

Deputy Chairman; Hon Bruce Donaldson; Hon Kate Doust; Hon Nick Griffiths; Hon George Cash; Hon Jim Scott; Hon Norman Moore; Hon Ken Travers; Hon Alan Cadby; Hon Robyn McSweeney

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

Hon Simon O'Brien, Deputy Chairman.

Hon Nick Griffiths, Minister for Racing and Gaming; Government Enterprises; Goldfields-Esperance.

Mr B. Bradley, Acting Director General of Consumer and Employment Protection, Department of Consumer and Employment Protection.

Mr P. Walker, Executive Director Consumer Protection/Commissioner for Fair Trading, Department of Consumer and Employment Protection.

Mr J. Donovan, Director Corporate Business Services, Labour Relations Division, Department of Consumer and Employment Protection.

Mr B. Appleby, Director Corporate Services, Labour Relations Division, Department of Consumer and Employment Protection.

Mr J. Radisich, Executive Director Labour Relations, Department of Consumer and Employment Protection.

The DEPUTY CHAIRMAN: On behalf of the Legislative Council Estimates Committee, I welcome you to today's hearing. Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia. The Committee values that assistance.

Members are asked to sit towards the front of the Chamber where practicable so that witnesses will not have to turn their head when answering questions.

It will greatly assist Hansard if when referring to the *Budget Statements* volumes or the consolidated fund estimates, members give the page number, item, program, amount, and so on in preface to their questions. If supplementary information is to be provided, I ask for your cooperation in ensuring that it is delivered to the Committee's clerk within five working days of receipt of the questions. An example of the required Hansard style for the documents has been provided to your advisers.

May I remind those members of the public in attendance that only accredited media representatives may take notes. However, full Hansard transcripts will be available to the public within a week of the close of these hearings.

The Committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observations.

At this time, I ask each of the witnesses whether they have read, understood and completed the Information for Witnesses form.

WITNESSES: Yes.

The DEPUTY CHAIRMAN: Do all the witnesses fully understand the meaning and effect of the provisions of that document?

WITNESSES: Yes.

[12 noon]

Hon B.K. DONALDSON: I refer to page 446 and the major policy decisions impacting on the agency's statement of financial performance. One of the decisions made prior to the state election was the establishment of the Petroleum Pricing Unit, for which the budget estimate is \$1.425 million. I notice from page 447 that the budget estimate for the petroleum pricing unit initiatives is \$239 000. Will that be the total cost of that unit, given the amount of advertising that is done? I do not know whether that is paid advertising or whether it is provided free on Channel Seven etc as a community service arrangement. Given also the movement in oil prices, and the forward estimate of about \$1.425 million, it appears that this unit will be ongoing. Is that the way the agency and the Government see the situation? How is that initiative working at this time, and what other costs will be involved during the next 12 months?

Mr WALKER: The allocation for the Petroleum Pricing Unit this year is about \$2.03 million. The normal recurrent budget for the year in question will be around \$1.6 million, and the forward estimates provide for expenditure in the order of \$1.4 million for the next three years. Therefore, in the years ahead there is a commitment to fund that unit. Petroleum product pricing is a complex issue, and we will continue to monitor and establish prices, and to deal with issues such as transparency through the use of mandatory price boards etc.

Hon B.K. DONALDSON: Since this initiative has been taken up, have the oil companies changed their attitude and taken a more amicable approach to this pricing arrangement?

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Mr WALKER: No. Generally, the issue of petroleum pricing is an extremely complex and combative environment. If anything, we have seen a hardening in the resolve of the oil companies to the regulatory regime that is in place, so much so that we are now moving to the next phase, which is the use of forensic accountants, for example, to check information that we have received in the past. I think it is fair to say that from time to time some of the information that we receive is erroneous for one reason or another. Therefore, we are keen to establish the accuracy of that information and better understand the industry and the way it works. The attitude of the oil companies is less amicable now than it was some months ago, and I forecast that it will become increasingly combative in the months ahead. I am pleased to advise that the television and radio stations that currently regularly carry news about FuelWatch and petrol prices in this State do that as a community service. We have calculated that that advertising is worth about \$26 000 a week.

