

Chairman; Mr Troy Buswell; Mr John Kobelke; Mr Tony Simpson; Mr Grant Woodhams; Mr Mick Murray; Mr John Hyde; Mr Tom Stephens

Division 20: Consumer and Employment Protection, \$50 795 000 -

Mr P.W. Andrews, Chairman.

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

Mr B.T. Bradley, Director General.

Mr P.J. Walker, Executive Director and Commissioner for Fair Trading.

Ms N. Lyhne, WorkSafe Commissioner.

Mr J. Radisich, Executive Director of Labour Relations.

Mr G.W. Wood, Acting Director of Energy Safety.

Mr D. Goodwin, Director of Finance and Administration.

The CHAIRMAN: This estimates committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow.

The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated fund. This is the prime focus of the committee. While there is scope for members to examine many matters, questions need to be clearly related to a page number, item, program or amount within the volumes in preface to their question. For example, members are free to pursue performance indicators that are included in the budget statements while there remains a clear link between the questions and the estimates. It is the intention of the Chairman to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point.

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. For the purpose of following up the provision of this information, I ask the minister to clearly indicate to the committee which supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the committee clerk by 17 June 2005, so that members may read it before the report and third reading stages. If the supplementary information cannot be provided within that time, written advice is required of the day by which the information will be made available. Details in relation to supplementary information have been provided to both members and advisers and accordingly I ask the minister to cooperate with those requirements.

I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the clerk's office. Only supplementary information that the minister agrees to provide will be sought by 17 June 2005.

We are dealing with division 20. The question is that the appropriation be recommended. Are there any questions?

Mr T.R. BUSWELL: I have a couple of questions about what I call the Ford review of the Labour Relations Reform Act 2002, referred to on page 339. First, what was the cost of that review? Secondly, when will the government adopt the recommendations in the review, and are certain recommendations in the review likely to gain favour with the government? I refer to the recommendations relating to extending the probationary period in the unfair dismissal legislation; limiting the timing and other aspects of union right of entry in Western Australian workplaces; modifications of the employer-employee agreement process; and the provision of non-union enterprise agreements.

Mr J.C. KOBELKE: I thank the member for the question. I do not have the costs of the review with me, but the review as one of the consultancies will be tabled in the Parliament. I do not know whether the report has been tabled. If it has, I will pass it on to the member. There is no difficulty in getting that figure. In fact, I think the review was done very cheaply for the quality of the work. I would say in relation to the other recommendations from the report that the report was a very fine one and indicated that the amendments to the legislation have resulted in a considerable improvement in the labour relations environment. There is always a need to go further and do more; however, the crucial issue in any industrial relations change is to try to get the right balance. We may look with favour on one issue, such as opening up EEAs and making them easier to register, but then we may also look at the trade-offs on protection etc. Therefore, any package of legislation that we bring forward will be a balance between all the various competing interests to ensure that we have a very efficient and productive industrial relations framework. The government is not giving a high priority to this matter, as there is a range of other issues. We will be looking at the review very carefully. We delayed the period until early this year for people to make submissions on the report. They are now in, but we are not giving a high priority to this issue because of the resources available and all the other issues that are on the go. There is

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a range of areas in which improvements could be made, but the fundamental aspect is that any change that is made will be done in a very balanced way in consultation with all the stakeholders, not one particular sector, so that we maintain that balance in our industrial relations system. The member is probably aware that industrial relations changes tend to be like fashion and can swing from one extreme to the other. We do not want that to happen. We want to find some middle ground that will ensure we continue our very high productivity based on fairness to both employers and employees.

Mr T.R. BUSWELL: Is the minister of a mind to accept the Ford recommendations? The review refers at some length to the inclusion in legislation of non-union enterprise agreements.

Mr J.C. KOBELKE: I come back to what I said: it is a balance. I am not ruling out that type of arrangement. I have argued in the past in some forums for the inclusion of it. Some people are for it and some people are against it. It is a matter of balancing it in the total framework that we put in place. We may not actually need that type of arrangement if we change the way other parts of the system work. We may give priority to providing non-union collective agreements and then consider how the other parts of the system fit around them. It is not a stand-alone issue. I am not ruling it out and I am not ruling it in. However, it does need consideration and we will consider it and discuss it with all the key parties. I have been advised by the people who have the fine detail that the Ford report cost \$12 650.

Mr T.R. BUSWELL: Money well spent!

Mr A.J. SIMPSON: My question relates to the first dot point under significant issues and trends on page 333, which states -

The expected passage through Parliament of legislation in the areas of trade measurement and residential park living will have a significant impact upon the Department of Consumer and Employment Protection . . . as new procedures . . .

What sort of time frame is the minister looking at for that legislation?

[9.10 am]

Mr J.C. KOBELKE: I will ask the acting director general or the commissioner to make some comment in a moment about the things that will need to happen. The legislation is currently in the Assembly. I hope to get it through by 30 June. If members oppose need any more briefings on that legislation, we are happy to provide them. A number of budget bills must be put through first. I am not confident at this stage, but it is my hope that we can put the legislation through the Assembly before we rise on 30 June and therefore give it some priority in the Council.

The background to the legislation is that it is a 1915 act. It is totally out of date. Successive governments, both Liberal and Labor, have simply found it a machinery issue that never received priority, and therefore we have legislation that is woefully inadequate. We have sought to give it priority. We went through a process of consultation in the first four years of our government to ensure that all the various interest groups were happy with it. There were only a small number of areas with which people had concerns. We ironed those out and we brought the legislation to the Parliament. I hope we can get it through in a reasonably quick time. Mr Walker might like to make some comment about the time lines for implementation. The commissioner has reminded me of some things that I had read and forgotten for the moment. It has flexibility so that we can phase it in in certain areas as we work with the industry sectors and also look at their current regime. If there are transitional issues in any particular industry sector, we will have the flexibility to delay the implementation of the legislation to ensure that the necessary training is provided so that there is a very smooth transition in each sector.

Mr G.A. WOODHAMS: I refer to the fifth dot point of the significant issues and trends on page 333. It indicates that there is concern at the number of electricians and members of the Western Australian community who are being injured in electrical accidents and that the department is pursuing industry and community education as well as other strategies to address this trend. Can the minister elaborate on the other strategies? Are they related to apprenticeship courses or TAFE courses? What sort of strategies is the minister referring to?

Mr J.C. KOBELKE: I asked similar questions of officers only recently. When there is an unfortunate accident or fatality, it is given a fairly high profile in the media. From time to time there are fatalities and that is not acceptable. I was assured that our rate of fatalities was not worse than that expected in other jurisdictions in Australia. Nonetheless, we need to do a lot better. An advertising campaign has just started to try to alert people to the hazards of electricity and electrical appliances. There is a range of issues with getting that message out through mass communication to inform not only the public but also the profession itself of the need to be careful and of their responsibilities. It is a regulated industry. A regular bulletin or news-sheet is sent out to the industry, which indicates whether operators have been found to have not met the required standards. Mr Wood might like to make some further comments.

