is that the agency has attempted to fill those positions for some time. I think the agency advertises for those roles; it is not as though it is not attempting to fill them. However, candidates are few and far between for those positions. I will ask Lex McCulloch to add to that.

**Mr L. McCulloch:** To answer the member's question in a bit more detail, we try to advertise around twice a year. We run two schools—I think I said this last year as well. We run quite an intensive training and mentoring program that takes up a lot of other inspectors' time because they have to take the new inspectors with them. Within that total of 89 inspectors, we have just done a recruitment program for construction and in that 89 there will be three new construction inspectors. We are going to take on someone from the Building Commission as well and we are doing an internal process. There will be a new school at the beginning of July and five people will go through that school. We have 89 today, but hopefully by the time we get to the school there will be 91. For the four years since I have been there, we have only ever got up to 93 or 94 inspectors. It was very difficult through the boom period to attract people to WorkSafe, but we try to run two schools a year and that is still our intention.

**Ms J.M. FREEMAN:** Further on WorkSafe, in the 2014 estimates, the department said that it was looking at the funding for the ThinkSafe small-business program, but at that time the funding had been cut. Will there be any moves to reinstate that very successful 10-year-old program?

**Mr P.T. MILES:** No, there is not. The ThinkSafe program was very successful over the 10 years it ran. I guess it has had its day. We need to move on to a different form of, I would not say advertising —

**Ms J.M. FREEMAN:** It was not advertising.

**Mr P.T. MILES:** We need to move on to a different form of education about health and safety within the workplace. We are always very conscious of making sure that work safety is always at the forefront of people's minds. The member must bear in mind that when ThinkSafe came about, people who had never had any health and safety training were being transitioned and needed to be educated quite strongly in the new era of the best practices within safety.

**Ms J.M. FREEMAN:** It was not 10 years old; it was 1984 that the act came into being.

**Mr P.T. MILES:** Young apprentices and other people educated in the workplace now are very highly educated on safety. Even when I and other people go onto worksites, whether it be just a house worksite, we often still have to go through the safety protocols to get onto those sites. The short answer is no, it is not being reintroduced.

**Ms J.M. FREEMAN:** In 2012 there were 21 fatalities at work and in 2013 there were 18. How many fatalities occurred in 2014? The number at last years' estimates was 13 from July to May. What is the full number, and how many fatalities were there from last July to date?

**Mr P.T. MILES:** I will pass over to Lex McCulloch to finish the answer to that one. The number of fatalities in this state has been trending down over time. We will always see poor souls seriously maimed, injured or killed in workplace accidents. I am quite happy about where we are trending in that area. I think all governments have done a great job in workplace safety. I will ask Lex to give the member the data she is asking for.

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

**Mr L. McCulloch:** In the 2014–15 financial year to date, there have been 20 fatalities; in 2013–14, 16. I can go back a couple of other years if the member likes.

**Ms J.M. FREEMAN:** In last year's estimates, the agency said that there were 18 in 2013. Now I am being told it is fewer than that.

**Mr L. McCulloch:** Yes, and we have revised some down. We have made a couple of revisions because once we got right into it, we thought they were work related but when we did our investigations, we determined that they were not work related.

**Ms J.M. FREEMAN:** How many did the adviser say there are now?

**Mr L. McCulloch:** For 2013–14 —

**Mr P.T. MILES:** The member needs to wait for the answer, and then maybe come back.

**Ms J.M. FREEMAN:** He said it before.

**Mr L. McCulloch:** For which year does the member want to know?

**Ms J.M. FREEMAN:** The adviser referred to 2013.

**Mr L. McCulloch:** We work off financial years. For 2013–14, there were 16; in 2012–13, there were 19; and in 2011–12, there were 17.

**Ms J.M. FREEMAN:** There were 17, 19 and 16—so, 19 has come down from 21 in last years' estimates and 16 has come down from 18. For this year, the adviser said it was—sorry?

**Mr L. McCulloch:** There have been 20 to date.

**Ms J.M. FREEMAN:** Twenty this year—that was for the last financial year. What is the number of fatalities to date at this point in time?