Hon KATE DOUST: Dot point three on page 453, under major achievements for 2000-01, refers to WorkSafe Western Australia and a new direction for the ThinkSafe campaign. Can the minister expand on that new direction for the ThinkSafe campaign in terms of the target audience and the outcomes that the department is seeking?

Hon N.D. GRIFFITHS: In June 2001, WorkSafe Western Australia launched the First Step guide, in conjunction with a new ThinkSafe campaign targeting employers, in particular small business employers. The campaign encouraged employers to take positive action to reduce workplace injuries. Previous ThinkSafe campaign messages targeted employers and employees to raise general awareness of hazard management principles. The ThinkSafe 2002 campaign initiatives are intended to encourage the practical implementation of hazard management and to again target employers of small to medium-size businesses, workplace safety and health decision makers, and anyone who has control over a workplace. ThinkSafe 2002 seeks to complement WorkSafe's priority areas for reducing workplace injuries and disease by focusing on new workers, construction, manual handling, falls from heights, electricity, and chemicals and other harmful substances. The campaign is intended to support WorkSafe's targeted inspection programs in these areas.

Hon KATE DOUST: The last dot point on page 454, under major initiatives for 2001-02, refers to an occupational safety and health conference that will be held in Perth next year. What will be on the program, and who will be invited to speak at that conference?

Hon N.D. GRIFFITHS: I thank the member for the question, because it gives me the opportunity to inform the committee about that important conference. The relevant agencies - WorkSafe Western Australia, the WorkSafe Western Australia Commission, WorkCover Western Australia and the Department of Mineral and Petroleum Resources - are working together to present an occupational safety and health conference on 26 and 27 March 2002 at the Hyatt Regency Perth. The aim of the conference is to provide the latest information on emerging and current occupational safety and health issues and successful strategies, and to encourage employers and employees to work together to effectively manage workplace safety. A number of speakers have indicated their willingness to address the conference. These include Sir Daryl Dawson, who is proposed to speak on the Esso Longford inquiry, and Mr Timothy Walker, the Director General of the Health and Safety Executive in the United Kingdom, who will discuss current occupational safety and health initiatives in the United Kingdom.

[12.10 pm]

Hon GEORGE CASH: I refer to page 447 of the *Budget Statements* as a guide. It refers to the Temby royal commission and legal representation, and my question relates to that general area. Are there any outstanding orders requiring the production of documents on finance brokers issues by the Department of Consumer and Employment Protection to private solicitors or other parties?

Hon N.D. GRIFFITHS: I invite Mr Walker to respond.

Mr WALKER: In relation to the royal commission, the consumer protection division is receiving summonses on a frequent and regular basis, and is providing those documents in line with the requirements of the summonses from the royal commission. However, other action, which is generally called the pre-action discovery, was brought by a solicitor acting for investors, Mr Solomon. A range of documents has been provided, and they are available for inspection by Mr Solomon. Some of those documents are still being compiled, with advice from the Crown Solicitor's Office on issues such as legal professional privilege, etc. A range of documents is available for inspection. To date, Mr Solomon has chosen not to inspect those. He has indicated that he will wait until all the documents are ready before he does so.

Hon GEORGE CASH: I have a supplementary question. Can Mr Walker advise when it is likely that all the documents will be available for inspection?

Mr WALKER: My advice is that that should be completed in the next few weeks or so.

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Hon GEORGE CASH: Secondly, I refer to the priority dividend that appears on page 447. This financial year it is proposed to be \$522 000. Then the figure jumps to \$750 000 for the next financial year. Can we have a breakdown of the \$522 000, and can we be advised now what that additional \$230 000-odd - that is, the increased amount required for the priority dividend - will represent for the year 2002-03?

The DEPUTY CHAIRMAN: First, can the information on the source of the \$522 000 be made available, or does the minister wish to provide that as supplementary information?

