

Mr Dan Barron-Sullivan; Mr John Kobelke; Mrs Cheryl Edwardes; Chairman; Mr Peter Watson; Mr Terry Waldron; Mr Mick Murray; Mr Radisich; Mr Norm Marlborough

Division 26: Consumer and Employment Protection, \$44 931 000 -

Mr Andrews, Chairman.

Mr Kobelke, Minister for Consumer and Employment Protection.

Mr B. Bradley, Acting Director General.

Mr P.J. Walker, Commissioner for Fair Trading; Executive Director, Consumer Protection; and Prices Commissioner.

Mr J. Radisich, Acting Executive Director, Labour Relations.

Mr B. Roche, Executive Director, Corporate Services.

Mr D. Goodwin, Acting Director, Finance.

Mr B. Appleby, Acting Director, Compliance and Education.

Mr A. Koenig, Director of Energy Safety.

Mr BARRON-SULLIVAN: I have a number of questions on aspects of the fuel pricing policy. There are no surprises there. The reference pages are 438 and 442. I refer to some of the initiatives that have been put in train following the introduction by the previous coalition Government of, arguably, Australia's toughest fuel pricing legislation. Subsequent to that, this Government brought in so-called 50-50 legislation. Will the minister advise, first, when that legislation took effect; secondly, the number of applications the department has received from retailers to take advantage of the 50-50 provision; and, thirdly, the number of retailers who are currently using that legislative provision, which has been in place now for several months?

Mr KOBELKE: The member's question relates to the Petroleum Legislation Amendment Bill 2001, which is generally referred to as the 50-50 legislation. That enables fuel retailers in exclusive supply agreements to purchase up to 50 per cent of their fuel requirements from another supplier. The 50-50 legislation commenced operation on 1 January 2002. We are not aware of any retailer who has exercised rights under the 50-50 legislation. It applies to retailers who have entered into or renewed supply agreements since 10 February 2001. Therefore, there is a phasing in of the number of retailers who will be able to take up that opportunity. We imagine that it will take a while for retailers to reach that position. Obviously, not everyone who is in that position will opt to take advantage of the 50-50 legislation.

Mr BARRON-SULLIVAN: Has the department had any applications or any interest whatsoever from any retailers who are adamant that they want to take up their rights under that legislation?

Mr KOBELKE: The member should understand that there is no requirement for retailers to apply for any form of licence or assistance from the department to use the 50-50 legislation. We do not know when retailers will come to the department. Obviously, if they believe that there has been a breach of the 50-50 legislation and they approach the department, it will pursue the matter. If the facts are sufficient, there may be grounds for a prosecution. At the moment, no-one has come forward. That does not mean that no-one is using it. However, we are not aware of anyone using the 50-50 legislation, for the reasons I have already explained.

Mrs EDWARDES: I refer the minister to the major initiatives for 2002-03 on page 445. The third dot point relates to amendments to part 4 of the Occupational Safety and Health Regulations 1996, which will take effect from 1 July 2002. Those regulations were gazetted on 8 March 2002. What do the regulations do? Which industries are covered by those regulations? How will compliance be carried out? What is the cost of such compliance? From 8 March to 1 July, what has been and will be done regarding the awareness and promotion of those regulations, because there has been a cost to the industry? Is the minister aware of a telephone call on Monday from one industry member - not a fruit grower - to WorkSafe? That person was told that he would be caught. He is a painter who has a cherry picker. He was told by WorkSafe that it was hoping to get the legislation - as the minister knows, people confuse legislation with regulations quite easily - through by 1 July. Obviously, that is misleading to a person who will be caught by these regulations.

[9.10 am]

Mr KOBELKE: The full extent of the changes go beyond the member's question, which may relate more to fruit growing, but I will try to cover a wider scope.

Mrs EDWARDES: No. There is a major concern among fruit growers, but many others, such as painters, small builders and the like, are not yet aware of these regulations.

Mr KOBELKE: The changes in these regulations come into effect on 1 July and relate to national consistency. Part 4 of the review, carried out in 2001-02, set out to identify and correct, where appropriate, inconsistencies

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with the national standard for plant and clarify and update other requirements. We are simply coming into line with the national standards for the maintenance of plant.

Mrs EDWARDES: What awareness programs and promotions have been undertaken since 8 March to advise all industries who will be impacted by this change? Has a small business impact analysis been done? Does the minister know how many machines are likely to be impacted upon? How many organisations or companies can do the stress testing and, if it is not done between now and 1 July because people are not aware of it, how will it all get done?

Mr KOBELKE: I will ask Mr Bradley to answer that level of technical detail.

Mr BRADLEY: We have promoted the changes through the tripartite commission, and we anticipate that employer representatives will advise their own members. We recognise that one of the imposts of those changes is to do with non-destructive testing. That culminated in a public meeting I attended on Monday night, more specifically to do with the fruit growing industry. We are looking at a range of options to try to accommodate the fruit growing industry and remove the requirement for non-destructive testing for scissor lifts and work platforms that travel less than 2.4 metres. That is being worked through at the present time with the commission's legislative advisory group. I am currently trying to arrange a meeting with Steve Dilley, the president of the Western Australian Fruit Growers Association, to see whether we have what at this stage is a workable methodology to accommodate its concerns and redress the position.

Mrs EDWARDES: The Fruit Growers Association has advised that the non-destructive testing is likely to cost in excess of \$10 000, and extend beyond fruit growers. As no awareness program has been conducted, other than expecting associations to advise their members, will the minister consider a phase-in period or exemptions?

Mr KOBELKE: I will ask Mr Bradley to comment. I put on the record my thanks to the member for Collie. He has been in discussions with the industry for some time -

Mrs EDWARDES: With the fruit growing industry?

Mr KOBELKE: Yes. I appreciate his support in trying to improve safety in the agricultural industries. Quite a few of those industries have appalling records. We wish to work with those industries to improve safety and the member for Collie is taking a very positive role. He is also giving us very clear feedback about the problems the individual growers are having and we are trying to take those issues on board. These regulations bring Western Australia up to a national standard. There is some evidence that second-hand equipment is being sold into Western Australia, which equipment would have difficulty being approved in other States because it does not come up to their standards. We do not want this State to become a dumping ground for inferior equipment, which would open up real health and safety problems for people working in these industry sectors. We need to work with the producers to ensure that no inhibitive cost structures are involved in complying with the regulations. The figure the member mentioned of \$10 000 is a gross exaggeration; it is more like \$3 000, which is still a heavy impost on a small business. We will not tolerate Western Australia becoming a dumping ground for equipment that does not meet safety standards in other States. It is important that we come up to those national standards, but we do not wish to place small businesses in a situation that they will not be able to cope with the cost impost involved. As Mr Bradley said, a few days ago he attended a meeting with the member for Collie, and we are aware some matters need following up, without moving away from approved health and safety standards, to maintain the standards the industry requires and not drop behind the rest of Australia. Those producers need to understand the importance of the actions they must take to improve health and safety, but in a way that does not have a huge cost attached to it that they cannot meet.

Mr BRADLEY: We have checked the figure of \$10 000 with our interstate colleagues and the testing that needs to be done would cost just over \$3 500. The other question the member raised concerned the phasing-in period. I put that proposal to the meeting on Monday night. It was not warmly accepted in the context of being the sole solution, but if we could make some further corrections to the regulations, the phasing-in period is an integral part of that approach or methodology to overcome the problem.

Mrs EDWARDES: The industry has major concerns. While the minister has been doing a small amount of work with the Fruit Growers Association, other industries that use those platforms will be impacted upon and they do not know that these regulations are coming in on 1 July. WorkSafe Western Australia is not giving people the full information. I can provide the minister afterwards with the name of the person who received that phone call. I implore the minister, even if the cost is \$3 000, to provide a phasing-in period. No education and awareness has been done since 8 March for the industries that will be impacted upon. It is incumbent upon the minister because of these costs to introduce a phasing-in period and conduct an education awareness campaign. There has not even been a media release, when the minister knows what the cost will be to small business.

The CHAIRMAN: Members, a question should be attached to the statement.

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Mr KOBELKE: This is a very important issue. If the member provides us with the name of that person, we will pursue the issue, and we will make further efforts to work with the main industry groups to check whether there is need for a further education campaign.

Mr WATSON: The second dot point under major initiatives for 2001-02 on page 442 refers to retail price capping in regional Western Australia. What benefits will there be for my constituents in Albany?

Mr KOBELKE: By way of preamble, Albany was the first regional centre in which we introduced the requirement for mandatory signboards, and the study we did of the price differential between Albany and Perth in the three months prior to the introduction of signboards and the three months after showed that we had managed to narrow that differential by 2c a litre.

[9.20 am]

That was a very real win for motorists in Albany. There is still a lot more to be done. The Government gave a clear undertaking to cap the retail price of fuel in major regional centres. A huge amount of work has gone into bringing that forward, and we are nearly ready to release a discussion paper. It is important to involve the community in the capping of the retail price of fuel. A number of different models could be used, and when the detail is finalised, the model must work for our regional centres. It must take cognisance of the retailers in that centre, who may be put under pressure to sell fuel below that cap. The regulatory structure must be workable. In the near future, we will go to those regional centres with specific recommendations on the capping of the retail price of fuel. Following consultation and feedback, the matter will be taken forward. It takes a lot of time to put these things in place, but if there is no consultation and the details are not worked through thoroughly, it can be very wrong. The Government wants to deliver for motorists in regional Western Australia.

What has been put in place already has had some effect in reducing the price differential between the regional centres and Perth, but it is still unacceptably high. The add-on price that is paid in regional centres must be justified. Currently, it cannot be justified, because the price support mechanisms put in place by the companies apply only in metropolitan Perth. That marketing strategy of the major oil companies results in much lower prices in Perth, but no such discounting or price support system is available outside metropolitan Perth. That issue must be tackled, so that some of the benefits enjoyed by Perth motorists can be extended to the major regional centres in Western Australia.

Mr WATSON: How will the minister make sure that the fuel companies or the petrol stations adhere to that?

Mr KOBELKE: That is a key element in the discussion paper. All the details will be looked at to make sure the system will work. There is no simple answer. Prosecutions will be necessary. Prosecutions on a range of matters are already afoot, and further complaints have been made that may lead to prosecutions. A prosecution has been launched against Mobil for failing to provide fuel at the maximum wholesale price, and another against BP for failure to display the required pricing at its terminal. Two further complaints have been made about failure to provide fuel at the maximum wholesale price. They are being progressed, and are likely to lead to prosecutions. The regulatory regime for the capping of retail fuel prices in the regional centres will be backed up with an assurance that those centres can purchase fuel at the maximum wholesale price. That comes back to what I was saying about the add-on cost. If fuel can be guaranteed to be sold at the maximum wholesale price, the cost of transport must be added. For most of the south west that may be only one cent a litre. Additional overhead costs such as insurance must also be added, and the price structure is higher in regional towns because of a lower volume of sales. The cost of overheads per litre are therefore higher than in metropolitan Perth. The system will require that differential to be justified. Currently the differential between Perth and most regional centres simply cannot be justified, because no price support or discounting is available outside of metropolitan Perth.

Mr WATSON: The problem for some of my constituents is that the petrol stations in Albany will suffer because their margins will come down. That must be looked at closely when the discussion paper comes out.

