

Division 40: Commerce (except Service 3 — Industry, Science and Innovation), \$141 866 000 —

Mr M.W. Sutherland, Chairman.

Mr T.R. Buswell, Minister for Transport representing the Minister for Commerce.

Mr B. Bradley, Director General.

Mr R. Horstman, Executive Director, Labour Relations Division.

Mr D. Goodwin, Director, Finance and Administration, Corporate Services Division.

Mr K. Bowron, Executive Director, EnergySafety Division.

Mr P. Gow, Executive Director, Building Commission.

Mr S. Grocott, General Manager, Local Content (Innovative Industry Directorate), Industry, Science and Innovation Division.

Mr D. Hillyard, Director, Industry and Consumer Services, Consumer Protection Division.

[Witnesses introduced.]

The CHAIRMAN: The member for Midland has the first question.

Mrs M.H. ROBERTS: I refer the minister to page 469 of the *Budget Statements* under “Net Appropriation Determination” and the line item “Proceeds from Fees and Charges — Licenses”. I note that it was budgeted to come in at \$20.618 million and the estimated actual figure is \$24.724 million; therefore, the estimated actual is about \$4 million above budget. The budget estimate for 2011–12 is \$37.607 million. I would like a further explanation of what is happening with “Proceeds from Fees Charges — Licenses”?

Mr T.R. BUSWELL: I will ask Mr Goodwin to provide some more detail around that. I hope that it includes the fact that some of the boards and committees that used to operate independently of government no longer do so— including my favourite, the Hairdressers Registration Board.

Mr D. Goodwin: The items under proceeds from fees and charges include receipts from fees and charges in the WorkSafe division, Energy Safety Division, plumbers, the motor vehicle industry and Building Commission areas. There is a significant increase in the forthcoming budget year. Those arise from the expected introduction of the building services levy, which would account for about \$12.6 million, which incorporates the transfer of the functions of the Painters’ Registration Board and the Builders’ Registration Board of WA into this part of the department, which explains the large increase over the next year.

Mrs M.H. ROBERTS: What is the percentage increase in fees and charges in the agency in the areas mentioned?

Mr T.R. BUSWELL: I will get further advice again, but the director general has indicated that his recollection is that fees and charges are pretty much close to the consumer price index. I cannot recall when it was over that.

Mrs M.H. ROBERTS: Perhaps I will ask whether there were any above CPI.

Mr T.R. BUSWELL: Certainly—the reference rate of CPI being three per cent for the purposes of the budget.

Mr D. Goodwin: Through the minister, the department has a total of 300 or so fees across the whole department under 24 separate acts of Parliament. All the fees and charges are reviewed annually in line with Treasury requirement. The recommendations endorsed by the expenditure review committee this year were all in line with either no increase or less than CPI.

[3.20 pm]

Mr M. McGOWAN: My question relates to page 457 and the gas rectification project, which I think is the purchase of gas appliances due to the change in gas specifications that we passed legislation to allow for. Minister O’Brien has said that the program is 100 per cent industry funded. Therefore, my question is: why is roughly \$27 million or \$28 million in the budget to administer that program if it is 100 per cent industry funded?

Mr T.R. BUSWELL: I will get some more advice from the head of the office of EnergySafety, which I think is administering this, or the finance guru. My understanding is that this is a flowthrough effect, but I could be wrong.

Mr D. Goodwin: Minister, a flowthrough would be the layman’s term. The levy raises the funds, but the expenditure has to be reflected as a part of total government spending; therefore, it is reflected in the major spendings table. The expenditure is indeed all totally funded from industry.

Mr T.R. BUSWELL: It is very appropriate that it is a flowthrough in relation to gas!

Mr M. McGOWAN: In other words, it is the company's money that you are spending. Is that the answer, in other words?

Mr T.R. BUSWELL: The answer is correct—that there is a levy. We collect the levy, and we then spend the levy.

Mrs M.H. ROBERTS: I am looking at page 457, "Major Spending Changes" and some details below. I am interested in a couple of those. One is the gas rectification project, which we just discussed. I see the Gravity Discovery Centre is back receiving money.

Mr T.R. BUSWELL: Just for the member's information, that is in the science area, which is being dealt with by a separate minister. It is the one part of the Commerce division that is not dealt with by the Minister for Commerce.

Mrs M.H. ROBERTS: Luckily I have more questions on this section!

Mr T.R. BUSWELL: I can answer it, though. I have been there a couple of times.