Hon N.D. GRIFFITHS: Mr Bradley will answer that which he can answer now, and we will take the balance on notice.

Mr BRADLEY: The priority and assurance dividend of \$522 000 on page 447 is broken up as a consumer protection allocation of \$36 000 and a labour relations allocation of \$486 000. Hon George Cash referred to \$750 000 in the second part of his question. We will take that on notice.

The DEPUTY CHAIRMAN: Was that the breakdown that Hon George Cash wanted?

Hon GEORGE CASH: I understand that they are the two divisions to which the \$522 000 has been allocated. However, I am looking for a breakdown of those amounts. The minister may want to take that on notice and provide the information in due course. At that stage, information can be provided on what that additional \$230 000-odd represents for next year.

The DEPUTY CHAIRMAN: Is that clear?

Hon N.D. GRIFFITHS: Yes.

The DEPUTY CHAIRMAN: Information should be provided on whether it is for wages, paperclips or whatever.

Hon N.D. GRIFFITHS: It is the sort of thing that one would normally take on notice.

Hon J.A. SCOTT: My first question relates to two dot points on page 451. Dot point three refers to an audit panel overseeing a program aimed at ensuring that finance brokers comply with the financial requirements of the relevant Act, code of conduct, etc. Linked with that, the final dot point on page 451 states that during 2001, the collapse of HIH Insurance had a significant impact upon the home indemnity insurance industry. I point to one of the issues that arose with the collapse of HIH and a number of the finance brokers; that is, that audits at the time did not pick up the extent of the problem. It was pointed out that there were problems with auditors being too close to some companies. Is the department checking that the performance of auditors is up to scratch?

Hon N.D. GRIFFITHS: I invite Mr Walker to answer that question.

Mr WALKER: First, it is important to say that the royal commission has been examining the issue of auditors and their annual duty to provide advice about finance broking clients to the Finance Brokers Supervisory Board. I am also aware that the Finance Brokers Supervisory Board has spoken with the relevant accounting and professional body about guidelines and procedures to ensure that a base minimum amount of information is provided. Therefore, the board is discussing this issue and is trying to develop an appropriate minimum standard. As the events of the past couple of years in particular unfolded, it was clear that varying standards of audits were undertaken. On at least one occasion there was a business relationship between at least one partner of an audit firm and the particular company involved. Therefore, a range of issues is involved. However, the Finance Brokers Supervisory Board is actively considering the issue. I believe it has put that work on hold pending the decisions and findings of the Temby royal commission.

Hon N.F. MOORE: I refer to the financial statements on page 461. Some figures there show significant increases or variations. I will go through those and ask for an explanation of those variations. The total cost of services has gone from a budget in 2000-01 of \$40.5 million to an estimated actual of \$47.8 million, with a budget estimate in 2001-02 of \$54.2 million. That is a significant increase. Similarly, the net cost of services has gone from \$31 million to about \$42 million. I notice the change in equity resulting from the operations has gone from plus \$4.5 million to minus \$5 million. Page 462 shows that the cash assets have gone from an estimated actual in 2000-01 of \$7 million down to a budget estimate of \$1.9 million in 2001-02. Can somebody explain the reasons for those significant variations?

Hon N.D. GRIFFITHS: We will take that on notice. The member asked a number of questions, and I am sure he would like a detailed answer.

The DEPUTY CHAIRMAN: The question will be taken on notice, and supplementary information will be provided.

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Hon N.F. MOORE: I will restrict my question to the total cost of services, which has gone from a budgeted amount of \$40 million in 2000-01 to an estimated budget of \$54 million in 2001-02. I thought the minister would be able to tell me why the budget has gone up \$14 million, which is a dramatic increase.

Hon N.D. GRIFFITHS: To answer the question appropriately, it should be taken on notice. However, to be fair to the member, some parts of it should be answered now so that he gets a flavour of what he can expect to receive in due course. Mr Walker is in a position to make some observations.