Mr KOBELKE: The member has raised the matter of the pressure for rationalisation that will result from this measure. I will not attempt to duck that issue. There has been a huge rationalisation of fuel outlets in metropolitan Perth and country areas over the past 10 or more years. I cannot supply the figures at the moment, but there has been a very significant reduction in the number of retail outlets. Some regional centres still have a large number of retail outlets. If fuel is to be provided in those centres at the best possible price to motorists, those towns will need a much more efficient retailing system. This will put on real pressure, and those who cannot move with the times, produce the efficiencies and get the volume of sales, will have to get out of the industry. While there will be a smaller number of retailers in small regional towns, the net result will be cheaper fuel, and that will flow on to all the residents in that town and the surrounding area. To make sure that people are not being driven out of business in small towns, this policy will be applied only to larger regional centres. If

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it were applied to small towns with perhaps two service stations, they may end up with only one. The approach will not be applied to the smaller towns. Then the issue is raised - as the member for Wagin has said - that perhaps the current regulatory regime applying to 24-hour price fixing and sign boards can be extended to some of the smaller towns currently not covered. That would not be done without thorough consultation with the community and the retailers in that area. There is the potential in smaller towns to lose not one in five service stations as in the larger towns, but one in two, which will have a much bigger impact on smaller towns. The Government will be very careful in extending this program through the smaller towns. It is happy to investigate it, but would only do it after very thorough consultation with the retailers and the community of the town and the surrounding district.

Mr WALDRON: This measure will have an effect on the independent service stations in towns like Narrogin, which cannot compete with the large distributors that have service stations in that town. The price boards would affect those independents. Is that what the minister was alluding to there?

Mr KOBELKE: That is a slightly different part of the picture. I was saying that if this structure results in more fierce competition, that will lead in some cases to a reduction in the number of retail outlets, which implies that some will close down. The matter the member for Wagin raised relates more to the competition between the independents and operators franchised or badged by a major company, which may provide some form of support for their outlet, creating unfair competition in that town. The Government is very aware of that issue. The independents should be maintained, because they are an important part of a genuinely competitive market. That issue is addressed by a range of measures, the key one being the transparency of the price of fuel at the wholesale level. If the independent retailer is able to access fuel at the maximum wholesale price, the add-on costs can be seen, and if the major company station that is competing is getting fuel at a much lower price, they may have to cope with such a business arrangement.

[9.30 am]

If it is seen to be a form of predatory pricing, there is the opportunity to take action through the greater transparency, although that rests with the Australian Competition and Consumer Commission under the commonwealth Trade Practices Act. Clearly, our whole system opens up much greater transparency.

We have also urged the Commonwealth, along with Professor Fels as head of the Australian Competition and Consumer Commission, to change the law on predatory pricing. One of the difficulties is that we must show not only that a company's pricing structure drove another company out of business, but also that the company intended to do that with its pricing structure. We have called on the Commonwealth to change the requirement of proof of predatory pricing to simply being that the result of the pricing structure led to the other company being put out of business, rather than having to show intent, which means that it is practically impossible to get a conviction on predatory pricing.

That is one element of the matters we need to take on board to retain the independents to provide competition. The transparency that we are providing through the whole regime that we are putting in place is important. As I indicated, one of the prosecutions, that against BP, is for failure to show the price at its terminal, which is one of the key elements of the transparency.

Mr WALDRON: On page 444 the third dot point under the major achievements for 2001-02 relates to the commitment to ensure compliance with the fatigue management strategy for commercial vehicle drivers. What is the level of compliance and how is the level of compliance policed? Is there any statistical evidence of the effectiveness of the program?

Mr KOBELKE: The program was kicked off by the member for Kingsley when she was the previous minister. It is a very important program, which we fully support. We made an election promise to carry the program forward and put more money into it. We are fully committed to the program. That is shown by the fact that we have put additional money into the program.

Mr BRADLEY: We were granted an extra \$250 000 from the road trauma trust fund for this project. That money is being used at the present time to engage two further inspectors. They have just come onto staff and are currently going through an induction program. The code of practice has been with us since 1998. To get adherence to the code of practice, we wrote to all transport drivers. If my memory serves me correctly, we sent about 1 800 letters. About 1 000 transport drivers completed a fatigue management plan. There has been substantial compliance with that approach. There was a need during the early stages to write a number of improvement notices to push people along, but there has been substantial compliance, and the code has been quite successful and held up as a way forward to approach the problem on a national basis. At the present time we are reviewing the code of practice and looking at strengthening the code. We are also looking at some

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modifications to our regulations to give some greater input. That will turn upon some operating standards. That is in the development phase at this time.

Mr WALDRON: At this stage is there statistical evidence available to show that it is working or do you expect that in the future?

Mr BRADLEY: The general response has been great acceptance of the code. Most of the operators whom we approached have submitted a fatigue management plan. We audited those plans in the first instance to ensure that there was compliance. We are now reviewing the code to see whether we need to take it to the next level.

Mr WALDRON: So the program will be ongoing?

Mr BRADLEY: Yes.

Mrs EDWARDES: With regard to the system of statistical analysis, since the introduction of the fatigue management code of practice, how many prohibition notices have been issued in the transport industry and how many prosecutions have been launched against transport operators for failing to produce a fatigue management program or breaching the code of practice?

Mr BRADLEY: I can answer the second part of the question. No prosecutions have been launched against transport operators for failing to produce a fatigue management plan, but as for prohibition and improvement notices, I will have to provide the answer as supplementary information.

Mr KOBELKE: The member for Kingsley asked three questions, all going to the same issue of the monitoring and performance of the fatigue management program. We will provide answers to those three questions by way of supplementary information.

[Supplementary Information No B32]

Mr MURRAY: I refer to the fifth dot point on page 442. The Motor Vehicle Dealers Amendment Bill 2001 was passed last week. What other aspects will the Government be addressing in this area?

Mr KOBELKE: I will not take up the time of the committee by going back over what is contained in the new legislation. It has certainly been very much welcomed by the motor vehicle dealers. The legislation will impose a much heavier penalty of \$50 000. Some 16 complaints are currently under investigation. Mr Walker suggests to me that perhaps 10 of those have got to the stage at which the evidence is fairly substantial and they are likely to go on to become prosecutions. That is possible because in the current year's budget we allowed for an extra three officers for the motor vehicle dealers section, two of whom are extra investigators who follow up complaints. We will certainly follow through to make sure that we stamp out backyard dealers.

We have also committed to our election promise of the registration of motor vehicle repairers. We are progressing that. We hope that before the Parliament rises at the end of next month we will be able to introduce into the Parliament a Green Bill providing for the legislation required for the registration of motor vehicle repairers. There is a connection between the two. The issue of stolen cars being rebadged and resold is a national issue. Through other ministers, not to do with consumer protection, a national approach has been adopted to look at how to trace written-off vehicles so that their vehicle engine numbers and bodies are not being used on other vehicles. Shutting down backyard dealers and the registration of motor vehicle repairers will enable us to help close the net around the huge industry involved in stealing and reselling motor vehicles. Although the key element of motor vehicle repairer legislation is to give greater consumer protection, it will also very much help in trying to prevent the resale of stolen motor vehicles.

[9.40 am]

Mr BARRON-SULLIVAN: The minister mentioned that a number of prosecutions are currently in progress. If any of them are proved and penalties are applied, will those penalties be in accordance with the new legislative provision - in other words, the higher provisions or will penalties apply under the old legislative provisions?

Mr KOBELKE: It will depend on the date of the offence. Offences into the future after proclamation, which will occur in a matter of days, will attract a higher penalty. If the offence occurred prior to the amendments taking effect, the lower penalty of \$3 000 will apply. As with all our laws, the penalty has a range of effects. The key effect is to inhibit people and try to convince them that it is not worth the risk to flout the law. People who are thinking of committing an offence now know that any offence of which they are convicted in the future will attract a higher penalty. Although we may be disappointed that a successful conviction of people who were caught for an offence that was committed last week or a few months ago will receive a lower penalty, the penalties have been increased and they will apply to future offences. The future penalties will act as a deterrent because people know that in the future they run the risk of the much heavier penalties being applied.

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Mr BARRON-SULLIVAN: Will none of the current prosecutions receive the higher penalties under the new legislation?

Mr KOBELKE: That is correct.

Mr BARRON-SULLIVAN: In answer to a question from the member for Albany, the minister admitted that the major oil companies are engaged in extensive fuel discounting in the metropolitan market. We have had this discussion and I have met with the minister's officers a number of times. Undoubtedly the minister has read the select committee inquiry report into petroleum pricing. The minister knows that the oil companies manipulate the State's market through petrol pricing. The intention of having a true terminal gate price system, or a maximum wholesale price, as it is known in the legislation, is to do away with that discounting. When that discounting is done away with, there should be a level playing field that would enable wholesalers to sell their fuel at the same cost. The minister has admitted that discounting goes on. If discounting occurs in this way, in effect the minister is saying that either the maximum wholesale price is not set at the right level or the minister is unable to set the maximum wholesale price to make it work.

Mr KOBELKE: The member's question is misconstrued. I am not admitting that discounting exists; it is a fact of life. Everyone knows there is a huge fluctuation in the retail price of fuel from day to day and week to week in metropolitan areas. The wildly fluctuating price cycle for the retailing of fuel exists across Australia. I am advised that it is not common practice in many other developed countries, although it might happen in one or two. It is odd that there are large swings in the retail price of fuel across Australia. That is driven by the marketing strategies of the major companies. They offer price support as they call it, which is another name for discounting. There are some good aspects to that system and we would not want to put a system in place that meant companies did not try to sell wholesale fuel at a lower rate through whatever efficiencies they could find. There will always be a delicate balance to ensure that we do not fix an artificially high price that the companies sit on. However, we want to reduce or dampen down the wild swings that we currently have. In recent months we have seen that from one day to the next there has been a 10c a litre price increase in the price of retail fuel when no factors such as international oil price movements could explain such a swing. The oil companies' argument, which has some validity, is that they sometimes sell fuel below the production costs at the bottom of the cycle to pick up their market share. However, at the top of the cycle they reap huge profits.

We have made a huge effort through forensic auditing accounting to try to better understand the pricing structure, the amount of fuel the oil companies hold in their terminals, the prices they get it in and the price for which it goes out. It is an extremely complex marketing structure. The Acts in place give us the ability to request that data from the companies. It has been a large imposition on those companies to hand over that information and it puts a heavy load on people to analyse it and make sense of it. We are in a better position today to understand the internal arrangements of that pricing structure and to use that information as a basis for the decisions we make. For the most part, that information is commercially sensitive. I have ensured that the department is aware of the importance of keeping that information in confidence. I have every trust that the department will do that. We cannot share some of that detailed information with the public, but it is useful to check our program against the realities of what is happening. It will also be very useful when we take the oil companies to court to have open books on the detail of their fuel supplies and pricing arrangements. If that information is used in a prosecution, it could be made public.

Mr BARRON-SULLIVAN: The minister is very good with rhetoric. However, will the minister concede that the maximum wholesale price system is not working today? As the member for Albany indicated earlier, country areas are still paying through the nose. The recent inquiry was all about trying to close the gap between the price of fuel in the country and metropolitan areas. Today the maximum wholesale price in Kwinana is around 84c a litre. After freight is factored into the equation and the country subsidies are taken away, the cost of fuel in Bunbury today is 96.4c, which is 6c a litre over the odds. Fuel in Kalgoorlie today is 100.6c, which is more than 9c a litre over the odds, and at Albany it costs 99.5c a litre, which is 9c a litre more than it should be. A year and a half into the Government's term of office, residents at Kalgoorlie and Albany pay 9c a litre more for fuel than they should and Bunbury residents pay 6c a litre more for fuel than they should. When will the minister make the maximum wholesale price system work? I am asking only for a date. The minister said that by April last year there would be price capping in country centres. That was one year and one month ago. I am asking the minister one simple question. I do not want a load of rhetoric. When will the minister guarantee that the maximum wholesale price system works?

Mr KOBELKE: That question is akin to asking when the State Government will have total control over the major international oil companies whose budgets are many times our state budget and whose economic and political power throughout the world is such that no Government will have control of them. At least this Government is having a go and is fighting for the motorist, whereas the previous Government gave in. As soon

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as the oil majors told it to jump, the previous Liberal Government jumped. This Government is not doing that; it is taking the fight up to the oil companies.