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Mr G.W. Wood: We are also working on some legislation to make the work done by electricians safer by trying to reduce the amount of live electrical work that is carried out. Also, we recently introduced a capstone assessment in the training. Before apprentices can get their licence, they have to do a capstone assessment, which is both a practical and theory examination.

Mr G.A. WOODHAMS: I do not know whether this is the minister's area, but I am interested in whether we are looking at trying to get more people involved in electrical trades and how he might be pursuing that.

Mr J.C. KOBELKE: That is primarily a matter for training. I take an interest in it because it relates to competency and our ability to deliver. I know that the current Minister for Education and Training and the previous Minister for Education and Training were very proactive in trying to encourage people into these very critical trades.

The CHAIRMAN: The last question was a good question but members need to relate their questions to the budget. It was a good question and a good answer, but let us relate the question to significant trends, initiatives and so on.

Mr T.R. BUSWELL: I refer to page 334 and the increase in the budget for labour relations industrial inspectors this year and the forward estimates of \$350 000, \$360 000 and \$370 000 over the next four years. I have a couple of empirical questions. How many inspectors do we currently have? How many inspectors will this additional increase in funding generate in each of those years? What training will those inspectors be required to be subject to and who will provide that training?

Mr J.C. KOBELKE: In our previous term in government we increased the number of inspectors in WorkSafe Western Australia by 20, because we saw that as a priority. We may also talk about the services offered by labour relations officers and how effective they have been in recouping the underpayment of wages, but I will not address that now. We see a need to make sure that the inspectorate within the labour relations division can take up the complaints in a timely way and can assist both employers and employees to ensure that they meet the required minimum legal standards in employment contracts. We see that as a very important area in which to maintain minimum standards. I am advised that currently there are 20 inspectors. That will be increased by five to 25 inspectors. As the member can see, the numbers in the budget papers are basically fairly flat, which means that all five inspectors will be taken on in the first part of the financial year. The increase is just the inflation factor being built in or the funds that will be required as people move up through the levels of employment. The third issue the member asked about was training. We have in-house training, because there is a reasonable level of turnover in this area. Our very clear and primary intent is to improve the effectiveness and reach of the inspectorate to provide assistance to both employers and employees. The majority of people who use Wageline are employers who want to do the right thing and who are seeking advice on the appropriate payments for an employee of a given age and classification. The issue is that people who work on Wageline, which is the telephone line, move to other duties and then become inspectors. However, they also move out at the other end, because industry recognises the skills that these people have and will pay, on occasion, far more than we can pay in government employment. If we look at the major companies in Western Australia, such as the Chamber of Minerals and Energy of Western Australia etc, we find that the people who provide advice on labour relations and industrial relations have come through this government agency. Although we do not like to lose these good people, there is a benefit to the whole community in that there is a larger group of people with expertise in industrial relations. Did the member want more specifics on the training?

Mr T.R. BUSWELL: Yes, and who is the provider of the training.

Mr J.C. KOBELKE: That is done within the agency. There might be some recourse to outside expertise, but Mr Radisich might like to add some detail.

Mr J. Radisich: The only thing I can add is that we also have external training for industrial inspectors. The training relates to the process of investigation. It is provided by an external provider, but I cannot give the member the name of the provider right now because the name escapes me. However, we can provide that later.

Mr J.C. KOBELKE: One of the advantages - which was a hope - of bringing together WorkSafe, the labour relations department, which was then called the Department of Productivity and Labour Relations, and the consumer protection department, which was then the Ministry of Fair Trading, is that they all have a role in liaising with industry groups and the community to establish standards and to enforce those standards. That required some upskilling in the investigative role, so if a prosecution was mounted the evidence was gathered in such a way that it could be used effectively in a prosecution. I have gained the very clear impression that we have sought to do that better across all our divisions. If, as a last resort, a prosecution is necessary, it has the highest possible chance of being successful based on the painstaking groundwork that has to be done through the divisions in order to have an effective prosecution.

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[9.20 am]

Mr T.R. BUSWELL: I am interested in the role of the industrial relations inspectorate. My understanding is that it does not answer the telephone on the wage inquiry line; it is basically a complaints-based inspectorate that will respond to a complaint, which would not generally come from an employer. I do not know of many employers who would ring up and complain that they are not meeting their payment obligations. When a complaint is made and an inspection is conducted, if there is found to be a breach of any of the conditions, does the employer have a voluntary capacity to remedy the situation prior to further action being taken?

Mr J.C. KOBELKE: Yes. The first approach is to ascertain whether the basic legal requirements have been met. If they have not, in many cases it is simply an oversight. If the employer makes an undertaking to make good and fulfils it, in nearly all cases that would be the end of the matter. Sometimes mediation is required to try to resolve the matter between the employer and the employee. There is a prosecution policy to decide in some cases when one party, generally the employer, has been recalcitrant and not willing to meet legal requirements, in which case, a prosecution would be mounted. Mr Radisich might want to make a brief comment on prosecution policy.

Mr J. Radisich: The minister has summarised the prosecution policy quite well. The vast majority of employers settle outstanding matters voluntarily. It is not often the case that we need to take matters to prosecution.

Mr T.R. BUSWELL: I accept that. I understand the role of the inspectorate in protecting workers from being underpaid and having their conditions undermined etc. Concerning the protection of workers' rights, does the department have the capacity to protect, for example, workers who are having money extorted from them by a union? I have been advised that on building sites in Western Australia workers are asked to contribute \$50 in cash each month to a Construction, Forestry, Mining and Energy Union fighting fund and \$20 in cash each week to another fighting fund. That money has to be paid from their after-tax income without any invoices. Do they have any recourse if they feel they are being inappropriately treated by their trade union?

Mr J.C. KOBELKE: Matters of extortion of money are not generally covered by the Industrial Relations Act; they are criminal matters. Accusations about conduct in the building industry, whether groundless or not, are dealt with by a special building industry inspectorate. It has a close working relationship and protocols with the police. If anyone makes an accusation of a criminal nature - not just extortion but also, for example, trespass - those matters are referred to the police.

Mr M.P. MURRAY: I refer to the major policy decisions at page 334, specifically those taken since the state election. Will the minister explain the basis for the reduction in fees and charges for business names and the registration of encumbered vehicles?