Mr WALKER: It is fair to say that the consumer protection division of the new department is certainly responsible for a significant portion of that increase. The Government has seen fit to approve 31 full-time equivalents for the department this year, and has made a commitment to 61 additional FTEs over the next four years. Effectively, that results in a \$4.38 million increase in the current year, and over the four-year period it will amount to \$25 million.

[12.20 pm]

Hon N.F. MOORE: Are those staff additional to those who were employed prior to the amalgamation of the agencies?

Mr WALKER: That is correct.

Hon N.F. MOORE: What is the reason for all those extra people?

Mr WALKER: Clearly there has been a lot of focus on the former Ministry of Fair Trading, the now consumer protection division. Over the past 18 months or so, we have been working closely with Treasury. The Department of the Premier and Cabinet appointed an independent review panel, chaired by an accountant from one of the large six accounting firms. The Director General of the Department of the Premier and Cabinet undertook a review of the organisation following the Gunning committee of inquiry. Without putting too fine a point on it, the Government of the day was keen to ascertain whether there were fundamental issues and problems with the agency or whether resources and other factors had contributed to the issues of the finance brokers and others.

As a result of that process and the deliberations of the current Government on the budgetary process, approval was received for that additional staff complement. Four key areas are receiving additional staff and funding. Under the general banner of enhanced compliance and consumer protection, there will be an additional \$1.71 million this year and an increase of 18 staff. Under the banner of organisational development, including enhanced training, professional development and process improvement, there will be an increase of \$1.59 million and an increase of 15 staff. An additional \$470 000 has been allocated for improved information technology staff, and an increased capital funding of \$900 000 has been allocated this year. Under the banner of increased consumer education awareness, an additional \$400 000 and four additional staff have been allocated this year.

Hon N.F. MOORE: Therefore, the solution to the finance broking industry is an extra 50 public servants.

Hon KEN TRAVERS: That is better than the solution the member's Government had. It sat on its hands.

The DEPUTY CHAIRMAN: Is it necessary for any portion of that question to be answered by way of supplementary information?

Hon N.F. MOORE: There are some issues in respect of the changed equity. I would like an explanation of what is happening. For example, are these additional allocations being made from cash assets?

Hon N.D. GRIFFITHS: The member asked the question. Save for the observations Mr Walker made, the balance of the question will be taken on notice. I do not think it is appropriate for the member to carry on with his silly rhetorical defence of the former Government's actions, or should I say inactions?

Hon N.F. MOORE: With respect, I was simply saying that those were the questions that I would like to be answered in due course on notice. The minister should stop being so defensive.

Hon N.D. GRIFFITHS: I am not being defensive. I suggest the member is being rather offensive.

The DEPUTY CHAIRMAN: A portion of the question remained and therefore needed to be taken on notice. That has been noted by the committee staff, and will be followed up in the normal way through the supplementary information process.

Hon KEN TRAVERS: The Leader of the Opposition asked about the good news story that I wanted to elicit from the budget, which is the extra staff following the select committee and the Gunning inquiry.

The DEPUTY CHAIRMAN: Would the member like to move on to a second question?

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Hon KEN TRAVERS: I hope that some of those staff will be provided for legal services, which is an area that has needed assistance. How many staff will be provided for legal services, what sort of issues will they be dealing with, and how will they benefit consumers?

Hon N.D. GRIFFITHS: An additional 5.4 staff will be allocated for legal services to support increased levels of compliance activities. Consumer protection involves the public having an expectation that the department will act quickly to protect members of the public from traders who do not fulfil their obligations under our trading laws. Clearly in that context, legal work and prosecutions, both in the courts and industry boards, form a significant part of the overall compliance activities. The consumer protection division is making efforts to evaluate both the quantity and quality of legal work carried out by the department. It is continuing its efforts with its legal unit to support investigators who are taking a more pro-active approach to regulating the marketplace. The main benefits are that consumers are protected more quickly, fewer people are inconvenienced or suffer financial loss, and other businesses are reminded of the consequences of ignoring consumer laws.