Fuel is available at the maximum wholesale price although not always and not in a way that makes the system work. I acknowledge that our maximum wholesale price structure is not working as effectively as we want it to. A lot more work must be done.

Mr BARRON-SULLIVAN: The Australian Competition and Consumer Commission does not think that fuel is available at the maximum wholesale price.

Mr KOBELKE: People have told us that they have not been able to buy fuel at the wholesale price and we have taken the companies to court. We want it readily available and not have to prosecute the companies -

Mr BARRON-SULLIVAN: The minister cannot explain how or when it will work. He will not give a commitment to when someone will be able to make a spot purchase of fuel that is sold at the maximum wholesale price.

Mr KOBELKE: That is the intention. People are buying fuel at the maximum wholesale price or below it but the system is not working as effectively and as fully as we require. That is why we are continuing to take up the fight and are initiating prosecutions to make sure it does work.

[9.50 am]

We do not know when those prosecutions will be completed or when we will get through to the oil companies that they must comply. However, it is a fight from which we will not resile because we are in there having a go to make sure that motorists get the best possible deal.

The CHAIRMAN: The member for Kingsley is next. Members, I probably gave too much latitude on that last question, but it is now out of the road. I insist that we come back to the budget and that members direct their questions to the budget.

Mrs EDWARDES: I refer the minister to the second dot point on page 438 under consumer protection, which states -

... Consumer Protection undertook a Zero Based Assessment to ascertain the nature and the levels of services that are required in order to satisfy customer and stakeholder needs.

I am sure the minister is aware of a number of Collie residents who lodged a complaint on 13 April 2000 with the real estate division of the Department of Consumer and Employment Protection - the former Ministry of Fair Trading. Those residents, without knowledge of a planning decision, purchased a number of homes in the buffer zone for Ewington No 1 open-cut coalmine to be operated in 2003 by the Griffin Coalmining Co Pty Ltd. When will the investigation be completed; when will a response be given to those residents about what is happening with their complaint; and what is the reason for the delay?

Mr KOBELKE: I thank the member for the question. She has gone beyond the dot point but it is a very important question and I am happy to answer it. I will answer that part of the question relating to the dot point first. The zero-based assessment is an attempt to go back and start from the ground up on consumer protection in this State and is not related to real estate, which was the larger part of the question the member asked. The reason for the assessment is that consumer protection is an extensive area of law with 48 Acts administered by the consumer protection division of the department. We have undertaken a major impetus in this area with additional staff and resources, which I will refer to when asked about it. There are many areas, such as the finance broking industry, that had to be updated and improved in a marked way. Other areas have also languished. As part of our machinery of government process we are reviewing all the boards and committees that have potential for change or amalgamation. This is an area in which a huge amount of work is going on to improve consumer protection. We do not want, in all of the busyness of addressing issues in particular areas, to leave gaps or find that we do not have the big picture together properly. A zero-based assessment, therefore, refers to a whole approach to consumer protection and the mechanisms we should use in that approach.

I move to the question about Collie. This was a very complex issue. A planning buffer zone had been established on the edge of the Collie township because of the expansion of coalmining. I first became aware of the problem when the current member for Collie took me down there to meet 12 families and owners of properties who were affected by this problem. Without going through the details, I can give some understanding of the problem by saying that some of the people very much needed to sell their properties through marriage breakdowns and the desire to shift somewhere else because of the loss of employment. However, they could not sell their properties because of that planning control over them and a range of other complex legal issues. When people had bought their properties they had not been advised of that planning control. They therefore tried to ascertain whether responsibility for the failure to properly advise them that they were purchasing land on which

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there was a planning control was on the council, on the real estate agent or on some other state government agency. That issue has been around for - perhaps the member for Collie can help me -

Mrs EDWARDES: The complaint was lodged on 21 April 2000, which is more than two years ago.

Mr KOBELKE: Yes, but I am referring to when the planning control took effect. I think it was 1991.

Mr WATSON: Yes.

Mr KOBELKE: The problem had been around for 10 years or more before we came to government and had not been resolved.

Mrs EDWARDES: The buffer zone for Ewington No 1 open-cut coalmine was documented in the Collie basin structure plan in November 1992.

Mr KOBELKE: That is nearly 10 years ago. It was then said that the Government had failed to resolve the issue. Some of my ministerial colleagues and I attempted to get together with the various government agencies responsible. One agency kept passing the buck to another, as they most probably did when the member for Kingsley was the minister. The saviour was the member for Peel, who went to Collie and spoke to interested groups. He also spoke with the coal company, which was willing to make an offer to the people who wanted to move. It, therefore, purchased a number of those properties and helped out those people.

There remains a need to tidy up the issue about whether some agencies did not fulfil their requirements. Eight actions against a real estate agent are currently before the Real Estate and Business Agents Supervisory Board. However, the key issue was to look after the people who had become the meat in the sandwich and who were put in a difficult position with huge consequences to their families and health. Thanks to the members for Collie and Peel, that matter has now been resolved. It is now a matter of ensuring that the investigations are followed through so that the people who did not do the right thing are held accountable. However, we have overcome the major issue involved there.

Mrs EDWARDES: Will you continue to monitor the situation to ensure that the delay that has been experienced of some two years or more does not continue to drag out, now that the matter is at the tribunal for a hearing, which I understand will take place this Friday?

Mr KOBELKE: There is a range of complex issues and I am not sure which one the member has had representations on in the key issue that we are being asked to deal with.

Mrs EDWARDES: I am referring to the complaint lodged with the Real Estate and Business Agents Supervisory Board on 21 April 2000.

Mr KOBELKE: I am informed that the department has completed its investigation into the real estate agents and sales representatives who were involved in this matter. Counsel from the independent legal bar has drafted applications for the eight complaints to proceed to a disciplinary hearing before the Real Estate and Business Agents Supervisory Board and these matters are currently with the board's legal officer. I believe that a hearing will take place this week on that matter but I cannot fully confirm that that is the case.

Mr WALDRON: On page 445 under major initiatives for 2002-03, the second dot point states -

Education and enforcement activity will focus on proactive targeting of industries based on the presence of priority hazards. WorkSafe will focus primarily on improving performance in the revised priority areas of:

The first point refers to "work at heights". I asked the minister last year how this measure will be targeted and applied to truck drivers, particularly those working in the stock transport industry. Is the minister aware of the practical difficulties with harnesses on stock crates and so on? Is consultation occurring with industry to apply the proposed rules and regulations?

Mr KOBELKE: I will ask Mr Bradley to respond in detail because he obviously has the professional expertise in this area. WorkSafe has shifted its approach to the way in which it designates the areas, which Mr Bradley will explain. However, an unacceptable level of fatalities and serious accidents is still occurring in these areas. The other issue raised by the member relating to consultation is extremely important. The approach we wish to take is to work with industry to convince it that it is in the interests of industry and all workers to improve health and safety in these areas, and that for industry to work in a cooperative way will be far more productive than simply using a big stick. It is, therefore, not a big stick approach. However, if people are not willing to come on board and do not take the matter seriously, we will be left with no option but to proceed with prosecutions. Clearly our preference is for education and to work with the industry. As the member alluded to, a very important part of that is to ensure that we have good lines of communication and consultation as we put in place new standards or programs to improve standards. Mr Bradley can respond to the specific details about which the member asked.

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[10.00 am]

Mr BRADLEY: The idea of focusing on the priority areas was to give some certainty to me, so that when inspectors went into workplaces, I had some confidence that they were inspecting the major issues that were contributing to lost time injuries, diseases and fatalities. That is why as an agency we focused on the seven priority areas. Those priority areas are reassessed on an annual basis. Unfortunately, we do not change them all that often, because we still find that accidents and fatalities are occurring in the same areas. I am aware that there is an issue with trucks. People are saying that a truck driver must have a harness if he tarps a load. We are looking at that issue with industry and are trying to work through how a load can be tarped in an effective way having regard to the regulations. I am not privy to the final outcome of that. In fact, it is an ongoing issue.

Mr WALDRON: The other issue is loading stock crates.

Mr BRADLEY: That is exactly right.

Mr WALDRON: That is ongoing at the moment.

Mr BRADLEY: It is. We are trying to sort through it at present.

Mr WATSON: I refer to the first dot point of the major initiatives for 2002-03 on page 442, which states -

The recommendation of the Temby Royal Commission of inquiry into the finance broking industry to repeal the *Finance Brokers Control Act 1975* will be implemented leading to abolition of the Finance Brokers Supervisory Board.

Will that mean that the sorts of things that happened with finance brokers, largely to a lot of members of the community in Albany, will never happen again?

Mr KOBELKE: I would like to be able to give that assurance to the member, because the suffering that was inflicted on many people through the failure to provide the protection they thought was there was very real. We want to ensure we do everything possible to stop that happening again. There are always a small number of shysters and crooks around who will seek to take advantage of people, and they move from area to area. In the early 1990s, they were involved in a range of scams in Western Australia; for example, the Rural Property Trust and Geneva Finance Ltd, which was back in the news this week with liquidators taking action against certain parties. We are still cleaning up that mess from the early 1990s. Now we have moved on to the finance broking industry and we will continue to clean up that mess through a range of programs that we have put in place, which fulfils our election promise. We are making good progress on that. It has been extremely drawn out and very difficult because of the legal complexity. In some cases, people have waited for months for court decisions before matters could proceed. There has been one win as a result of the funding we have provided for litigation, and that assisted people to have their money released earlier than would otherwise have been the case. The member would know from the media that private action is being taken with private funding, which is before the courts currently. There are huge ongoing issues.

We have accepted the recommendation of the Temby royal commission; that is, the Finance Brokers Control Act should be repealed. However, we must ensure there are protections in place. There are a lot of aspects to the report, and Mr Walker may go into some of those details if the member wants more specifics. The Commonwealth, through the Corporations Act, has coverage over financial matters. The Financial Services Reform Act, which came into effect only about 12 months ago, enables the Commonwealth to regulate in an area in which our state finance broking laws were previously the key method of regulation. It makes sense for the Commonwealth to have full coverage of financial matters and not leave certain gaps to the State. I am talking to the Commonwealth, and I am yet to receive a definitive response from Mr Costello on how it wants to move on this matter. The powers are there, but it needs to be able to regulate to ensure that we have the fullest possible coverage. The fall-back position for us is that if we do not believe the Commonwealth is taking sufficient action in this area, certain powers in our Fair Trading Act enable us to establish a code. It will be a different level of regulation, and that is there simply as a backstop if we feel we need to complement an area that the Commonwealth needs to cover.

Before repealing the Finance Brokers Control Act and removing the board, we want the board to tidy up cases based on complaints that had already been lodged. We have also referred to the board the full Temby report, because some matters may have been raised in the report that had not been made as a formal complaint. The board is setting about tidying up those matters. We will then repeal the Act and do away with the board in such a way that all those matters can be concluded. I will give the member an example. A person who acted quite improperly in the finance broking industry may apply for a licence in real estate. We want any adverse finding against that person on the record, so that when he applies for a real estate licence or for a licence in another area,

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that will be taken into account. We want to tidy up the whole shop before we close the door in the state regulation of finance brokers.

Mrs EDWARDES: I refer to page 447 and the outcome relating to the Western Australian labour relations environment that balances the rights and obligations of employees and employers. A couple of key effectiveness indicators are listed on that page. There were no indicators for 2001-02. It essentially leads into the next year, when the Government hopes to achieve a target of 70 per cent for employers and employees believing that there is a balance. There would be a huge cost, particularly for resources, involved with the concerns that have been raised by the respective employers' and employees' associations and the like. How many ministerials, including correspondence, e-mails and telephone calls, have been received about the Labour Relations Reform Bill 2002, and about industrial relations generally, by the minister and the Premier? I know that the minister would document them because he would be asked to provide the draft response for the Premier. Has the minister done any analysis of the number of ministerials received?