Mr J.C. KOBELKE: I thank the member for the question. The government looked at this area of cost structure and the services it delivers. They are very important services. The state has a huge number of business registrations. The government increased the fee for re-registering but it found that with the use of computerised systems and the efficiency of staff that its costs were below what it was charging people to register a business name. Similarly, with the register of encumbered vehicles scheme - REVS, which is a very important service - it means that, if someone is buying a vehicle, he can check to see that the vehicle is not encumbered by a hire purchase or other finance agreement. We know of tragic cases in the past. When people buy a vehicle but do not realise that the person it is bought from is not the owner - it is a bank or finance company - the vehicle is repossessed and the money is lost. The people are left with trying to take court action to recoup their money. The shortcut to avoid all that trauma is to make sure that people check with REVS to see whether a vehicle is encumbered. Second-hand car yards are big users of the service. The fee for the service has been reduced because of the efficiency of the system. The reduction in costs is in the order of \$1.3 million. That is how much less money will be taken from the users of the services through the reduction in charges.

Registration costs for business names will be reduced from \$103 to \$85; that is a 17 per cent reduction. The fee is significantly lower than the payment fee in other states. Although it is \$71.60 in Victoria - the one exception - it is \$129 in New South Wales and \$124 in South Australia. The government is able to provide lower costs for business registrations. The REVS charge for an online check is \$10 but it will drop to \$6. The government has been able to reduce fees to make the costs reasonably commensurate with the cost of operating the services.

Mr J.N. HYDE: I refer to the major initiatives for 2005-06 at page 337. Will the minister explain how the Gallop government is assisting small business owners to understand their responsibilities under occupational safety and health legislation?

Mr J.C. KOBELKE: I thank the member for the question. WorkSafe WA targets areas based on the statistics available. It looks at a range of industries and the cause of injuries and incidents. Western Australia has a very

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large small business sector. It is seen as an area that needs effective communication. Members will be well aware of the importance of small business and how often it is difficult for people in small business to get across the wide range of areas that are important for the success of their businesses. They are battling to survive and make a reasonable profit and employ a small number of staff. They do not have experts in health and safety or in a range of other areas. They have to work those matters out through the local business association, the contacts or what they pick up from government. We encourage them to avail themselves of the means through which the government conveys its message, whether that is through booklets, pamphlets or online. The reality is that small business does not have the time for that. We have sought to engage directly with small businesses by offering to assist them in improving health and safety. When that has previously been done with WorkSafe officers, there has been a reluctance to become involved because owners fear that, when an officer comes to their business, if something is amiss it may lead to an adverse finding or action against them, such as a prosecution or a fine. Small businesses, whether in towns and cities or on farms, have been reluctant to become involved. Farming is one area of small business in which the level of accidents and fatalities is unacceptably high. Our engagement with the farming community began by offering a service whereby people would go to the farms to talk to the farmers about health and safety matters and some of the issues they needed to address, and how they could do things better. That is now being done with small businesses generally. To overcome the resistance to dealing with an officer from WorkSafe, consultants who have expertise in this area are now available to provide this service. It is proving very popular with small business. Since the program began, 286 eligible applications have been received from small businesses, with more than 40 per cent of those from regional areas. I met with one of the first small businesses in Mandurah to take up this program, which was very supportive of it. The small business operators had learnt a range of small things that they could do that would not cost anything but were likely to protect their workers from accidents or injuries. That is important, because small businesses value their staff. They do not want their staff to be injured, first, because of the personal relationship between employers and employees in small business and, second, because of the major impact an injury can have on a business that has only two or three staff. They also clearly see the financial advantage from this program in potentially lowering premiums and other costs that are generally associated with injuries. It is proving to be a very popular program. It is a new approach. We hope that it can be continued for the benefit of small business across Western Australia to improve the health and safety aspects of workplaces.

[9.30 am]

Mr J.N. HYDE: I have a further question. Does Perth airport comply with state laws? Is the department able to storm onto that commonwealth land to make sure that the airport itself and the bevy of private operators that operate on that land comply with state laws?

Mr J.C. KOBELKE: I am not in a position to answer that question at this point. I looked into the issue a few years ago and was greatly concerned that, as commonwealth land, state law does not apply. That being the case, they can do anything they want. If the airport is caught by commonwealth law, they would have to address those obligations. We do not have an enforcement role. Memorandums of understanding are in place, which outline that they will comply. The clear example that was given to me a few years ago was that the fire safety regulations with which every building is required to comply in Western Australia do not apply to buildings at Perth airport. They simply do not have to comply.

Mr J.N. HYDE: We discovered yesterday that trees were cut down despite planning laws, so the fingers of workers could be cut off without any penalties applying.

Mr J.C. KOBELKE: The member raises a very important issue. It is a cross-jurisdictional issue; it goes beyond what we are doing in WorkSafe. WorkSafe works with the other state, territory and commonwealth jurisdictions around Australia. In terms of the regulatory regime, there is less discontinuity between states for employers that work on a national basis. However, the ability for people to use commonwealth land to opt out of basic requirements, such as health and safety requirements, is a problem. We certainly hope that the commonwealth will be willing to address that issue. It was not willing to do so in the past, other than to give undertakings through memorandums of understanding and the like that those areas would comply; however, there is no compulsion to do so.

Mr A.J. SIMPSON: I refer to page 336. I need some clarification of some figures. I refer to the first graph under community information and assistance. The “Less Income” line goes from a budgeted figure of \$646 000 in 2004-05 to an estimated actual figure of \$3.337 million. The numbers jump around a bit.

Mr J.C. KOBELKE: I thank the member; he has a very keen eye. He has discovered a typographical error. This error snuck into the last budget and we have only just corrected it. The “Less Income” figures for services 1 and 2 have been shown the wrong way round. The budgeted amount of \$3.832 million shown on page 338

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should appear in place of the \$646 000 on page 336, and vice versa. I thank the member for his very keen eye in picking up an error that we also picked up after the printing of the papers.

Mr G.A. WOODHAMS: I refer to the first dot point on page 334. I seek clarification, particularly from a regional perspective, of the issue of the ageing work force and skill depletion. I am interested in knowing what strategies the Department of Consumer and Employment Protection is developing to work with the anticipated work force shortages in the public and private sectors, particularly in regional Western Australia.