The department has recent examples of quick legal action. They include undertakings to the Supreme Court and the subsequent conviction of James Rae and Info4 PC for contempt, and action taken on behalf of consumers in the building industry through defending the appeal by Commodore Homes against Mr Standley, resulting in Mr Standley not being considered liable to pay goods and services tax on his building contract. I know that Hon Ken Travers was very involved in that issue. If I may take a moment to digress, as a member of Parliament Hon Ken Travers is an example of somebody who stood up for a member of the public. It would be great if we could all follow that example. In each case a large number of consumers were affected. Had the consumer protection division not acted as promptly as it did, many more would have been adversely affected. The case I have referred to was in the nature of a test case.

In the past financial year the legal services unit finalised 150 litigious actions, including nine appeals and 24 prosecutions. It made 338 charges or allegations. Between May and October last year the department's duty lawyer service provided legal advice to investigators and managers on over 400 inquiries relating to investigations. In the first eight weeks of this financial year the unit finalised hearings in 18 matters covering 55 allegations and charges, made a further seven allegations and charges in new matters and progressed a further 200 litigious matters. This is not, as a member said earlier, a matter of merely employing public servants. It is about producing the goods for the benefit of consumers and our community. What is being done is very much in the public interest and something that the Government is very concerned to do. It is a pity that these sorts of actions and this sort of priority was not the priority of our predecessors.

Hon ALAN CADBY: I refer to the fifth dot point on page 458 and to the sixth dot point on page 459, which are to do with the Internet subscriber service initiated in 2000-01, and to be enhanced in 2001-02. Can the minister give me an idea of the set-up costs of the service? What are the expected annual running costs of the enhanced system? What number of new staff have had to be employed to run the service? What are the expected savings to the department as a result of people using that service rather than using the telephone contact number on Wageline? What is the expected revenue from these subscribers over the next four years?

[12.30 pm]

Hon N.D. GRIFFITHS: They are very important questions. I note the commentary in the dot point referred to by the honourable member. He should be given a detailed answer; therefore, I ask that those questions be taken on notice.

The DEPUTY CHAIRMAN: The answer to those five questions will be provided by supplementary information.

Hon KATE DOUST: I refer to the eleventh dot point on page 458 of the *Budget Statements*. I am pleased to see that the Department of Productivity and Labour Relations has been seeking the answers that I sought when I was a union official, but never got. I see that the department has been trying to find out why employers do not comply with awards, agreements and legislative requirements. From that research, what reasons have employers given for noncompliance, and how will this information be used in the future to improve the compliance of employers?

The DEPUTY CHAIRMAN: Is the minister able to provide a brief response to what is a potentially complex area?

Hon N.D. GRIFFITHS: This is an interesting area. I compliment the honourable member for carrying on, as a member of Parliament, the good work she did as a union official in looking after the interests of working people in Western Australia. However, Mr Radisich is better placed to comment on the matters raised by the honourable member.

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Mr RADISICH: The question is fairly complex. The general information from employers indicates that the reasons for noncompliance vary. The main reason for noncompliance is lack of awareness of award obligations and what employees should receive. As a counter to this, and with the enhancement referred to in the dot point, we are using that intelligence to target programmed inspections in various industries. We see from the information we have obtained that some industries are more compliant than others. We are providing additional services and programmed inspections in the targeted areas, which are the least compliant areas. We will be initiating, and are currently carrying out, various targeted inspections of those areas. The key issue in the development of our services, which arises from this initiative, is that we are able to plot industries and their ability to comply; and thereby are able to target the provision of information on employee entitlements.

Hon KATE DOUST: I refer to page 453, and the first dot point in the major achievements for 2000-01. I am interested to note that the number of improvement and prohibition notices has increased over the past few years. Over the past 12 months how many of those types of notices resulted in successful prosecution of the parties involved?

Mr BRADLEY: I will respond as much as I am able. Unfortunately, the figures presented under the first dot point are not correct. The figure of 153 per cent should be reduced to 128 per cent. The figure of 10 203 should be 9 196. The figure 9 196 comprises 8 460 improvement notices and 736 prohibition notices. I cannot give a specific answer to how many of those notices resulted in a prosecution. In all probability, no prohibition notices would have transferred into a prosecution. Some improvement notices may have transferred into prosecution, but I would have to interrogate a database to come up with that information - which I will do if the member wishes.