Mr KOBELKE: No, we have not done an analysis of that. Obviously we keep tabs on it because of the amount of correspondence and e-mails being received. A large number of them are standard letters to which we respond. We would not want to go on the number, but a large number have come through my office. Requests for information have also been made straight to the department. Again, those requests would have been logged, but I cannot give the member a figure for that. There has been a fairly high level of interest in the legislative changes that we are making. Some of those have been driven by what can generally be called a fear campaign. We will seek to ensure that people understand what is happening and to relieve an unrealistic and unfair concern in many cases about the changes that are taking place. We will ensure that with the passage of the legislation, there is a smooth transition to the new arrangements, and we are currently planning that. I will not go into that now, but perhaps we will come back to that issue later. That will require advertising and advising people. We are currently planning the educational campaign to advise people of the new system.

[10.10 am]

Mrs EDWARDES: Given that the information is logged in the minister's and the Premier's offices, will the minister provide the answer by way of supplementation?

Mr KOBELKE: I would like to be clear on the question. We have a huge amount of work to implement these changes and I am not willing to commit the department to something that might take an officer several days, so I would like the member to be specific about the information she seeks.

Mrs EDWARDES: How many communications on the Labour Relations Reform Bill and/or industrial relations generally have been received? These include letters, e-mails and telephone calls, which would have been logged and should be readily available.

Mr KOBELKE: By way of a supplementary answer, I am willing to provide a reasonably accurate estimate of the number of representations that have been made to my office on this issue. I will not guarantee it will be absolutely accurate because sometimes people may cover the matter raised by the member together with other matters, and I am not willing to commit an officer to go through every piece of correspondence. However, where we can clearly estimate from the size of the file the number of representations, correspondence and e-mails we will provide a number covering that general area. I add the caveat that we will not spend a lot of time researching it. It may not be an accurate figure, but it will be indicative of the number of representations.

Mrs EDWARDES: I thank the minister for that. Although an analysis has not been carried out, if the information is readily available, I would like some indication of the support or otherwise for the legislation in those ministerials.

Mr KOBELKE: We will see what is available, with the caveat I have already given.

The CHAIRMAN: For the record, I take it that the minister is agreeing to provide the supplementary information.

[*Supplementary Information No B33*]

Mr MURRAY: One of the major achievements for 2001-02 listed on page 442 relates to product safety. Although this issue has been addressed to some extent, what is further required in this area?

Mr KOBELKE: I have some notes covering that point. This project commenced in 2001 to address numerous deficiencies with product safety orders. It became evident that orders spanning 20 years were in need of review for a number of reasons: many orders were outdated and related to specific brand name products that had not been on the market for many years; a number of orders referred to Australian standards that have now been superseded; orders were also not aligned with other jurisdictions presenting compliance and mutual recognition for traders; and recent legal advice about technical processes for establishing orders suggested that some orders

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had not been correctly established and would not stand up to any legal challenge. In excess of 70 orders were seen to be a problem - the Commonwealth has half that number of orders - and therefore traders have difficulty monitoring which products have standards. Clearly, we are seeking to make sure that we are up to date and that we fit in with national standards. We are part of a national market. It is an extra and unnecessary cost on merchants and retailers if they have to check different standards that might apply across the rest of Australia. We have worked cooperatively on this matter through the ministerial council to ensure we update standards that apply to products so that we can achieve consistency. Responsibility for some areas, such as food labelling, rests with the Commonwealth and we do not cover them. We deal with a range of areas; one that has been contentious for a few years is child safety cots. In areas in which the State legislates, we try to be consistent with the rest of Australia.

Mr WALDRON: This follows on from my last question. On page 449, a major initiative for 2002-03 refers to education and compliance campaigns targeted particularly to the retail trading, transport, pastoral, horticultural, plumbing, furniture trades and pest control industries. Are these targeted education and compliance campaigns carried out in consultation and conjunction with those industries?

Mr KOBELKE: Very much so. As I indicated with the health and safety campaigns, we want to make sure that standards mean something. We want industry to be on board and to work with us not against us, otherwise we will be far less effective. The issue is one of consulting with the key industry groups. An example is the hospitality industry, and the consultation with cafes and restaurants. We worked through the issues with the Australian Hotels Association and the Miscellaneous Workers Union and helped them with an education program for their members - the people who run the establishments and also the employees - so that they could try to sort the standards out for themselves. We then rolled out an inspection regime. In some areas we found a poor level of compliance. If they could quickly fix the problem, that was the end of it; for example, back payments for the underpayment of wages. When there is gross disregard for the laws and standards that apply or when people fail to come up to the required standard when it is pointed out to them, our only recourse is to prosecute, and we will do that with full vigour.

Mr WATSON: On page 443, a priority initiative for 2002-03 is to enhance the consumer protection regulatory framework by reviewing the charitable collections legislation. What does the Government intend to do in this area?

Mr KOBELKE: On coming to government, we saw the need to improve consumer protection and update the standards applied in the industry. This was also brought home to me when I received a delegation from a number of major charities in this State. I will not name them, but they are well known and high profile and they do a fantastic job. They pointed out that they thought there were real problems with charitable collections in this State. The Government has taken a number of steps. It has put in place a much higher code for auditing provisions. That is not easy because that is an imposition on many small charities. People who are in honorary capacities in those small organisations have to fill in the required forms and ensure certain standards are met. It is a burden on the individuals who do fantastic work in small communities. It can also mean that they incur additional costs for accountants and so on. Although we were conscious of the problems with those higher audit and reporting standards, we felt that it was necessary to maintain public confidence in our charitable collections. Further to that, we are drafting a discussion paper for a major review of the two Acts that apply in this area - the Charitable Collections Act 1946 and the Street Collections (Regulation) Act 1940. I am advised that that discussion paper will be ready by mid June. We need to look to a range of new things. For instance, we have seen over the past few decades the growth of a new industry with people who are paid to raise funds. There is now a fundraising industry, which currently is not regulated. We had the classic case of a major collection agency that became the subject of political debate just a few years ago, because a former secretary of the Liberal Party was the chair and 95 per cent of collections went to the fundraising company and only five per cent to the charity.

[10.20 am]

That was at the extreme end. We are keen to make sure that those organisations, which are businesses that assist charities, are regulated so that as much money as possible goes to the charity. We hope that discussion paper will be released in mid June, and we look forward, following that public consultation, to drafting legislation to update our laws.

The whole matter was highlighted recently, of course, with the Rosemarie Porteous Foundation issue - a matter that was raised by grievance by the member for Perth. The Rosemarie Porteous Foundation was granted a charitable collections licence in November 1994. The records show that since that time the foundation has collected \$162 598.94, of which about \$112 000 has been donated to charity. Part of the problem that arose was

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that in the establishment of the constitution for that charity, there was a clear undertaking that no money would be deducted for administrative costs. That clearly has not been the case. I asked for the matter to be investigated. It was found that there had been no breach of the law in the administration of that charity, but there clearly had been a breach of faith with respect to people. I indicated that we did not think that charity should be able to continue because it was not meeting some of the requirements under the Associations Incorporation Act. I have been notified that Mrs Porteous has indicated that she is willing to surrender that licence. That advice was received on 22 May. Therefore, we will go through the formal processes to revoke the licence for that charity. That should happen once the Charitable Collections Advisory Committee has considered the matter and passed it on to me.

Mr WATSON: So no more garage sales at Prix d'Amour.

Mrs EDWARDES: I refer the minister to the financial statements on page 451 and to the expenses from ordinary activities under the cost of services. The fourth line down refers to supplies and services. Are consultancy services included in that?

Mr KOBELKE: Yes.

Mrs EDWARDES: Has Advantage Communications and Marketing Pty Ltd been contracted to do a survey on industrial relations? If so, did the contract go to tender? If so, when? If not, how was the contract let, what was the cost of the contract, and what are the terms of reference or the brief for the contract?

Mr APPLEBY: Labour relations has a contract with Advantage Communications and Marketing. It conducts survey work for our performance indicators in the compliance and education directorate. The contract was originally let by tender, although not in this financial year. We have had that contract for in excess of 12 months. I do not have the figures for the contract price with me, but I can certainly provide those to the member, if required.

Mrs EDWARDES: Will the minister please provide me with details of the cost of the contract, when it was let and for how long it was let, given that the period is in excess of 12 months; and what is the brief for that contract?

The CHAIRMAN: Will the minister provide supplementary information; and, if so, will he state exactly what information he will provide?

Mr KOBELKE: We will provide by way of supplementary information the answers to the four-part question asked by the member.

[Supplementary Information No B34]

Mr WALDRON: I refer to works in progress under the capital works program on page 450. In the first line, I notice that the figures for accommodation for new staff show a decrease of just under \$1 million. I notice that on the next page the number of full-time equivalents has increased. Does the drop in the accommodation figure mean that the work is coming to an end? I wonder whether the accommodation for the new staff has been catered for; or am I reading that incorrectly?

Mr KOBELKE: There was an urgent need to secure additional office accommodation for the Department of Consumer and Employment Protection. This was due to a significant growth in staff levels at the department, which was previously the Ministry of Fair Trading; and also, with the amalgamation, there was a need to locate the director general and the strategy division in the integrated corporate services division in the Forrest Centre. Additional floor space has been leased. Obviously, we needed floor plan layouts for, and a fit-out of, that. It is expected to be completed by the end of July this year.

Mrs EDWARDES: Further to that answer, will the minister advise me of the location of his agency's accommodation? Is there any vacant space at the moment for which the department is paying and which is not being utilised, either fully or in part?

Mr KOBELKE: I am trying to answer the question specifically. We are doing a fair amount of shifting around, and at this stage the situation may vary from day to day. At the regional centres we are seeking to have a one-stop shop, and in a number of them services will be amalgamated. For instance, in Bunbury - Mr Bradley will correct me if I do not get this right - consumer protection will be in one office with labour relations, WorkSafe and electrical safety. There is an issue of handling leases and bringing that together. There are other regional and metropolitan Perth centres. I am happy to give an overview of the new arrangements and to indicate whether vacant space has been left, if that will be an adequate response by way of supplementary information.

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Mrs EDWARDES: If I could be provided with the number of square metres of vacant space, I would appreciate that.

The CHAIRMAN: The minister will supply that supplementary information?

Mr KOBELKE: I will provide that by way of supplementary information.

[Supplementary Information No B35]

Mr BARRON-SULLIVAN: At page 443 reference is made to a review of weights and measures legislation. Can the minister tell me whether, as part of that process, or separately, the department is considering carrying out checks on liquefied petroleum gas bowsers? Obviously, at the moment the department checks petroleum bowsers. What is done currently, or what is planned to be done, regarding LPG bowsers? Secondly, will the department be examining the guidelines for testing equipment at petrol stations? I have had complaints, for example, from fuel operators. They are reluctant to complain formally, and I can understand why. I have witnessed situations in which the testing has been carried out during busy trading times. What guidelines are there to minimise the impact of this testing process on small business?

[10.30 am]

Mr KOBELKE: The whole area of weights and measures has languished. It needs to be updated. The last Government gave it no priority. I am attempting to, but it is not easy because we have so much under way at the moment. However, we must make sure that we update an old system that is out of date. That is assisted and complicated by the fact that the national approach is to use template legislation. Since the time of the previous Government we have made a commitment and a change of policy that we will use template legislation where it is judged to be in the State's interests. We are keen to pursue a new legislative framework for weights and measures with the other States. The downside is that that could delay matters, because we must get agreement from the States, but it would be a much better platform because we do not want national companies applying different sets of rules when they are selling a product here and in other parts of Australia. We would like to be part of a national scheme. I cannot give a report about how quickly it is progressing, but officers have been meeting for some time. People from the department currently measure and inspect petrol dispensing equipment. I signed off on a letter some months ago after we had a complaint about a faulty fuel bowser on the Nullarbor. An officer was organised, the equipment was inspected and I received a report. Officers do undertake inspections to ensure that the equipment is correctly dispensing the volume of fuel for which people are being charged.