**Mr L. McCulloch:** In 2014–15, there have been 20.

**Ms J.M. FREEMAN:** Yes, and for this year, 2015–16?

**Mr P.T. MILES:** We are not there yet.

**Mr L. McCulloch:** We do not have the number for 2015–16 yet.

**Ms J.M. FREEMAN:** At last year's estimates, the agency gave figures for 2013 from July through to May. I am asking for the same. The adviser gave the current figure for fatalities for this obviously not completed financial year but almost completed financial year.

**Mr L. McCulloch:** Last year, which would have been 2013–14, there were 16. So if it was 13 in May, we got up to 16. This financial year it is 20 fatalities from 1 July until yesterday.

**Ms J.M. FREEMAN:** Okay, sorry; that is what I was misunderstanding.

**Mr P.T. MILES:** However, obviously they are not all confirmed yet. The investigations still need to be finalised on a couple of those.

[12.10 pm]

**Mr L. McCulloch:** As I said, we look at some, particularly road traffic accidents. We might initially record them as work related or put a question mark next to it, but after we investigate, we find that there is no nexus with work such as there was no fatigue or mechanical issues with the truck, which an employer can have control over. If it is just an accident, we do not count it.

**Ms J.M. FREEMAN:** The parliamentary secretary knows I have been working on an investigation into fly in, fly out workers and suicide. Of those numbers, are there any FIFO workers who have suicided? Is WorkSafe collecting any data on that or is that role completely given to the Department of Mines and Petroleum?

**Mr P.T. MILES:** We may have a few statistics in that area, but they are not complete. Obviously, most FIFO workers come under the Department of Mines and Petroleum, unless they are specifically under our particular legislation. I will ask Lex McCulloch to contribute.

**Mr L. McCulloch:** I do not think any of the 20 deaths this year were suicides.

**Ms J.M. FREEMAN:** What are the major areas and industries in which those 20 deaths have occurred? Twenty deaths is a large number.

**Mr P.T. MILES:** I defer to Mr McCulloch.

**Mr L. McCulloch:** I will give the member the industry groupings. Transport, postal and warehousing had six deaths; and mining had four. That is 10 of the 20 deaths. Construction and a range of other services, including

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

agriculture, forestry and fishing, had two; and electricity, gas, water and waste services, and manufacturing had one each.

**Ms J.M. FREEMAN:** The growth in income from the 2014–15 estimated actual to the 2015–16 budget target is 30.4 per cent. That cannot possibly be due to the interest rate figures —

**Mr P.T. MILES:** Does the member have a page for that?

**Ms J.M. FREEMAN:** It is page 501. I am looking at the income measure, which increases from \$8 million to \$11 million. That is a 30.4 per cent increase. Is that growth in income of 30.4 per cent due to an increase in fees and charges; and, if so, which fees and charges have been increased?

**Mr P.T. MILES:** I defer to Lex McCulloch.

**Mr L. McCulloch:** I will go first and if the parliamentary secretary is happy, I might hand over to the finance guy. That target is very optimistic. We will be going back to Treasury to talk about that figure because there is no way that we will take that many million this year. There have been some slight increases to fees and charges, but I cannot give the member that information. We try to keep our increases indexed to the consumer price index. We will be going back to Treasury to talk about that.

**Mr P.T. MILES:** I think it would be good for the acting director general, Anne Driscoll, to finish the answer in regard to the dollars.

**Ms A. Driscoll:** Indeed, I might need to defer to our acting chief finance officer. To a degree, there was a write-up in the order of \$2 million additional income into WorkSafe associated with the recognition of increased revenue through the high number of high-risk work licences coming through. Obviously, that related to the mining boom. On page 495, members will see that there was an injection of \$2 million extra for WorkSafe. Indeed, it is in the line item “WorkSafe—Operating Expenditure” with an allocation of \$1.8 million, which is also shown in the forward estimates. That is simply recognition that instead of extra revenue being formally recognised, our operating expense was equivalently increased. That is my initial observation.

**Ms J.M. FREEMAN:** Is that just an accounting mechanism because Worksafe was getting that funding in any event? Has Treasury said that that has to be written in? Has WorkSafe received additional moneys from Treasury for that?