The DEPUTY CHAIRMAN: Is that sufficient information for the member?

Hon KATE DOUST: I am sure that I will be able to access that information at a later date.

Hon B.K. DONALDSON: I refer to the major initiatives for 2001-02 on page 451. The second dot point refers to an ongoing review of the regulatory framework that affects small business. The focus of this initiative includes improving the commercial tenancy rights of small business retailers and the introduction of protection against unconscionable conduct. Does that involve the large shopping centres? A lot of conjecture exists about some of the rents and lease arrangements in the larger shopping centres. Is there any avenue for the department to look at some of those arrangements, or is that outside the department's focus because of the commercial rights of the owners?

Hon N.D. GRIFFITHS: The Government proposes a review of the Commercial Tenancy (Retail Shops) Agreements Act and the introduction of complementary state-based trade practices legislation to provide protection for small business against unconscionable conduct. This is an important issue, and has been on the mind of the Government for some time. The Government's election policy was to amend the commercial tenancy legislation to implement changes that would, among other things, provide a less expensive way for retailers to take action when they have been subjected to unconscionable treatment and to remove the obligation on retailers to disclose turnover figures, other than where the amount of rent is based exclusively on turnover. Those sorts of matters will address the matters raised by Hon Bruce Donaldson. The Government's election policy also proposes to provide a legal right for retailers to form and participate in merchant associations, to provide a standard format for commercial leases that substantially reduces the administrative and legal costs associated with entering into lease agreements, and to examine amending the Acts to encompass those small businesses excluded from the Act by virtue of recent court decisions, perhaps entailing the full area of what constitutes a retail shop. That policy made reference to changes proposed to the Commercial Tenancy (Retail Shops) Agreements Amendment Bill 1997 by the Government when in opposition. The honourable member will recall the debate that took place in the House and in the other place when the then Opposition moved amendments dealing with unconscionable conduct. I see that Hon Jim Scott recalls that debate. A balanced report by the House of Representatives Standing Committee on Industry, Science and Resources examined matters dealing with retail tenancy. The Government will pursue these matters. The issues the member has raised will be addressed in this process. We look forward to the member's support when that occurs.

[12.40 pm]

Hon B.K. DONALDSON: I have a supplementary question. On page 452, the third dot point states that the Department of Consumer and Employment Protection will take on the role of protecting consumers from unlicensed motor vehicle dealers. I hope that this role refers to protecting consumers from the disturbing development that has resulted in people fixing up wrecked cars and putting them back on the roads. I hope that a register will be kept, or some way of identifying these vehicles, so that they can be reported because there is too much of it going on. I hope that these measures will identify not only the people selling motor vehicles but also

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the people who are duping the general public by fixing up motor vehicles that in many cases should not be fixed up.

Hon N.D. GRIFFITHS: The matter is being addressed throughout Australia. One proposal is the establishment of a national register to deal with the issue, which I hope will take place soon.

Hon J.A. SCOTT: My question relates to page 454 and the Government's recognition of the use of hazardous substances in the workplace. This is one of the four primary areas in which the Government will focus on improving performance in 2001-02. Does the department acknowledge that chemicals in the workplace cause significant levels of injuries, illnesses and deaths? Does the minister have data on the percentage of injuries, illnesses and deaths caused by chemicals; and, if so, can that information be provided to me now or later? As chemicals have both a cumulative and compounding impact on the health of workers and the community - that is, cumulative over time and compounding in that chemicals mixed together can have a far greater impact than they do individually - will the department update the current regulations which do not take account of the cumulative and compounding impact of chemicals on people or the markedly different tolerance of individuals to such chemicals?

Hon N.D. GRIFFITHS: I invite Mr Bradley to comment.