Mr BARRON-SULLIVAN: Will the minister be introducing these checking measures on liquid petroleum gas equipment at petrol stations or anywhere else? What guidelines does the minister have to minimise the impact of this testing on small business? I am aware of cases in which stations have been tested at a very busy time, which is also an inconvenience for motorists, especially in country areas, because people cannot drive to a station 500 metres down the road; they must sit and wait. I have witnessed that myself. What will be the guidelines to minimise the impact on small business, and will the minister be introducing this system for LPG bowsers?

Mr WALKER: We are currently talking to our colleagues and looking at the appropriate processes for testing LPG bowsers, and part of that is allied with other measures. In relation to customer service and efforts to minimise the impact on service stations, we do try to visit stations at appropriate times. That certainly is an issue. I am unaware of any complaints coming to the department about untimely inspections. We also certify other people to do those inspections, and those people could be involved at other times, but I will check within the department. I am unaware of the inspection processes creating a single complaint.

Mr BARRON-SULLIVAN: Is it intended that LPG bowsers will be subject to these inspections?

Mr WALKER: We are looking into that. I do not have the details with me at present. With the minister's concurrence, I would have to respond with supplementary information. I am unaware of complaints about the untimely nature of inspections.

Mr KOBELKE: I am happy to supply supplementary information on the control and the dispensing of LPG at the retail level.

Mr BARRON-SULLIVAN: By way of a constructive comment, I suggest the minister look at the policy guidelines and make a phone call to service stations in country areas to check what would be a convenient time for testing. They cannot rig the system or anything in the meantime.

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[Supplementary Information No B36]

Mrs EDWARDES: On page 438 under major policy decisions there is a breakdown of the major policy decisions. The second line refers to the removal of the provision for parenting leave for public sector parents, and indicates that in the out years of 2004-05 and 2005-06 an amount of \$3.2 million is being removed. From where is this amount being removed; from which parenting leave provision is it being removed; and, given that there is a great deal of interest in the current debate for parenting leave, why has the minister done this?

Mr KOBELKE: Part of the four-year budgeting approach is to put into the out years all the commitments and costs flowing from government decisions. The amount of \$3.2 million appearing in those out years was put there specifically as part of the election promise. It was not put against any department, but was carried forward under this agency to be used as part of the contribution of costs for the provision of parenting leave - we have said that we will meet that cost from within the budgets of the specific agencies - and also because of all the discussion at this time about the potential for a national scheme. We thought it best to not leave that money sitting in the DOCEP budget, to be distributed through a mechanism to be determined at a future date. We have allowed individual agencies the responsibility for distributing that money. It was always envisaged that some money would in future be put aside for a scheme, which had not been specifically determined. It is likely that additional costs will apply across the whole public sector, requiring a decision to be made about allocating money for that purpose within the departmental budgets. We have changed the procedure and we are not putting those funds specifically against DOCEP's budget, although there is some debate about the issue at this time. It may be that this will come under a national scheme, but we cannot envisage what that will be. It was therefore not appropriate to continue to keep a specific amount in one agency's budget.

Mrs EDWARDES: Has each agency been required to account for that \$3.2 million in the out years, or has that amount simply been taken back into Treasury?

Mr KOBELKE: It would be most accurate to say that it has gone back into Treasury.

Mr MURRAY: My question relates to dot point eight on page 449. What progress has been made in the introduction of the Government's wages and parity policy within the public sector?

Mr KOBELKE: Wages and parity policy must be set against the background of what we have inherited and the intentions of the Government. Under the previous Government the control of employment conditions was dispersed, so that each agency basically managed itself. I presume this was to increase flexibility and to try to create a solution for certain agencies. Some positive things may have flowed from that, but it had a negative downside with a huge disparity between different government agencies. If someone wanted to apply for a job in another agency, he might have found that he gained a promotion but got less money. It was very difficult to move people around, and there were complaints that people were seen to be doing exactly the same job as someone else but being paid a different salary.

In addition to the inequity and management issues, following the machinery of government review and the amalgamation of agencies, an additional problem was presented when we needed to move staff into a single agency, because we could have people working alongside each other doing the same job on different wages. We could not have a situation like that in a public sector agency and have proper management. Another complication, but not as serious as the ones I have mentioned, is that we were also phasing out workplace agreements. There was a disparity in wages for people on enterprise bargaining agreements and people on workplace agreements doing the same job. We needed a program to remove that disparity and provide equity between people who were doing the same work within government agencies, particularly if they were in the same industry sector. We set about doing that through our wages parity policy, which sought to put in place, as a general wages policy, a three per cent pay increase annually. In terms of the quantum, that was the policy of the previous Government, but the present Government has moved away from that measure in a number of ways.

[10.40 am]

The previous Government required half of that amount, or 1.5 per cent, to be found within the budgets of individual agencies. That really put the screws on the budget management processes for agencies. The present Government reduced that requirement to one per cent, so that two per cent will be funded by the Treasury and the remainder by the agency. Secondly, the wage increases were previously conditional on productivity improvements. The present Government still wants to drive productivity, but believes that many government agencies can no longer continue to trade off extra benefits to give wage increases. The Government removed the need to show a productivity improvement to get the three per cent. Under the wages agreement, as that three per cent comes through, those who are below a benchmark receive additional payments to bring them up to the benchmark. This means that, over a period of a few years, all public servants working at the same level will

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receive the same wage. It may take a while to bring that in because of the huge disparity to begin with. Over a four-year period, the total cost of those wage increases will be \$740 million. It is a costly undertaking, but it can be managed. It has been put into the forward estimates for the four years, so it will deliver the parity that the Government wants. It is negotiated through a more centralised system. The Civil Service Association can come under one EBA, and then EBAs in other areas can be amalgamated. The Government is committed to the collective approach, and wants to make sure that people get reasonable pay increases without trading off a range of benefits. The major negotiations have been concluded. The Government currently is trying to reach an agreement with prison officers, and one of the next areas of negotiation will be with employees in the Department of Training, which is due by the end of the year. Police, doctors, nurses, the general public sector and a number of other areas have already been concluded under the Government's wage policy to tidy up quite a mess and ensure equity between people doing the same job. A more central system is much more efficient. This improvement in the Government's wages policy will bring big benefits for the public sector.

Mr BARRON-SULLIVAN: I refer the minister to page 348, where details are given of the Government's actions in relation to the regulation of petrol pricing. In a couple of places throughout the *Budget Statements* reference is made to government initiatives to keep fuel prices down. Before attaining office, the Labor Party made some very extensive commitments in this area, including implementing all the recommendations of the select committee of inquiry that were within the responsibility of the State Government. Could the minister tell me where in the budget papers is the amount allocated from oil royalty gains to lower fuel prices? One of the commitments made by the Government was that the State Government would return any such windfall gains to motorists in three ways - lower fuel prices, additional road projects and the development and promotion of alternative vehicular fuels. There has been no additional development and promotion of alternative vehicular fuels. Road funding has actually been cut, so clearly the only place that money could have gone is to lower fuel prices, which is within the ambit of the minister's portfolio. In the budget papers we find that in 2000-01 there was a windfall gain of \$151 million to the State in oil revenues. Can the minister tell me how his department went about using that money to lower fuel prices in accordance with his election commitment?

Mr KOBELKE: That matter is not covered in this division. It has to do with revenue. It is not appropriate to try to answer that question here. I do not think the figures for windfall revenue are correct, but we cannot pursue that because it is not within this division. It is a matter for the Treasurer and revenue collection.

Mr BARRON-SULLIVAN: This division contains references to the policies on fuel pricing. It is a very simple question. Was the minister's department involved in any way in any initiative to reduce fuel pricing using oil royalty revenues?

Mr KOBELKE: The department is engaged in a whole range of regulatory matters aimed at getting a better deal for consumers, and to keep the price as low as possible. The member is alluding to additional revenue measures. In Queensland a specific subsidy is paid by the State Government for the retailing of fuel. That does not exist here, but if it did, it would be unlikely to be included in this portfolio item.

Mrs EDWARDES: I refer the minister to page 451, salaries and allowances, under the statement of financial performance. The note on salaries and allowances refers to the full-time equivalents, and gives the figures for 2000-01 to 2002-03. No breakdown is given between the respective outputs. Could the minister provide a breakdown of FTEs for the outputs for each of those years, and the new output of energy safety for the current year.

Mr KOBELKE: The information is in the *Budget Statements*; it is a matter of finding it. On page 446, in the grey shaded column, full time equivalents for the energy safety and quality service is listed as 46. All the numbers for each of the outputs can be added up to arrive at the total of 624.

[10.50 am]

Mrs EDWARDES: I am looking at page 446.

Mr KOBELKE: The last line sets out full-time equivalents and gives the number 46. Instead of the member flicking through every page of the budget papers, I will summarise the position for her. The consumer protection division has 277 FTEs for 2002-03, the corporate services division has 98 FTEs, the labour relations division has 68 FTEs, the strategy division has 25, and WorkSafe, which has been amalgamated, has 154 FTEs of which energy safety and quality services comprise 46 FTEs.

Mrs EDWARDES: The outputs are quite clearly broken up into the areas of WorkSafe and the consumer, labour relations and energy safety divisions. What are the FTE figures for those four outputs?

Mr KOBELKE: The complexity is that the budget papers are set out by output. The corporate services and strategy divisions are not outputs and the figures for those divisions are generally pro rata.

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Mrs EDWARDES: Are the dollar amounts pro rata?

Mr KOBELKE: Yes, because they are presented as outputs.

Mrs EDWARDES: Surely some indication is given of the pro rata breakdown of FTEs.

Mr KOBELKE: As I have said, they are also pro rata. I have broken down the figures and given the member the number of FTEs in those divisions. They are not the same as the outputs but they tally with the total number. The number of FTEs under outputs is pro rata the strategy division and the corporate services division.

Those numbers are current FTEs, not what will be put in place in the budget for 2002-03. Money is available to expand. We made a commitment to expand the resources and staff of the consumer protection division. The commitment was made to 62 staff over three years. We have put in place about 20 of those. That has progressed a little slower than we thought, partly due to the need to acquire extra office space and other issues to do with the amalgamation. That expansion is taking place in the consumer protection division. No expansion in staff numbers generally is taking place in the other divisions.

Mrs EDWARDES: Could the minister provide by way of supplementary information a breakdown between the outputs for those four divisions? He has indicated that the FTEs across the outputs, obviously relating to the dollar figures are pro rata. That obviously will link in with the forthcoming year and the increase in the numbers of FTEs in the consumer protection division. The salary figures for the forward years show an increase of three per cent. The minister indicated that out of that three per cent, one per cent had to be found by the department within its existing budget. Where has that come in and what impact has it had on the department's services?

Mr KOBELKE: We need to try to tie down the question a little more clearly. The top line on page 451 shows a substantial increase to \$32.19 million for the coming year from the current year's estimated actual figure. That is because the technical and safety division is coming into the account, plus increased staff numbers in the consumer protection division. The following year some additional staff will be added to the consumer protection division. My understanding is that from then on a small annual inflation factor is built into the figures. It basically holds the status quo with an allowance for whatever inflationary factor Treasury puts into the figures.

Mrs EDWARDES: Is the minister happy to provide the breakdown between the outputs of the FTEs for 2002-03 by way of supplementary information?

Mr KOBELKE: I thought I had already given the member those.

Mrs EDWARDES: The minister gave me a breakdown incorporating the corporate services and strategy divisions. If they are pro rata across the outputs, as are the figures, could the minister provide me with the FTE figures pro rata across the outputs?

Mr KOBELKE: I think those figures are there.

Mrs EDWARDES: Not for the outputs. Obviously the dollars are pro rata. If that has been done incorporating the strategy and corporate services divisions, the department must have some idea of the FTE figures pro rata.

Mr KOBELKE: That has already been done. They are in the figures.