Mrs M.H. ROBERTS: No thanks. What about the Office of the Nobel Laureates?

Mr T.R. BUSWELL: Same.

Mrs M.H. ROBERTS: Great. Are any of these the responsibility of the minister? How come there is a negative amount there for the value-for-money audit? Is that the minister's?

Mr T.R. BUSWELL: I imagine that would indeed be the case. We will get some more advice from the director general on the value-for-money audit. I will just see what information I have available to me. I will say this by way of introduction: the department received a VFM audit that made recommendations on four key areas such as budget management. It focused a lot on the department's corporate services and divisions. It would be fair to say that there was some perceived scope for rationalisation across corporate services. The report identified savings of \$8.4 million over the period 2010–11 to 2014–15, which resulted in a saving of appropriations of about \$6.3 million across the forward estimates. My estimation would be that that is about what we are looking at there. That is a reduction in appropriations because of savings identified by the value-for-money audit process. It was across the entire department.

Mr W.J. JOHNSTON: Can I just clarify? Do those value-for-money audit savings come about through reducing the number of employees engaged in the Consumer Protection Division of the department?

Mr T.R. BUSWELL: My recollection with the commerce department was that the savings were across corporate services and in the science and industry area.

Mrs M.H. ROBERTS: Can I ask just about the specific information then? On page 458 are listed those main headings, the three areas—"Consumer Protection", "Safety and Employment Protection and Construction Standards" and "Industry, Science and Innovation". Could the minister advise me what his full-time equivalent position levels were last year and in the next year for each of those three categories?

Mr T.R. BUSWELL: On page 462 of the budget paper, the member will see that 498 was the actual number of FTEs in Consumer Protection in 2009–10. It was expected to be 461 in 2010–11. That reduction —

Mrs M.H. ROBERTS: And in 2011–12 it is down to 399.

Mr T.R. BUSWELL: Yes. That reduction is largely due to the transfer of some of the functions of Consumer Protection to the commonwealth—weights and measures, credit, business names and a few others.

Mrs M.H. ROBERTS: There were not 100 people in weights and measures and consumer credit.

Mr T.R. BUSWELL: This year it is business names and the register of encumbered vehicles; last year it was credit, and trade measurement. Often what happens is that these people are employed by the replacement commonwealth body.

Mrs M.H. ROBERTS: Just 100 people; it does not add up. The department has never had that many people in that area or in all three areas that the minister has mentioned.

Mr T.R. BUSWELL: Let me give the member the figures, and she has them in front of her. The 2010–11 budget outcome is 461 employees; 438 will be the estimated actual outcome for 2010–11, which is a reduction of approximately 60 on the actual number —

Mrs M.H. ROBERTS: What I am basically looking at is, over two years, from 498 down to 399—that is, 99 people in two years.

Mr T.R. BUSWELL: Correct—in Consumer Protection.

Mrs M.H. ROBERTS: The minister has mentioned a few very, very small areas in the agency that engage very few people and said that that accounts for 99 people.

Mr T.R. BUSWELL: We have talked about trade measurement, we have talked about business names, we talked about REV's and we have talked about credit. They were not insignificant areas in the context of the agency.

The number in the area of safety and employment protection and construction standards will go from a 2010–11 estimated actual of 456 to a 2011–12 budget target of 543; that is an increase of 87. The reason for that increase is mostly due to the transfer of the Builders' Registration Board and the Painters' Registration Board into the Building Commission.

Mr M. McGOWAN: I have a final question. I think we move off this division in a couple of minutes. On page 469 is listed a line item for "Rental Accommodation Account". My question is: what is the rental accommodation account? Who does that department rent accommodation to? What is the money used for?

Mr T.R. BUSWELL: It is not used for anything. If a person rents a property, they have to pay a bond. The bond is deposited. It does not have to be, but most agents deposit that bond with the Consumer Protection Division. I will get David to provide some more detail. That is that money. Basically it sits there, and when a person leaves a rental property, the bond is returned. I will get Mr Hillyard to provide a bit more information, if he would be so kind.

Mr D. Hillyard: The rental accommodation account is an account that holds the interest that is earned on tenants' bond moneys, whether it is held with a real estate agency or with the bond administrator. The funds that flow from that interest that is earned is used to pay for the dispute process in the courts, and for Consumer Protection to provide advice and direction. There are some grants provided to the community sector, which delivers representation work around the state. Any surplus funds that remain after that can be directed to be used for public housing purposes.

The appropriation was recommended.

[3.30 pm]