Mr BRADLEY: We identified some time ago the priority for an investigation of hazardous substances. That investigation followed on from the fact that the National Occupational Health and Safety Commission developed a national standard for hazardous substances. We have incorporated that national standard into regulations. One of the purposes of the national standard is to have in workplaces a register of hazardous substances and to provide information to employees who handle those substances. In that priority investigation we have asked employers whether they have registers in their workplaces, whether hazardous substances are properly labelled and so on. To take that a bit further, I have with me a sample of our investigations last year. We asked 274 employers whether they had a register and found 45 per cent non-compliance. We therefore have a great deal of work to do to raise yet again awareness of the existing regulations and to continue to ensure compliance with them.

In answer to the member's earlier question about statistics, our statistical database derives all its information from the workers compensation system. It is a historical system and has, therefore, a lag in indicators. We do not receive information that identifies specific injuries or diseases emanating from hazardous substances. We have identified this area as a gap in our database and work is being developed nationally which will allow us, hopefully, in the future to have a system that will address that issue. We have also developed with the coroners around Australia a system whereby as a result of their investigations information will be fed into a national database which will identify any usage or any death resulting from hazardous substances. Therefore, the information sought by the member is not available to be supplied by supplementation. An important issue for us is where we will go with this issue in the future. We have identified it as a gap in our database that should be addressed.

Hon J.A. SCOTT: Part of my question was about the compounding effect of different chemicals. Apparently standards are set for the maximum levels of individual chemicals. However, when many chemicals are combined they can not only double the impact but also increase it by 10 times, yet all the regulations refer to single chemicals.

Mr BRADLEY: Yes, at a single threshold level.

Hon J.A. SCOTT: Also the regulations refer to an average person having a tolerance when in fact some people have a much greater tolerance than others. For instance, a substance that is deadly to someone prone to asthma could have little impact on other people. In both situations the current regulations are not up to grade and I ask whether the department is examining that matter also?

Mr BRADLEY: I cannot say that we are definitely looking at that specific issue. We are most definitely looking at emerging issues of diseases which may impact on the workplace. The model that I can think of closest to the example in the member's question is an aggregation model that we developed for facilities using major hazardous substances, whereby although one substance in a facility may be under the threshold limit, we put all the hazardous substances together there to decide whether it forms a major hazardous facility. However, that is not about prescribing individual doses, which is what the member asked about; I do not believe we have addressed that issue.

The DEPUTY CHAIRMAN: Members, we have passed the notional finishing time for this division, although we commenced a little later than expected. I will therefore extend the time to finish members' questions. Hon George Cash, Hon Kate Doust, Hon Robyn McSweeney and Hon Norman Moore have indicated they wish to

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ask questions, unless the question they intended to ask has already been answered. I want to get through the questions from those members as we draw this hearing to a close.

Hon GEORGE CASH: My question relates to the general heading of consumer and business services on page 448, which specifically deals with home indemnity insurance. The minister will be aware that insurance companies underwriting home indemnity insurance have fallen from eight to two in the past two years, despite issues being raised in the Parliament on that matter recently. The home building industry is concerned at the time taken to get home indemnity insurance. What action is the Government taking to improve the situation and what other options are available as alternatives to the current scheme?

[12.50 pm]

Hon N.D. GRIFFITHS: This has been an awful year for corporate collapses in Australia. The member would know which Government had the primary responsibility for those collapses. The financial collapse of the HIH Insurance Group had a major impact in this area. That occurred officially on 15 March 2001. At the time, it was one of only two approved insurers in the home indemnity insurance market in Western Australia and held a very large share of the market. Since the collapse of HIH Insurance, two new insurers have entered the market, but the bottleneck in processing new applications caused some considerable delay. Some builders, mostly small operators, have complained about the onerous prudential requirements set by all insurers before they would issue an HIH policy. The Master Builders Association in particular has raised these issues.