**Mr P.T. MILES:** On that question, I will go straight to Mathew Squires, because he is the numbers man, Mr Chairman.

**Mr M.L. Squires:** Annually, the Treasurer requires the agency to go through a fees and charges review in which we look at the fees we currently charge and the quantity of fees we expect to get over the coming year. The agency looks towards cost recovery. However, as Lex mentioned, in WorkSafe we maintain CPI-only increases, and we increase beyond those amounts. A large driver of the increase has been an increase in demand we have had in historical periods. For the last three years, a review was done on WorkSafe revenues and it determined that there was a significant uptrend, some of which we had not previously recognised in our estimates. We have sought to recognise those moneys because moneys brought in by the division—in this case WorkSafe—that is not recognised in the budget are forgone into the consolidated account. By recognising those moneys, the agency has the opportunity to spend those within its activities. As Lex also mentioned, it seems those initial estimates were a bit overly optimistic. We are seeing a slightly decreasing trend in the revenue forecasts and we are likely to see a revision of that amount at the midyear review.

**Ms J.M. FREEMAN:** Is the WorkSafe library safe? Are there any proposals to close the WorkSafe library to the public?

**Mr P.T. MILES:** As I said earlier in answer to other questions, we are reviewing the whole agency. The member will find out what we will do and what we are required to keep in place in the midyear review. I cannot give a yes or no answer because it is up for review.

**Ms L.L. BAKER:** I refer to the outcomes and key effectiveness indicators on page 498 and the line items “The number of electricity-related serious injuries and fatalities per million population” and “The number of gas-related serious injuries and fatalities per million population”. In 2013–14, there were eight electricity-related serious injuries and fatalities and 11 gas-related serious injuries and fatalities. This year, there were 12 electricity-related serious injuries and fatalities and four gas-related serious injuries and fatalities. I note that the target is nil for this year, and I am very happy to see that. The context for my question is the deaths at Morley Galleria, which is in my electorate—I am extremely concerned about that—and the recent power pole injury.

**Mr P.T. MILES:** Is that in the member’s electorate?

**Ms L.L. BAKER:** Yes, it is in my electorate.

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

The explanation of significant movements on page 500 states that the provision of regulatory services is expected to decrease by 21 per cent. Can the parliamentary secretary explain how WorkSafe can ensure that there will be zero serious injuries in those two areas of serious injuries and fatalities I mentioned when no resources are being put into the agency and there is expected to be a 21 per cent reduction in services?

[12.20 pm]

**Mr P.T. MILES:** I will defer the question to Ken Bowron, the EnergySafety person here, who does the investigations in gas and energy. We should bear in mind that the energy area is self-funded, so it does not take much of its funding from consolidated revenue. Inspections are done through the revenue it receives in-house. Ken will answer that question.

**Mr K. D. Bowron:** Unfortunately, one of the statistics that we have included in the electrical fatalities figures for 2014–15 was a raw figure rather than a per million of population figure. We will need to correct that. If that is correct, it does drop to five, showing that those figures have continued to improve. Like all agencies, we have wrestled with what sorts of targets —

**Ms L.L. BAKER:** I seek some clarification. Should the figure of 12 be five?

**Mr K. D. Bowron:** Yes, it is if we are measuring like for like.

**Ms L.L. BAKER:** So it is a misprint?

**Mr K. D. Bowron:** Yes. The second part of the question related to our targets. Most regulatory agencies have trouble setting targets. These are relatively low figures so we always go for the aspirational zero for fatalities or serious injuries, recognising that we do not have complete control over that. The third part of the question related to investment in the cost of services of the inspection or investigation. That is really our estimate of the type of investigations we will do in a number of those investigations. We think there will be a slight change in that figure because we will be looking at the more complex issues in the following years. Fewer of those will show a slight change in the figures but no fewer dollars will be spent in that area.

**Mr D.A. TEMPLEMAN:** Could the parliamentary secretary advise when the report on the electrocution of the young boy in Mandurah earlier this year is expected to be completed? As a result of that incident, is the agency specifically looking at this issue of pole ownership? The parliamentary secretary will be aware of the argument about who owns an electrical pole. As a pre-emptive move, would his agency be looking at putting forward recommendations on how we settle that issue so that we know who is responsible for a pole in the future?

**Mr P.T. MILES:** I will pass to Ken Bowron shortly. Pole ownership is an issue. When a developer starts a development, he takes ownership—of the light pole in this case—until he hands it over to the local authority. From my understanding of my own local authority, at what point does the ownership get handed over? I understand that Western Power is sometimes contracted to be the supplier of maintenance and all that. I am sure that the report on the case involving the young person who was electrocuted—he was lucky to survive—should not be that far away. I will ask Ken Bowron to finish the answer.