Mr J.C. KOBELKE: The Public Sector Management Act, which comes under the Premier, is the primary structure for public sector management. Labour relations, within DOCEP, play a very important role in providing advice on issues that extend across the public sector. The department considers both the public and private sectors, but the area in which policies can first be put in place and implemented is the public sector. That would be our first goal. As a leading employer, and hopefully an employer of choice, the implementation of those policies in the public sector could have flow-on implications across the private sector; that is, other companies might say that it is good practice and might take it up. The change of standards in the private sector will happen a lot further down the road. It is not currently envisaged. We are primarily looking at how to meet the needs of the public sector. These issues are faced by both the public and private sectors, but the public sector perhaps faces them to a greater degree. The age profile shows that the mean age of employees is higher in the state public sector than for all people in employment across Western Australia. We are very conscious of the issue. We need to consider how to retain people longer. That may involve allowing people who have been in the public sector for some years to move to part-time employment before they finally retire, which means that they might stay in employment longer. We will look at other issues for which the commonwealth has responsibility, such as superannuation. We need to look at ways to do things better to retain people within the state jurisdiction, as well as bringing in new people and training them to meet the needs of the public sector. The question primarily involves our ageing work force; that is, looking at changes that can be made to the system to encourage people who are getting towards the end of their working lives to stay a bit longer, so that we do not suddenly have a huge exodus that we are not able to cater for. We are looking primarily at the needs of the public sector and the important services it provides to the people of Western Australia. There are bigger issues, of course, which relate to the commonwealth government; that is, pensions, superannuation and taxation. For instance, as more people leave the work force, the tax burden could fall on a smaller percentage of people who remain in the work force. There are wider national economic issues, which we will keep in mind and recognise. We will take actions that are cognisant of the bigger picture. Our primary focus will be on encouraging people in the public sector work force to continue to provide important services to the public, whether on a slightly changed basis or in their existing roles.

Mr G.A. WOODHAMS: Is that problem more or less pronounced for the public sector in regional Western Australia?

[9.40 am]

Mr J.C. KOBELKE: We are still developing this position paper and policy. We do not have figures here to answer that question. The issue in regional Western Australia is perhaps secondary to other matters that we need to look at, for example, district allowances, and we are currently in negotiations on that with the Civil Service Association. We recognise the need to do something in that area. We may have to make special attraction and retention payments. Because of the special needs of public sector workers in rural areas, particularly in regional and remote areas, we tend to address the issue not on the basis of age but on the need to have the required level of expertise and professional services across those areas, whether it is doctors or whomever. We have not really factored that into the age profile work we are doing. However, we need to be able to attract people to provide those important services outside the metropolitan area.

The CHAIRMAN: Just to alleviate everyone's anxiety, the list is the members for Collie-Wellington, Vasse, Central Kimberley-Pilbara, Serpentine-Jarrahdale and Perth.

Mr M.P. MURRAY: My question is a follow-on from the previous question about the age problem and it goes to the craftsman-type area. Many fine craftsmen are ageing and the problem they have is a lack of insurance once they reach 70 years of age. In our younger days, a lot of us would have said that, at 70, one is washed up. However, as we get closer to that age, we certainly do not feel that way. Craftsmen who would like to take part-time jobs within the system to assist with training because of the skills shortage cannot get insurance. Is there any plan to do something about that?

Mr J.C. KOBELKE: That is a very good question. There are two areas in which the state can actually change the rules for benefit in this area. The first is workers' compensation, which is the key area of insurance for people in the work force. We certainly will be looking to do something about that. In the last round of workers' compensation reforms, we did look at it, but it did not win over competition from a number of other areas that

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had higher priority. Certainly in my view it will be one of the priorities for further changes to the workers' compensation system. We are now working on that to see when and how we can do that. The second area is state superannuation. Again, that is not my responsibility but we need to look at how the rules can be rearranged to make sure there are incentives rather than disincentives for people to stay longer in the work force. Clearly, that goes to public sector workers rather than across the whole economy. We need to talk to the commonwealth. The member would be well aware that there is already a commonwealth scheme whereby a person at retirement age receives a bonus if he stays at work. The commonwealth has been looking at it and has taken some action. We will seek to do what we can at a state level and work with the commonwealth to overcome some of the obstacles confronting people who want to stay at work longer.

Mr T.R. BUSWELL: Earlier the minister mentioned the wonderful tax or charge relief the government is providing through reductions in business names registrations costs and register of encumbered vehicles checks of \$1.3million. I am assuming that the business names registration costs account for a fairly large proportion of that amount. I do not know what it is, but I am interested to find out.

Mr J.C. KOBELKE: To what page is the member referring? I might then be able to find the figures for the member.

Mr T.R. BUSWELL: My question relates to pages 347 and 348. I am interested to note at page 348 the business names registrations income for the government in 2004-05 -

The CHAIRMAN: I ask the member to slow down a little. I am having difficulty finding it.

Mr T.R. BUSWELL: At page 348, under the heading "Taxation", reference is made to business names registrations. My first question relates to the increase between 2003-04 and 2004-05, which in the last financial year saw government taxation revenue from business names registrations increase by \$1.5 million. I want to know what proportion of the \$1.3 million the government is kindly giving back relates to that increase, so we can work out the total extra tax burden from business names registrations. It is my contention the government has gained an extra \$1.5 million in income over the last financial year and it is giving back, very generously, a portion of \$1.3 million, and the total charge to the business community will increase. The government's budget announcement is not a cut in income, but rather an adjustment downwards of an extraordinarily high increase.

Mr J.C. KOBELKE: There are a lot of component parts here. I will be open if the member wants to come back with a further question. The business names registrations has a whole series of fees. One of the factors is that the strength of the economy means that more businesses are being registered.

Mr T.R. BUSWELL: The minister might be interested to know that the Australian Bureau of Statistics figures for the number of small businesses in Western Australia actually showed a decline over the last financial year.

Mr J.N. HYDE: That is because we were cleaning up the database. A lot of people realised they had not made changes for 10 years and were being slugged \$25, like I was.

Mr J.C. KOBELKE: I can give the member the component of that; that is, the reduction in retained revenue by the Department of Consumer and Employment Protection is \$445 000, moneys paid to the consolidated fund is \$441 000 of that and the reduction in revenue from the register of encumbered vehicles scheme is \$838 000. That gives the balance between REVS and business names.

Mr T.R. BUSWELL: About \$500 000 was from business name registrations.

Mr J.C. KOBELKE: Yes, just over \$440 000.

Mr T.R. BUSWELL: I have a further question, but I seek clarification on that point. Business name registrations income in the 2004-05 financial year increased by \$1.5 million over the previous year and effectively with this budget initiative the government is returning approximately \$400 000 of that increase.

Mr J.C. KOBELKE: By way of clarification, the reason for the increase was that renewal fees were reintroduced. Legislation went through Parliament to do that. Renewal fees had been in place until the end of 2000-01, when they were done away with. This created a problem in terms of cleaning up the names because there was no disincentive to retain a name when a business was no longer functioning. The cost of removing those names was a large administrative cost. We tried by regulation to do that. The regulation was disallowed by the Legislative Council on the basis that we were not covering just the costs, but were actually levying a tax as a disincentive for a person to hang on to a business name that was no longer functioning. We came back and sought approval of Parliament, which was given. That is the reason for the increase. Business renewal names were then reintroduced.

MR T.R. BUSWELL: I now refer to the details of controlled grants and subsidies on page 347 of the *Budget Statements*. I am interested to understand the nature of the \$200 000 paid by the department to the WA Council of Social Service. What was the reason that money was paid and the timing of when that money was paid?