The minister established a forum of key stakeholders to look at both short-term and long-term options for housing indemnity insurance in Western Australia. Following a recommendation of that forum, Cabinet approved a government rescue package for home owners holding certificates of HII issued by HIH prior to 15 March 2001. Cabinet has approved a budget of \$6 million over two years to cover the cost of the Government's rescue package, and that was announced by the Premier on 17 July 2001. The HIH forum also recommended that a training package for builders be established to assist those having difficulty in applying successfully for housing indemnity insurance. As a result, a series of free seminars has been undertaken in the Perth metropolitan area. Similar seminars have been conducted in Bunbury and Dunsborough, with seminars in Albany and Geraldton scheduled for this month. The forum has provided the minister with a report detailing a number of options for long-term changes or alternatives to the current scheme. The minister presented the report of this forum to Parliament on 19 September. In his statements to the other place at that time, he outlined a number of options being examined that are aimed at improving the operation of the compulsory scheme in Western Australia, including allowing for the temporary suspension of the scheme in certain circumstances, removing the requirement for developers to purchase indemnity insurance while maintaining protection for home buyers, allowing for the establishment of mutual schemes to offer indemnity insurance, and continuing to attract new insurers into the indemnity insurance market in this State. Consumer protection activities that will be undertaken in 2001-02 include, but are not limited to, a review of the home indemnity insurance provisions and the implementation of education programs.

Hon ROBYN McSWEENEY: I refer to dot point five on page 459, which states that strategies will be developed to facilitate the modernisation of state awards. When I walk down the street, I notice that building sites have no ticket, no start signs. Will this become state government policy? Is that legal? If it is not legal, why do sites still have no ticket, no start signs? Have there been any prosecutions because of it?

Hon N.D. GRIFFITHS: I note that the member referred to a dot point and then proceeded to draw a very long bow, but I invite Mr Radisich to comment.

Mr RADISICH: The dot point on page 459 relates to a strategy on state awards. The strategy is about working with the Western Australian Industrial Relations Commission and the various stakeholders, including the employer organisations and UnionsWA, to modernise the clauses of the awards to bring them up to date and to look towards making award provisions consistent across the board. By that I mean that an annual leave clause in one award should not be too different from an annual leave clause in another award. That is what that strategy is directed towards. In respect of the no ticket, no start signs on construction sites in the city, I point out that the construction sites in the city are all covered by federal awards.

The DEPUTY CHAIRMAN: Is your examination of state awards also looking at the Disability Services Act area as a sector?

Mr RADISICH: I am unaware that it is at present, but I could look into it and report back.

Hon N.D. GRIFFITHS: I am happy for you to seek to have a question put on notice, Mr Deputy Chairman.

The DEPUTY CHAIRMAN: I will follow it up on another occasion, not through this mechanism.



**Extract from *Hansard***  
[COUNCIL - Wednesday, 17 October 2001]  
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Deputy Chairman; Hon Bruce Donaldson; Hon Kate Doust; Hon Nick Griffiths; Hon George Cash; Hon Jim Scott; Hon Norman Moore; Hon Ken Travers; Hon Alan Cadby; Hon Robyn McSweeney

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Hon N.F. MOORE: I refer to page 452 under output 2, occupational safety and health services. The total cost of the output goes from the estimated actual of \$14.497 million in 2000-01 to a budget estimate of \$13.055 million. The reason for the significant variation is the reduction in appropriation in line with government policy. What is the government policy that would allow the number of dollars spent on occupational safety and health services to reduce quite dramatically?

Mr BRADLEY: That comment relates to the requirement across government to make savings in specified areas and to come up with savings in the approved dividends, which we did.

Hon N.F. MOORE: Does that quite significant reduction relate to the efficiency dividends?

Mr BRADLEY: Yes.

Hon N.F. MOORE: Is it in the area of occupational health and safety?

Mr BRADLEY: Yes. We were very fortunate that 18 months or so ago we made a decision that we would save on our capital costs through rental. We moved from four floors to three. We saved close to \$390 000 on that decision alone. Consequential to that, another \$20 000 in electricity savings was made, which brought the saving up to \$410 000. That is referred to separately in the budget papers. We were halfway there in that context with that one decision.

The DEPUTY CHAIRMAN: I thank the witnesses for their assistance and attendance.

*Sitting suspended from 12.58 to 2.00 pm*