**Mr K. D. Bowron:** We have still not completed our investigations into that incident so I cannot give any definitive answer on when we will finish our internal report. We are yet to receive some information and further those investigations. Part of the difficulty in this one is finding out exactly who owns the infrastructure. For us, it is a secondary issue. We are primarily investigating whether the installation was safe when it was put into service in the first place and what activities may have made it unsafe at any time subsequent to that. Who owns that will follow, but it is frustrating not to have a definitive answer.

**Ms J.M. FREEMAN:** I understand that some changes will be made to EnergySafety and they have been highlighted in the new energy safety act. When is it anticipated that the legislation will be introduced, given that we have been waiting for it for eight years?

**Mr P.T. MILES:** I will defer to Ken Bowron.

**Mr K. D. Bowron:** We are hoping that the consolidation of the new energy safety act will be ready to bring to Parliament in the spring session.

**Ms J.M. FREEMAN:** I have heard that before.

**Mr K. D. Bowron:** Unfortunately, the drafting priorities change on us, not our own activities.

**Ms J.M. FREEMAN:** Would the parliamentary secretary like to give me a commitment that it will be brought in in the spring session?

**Mr P.T. MILES:** Not at this time.

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

**Mr D.A. TEMPLEMAN:** I refer to the final dot point on page 495 of the *Budget Statements*. It relates to the review of the retirement villages legislation. It also relates to the onselling of electricity to retirement villages. Is this an issue that is also being investigated by the department? I very quickly preface my question by saying that a number of owners of retirement villages secure their energy supply from an alternative source than Synergy. There are examples of them being charged at a commercial rate, even though it is a retirement village. There has been some correspondence between me and the department. Could the parliamentary secretary comment on whether this issue has been addressed or whether it can be addressed through the proposed legislation?

**Mr P.T. MILES:** I think we will have to take that question on notice.

**Mr D.A. TEMPLEMAN:** The question on notice would be: can the parliamentary secretary report on any progress made on retirement villages being charged commercial rates for electricity that is onsold to them at a commercial rate rather than being charged at a residential rate?

**Mr P.T. MILES:** I am happy to do that.

[*Supplementary Information No A11.*]

**Ms J.M. FREEMAN:** I would like to talk to the parliamentary secretary about parking infringements. I have raised this issue with him, in particular my view of the breach of an agreement to park in an area that is free for any length of time and then to get a \$65 fine, which I think is beyond the loss for that company, which is also known as a parking enforcement service. For that company to wheel clamp cars in any of the other areas that it “enforces” its parking contracts in and then require people to pay both the breach and the unlocking of that wheel clamp is tantamount to coercion. I understand that when I asked this question last year, the Consumer Protection Division had found no evidence of breaches of the Australian Consumer Law. However, Consumer Protection is not solely concerned with breaches of the law; it is also concerned with helping the community to better understand its rights and prevent the intimidation of innocent unknown drivers. Given what happened last year and in terms of this issue having been raised with the parliamentary secretary—I understand complaints have been made—can the parliamentary secretary update me on what the department is doing about this increasingly problematic area?

[12.30 pm]

**The CHAIRMAN:** Before I give the parliamentary secretary the call, can the member confirm the page number?

**Ms J.M. FREEMAN:** I refer to the total cost of service for the 2015–16 budget and the average cost per policy project under the heading “Consumer Protection” on page 499.

**Mr P.T. MILES:** I will ask David Hillyard to give us an idea of where we are at with that. I agree with the member; most other authorities would issue an infringement that can be disputed. Did the case in Mirrabooka involve Wilson Parking?

**Ms J.M. FREEMAN:** It was Parking Enforcement Services. It is Wilson. It does not work as enforcement so there are breaches of contract.