Mrs EDWARDES: They are not. I merely want the output breakdown.

Mr ROCHE: At the end of the page, the first output relates to consumer protection and business regulation services. The last line of the output performance measures on page 441 shows full-time equivalents, and breaks them down by outputs over each of the four years.

Mr WATSON: The last dot point on page 438 refers to programs aimed at ensuring compliance. Labor's industrial relations policy statement stated that Labor would allocate more personnel and resources to the inspectorate division of the Department of Consumer and Employment Protection to ensure compliance with relevant state and federal industrial relations laws. What improvements have occurred and what benefits have been achieved under the Government's reforms?

[11.00 am]

Mr KOBELKE: The inspectorate has largely been beefed up in the regional centres. The last Government moved away from using regional inspectors to using advisory officers. A major part of their role was to sell workplace agreements rather than act as inspectors. We have reinstituted inspectors or placed them into the regions if they were not there already. Inspectors act in a compliance role in Karratha, Kalgoorlie, Bunbury and Albany on a full-time basis and there is a compliance and education officer in Geraldton.

Mr WATSON: Have they been successful?

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Mr KOBELKE: The member might be able to reflect on his own experience in Albany. A recent investigation into cafes and restaurants found that there was a high level of non-compliance in that industry. I do not have a breakdown of how much of that non-compliance was technical; for example, if the businesses did not keep correct details for time and wages, and how much was the more serious issue of employees' wages being underpaid. The report found that people were being underpaid. The exact numbers for Geraldton are in a press statement. From memory, 23 out of 24 businesses were not complying. The local paper in Geraldton highlighted that issue.

Mr WATSON: In Albany 17 out of 21 businesses had not complied.

Mr KOBELKE: That is indicative of the need for inspectors to be on the ground to work with industry and keep it onside. We want to help them understand their obligations, but they must comply. We will seek to make sure that people are paid a fair and just wage according to the laws of this State. Time and wages records must also be complied with. The inspectorate plays a very important role, which is why we have increased its numbers. We would like to further increase its numbers but we have to work within the budget constraints. We have to use existing resources and allocations to ensure we have an effective and active inspectorate.

Mr WATSON: In defence of the small businesses in Albany, much of that non-compliance was due to ignorance. The minister said that the previous Government had advisory officers but I do not think that they did their jobs very well. The small business people in Albany did not intend to rip people off; they just lacked the proper knowledge about how to comply with the regulations.

Mr KOBELKE: I accept that and I am happy to work on that basis. I have indicated that the Government wants to work with businesses, particularly small businesses. Many of them have been hit hard by the goods and services tax and other issues and are battling to survive. We want to inform them of their obligations without burdening them with having to read through a range of manuals. We want the expertise on the ground to provide help to those people. One of the objectives of the changes to the labour relations laws is to make compliance simpler, which will make it easier to communicate the compliance requirements to businesses. That simplification process goes beyond the point of the member's question, so I will not go into it. If that process were made simpler, it would be easier to convey the message, particularly to small businesses. That and the inspections should ensure a high level of compliance.

Mrs EDWARDES: In 2001-02, there were 96 labour relations full-time equivalents. The minister said he has increased the numbers of inspectors. Page 448 of the *Budget Statements* shows that the number of labour relations FTEs will be reduced to 88 in 2001-02. Is the labour relations division having to do more work with fewer staff or have some services been cut?

Mr KOBELKE: I have already indicated that we have reallocated resources to be able to provide additional inspectors. I am not sure of the jobs that have been done away with.

Mrs EDWARDES: Can the minister's advisers provide that information?

Mr RADISICH: We have beefed up the inspectorate by converting the regional officers from an advisory to an inspectorate capacity. Previously, 12 inspectors in the metropolitan area managed all the complaints. The additional five regional officers whom we have converted from advisers to inspectors will increase the number of inspectors from 12 to 17. Additionally, a special buildings projects inspectorate carries out compliance functions in general industry, which increases the inspectorate to 20 staff. Without additional resources or an additional injection of funding, we have increased our compliance area from 12 to 20 staff. In the future, we will need to and will divert existing resources and increase the education arm of our compliance area. With the advent of new legislation, it is obvious that our approach in the first instance will need to be to increase education. Employers will need to know exactly what the new laws mean and they will need assistance to understand them.

Mrs EDWARDES: The number of labour relations FTEs will be reduced by eight. The increased number of advisers who are converted to inspectors will not change to FTEs but, it will mean they will have to play an extra role, although, as I remember, inspectors in regional services have always played the role of an inspectorate. Is that correct? The task force always had an inspectorate role in any event. The Government is not increasing the number of inspectors; it just wants them to play a more proactive role. The Government is asking the labour relations unit to do more work with fewer staff.

Mr KOBELKE: The last comment has some validity in terms of efficiency. However, the earlier comment is not correct. We have more designated inspectors who also carry out the role of an inspectorate. The number of inspectors has increased from 12 to 20. In the last couple of years of the previous Government - although there were inspectors prior to that - inspectors in regional centres were asked to pass on complaints to Perth. They did

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not take on the job of an inspector and follow up matters; they simply referred the matters to Perth over the telephone. We now have people on the ground who will perform the role of inspector.

Mrs EDWARDES: It is the same body. It is not an extra body. The Government is just giving them another hat.

Mr KOBELKE: The role of the inspectors has changed. In some instances, a different person who has different skills and training has been appointed to the position. In other cases it might be the same person -

Mrs EDWARDES: There are not extra FTEs.

Mr KOBELKE: There are not extra FTEs, but the role of inspectors has changed direction so that we have not only a designated inspector, but also someone who plays the role of an inspector.

Mr BARRON-SULLIVAN: I refer to the major achievements on page 448 of the *Budget Statements*. The first dot point states that the labour relations section of the department has provided comprehensive advice to the minister on the development of the Labour Relations Reform Bill, prepared a second reading speech and so on. Obviously, the minister's portfolio embraces consumer affairs. Did that or any other assessment given to the minister on that legislation refer to the negative consequences for consumers as a result of the legislation? I refer to increases in restaurant prices and the possible return to the petrol rostering system. Did that or any other report provided to the minister give an indication of the negative impact of the legislation on consumers?

Mr KOBELKE: The advice has been holistic. To provide a balance, a range of issues were considered. We are very conscious of the needs of small business in the way we have brought the legislation forward.

Mr BARRON-SULLIVAN: Consumers.

Mr KOBELKE: Consumers are only consumers if they have money. The majority of consumers are employees. On the basis that they will have more money as employees, they will have more money as consumers, which will be good for small business. That is an all round win-win situation, which is exactly what we want.

[11.10 am]

Mr BARRON-SULLIVAN: That flippant response simply means that, as the Minister for Consumer Protection, you did not specifically get a report indicating the implications of that legislation for WA consumers.

Mr KOBELKE: We are seeking to apply standards through the labour relations section to the employment laws, as we are through consumer protection for the protection of consumers. That is one of the driving forces behind the amalgamation and the mission statement of the whole agency. We want to put in place standards and educate people about those standards, in such a way that we consult with the various sectors in the wider community, and then enforce those standards. It is really a holistic approach that seeks to ensure consumers, small business and employees are better off. I believe evidence is coming through that we are delivering on that.

Mrs EDWARDES: I refer to pages 448 and 449. I do not have a specific dot point, but my question relates to possible future expenditure. I refer to the new building industry code of conduct. I suppose one role of the labour relations agency is to ensure compliance with that building industry code of conduct, possibly through the inspectorate that is referred to in the third dot point on page 449. Paragraph 8.4.1 of that code of conduct on consent mediation states that the Government will establish positions of private mediators in support of the principles of cooperation between the parties in the building industry. Will the minister point out where in the budget there is provision for that and the amount allocated?

Mr KOBELKE: I acknowledge the excellent work by the member for Peel in reviewing the code of conduct. The review found a range of issues in the industry, not only between builders and employees, but also between principal parties and subcontractors. When a dispute arose and became to some extent formalised as a complaint, it tended to go to the Western Australian Industrial Relations Commission as an industrial dispute where the parties became set in their corners and the matter took a long time to resolve. There are two aspects to mediation in that it is informal and has no force at law, and the parties can use an umpire to sort out the issue by consent agreement before it becomes a real problem. We are committed to doing that. We have written to the various players asking them to submit names of people who would be independent consultants, perhaps people retired from but experienced in the industry. We would pay them a consultant's fee to sit down for a couple of hours or a couple of days to work through the issues so that they do not become disputes. The parties can walk away from that process and go to the Industrial Relations Commission. The mediation would have no force at law, but it is regarded by industry as offering a quick way of preventing matters becoming formal disputes. No dollar amount has been allocated in the budget, because we have internally put aside what we believe it will be. However, it is only a few thousand dollars, which is why it is not in the *Budget Statements*. We do not know what the take-up rate will be.

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Mrs EDWARDES: Will that amount be incorporated in consultancies under supplies and services?

Mr KOBELKE: Yes. We might spend \$1 000 or \$10 000 in a year; it is not a huge amount of money.

Mrs EDWARDES: Do not spend \$10 000!

Mr KOBELKE: It depends how often it is used. Three different mediators might be used at the same time and each might be paid a few hundred dollars or a few thousand dollars. This is an attempt to help industry settle these matters. It is a trial and the testing of it will indicate whether it will work. It is hard to gauge the costs. However, I have already said to industry that if it works and industry wants it to be ongoing, we will ask industry to pay for it. We are just trialling it to see if it meets industry's needs. We believe it has real promise and I am hopeful that it will help. We are therefore willing to put in some money initially, which we envisage will be a small amount. It has been slow in getting started, partly, I believe, through the Cole Royal Commission into Corruption in the Building Industry. Some of the parties are unsure whether to hold off until they get results from that commission before this informal mechanism will help them.

The CHAIRMAN: I do not have a quorum in the Chamber. I will suspend the committee until we have a quorum. I now have a quorum

Mrs EDWARDES: On page 451 under cost of services, expenses from ordinary activities, is an allocation of \$14 million for supplies and services in 2002-03; the estimated actual in 2001-02 is \$16.8 million. Will the minister provide a breakdown of the expenditure for the current year and the possible expenditure for the forthcoming year?

Mr KOBELKE: I am happy to provide that by way of supplementary information. I will make sure I have the question correct so that we know what we are answering. On page 451 the figure for estimated actual supplies and services for 2001-02 is \$16.869 million. We will give a breakdown of the components that constitute that amount.

Mrs EDWARDES: Also the expected one for 2002-03.

Mr KOBELKE: Yes, to the extent we can.

[Supplementary Information No B37]

Mrs EDWARDES: I refer to the forward estimates for each of the outputs 1 to 4 on page 439. At the risk of again being pointed to an area in which it is broken down - I cannot see that it is - will the minister give a breakdown of the forward estimates for each of those outputs?

Mr KOBELKE: The member will find that is not done anywhere in the *Budget Statements*. When we produce forward estimates we look at major programs and changes, otherwise the figure is an existing dollar amount with the addition of a small Treasury inflation factor. It has been the practice for some years now that those figures are simply not kept at that level.

Mrs EDWARDES: However, the agency has broken it down.

Mr KOBELKE: No. The agency budgets only for the forthcoming year. That practice has been in place for some years but we are trying to make it work. It was pursued by the past Government in name but not in practice; we are trying to put it into practice by examining the cost pressures in the system that must be met in the out years. If we instigated a new ongoing program, we would need to build in those pressures.

[11.20 am]

Mrs EDWARDES: It would be pulled from one of the other outputs.