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Would the minister give an undertaking that that grant has been subsequently acquitted - in other words, it was spent on the money for which it was intended to be spent on? Relating to that is the line item above regarding the perennial rolling out of the award updating and modernisation. I notice a significant increase in the amounts paid to unions and employer associations in the last year. I would like to know to whom those significant amounts of money were paid, and for what specific awards, and how those awards have progressed through this seemingly endless updating process.

[9.50 am]

The CHAIRMAN: Did the minister get all those questions?

Mr J.C. KOBELKE: I will start with the first one. I may need the member to repeat the second one. The Western Australian Council of Social Service will receive \$200 000 in 2004-05. I am confident that will be properly acquitted. The member used the past tense. This financial year has not finished. We need to wait for the year to finish before WACOSS can sign off on that funding. That funding is to enable WACOSS to provide input on the proposed restructuring of a range of utilities and to make representations on behalf of consumers. This is in response to a move across Australia, as a result of competition policy, to change the structural arrangements in major utilities. Changes are proposed to the electricity utilities. Changes to the water utilities took place a while ago and are ongoing. If Western Power, for example, puts out a discussion paper with regard to these changes, or if the government puts out a discussion paper with regard to Western Power, various industry sectors and stakeholders are able to put their point of view about what the arrangements should be. The issue is that there is no-one to represent consumers. We therefore asked WACOSS to take on that role. That funding has enabled WACOSS to employ policy officers so that it can make input on behalf of consumers about the restructuring of the major utilities. I believe that money will be very well spent.

Mr T.R. BUSWELL: When was that money paid?

Mr J.C. KOBELKE: An amount of \$100 000 was paid in February. It is anticipated that another \$100 000 will be paid this month.

Mr T.R. BUSWELL: Did those policy officers make any comments on behalf of WACOSS on any election-related policies or initiatives?

Mr J.C. KOBELKE: Not to my knowledge.

Mr T.G. STEPHENS: The fourth dot point on page 336 refers to an Aboriginal awareness campaign to raise awareness among indigenous employees and employers about their employment rights and obligations. What was the motivation behind that campaign, and how was that campaign conducted? The second dot point under major initiatives for 2005-06 on page 337 refers to the implementation of indigenous community consumer education strategies that have been identified through the indigenous community education program. Can the minister outline those initiatives that are aimed at improving the position of indigenous consumers in Western Australia?

Mr J.C. KOBELKE: I thank the member for the question and recognise his interest in this area. The campaign to raise Aboriginal awareness on consumer issues comprised radio advertisements that were broadcast on metropolitan and regional indigenous radio stations. The advertisements were also broadcast in eight tribal languages. The message in those advertisements was for indigenous employees and employers to call Wageline for information about their employment rights and obligations. The cost of broadcasting the advertisements was \$28 500, which included the translation of the advertisements into those eight tribal languages. A further \$1 200 was spent on studio production. That brought the total cost to just under \$30 000. Extending services to people in the bush is always an issue. However, because indigenous people do not necessarily pick up the media that is available to the white community, it creates a major communication barrier. We have sought to get across that barrier. I am not saying this has been an outstanding success. It has been an attempt. We need to learn from this and see how we can do things better. Most indigenous people have access to a telephone. However, even though the Wageline service is available to indigenous people, we then have to deal with the issue of training our staff to respond appropriately and understand the full depth of the message that may be coming through in that telephone call. That raises a range of issues that we need to address. This has been a start in trying to ensure that the services that are available to employees and employers in the rest of the community are made available to indigenous employees and employers who may not have ready access to services because they do not live in a major town. We want to make sure they are aware of how they can find out what their entitlements are and uphold their rights as employees.

Mr T.G. STEPHENS: Does that mean there was no use of the Aboriginal regional media, such Goolarri radio and the like, in that campaign?

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Mr J.C. KOBELKE: I will certainly look into that and provide directly, rather than through the formal system, some details on which outlets were used. The member might have been able to advise us, because of his background in this area, that perhaps we should have used the avenues of indigenous radio and television. Hopefully those avenues were taken up, but I check on that. I have just been advised that we did use Goolarri radio. The member also asked about the second dot point on page 337, which relates to consumer education. This is also a national initiative. We were very keen to do something on this matter a couple of years ago, and we looked at what was happening in the Northern Territory, because at that stage it had just embarked upon this initiative. It was then picked up by the state ministers through the Consumer Affairs Ministerial Council and given a national focus. We were keen to join the Northern Territory, and indicated that at the time. Subsequently, we found out that the officer who was playing a key role in the development of that program in the Northern Territory had for personal family reasons decided to relocate to Perth. We have now taken over as the lead state in developing those policies. We have also looked at what we have been doing internally in Western Australia in providing resources to this area. We have embarked upon an extensive program of consultation with indigenous service providers and consumers in both regional and metropolitan areas of the state to determine the issues of concern to indigenous consumers. It is very important that we talk to people rather than just assume that we know what their issues are. A cross-cultural awareness program has been developed and delivered to staff employed in the department's south west office in Bunbury. The staff who are employed on Wageline and on the consumer protection advice line have also received cultural awareness training, because they need to be culturally aware if they are taking calls from indigenous people. This training will be delivered to all consumer protection staff who deal with the public. We have placed an indigenous community liaison officer in the south west office. Indigenous community education officers attend a wide range of community events to raise awareness of the services provided by the department. In 2005, these officers will represent DOCEP at community events in Kellerberrin, Broome, Port Hedland, Carnarvon, Kununurra and Perth. We have also, as I have indicated, developed the radio advertising program.

[10.00 am]

Mr A.J. SIMPSON: Page 347 of the *Budget Statements* outlines the details of controlled grants and subsidies and contains a line item for award updates. Unions and employer associations were allocated \$230 000. To which employer associations does that refer?

Mr J.C. KOBELKE: My figures apply across several years. The Australian Hotels Association, the Motor Trades Association of Western Australia and the WA Retailers Association are the three employer groups that applied for funding. We approached the Chamber of Commerce and Industry of Western Australia, but it indicated that it did not want to apply for funding.

Mr T.R. BUSWELL: What about the trade unions?

Mr J.C. KOBELKE: Quite a number of trade unions applied.

Mr A.J. SIMPSON: What did they produce for that money?

[Mr P.B. Watson took the chair.]

Mr J.C. KOBELKE: Award updates are an ongoing process. The money is given year by year and requires the demonstration of outcome before funding is provided for another year. The money is provided to ensure staff are available because the processes of award updates is quite time consuming. By way of background, respondents to awards are employer groups and unions, which both have a key role to play in award updating. The government's legislative changes gave the Western Australian Industrial Relations Commission limited power to initiate award updates itself. It is pursuing the process. The commission's powers to do things on its own motion are limited. The ongoing reform program has been in place for a couple of years now. This offer of funding to employer groups and unions is designed to encourage them to take a proactive role. Some players at employer and union level do not wish to engage in this process. They are obstructive - I believe that is the right word - and wish to keep things as they are rather than update awards. Money is provided to overcome a lack of resources within agencies for this work, and so the lack of resources cannot be used as an excuse for not undertaking the modernisation process. The excuse may still be used. Money is provided to help the process and to remove the excuse of insufficient resources being available. For other reasons, some players obstruct that modernisation of awards.