**Mr P.T. MILES:** We looked at that specific case; indeed, I think the member provided me with the details.

**Ms J.M. FREEMAN:** There have been more since then.

**Mr P.T. MILES:** I will ask David Hillyard to provide a detailed answer.

**Mr D.M. Hillyard:** The member is right in that the issues that have been arising are breaches of contract. The issues we have initially been looking at across the community have been about adequate signage so that it is clear to people who enter all forms of different types of commercially run parking arrangements that they understand those terms and conditions and that they are quite clear and that they understand that if there are breaches, there are consequences. It is a commercial decision of these particular businesses and the owners of the land to have gone down this route to deal with people who overstay the arrangements for these particular car parks. The enforcement of their losses as a result of the breach of contract is somewhat problematic in that they do not have access to the details of vehicle ownership and sometimes the delay in accessing those details can cause losses that they try to recover from people who are not involved in that particular vehicle; in other words, the ownership of the vehicle has passed on at that time. The branching out of this approach to the maintenance of what are ostensibly free shopping centre car parks that have time limits has caused some difficulties. Some shopping centres that have handed over that process certainly would not have had adequate signage in place when it first happened, and when we have intervened in those cases, the notices that were issued to the people for the losses—penalty notices if you like—were withdrawn and refunds were provided to those customers who had paid. We have looked at particular cases over time to pursue a prosecution to say that there was an unjust

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

claim in terms of the dollar value that was sought for the overstay of the time period, but we have not been able to supply sufficient evidence to show that the claims were not justified.

**Ms L.L. BAKER:** I refer to “Regulatory Fees and Fines” under the heading “Net Appropriation Determination” on page 507. My colleague was tracking through 2013-14, 2014-15 and 2015-16 for the anticipated fees and fines percentages. When we compared last year’s figure of \$64 954 000 with \$75 097 000, if the percentage is a simple process of the difference between last year and this year, that is a 15.61 per cent increase on last year’s fees and fines. How does that reflect on what the Treasurer said in his budget speech about fees and charges increasing by 3.8 per cent?

**Mr P.T. MILES:** I will refer that question to Anne Driscoll.

**Ms A. Driscoll:** I will refer to things at the highest level and then ask the chief finance officer for more details. The increase comprises inconsistent increases across different areas. A critical increase relates to the Building Commission’s increase in its building levy, which is in the order of \$5.6 million. It also reflects the new recognition of the increased WorkSafe high-risk work licences and some consumer price index increases. There are certainly increases in the Building Commission related to moving to cost recovery above the normal CPI. There is a \$900 000 increase in Consumer Protection which is, in part, fee increases and in part interest associated with real estate accounts and there is also an increase of \$0.7 million in the EnergySafety area.

Most of the fee increases are CPI; there are some exceptions in the Building Commission, as I said, in an attempt to move closer to cost recovery. I will ask Mr Squires to provide further detail.

**Mr M.L. Squires:** As the acting director general mentioned, the department has gone through its fees review. We generally have increased fees by CPI or less. There have been a few exceptions where we have sought to increase cost recovery rates at the direction of Treasury and it is in line with government policy to make our activities reflective and have the consumer paying for the services that are provided. The majority of the increase has been isolated to levy increases, with the first being the Building Commission and the increase in its building services levy, which has been provided to allow reform activities to occur within the building and plumbing activity areas, and that will continue for several years to provide some critical infrastructure, especially around information and communications technology or information technology assets. The EnergySafety levy has also increased and is providing additional moneys to continue on. Its levy has been stagnant for many years. This is the first of an unscheduled increase and an accumulation of many years of forgoing increases in its levy. On top of that, it is also worth mentioning that the department has had accounting adjustments with revenues previously recognised as non-retained administered moneys around areas such as employment agents, motor vehicle dealers and the rest. In other budget papers, it has been shown in administered accounts and is now shown in the controlled accounts in the papers in front of the member today. That is simply a reflection of an accounting estimate that we have done with Treasury to retain those moneys that previously had been moved to the consolidated account.

**Ms J.M. FREEMAN:** I have a further question about that. If the increases in fees are reflected in what the acting director general says about the Building Commission, I note on page 502 that the income from 2014-15 to 2015-16 is increasing by 20.5 per cent and the net cost of service is decreasing by 91.9 per cent. Is the expectation that the Building Commission will run on cost recovery? It is going from \$3.6 million to \$293 000 in terms of net cost of service primarily because of the income increase. Is the acting director general saying that most of the fees have arisen because of that change?