Mr KOBELKE: No. The question relates more to an accounting matter, which is not an area about which the member should ask me; it is not one of my strong points. The issue is that the forward estimates are not there to serve the interests of the agency in what we will do in the out years; they are there for the purposes of Treasury. Treasury does it only across the whole division; it does not do it by the outputs. If we wanted to make a change between the outputs in 2003-04, that would be considered in the next budget. If there were no net increase, we would probably get away with it. If we wanted to make an increase, we would have to go to Treasury to seek the additional revenue required. The out years carry the anticipated change across the whole division. The anticipated change can have an inflation factor in it or it can have increases in policy. What has been factored in across the whole of the department is that very limited changes are envisaged under current decisions made in the out years. We have an undertaking to increase the consumer protection resources, so that would be factored in. However, we do not carry that through under output one; it simply goes through in what is allocated to the whole department.

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Mrs EDWARDES: Each unit within the minister's agencies would have some indication that the programs the units had budgeted for today are likely to continue into the out years, if that is the anticipated expectation. It means that if something is put forward to Treasury and it is not accepted, there is flexibility to move funds around within the outputs if the minister so desires.

Mr KOBELKE: I have no issue with what the member is saying. I was trying to explain that it is not current accounting practice for Treasury or the department to carry the likely expenditure on outputs into future years.

Mrs EDWARDES: I suspect that it is one of the advantages of bringing agencies together. I refer also to the outputs on page 439. The operating revenues have increased markedly for 2002-03 from the past year. They are up from \$11.4 million to \$14 million this year. Where have the increased revenues come from?

Mr KOBELKE: It is because of the incorporation of the technical safety division.

Mrs EDWARDES: What is the revenue?

Mr KOBELKE: It is \$2.3 million in revenue from fees because of the licensing of electricians. Mr Koenig can give the member specific details on that. That responsibility has been transferred from the Office of Energy. The increase is not a change in policy or increase in fees, other than standard consumer price index; it is simply because it has been incorporated into this agency from another agency.

Mr KOENIG: The revenue from electrical licence holders and gas industry operative licence holders amounts to this figure. It covers both industry organisations and individual licence holders. We have been progressively increasing the fees to full cost recovery level over a period of years. There is approximately two more years within that program to achieve full cost recovery.

Mrs EDWARDES: I refer to output two on page 439. There has been a reduction in the occupational safety and health services output. If inflation is taken into account, it is a considerable reduction. What services will be cut, or where does the minister expect the efficiencies to be gained?

Mr KOBELKE: The drop of approximately \$300 000 from \$13.044 million to \$12.743 million is largely the efficiency dividend that has been applied across government.

Mrs EDWARDES: There has been an increase in labour relations services, so there has been a reduction of full-time equivalents -

Mr KOBELKE: Labour relations services is also caught up with closing down the office of the Commissioner of Workplace Agreements. Some of those resources will go into labour relations and some will go into the Western Australian Industrial Relations Commission for the registration of employer-employee agreements.

Mrs EDWARDES: What is the breakdown of the transfer? I note that not all the money from the Commissioner of Workplace Agreements was transferred to the Western Australian Industrial Relations Commission. What allocation from the Commissioner of Workplace Agreements has occurred between the labour relations services and the Industrial Relations Commission?

Mr KOBELKE: An amount of \$637 000 has been passed to labour relations services from the commission.

Mrs EDWARDES: I refer to the major initiatives for 2002-03 on page 445. The report of the review of the Occupational Safety and Health Act has been handed to the minister. The submissions closed on 5 April this year. When does the minister expect the Government to be able to make a decision about those recommendations? What is happening to those submissions at the moment? I understand that ex-commissioner Laing is dealing with those submissions. When does the minister expect a further response? What is the Government's position on mining safety and giving WorkSafe Western Australia responsibility for that?

Mr KOBELKE: The consultation draft report of the Laing review of the Occupational Safety and Health Act was released on 20 February 2002. That was done after discussions with Mr Laing. Instead of giving the Government a report, on which we would then seek consultation, we thought it better to allow him as part of the review to release the report in draft form and seek consultation, and then confirm his final report with or without variation following that consultation. We understand that that will come to the Government in June or July. It does not mean that we will make our decision behind closed doors. We will still be happy when that final report is released. However, we think we are more likely to have a greater degree of consensus by giving him the opportunity to review it through public consultation.

The member asked about mine safety issues, which currently do not fall within this division or my responsibility. I have had a fairly clear position on that matter for some time. Although I want a holistic approach to be taken to safety and health across the State, mining is an area of specialised expertise. It is a very important industry to the State. Therefore, we would not incorporate into WorkSafe the inspectorate division that is currently within the Department of Mineral and Petroleum Resources.

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[11.30 am]

In his preliminary report, Mr Laing suggested greater oversight of all areas by WorkSafe and that will include the mining division. That makes sense to me. However, we will wait to see the final report. I have made it clear that we do not want to put at risk the specialised expertise that currently exists with mining safety by bringing that into WorkSafe. We are happy to enter consultation with the key stakeholders to see what will happen, but there is the potential to do things better. I am confident that ex-commissioner Laing's report will be a good base for taking health and safety forward across all industries. The mining industry is not the only area that sits outside the commission. We need to look at the relationship between WorkSafe and these other areas that are responsible for safety. The Laing report may be the basis for improving that relationship.

Mrs EDWARDES: Will the minister confirm that he will not rush the ex-commissioner to complete the final report? The budget papers say that the review will commence in 2002-03, which could be 2003, so there is no need to rush it through this year. Given some of the recommendations, it is likely to require legislative change. Is the legislation not likely to be introduced into the Parliament in the forthcoming year?

Mr KOBELKE: The member has correctly assumed that it will not be rushed. That relates to our ability to handle an extra piece of legislation, as well as the load it puts on industry. The Labour Relations Reform Bill is a huge piece of legislation that followed extensive public consultation and ongoing interest from the public. We are well under way with the workers compensation reforms that have followed the Guthrie report. Again, that represents a lot of work for both the Government and the industry groups that have been engaged in the very thorough consultation. That consultation will continue. We do not want to bring this in on top of that and give everyone indigestion. It is important and we want to move forward. However, it will come after we have the labour relations reforms bedded down and we have progressed the workers compensation legislation. It will then be appropriate to draft legislation following on from the Laing report.

Mrs EDWARDES: Are the workers compensation changes likely to come before the occupational health changes?

Mr KOBELKE: Yes.

Mr MARLBOROUGH: What is the time frame to implement the labour relations reforms that are presently before the Parliament? In addition to that will the minister advise when he sees the very important issue of workers compensation being progressed to the stage of introducing a Bill into the Parliament?

Mr KOBELKE: The question has two parts. The first relates to implementation of the labour relations reforms and the second to the timing and implementation of our workers compensation reforms. The key issue confronting us now with the labour relations reforms is a smooth transition period. We want to help business to cope with it and ensure that they can gain advantage from it and do not have problems due to uncertainty about the way they wish to go. It is up to both businesses and employees, often through their unions, to work out which way they want to go. We want to assist them with that. We want to provide information so that they can make those decisions.

I am concerned about the scare campaign that has resulted in a lot of small businesses being misinformed about the legislation. That is evident from the letters I have received. I thank the member for Peel who, on more than one occasion, has gone to public meetings and has understood how much misunderstanding there is. It is important that we inform people of those changes and help them through that process. That process will go on for some time, and the reforms will assist business as well as provide greater protection for employees. That assistance will come in many ways; for instance, through updating awards and making sure that awards meet the needs of today. Many awards are obsolete, which creates a major problem. For the past eight or more years there has been no effort to update awards and to make sure that the industrial relations system has worked effectively. A lot of those things will be ongoing and will feed into the decision making of employers about what is in their best interests. That is their decision - both employers and employees - and we will help them through that. To do that, we will need to mount an education campaign. Money has been allocated in this budget to do that.

The second part of the member's question related to how we are progressing the changes to workers compensation. We were fortunate that Mr Rob Guthrie, an expert in this area, was available to do this work because he had a break in his lecturing commitments at Curtin University of Technology. He has consulted on our election policies and has developed an extensive report. We are now fine-tuning that report, so that actuarial work can be done on the costing. We will again consult with key stakeholders to show them the fine detail of what we are proposing, along with the indicative cost savings that go with that. On that basis, we will be able to draft legislation and bring it to the Parliament. I hope we will do that before the end of this year. I am not

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confident that we will get it through the Parliament this year, but we aim to introduce it in the Parliament in the second half of this year.

Mr BARRON-SULLIVAN: I refer to the second dot point on page 438 about a zero-based assessment and earlier on there was some mention of this. What is the progress of that, and what is the cost of that whole operation including consultants, in-house and overheads costs and so on? Probably the most important part of my question relates to the completion of that zero-based assessment. When the report is presented, will the minister make the full report available to Parliament and not just a summary or a statement?

Mr KOBELKE: The zero-based assessment arose from a recommendation from the then Premier and his Cabinet in 2000-01. It was an organisational health check that was initiated by the last Government. There were major concerns following the finance broking scandal that the whole area of consumer protection was a problem. There had also been bids from the then Ministry of Fair Trading to get extra resources because it was clearly under-resourced; it did not have the funding to follow through on a range of issues. It was in the light of that, that the previous Government saw this zero-based assessment as being important. In part, it wanted to see a more detailed justification for the commitment of extra resources. The last Government indicated verbally that there was a need for more resources. On coming to government, we delivered on that. They were the origins of the issue. I understand that Ernst and Young and Colmar Brunton Research have been engaged as consultants. The review commenced in January 2002. The final report is due in June and the anticipated cost is in the order of \$100 000.

[11.40 am]

Mr BARRON-SULLIVAN: My final question was, will the minister make that full report available, obviously after he has had time to do what he needs to do with it?

Mr KOBELKE: I will not commit to the timing, but I will commit to its being made public. However, we may need to consider it for some time and look at other things that are happening. The commitment is not to release it immediately, but, yes, it will be made public.

Mr BARRON-SULLIVAN: I understand that.

Mr WALDRON: I refer to the investigation and education output measures shown in the output table on page 444. How many investigators are there, and how are those teams structured? Is any amount of money over and above normal expenditure spent on hiring investigators from the industry that they will police or on training them in the workings of that industry so that they will understand it, rather than simply hiring investigators to police an industry in which they have no experience?

Mr KOBELKE: The member is referring to WorkSafe inspectors?

Mr WALDRON: Yes. How much would the department spend on education relative to those investigators or investigations? I guess what I am getting at is whether any thought has been given to hiring as investigators people who understand the industry?

Mr KOBELKE: I thank the member for the question. When we came into government, we sought to increase the role of the inspectorate. In a moment I will ask Mr Bradley to give details of that. We thought we needed a more proactive inspectorate. Going back to 1992-93 and several years before that, the last Government had shifted the focus to education. It put a huge effort into Internet site availability and programs through that medium. ThinkSafe Sam and Glen Jakovich gave the whole area a huge profile. The last Government shifted resources into that area with some success. However, my judgment was that the role of the inspectorate had languished and that was a problem. We needed to put more resources into and a greater emphasis on that area. Mr Bradley will comment in a moment on what is happening in that area.

The second aspect relates to the area of expertise, on which Mr Bradley will provide more detail. The management approach that applied not only in WorkSafe but also across the whole of Government had been afoot for 10 or more years; it was not an approach of only the last Government. The general approach had been that managers managed and professional competence in a given area was not needed. That is not my view, and I have conveyed that to my agencies. I believe that we need people who have professional competence in a given field. That is not an exclusive thing. It does not mean that every person who is in a senior management team in WorkSafe must have come up through the ranks, been an inspector and have tertiary qualifications in health and safety. However, I want the overwhelming majority of people to have that technical background. It is not exclusive. People who are good managers can cross boundaries and work in other areas. However, the management style that has generally been adopted across government is that little regard is paid to professional and technical competence, and only management skills are looked to. That is not the sort of leadership I want to give. I do not want that. We want to make sure that people with technical competence and on-the-ground

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knowledge are working in these areas. I am talking generally. I cannot give the member specifics about inspectors and the type of competence that is looked for. Mr Bradley will provide part of that answer.