This is an important process. Although awards are important safety nets, they are also the basis of employment for a fairly large percentage of the work force; although the percentage is shrinking, it is still reasonably substantial. Employers must deal with awards that are totally out of date and complex in structure; therefore, industry benefits from simplified awards. The government has tried to drive this agenda. The commonwealth approach has been to come in and dictate how awards will be simplified, and I rejected that approach. Our

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approach is to get the key parties of employers and unions, along with some assistance from the commission, to consider how awards can be modernised and made more relevant to the needs of industry today.

Mr T.R. BUSWELL: How much money has been paid and to which trade unions and employer associations was the money paid during the life of this award updating process? Can the minister confirm the outcomes and which awards have been updated? I will ask more questions in this regard when we reach the Western Australian Industrial Relations Commission division. Does the minister agree that the award updating processes is more about ensuring that awards reflect other legislative changes, such as changes in minimum pay and conditions, equal opportunity etc, rather than simplification and modification?

Mr J.C. KOBELKE: It is a mixture of the two. Answering the last part of the question first, some obsolete references appear in awards. The requirement under the federal superannuation guarantee levy is a payment of nine per cent of salary. Some awards set the levy at three or five per cent. They need to be updated. The member alluded to legislation. Such awards are simply out of date, and this is an issue for employers. A small business employer may have one or two people on awards. The employer reads that a six per cent superannuation levy applies, even though pay nine per cent should be paid. Why have employers worry about some ambiguity that should be removed? Although it might seem a simple little issue, the modernisation work needs to be done. Broader issues include simplifying complexities relating to penalty rates etc, and complexities are increased if a matter must be taken through the commission when two parties do not agree.

Returning to the other question the member asked about results, a final new award has not been registered with many of the updated awards, but good indication of progress has been provided. On that basis, payments were made to complete the work. My figures indicate that the Australian Liquor, Hospitality and Miscellaneous Union received just over \$56 000; UnionsWA received \$60 000 in November on progress made; and the Employment Law Centre of Western Australia received \$15 000 in December for work it is undertaking.

Mr J.N. HYDE: Page 340 of the *Budget Statements* refers to “Service 3 - Regulation Enforcement”. The eighth dot point of major achievements on page 341 refers to compliance audits. I am interested in the total amount of wages and allowances recovered for Western Australian workers. Does the minister have those figures? I am interested in the comparison between this government and the previous government regarding wages recovered.

Mr J.C. KOBELKE: I thank the member for the question. An election promise in 2001 was that the government would ensure that the Industrial Inspectorate would assist employees to uphold the minimum standards to which they are entitled. A report was released under the previous coalition government into the restaurant industry that showed an abysmal level of compliance. The coalition government’s role, as is currently the case with the federal government, was to drive a political agenda in industrial relations. The commonwealth government is directing a lot of money into selling and forcing people onto Australian workplace agreements rather than protecting minimum rights. The Gallop government shifted from pushing people down an ideological path: it stated, “These are the laws of the state, and we will uphold them.” As an aside, I find it absolutely reprehensible that the federal government does not uphold its own legislation. It allows the law to be flouted by its own agency, the Office of the Employment Advocate. Decisions of the Australian Industrial Relations Commission show that the commonwealth is in breach of the law, yet the commonwealth does nothing about it. The state government is about upholding the rule of law and ensuring minimum standards are complied with.

Mr T.R. BUSWELL: That is all in last year’s *Hansard*.

Mr J.C. KOBELKE: Yes. It is important to see how these matters are delivered. The Gallop government has provided resources to ensure that standards are upheld. As I said in answer to an earlier question, the government seeks conciliation and mediation between the parties; however, if the employer is not willing to pay entitlements, prosecutions will take place. For the current financial year, as at 30 April, the Industrial Inspectorate had recovered \$1 281 231 for employees in the state jurisdiction, and \$202 316 in the federal jurisdiction, in relation to award breaches. Between 1 April 2001 and 30 March 2005, the Industrial Inspectorate handled approximately 4 000 employee claims and recovered \$5 257 337 in the state jurisdiction and \$641 540 for 455 employees in the federal jurisdiction. The total amount recovered is almost double the department’s performance under the previous Liberal government. In the last term of the Liberal government the inspectorate recovered just under \$2.7 million in the state jurisdiction compared with the figure I have given of about \$5.2 million. The inspectorate had been contracted to provide the compliance service in the federal jurisdiction only from 1 July 1998, and from 1 July 1998 to 31 March 2001 it recovered \$86 406. As I indicated earlier, this government has been able to recover more than \$640 000, as opposed to \$86 000. That is a clear demonstration that this government is seeking to work cooperatively with all parties but that those who simply flout the law and refuse to meet their requirements to pay minimum entitlements will not get away with it. As I indicated earlier, we are increasing the number of inspectors because good businesses that do the right thing should not be

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undermined by unfair competition from other companies who abuse their staff and refuse to pay them their just entitlement. I congratulate the department for the great job it is doing. We cannot rest on our laurels though; we must be vigilant and continue the program. We will ensure that the program is established across the state of Western Australia to inform businesses that there are laws that apply to minimum entitlements, wages and conditions and that there is an agency that will uphold those standards.

[10.10 am]

Mr G.A. WOODHAMS: Like the member for Central Kimberley-Pilbara, I have a great deal of interest in indigenous issues. I bring the minister back to the fourth dot point on page 336 and the second dot point under major initiatives on page 337. Can the minister put a number against the two categories of indigenous employers and employees? How many indigenous employers are there in Western Australia? I presume "and employees" refers to the employees of those indigenous employers, as opposed to general indigenous employees.

Mr J.C. KOBELKE: The last point relates to both labour laws and consumer protection laws. In a claim by an employee, there is no issue as to whether the employer is Aboriginal. The department would not make that connection. We regard indigenous employers and employees as a section of the community that has not been served adequately in the past and we are seeking to redress that by ensuring that our services extend to their needs. Perhaps the member will get the number of Aboriginal employers in a later division on indigenous affairs, although I am not overly optimistic about that. The labour relations office does not have a figure that indicates the break-up by ethnicity.

Mr T.R. BUSWELL: I take the minister back to the payment of \$200 000 to the Western Australian Council of Social Service in February. Was that money paid in February?

Mr J.C. KOBELKE: No, \$100 000 was paid in February and another \$100 000 is due this month; that is, \$200 000 this financial year.