[12.40 pm]

**Mr M.L. Squires:** The increase in the levy comes from reform activities. The member might see a net cost of service in the 2014–15 estimated actual; that generally relates to the cost of corporate support—the overhead of the agency—that has not been fully recovered within it. It is the intention of the Building Commission to be fully industry funded and for the money it generates from industry to be spent on its activities. It is the intention that that will continue to be the case, so the increase in the levy allows it to maintain its full industry funding proposition and also for it to fund the different activities it has sought to do.

**Mr D.A. TEMPLEMAN:** I refer to page 495 of budget paper No 2. When will any amendments to the Residential Parks (Long-stay Tenants) Act come to Parliament now that it has been reviewed?

**Mr P.T. MILES:** The department has been doing quite a bit of work, and a lot of consultation has occurred over the past 12 months or so. I think we are almost to the point of presenting something to cabinet. I will ask Anne Driscoll to answer that question further.

**Ms A. Driscoll:** Essentially, the feedback through the consultation has been analysed and we are in the process of collating that and firming up recommendations for consideration by the minister. With his endorsement, we seek drafting approval. At this stage, we would expect to finalise a report within the next month. A great deal of

Ms Janine Freeman; Mr Paul Miles; Mr Jan Norberger; Ms Lisa Baker; Mr Vincent Catania; Mr Peter Tinley;  
Chairman; Mr David Templeman

---

careful consideration has gone on. Through the process relevant to the member's earlier question about retirement villages, we have also surveyed all current park homes to get a better picture of the profiles in each park home and the types of tenancies and the nature of the contracts and their period. We wanted to get a much sounder base before moving to the next phase.

**Mr D.A. TEMPLEMAN:** My substantive question—the previous was my pre-emptive question—relates essentially to the first two dot points on page 496, “Building Services Levy” and “Review of Plumbing Regulation”. I understand that the Building Commission of WA had a proposal for Indigenous communities, specifically about water supply and drainage systems. The Master Plumbers and Gasfitters Association had proposed to work with the commission to come to an agreement regarding those communities. Where is that aspect of it now from the perspective of the Building Commission given the Premier's comments that those communities are now not to be closed?

**Mr P.T. MILES:** With regard to the proposed possible changes to the plumbing industry, especially for a small town or even a community, whether or not they be Aboriginal, sometimes the issue of getting a plumber out to those sites is hugely expensive when it might be something so small as a replacement of a tap or shower, or even a cistern. Although we would not want everyday people repairing sewerage works, I think some of the sewerage works out in the regions would be more like the old-style drop box and are not necessarily a complete sewerage system. I know that we are working on that. I will ask Peter Gow to give us an update on where the department is with that, because it is something that we looked at reviewing mid-last year and we should be coming to a closure.

**Mr P. Gow:** The specific issue we have here is that there is a large number of remote Indigenous communities that have water supplies and sewerage. Under the current plumbing laws, it is an offence for anyone to interfere with, maintain or adapt those unless they are a licensed plumber. Naturally, there are few licensed plumbers who live in those communities, so to get one in from the major towns is a substantial exercise. As the parliamentary secretary said, it is very expensive and, more particularly, it is often not very responsive when there is a real need, because a community might either lose its water supply through a leak or have a health problem through blocked sewerage or the like. There is a general agreement between those involved in the industry, including the Master Plumbers and Gasfitters Association and others, that we need to come up with some way that there can be a rapid response to a problem in a remote community. A proposal was worked up in association with the Department of Aboriginal Affairs and the communities under which training would be given to some residents in those communities for them to do minor plumbing work. Where the difference of opinion has now come up is: how is this treated? Do we say that a particular class of plumber would be created to cover people with limited training in the communities and make it legal for a person who is registered or authorised with those skills to do the maintenance work or do we look at it in the alternative way and say that it is not an offence to deal with the plumbing installation in an emergency so that those who have been trained can legally do the work? We are currently consulting on that. A consultation paper is being put out. We had further consultation with communities in the north west during May. We expect to put a final recommendation to the minister and back out to the community and the plumbing industry on that in the next month or two. It is part of an overall reform of plumbing legislation we are doing. That is an issue that has been particularly highlighted, and we hope to get an early outcome on that because it is a serious issue for those communities. That applies to all the communities, not just the smaller ones that may or may not survive in the long term.

**The appropriation was recommended.**

[12.50 pm]