Mr T.R. BUSWELL: I have worked that one out. Is the minister saying that the money that was paid in February was provided so that WACOSS could fill a role as a consumer advocate to advise the government on electricity and water reforms and the impacts on consumers?

Mr J.C. KOBELKE: No, utilities general. Primarily it is the government that provides utilities, but in the case of Alinta -

Mr T.R. BUSWELL: I asked when the commitment was made to WACOSS to pay this money. Does the minister have the submissions that were made to government on behalf of Western Australian consumers in WACOSS's new-found role as it relates to utility reform? Also, will the minister guarantee that the funds paid to WACOSS in February and again this financial year were not for the employment of research officers used by WACOSS to provide comment or observation on election-related matters, be they criticisms of coalition policy or support of government policies and/or initiatives?

Mr J.C. KOBELKE: I can absolutely guarantee that. No moneys were paid for involvement in political campaigning. The background to these payments may allay the member's fears. The Department of Consumer and Employment Protection seconded an officer in 2003-04 to work in WACOSS on these sorts of issues. That was found to be very beneficial because for the first time someone was able to speak on behalf of consumers for the program as it went forward. The member may recall that the big issue at that time was the break-up of Western Power. There was a lot of public debate and many calls for submissions on issues, and the government sought to enhance the resources of WACOSS by providing that person on secondment. I have also been told by senior officers and by the person on secondment that it was also valuable to have someone in the agency who had a different perspective from having worked in a non-government agency and from having experience of the different pressures and demands there. There was, therefore, also a benefit to government from the experience of that officer. That secondment finished. It was then our intention to continue the program and perhaps spread it around so that it did not become an ongoing issue in that we were supporting WACOSS in doing that work. However, after discussions with WACOSS and the then Minister for Energy, it became clear that there was a major role for that person. No other organisation came forward to take on the role of representing consumers on major changes to utilities. On that basis, we went back and funded WACOSS to continue that role for a limited term; that is the \$200 000.

Mr T.R. BUSWELL: When was that commitment given to WACOSS?

The CHAIRMAN: Is that an additional question?

Mr T.R. BUSWELL: It was a question I asked that was not answered.

Mr J.N. HYDE: That is your third question.

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The CHAIRMAN: An additional question.

Mr T.R. BUSWELL: Yes, it is a follow-up question, thank you; my apologies, Mr Chairman, you are absolutely correct. When was the commitment given to WACOSS and what has it produced for the \$200 000 this year that was paid in February?

Mr J.C. KOBELKE: The commitment would have been made in the earlier part of the current financial year. WACOSS has its own resources in terms of office space and so on. This payment was to ensure it had additional resources. I think WACOSS employed two people to make submissions to the various utilities. No formal report has come back to government at this stage.

Mr T.R. BUSWELL: My question was: has WACOSS made any submission for the \$200 000 that was paid to it?

Mr J.C. KOBELKE: Yes, it made representations directly to the various organisations and working parties that were seeking to make submissions. I will seek to get that detailed advice for the member.

The CHAIRMAN: Does the minister wish to provide that in supplementary information?

Mr J.C. KOBELKE: Yes. As supplementary information I undertake to provide a report of the submissions made by WACOSS on the basis of this funding.

[Supplementary Information No B20.]

Mr J.N. HYDE: WACOSS is a more effective critic than the opposition is of government policy.

Mr T.R. BUSWELL: Not necessarily in an election campaign.

The CHAIRMAN: Members, please, questions must be asked through the Chair.

Mr J.C. KOBELKE: As an adjunct to that, I hope I can provide the information. Normally answers provided by supplementary information come from the government agency within a very tight time line. In this case, the department will have to get the information from an outside agency. There is only a very short time line to provide the information but I will make my best endeavours to have it available within the short time line. Given that it will come from a non-government agency, we may have difficulty getting it by the close-off time for supplementary information.

[10.20 am]

The CHAIRMAN: If it cannot be provided in that time, the member can put the question on notice.

Mr T.R. BUSWELL: I most certainly can. That is good advice, Mr Chairman.

Mr M.P. MURRAY: I refer to page 338. At the bottom of the page, reference is made to a report on the review of the gender pay gap in Western Australia, which was tabled in Parliament. At the top of page 340 it is noted that one of the major initiatives for 2005-06 is to assess the recommendations of this review and implement approved policy and legislative recommendations. What action has the government taken since the report was tabled in Parliament to address the long-running pay inequity for women in this state? This certainly has relevance to my family. With four daughters and two grand-daughters, I hear about this issue very often.

Mr J.C. KOBELKE: I thank the member for his particular interest in this area. As the member has alluded to, the report on the review of the gender pay gap in Western Australia was tabled in the Parliament. It was based on the fact that Western Australia had the largest gap between the average wage for men and the average wage for women of any state. We have a major problem with why women, on average, receive so much less than men in Western Australia. There are simplistic answers such as that the mining industry pays very well and a lot of men work in the mining industry. My understanding is that the statistical analysis shows that that is not the sole or major cause of the disparity. We need to look in a lot more depth at the issues that cause this disparity. The two big issues involved in the process of addressing the discrepancy are getting rid of workplace agreements and lifting the minimum wage in this state to the national minimum wage, because a lot of women work in casual, part-time or low-paid jobs, such as those in the cleaning industry etc. However, that is only part of the issue.

In 2004 the government commissioned Dr Trish Todd and Dr Joan Eveline of the University of Western Australia to undertake a review of the gender pay gap in Western Australia and to make recommendations to government on how that gap could be reduced. The report on the review of the gender pay gap in Western Australia was tabled in Parliament in November 2004. The report identified multiple factors that contribute to the gender pay gap and concluded that a multidimensional approach was necessary if we were to address it; that is, the problem is more ingrained and it will not be just one thing that will cause a shift so that the average wage of women is closer to the average wage of men. The report contained 34 recommendations that covered a wide range of issues. Those issues included legislative amendments to further improve the regulatory framework and voluntary strategies such as pay equity audits to identify and address gender pay inequities in individual

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workplaces. I note that those pay equity audits have been taken up in other jurisdictions around Australia and internationally. In that way, work is done with a company on why women are paid less. Either government agencies or private companies might see that there is something in their system that is biased against women and, by addressing that, they can overcome that inequity. Other issues include training for employers on gender pay equity, managing decision makers and union officials, and training for women to assist them to get better paid jobs. The one recommendation that we have taken up immediately is the establishment of a pay equity unit to implement the recommendations as directed by government. That unit will be within the labour relations area of the Department of Consumer and Employment Protection and will consider the recommendations of the report and how they can be progressed through government, whether it be through legislative changes or policy changes. It is a priority of government to examine how these recommendations can be best implemented. Some of the recommendations will be contentious and we may need further consultation. However, this unit will help drive that because we need outcomes. A lot more work needs to be done in this area, but the establishment of the gender pay equity unit within the department will give us the resources to take action so that the gap between the average wages of men and women is diminished.

Mr M.P. MURRAY: It is certainly a step in the right direction.

Mr J.N. HYDE: I refer to the third dot point on page 334, which states that community expectations on safety are increasing. I hark back to Perth airport. Perth airport should pay every cent of the cost of the extra security that is needed out of its massive profits without fleecing governments and the public. Every other employer in this state or profit-making big venues such as shopping malls must make their premises safe so that they can make a profit. Perth airport seems to be a lazy monopoly with a handout mentality. If we had two free market airports, just as we have in retail with Woolworths and Coles, we would not be charged to park at Perth airport and a lot more budget airlines would want to fly to Western Australia. Surely safety at an airport is a big consumer issue. It is probably the biggest consumer issue in Western Australia, whether or not it comes under our regime.

Mr J.C. KOBELKE: The member alluded to this issue earlier. We will consider whether we need to look at safety requirements on commonwealth land. I will certainly take up that issue and see what we can do. The other part of the issue to which the member has alluded is unfair competition. We very much want to ensure that we protect the fair competition rights of not only employees, but also employers and businesses. I have received representations from a small business in the Belmont area, which feels that the ability of a competitor to set up on commonwealth land and not meet the requirements that it must meet is totally unfair. The commonwealth is about making money from its land; therefore, it puts fewer restraints on airport corporations around Australia for the use of that land. This matter has arisen in other jurisdictions. In Brisbane recently there was an article in the media about the use of commonwealth land at airports; that is, the airports do not have to comply with the regulations with which other businesses that compete with them just outside the boundary must comply. It is a major issue, but it goes a bit beyond our portfolio. I give the member the undertaking that we will look further at whether we need to put more pressure on the commonwealth about health and safety issues on commonwealth land.

Mr J.N. HYDE: It is giving unregulated monopoly capitalism a bad name.

The CHAIRMAN: Is this an additional question or is the member just passing on his expertise on airports?

Mr J.N. HYDE: I was giving opposition members time to gather their thoughts before they ask the next question.

Mr G.A. WOODHAMS: I refer to the fifth dot point of the major initiatives for 2005-06 on page 341, which states that the department will finalise the compliance audit of Western Power's wood pole safety management systems. In the table of key efficiency indicators on page 340, there is a breakdown for 2005-06 of the average cost of inspections and audits and the average cost of investigations and compliance conciliations. What is the figure within those two categories - if I have the right categories - that equates to the compliance audit of Western Power's wood pole safety management systems?

Mr J.C. KOBELKE: I will start with the figures on page 340. Those are an aggregation across the whole agency and would include electrical safety, WorkSafe, consumer protection and labour relations. They therefore change a bit because they relate to the cost per prosecution, and the number of prosecutions can vary from year to year. I do not know whether I can give the member a breakdown of the figure for electrical safety. The first part of the question was about the finalisation of the compliance audit of Western Power's wood pole safety management systems. Electrical safety is a subpart of energy safety. The Energy Safety Directorate is an independent regulator and it will hold various utilities to account and ensure that they meet the required standards. That has been one of the elements that has led the government to increase quite substantially the amount of money that Western Power is spending to improve the quality of service and improve safety. The

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Energy Safety Directorate is undertaking a compliance audit of its wood poles. The results will be presented to Western Power. It will then have to provide extra resources as necessary to reach a minimum standard. The audit is under way and well advanced.

[10.30 am]

Mr G.A. WOODHAMS: The assumption is that the audit will be completed by the end of the financial year?

Mr J.C. KOBELKE: Not this financial year, this calendar year.

Mr T.R. BUSWELL: I refer to the major initiatives for 2005-06 at page 339. There is reference to a review of the boards and committees in the consumer and employment protection portfolio. Will the review include the WorkCover WA board and associated infrastructure? Can the minister confirm that he has had advice from the relevant actuary for WorkCover that, when the average recommended premiums were reviewed, the initial advice was that if the previous workers' compensation system had remained in place, average recommended premiums would have fallen by approximately 10 per cent? Will he also confirm that, as a result of the government's changes to workers' compensation legislation last year, the actuary has modified the advice, which now indicates that the average recommended premiums will rise by 2.9 per cent as opposed to the 10 per cent fall that was expected? If that is the case, will the minister advise the committee of his understanding of what factors are driving that reversal?

Mr J.C. KOBELKE: I am happy to try to answer the questions, but WorkCover is not contained in the budget papers because it is not a budget agency. There was no request to include it; we could have otherwise. There will be no opportunity to look at it. However, in brief, the average premiums, which were established by what was called the Premium Rates Committee - under new legislation it is done slightly differently - seek to make sure that we have the cost structure in place to meet the requirements of running the system. Under the last Liberal government, average premium rates rose to 3.34 per cent of wages, which caused huge problems and heartache for many businesses, particularly small businesses. Current premium rates are below 2.4 per cent - I think they are 2.2 per cent. The government's target is to keep rates between 2.4 and 2.7 per cent. People can seek, as Graham Kierath did, to lower premiums and do nothing else, but, if that is done, we get a system that does not work. We are trying to put in place a fair and equitable system and have it as efficient as possible so that premium rates are at a low level. I have said all along that the target, which was established under the last Parliament, of between 2.4 and 2.7 per cent is one whereby we will have an equitable system with a reasonable level of benefits, and one that industry can afford. We are currently below that mark, so I am not too concerned if there is a slight upward movement. We want to make sure that our system is far more efficient and that the money goes to where it is needed in meeting the needs of injured workers. Employers should not pay money that does not go to the benefit of workers who need it. That is an issue that is outside the estimates committee because it is not a budget item.

Mr T.R. BUSWELL: Will the minister confirm that the initial estimated average recommended reduction of 10 per cent has now been revised so that it has been replaced by an increase of 2.9 per cent?

Mr J.C. KOBELKE: I can confirm the increase of 2.9 per cent but I cannot confirm the other figure. I am not shying away from the fact that our system, prior to our changes, was inadequate and grossly unfair in many ways. The costs were going down because many injured workers were not getting the support they have the right to expect. In turning that around and providing a fairer system, extra costs will be involved. There were opponents to our change, who said that premiums would rise between 40 and 100 per cent, which was just nonsense. A 2.9 per cent increase across average premium rates, although people would prefer it to be lower, is important if we are to provide a decent level of benefits to injured workers.

Mr T.R. BUSWELL: The minister is not discounting the possibility that, under the old system, rates could have dropped by 10 per cent but they will now rise by 2.9 per cent?

Mr J.C. KOBELKE: It would not surprise me if they were to drop, but I cannot confirm the figure.

The appropriation was recommended.

Meeting suspended from 10.35 to 11.00 am