Mr BRADLEY: At present there are 73 full-time inspectors. Two of those full-time positions are for the transport inspectors who were recruited as part of the fatigue management plan. In that case, those two inspectors were recruited with the assistance of industry players. To try to address the very issue the member raised, we set up an interview process whereby industry representatives sat on the interview panel. In addition to that, we have a recruitment program. We are trying to increase our inspectorate, in which vacancies currently exist. We are looking at 11 further positions during the next financial year. We are introducing a graduate trainee scheme as part of a comprehensive inspector training program. The new training program will satisfy the national government inspectors competency framework, and will provide for criteria progression and succession planning to manage long-term competency levels in an ageing work force. The effectiveness of enforcement notices as a key education and enforcement strategy will be strengthened as a result of work undertaken to improve the information technology support and internal procedures. These include the introduction of mobile computing for field-based officers, with remote access now available. Does that answer the question?

Mr WALDRON: When the department is selecting people for new positions, is the fact that someone has been involved in an industry and has knowledge of that industry taken into account strongly? I know that the department cannot just pick someone from an industry.

Mr BRADLEY: Yes. We set our criteria, and we have our code of ethics, to which we must respond. The individuals must be merit selected. Clearly, if a person has some industry experience, that will weigh heavily in the final determination when a number of applicants are competing for a position.

Mr WALDRON: Would the department actively seek someone with that experience at times? Would the department see that as a way of better enforcing in that industry the WorkSafe initiatives?

Mr KOBELKE: The issue is one of effective management as well. With a major industry such as the building and construction industry, part of the inspectorate must be dedicated to that. From a management perspective, it is therefore possible to recruit someone from that industry who has knowledge of the industry. However, we must cover all industries. There have been a number of fatalities in the crane and fishing industries. Because the fishing industry, for example, would involve only a small part of the inspectorate, it may not be possible to get someone from the fishing industry. However, we would make sure that people had on-the-ground experience and a range of generic skills relating to health and safety. I am keen that a higher percentage of our officers have on-the-ground experience. If they have worked in one industry, they may be able to transfer that experience and a range of skills to a different industry. Therefore, we would not say that a person who will be an inspector for the fruit growers must come from an agricultural industry.

Mr WALDRON: One of the reasons I raised this issue is that in the agricultural industry there is a feeling that sometimes the inspectors do not understand the industry, and some things are hard to apply to it.

Mr KOBELKE: That is the issue. However, it comes down to the professional development programs that we must conduct for the staff to make sure that they understand the issues that relate to a particular industry and the people involved, that they have the best possible communication skills, and that they are empathetic to the needs of the particular business. That is part of our professional development of our staff. It is always a difficult job. These officers need to have a good working relationship with the people in the areas they inspect, but at the end of the day there are some difficult customers. Some people do not understand that people's lives are put at risk and people are killed; therefore, they must come up to a standard. At times, these officers must take a tough stand. We want that to be communicated in a way in which the officers are seen to be efficient and understand the needs of the industry. However, they must sometimes make a tough call and follow through on it. That is part of the whole professional development that is taking place. The more experience they have in those industries, the greater the advantage to us. We are doing it smarter and better in a number of ways. Mr Bradley touched on the issue of communication technology and computers. The inspectors now have laptops, so instead of using a carbon book, going back to the office and sending things out in the mail, they type the information into their computer, print it out and issue it; it is centrally logged. The number of inspections and the amount of work they can get through has increased.

[11.50 am]

Mr WALDRON: Do the figures show how much is being spent on education for the investigators, or can that information be supplied?

Mr KOBELKE: The member is referring to the effort we put into providing education and professional development for our officers so that they can do the best possible job.

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Mr WALDRON: I agree with the minister that the inspectors do encounter difficult customers at times, but the acceptance and response might be better if inspectors had the requisite knowledge, through either education or experience. That is the point I am getting at.

Mr KOBELKE: Absolutely, and we are committed to providing that. We may have difficulty providing specific details. That was also one of the advantages with the amalgamation. This issue was in the forefront of my mind when we were looking at the amalgamation. Within WorkSafe Western Australia and the Department of Consumer and Employment Protection there is an inspectorate role, in which officers check compliance. In the Department of Consumer and Employment Protection that could be measuring the dispensing at petrol bowsers. One of the key issues in the amalgamation was to have administrative support, with people who could help in the training, backup and development of prosecution policies. We need different skills in different areas; we can gain the advantage of bringing the generic issues together to provide that backup and professional training.

Mr WALDRON: The amount allocated for education is spread across those areas?

Mr KOBELKE: Some would be specific to WorkSafe, but we also have the potential to provide backup across the whole department.

Mr BRADLEY: I would like to explain the degree of confidence in what we do. New inspectors coming into WorkSafe go through a six-month program and they are mentored in that period. Three or four years ago we had difficulty with inspectors and the farming community. We set up a farming industry working group in which people from industry worked with our inspectors on the issues, in recognition of the fact that when inspectors walked onto a farm or property they were entering a person's home. Therefore, they had to be sensitive to the issues. We had to focus on our priority areas. That was the genesis of the priority areas. From my perspective there was a new confidence that when inspectors visited a farm they were concentrating on the areas that needed to be concentrated on, such as falls from heights, tractors, forklifts and that type of thing. To reinforce the benefits of that working group, our inspectors worked with people from the industry. For instance, in the shearing industry they focused on perhaps only two or three areas in the shearing shed. It gave people in the industry confidence if we indicated what we were aiming for. Every attempt is made to give our inspectors the competence to go into the workplace and look for issues. In the farming industry, we put special effort into trying to understand the situation.

Mr BARRON-SULLIVAN: At page 438 there is an item relating to the finance broking industry. Obviously legal action is proceeding and some people are hoping to get some money from the State Government. Who knows how the legal case will go. I see no provision in the budget for compensation or other payments should people succeed in that legal action. Has the minister's department provided advice to Treasury about whether there is a contingent liability and, if so, has that amount been quantified?

Mr KOBELKE: There is no contingent liability; there is no proposed action against the State. There are press statements, but nothing of any substance. The Insolvency Management Fund has taken action against professional advisers, such as lawyers, and the advice to me is that the State is not liable. Evidence presented in court cases internationally, involving very similar issues of British law, indicates that the State cannot be found liable.

Mr BARRON-SULLIVAN: Why is there a difference between this year's budget and last year's? I recall last year a contingent liability appeared in the budget papers for this item.

Mr KOBELKE: Not to my knowledge. To my knowledge there was nothing in last year's budget and there is nothing in this year's budget.

Mr WALDRON: The second dot point at page 445 under major initiatives indicates that education and enforcement activity will focus on proactive targeting of industries. Does that proactive targeting refer to education or investigations? What amount is spent on research into incidents and the prevalence of injuries in different industries?

Mr KOBELKE: The proactive approach is to get maximum benefit for the resources we commit. If we applied the same effort across the whole of industry we would be spread so thinly that we would have no impact. We need to look at the areas in which we can have an impact - that is reassessed on a regular basis - and our effort is tailored to those industry sectors or those problem areas, such as work at heights or electrical accidents. We target a particular area and follow up with education and compliance. Different approaches would be used for different problems, depending on the industry sector and the details of the problems.

Mr WALDRON: How much is spent on research into the prevalence of injuries?

Mr KOBELKE: Mr Bradley may wish to follow up with some details I am not aware of, but the collection of statistics is very important in this area. I have urged WorkSafe to follow this up in a number of ways. The

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primary data comes from workers compensation. We receive extensive data through the workers compensation system. Some ministers around Australia have the view that our system is better than most, but it still has a range of deficiencies; and the biggest single deficiency is the timelag. We may wait a year or two after the end of the year to get the analysis done in some areas, not in all; and there are also huge gaps. We do not capture a lot of the fatalities in the workplace. If a truck driver is killed as a result of driver fatigue or something similar, it may just be listed as a motor vehicle accident and we do not capture the data. I am sure the member for Kingsley was involved when she was a minister in the move across Australia to pick up some of this data through coroners' reports. That has been a long time coming, and I am not sure whether it has been concluded yet. The Government is looking at a number of ways to improve collection. Already there is a considerable amount of statistical data that can be used as a basis for this. However, better data in some specific areas would enable us to target more accurately the matters we wish to take forward. Mr Bradley may wish to comment on some specific research projects.

[12.00 noon]

Mr BRADLEY: The minister has covered the topic very well. The primary source of information we use to conduct our investigations is the workers compensation database. Cognisant of the deficiencies of that database in not picking up a number of accidents, we have secured \$10 000 from the Road Trauma Trust Fund to improve our access to road traffic statistics, which may reveal incidences of people suffering accidents at work. A commercial traveller might run off the road and crash. We would not hear about that, but it could quite easily be a work-related accident, which we should be informed about. Then we make a decision on whether we should investigate the accident to determine the cause, which may be as simple as fatigue.

Mr KOBELKE: I seek to correct an answer I gave earlier to the member for Mitchell. I indicated that no action had been taken against government over finance broking. I have not been involved, or briefed, and therefore I assumed that the action was not against the Government. I have since been advised that action has been taken against the Finance Brokers Supervisory Board, and some officers. I apologise that what I said earlier was incorrect.

Mr BARRON-SULLIVAN: Is contingent liability provided for?

Mr KOBELKE: No.

Mrs EDWARDES: I refer the minister to page 449. The third dot point deals with the building industry special projects inspectorate. One of the responses refers to undertaking investigations into 11 formal complaints. In some respects I am surprised that the figure is so low, but in others I am not surprised, because industry has not always had a lot of faith in the new inspectorate. What is understood by "formal complaint"? Does it involve a letter to the minister detailing concerns about the actions of unions? Does that warrant its being considered a formal complaint?

Mr RADISICH: A complaint is formalised either by letter, or a request that a formal complaint be registered with our office. There are 11 formal complaints on our books, but 40 investigations are either current, or have recently been undertaken. Some investigations do not emanate from formal complaints. We may hear of situations on building sites. Our officers visit the sites and carry out investigations, with either a view to securing a formal complaint, or the possibility of taking action in their own right.

Mrs EDWARDES: Does a letter to the minister expressing concern about the actions of particular unions on site constitute a formal complaint?

Mr RADISICH: Not necessarily.

Mrs EDWARDES: Must it use wording that indicates that it must be registered as a formal complaint?

Mr KOBELKE: I can recall one case in which a matter came to me. It seemed to have substance, and was serious, so I referred it for an investigation. The department receives e-mails in which people make outlandish claims, and they are often anonymous. Clearly, those cannot be referred on. We need to make a judgment. Sometimes it may be a standardised letter, with a dozen names on the bottom. If I am only one of the "cc" recipients, and there is not a lot of detail or fact to it, it may not be taken as a formal complaint. If it had specific details in it that could be followed up, I would pass it on and it may then become a formal complaint. I was advised by my office a couple of months ago that it had handled just over 10 000 pieces of correspondence in the past year. With that volume, something would need to have substance to stand out. If an allegation is sent to my office, it is not followed up unless specific details are given. However, if it is lacking in detail but is very serious, it may be sent down in the hope that an investigation may turn up some details. Each case must be judged on its merits. I can recall one specific letter that came to me that I immediately referred on for investigation, because it contained serious allegations.

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Mrs EDWARDES: Two letters have been sent from BGC Pty Ltd in the past four to six weeks. I do not have copies with me, or details about the dates or the specific incidents. Can the minister follow up and advise me at a later date what has occurred with those letters?

Mr KOBELKE: This is outside the work of this committee, but if the member provides details and dates, I will pursue the matter and get back to her.

Mr MURRAY: My question relates to dot point 4 on page 438. Some concerns have been relayed to me about workplace inspectors and so on. What is the status of work-related injuries in this State? That is very important.

Mr KOBELKE: There has been a marked reduction in fatalities and the frequency rate of accidents since 1988, when the Labor Government brought in a major reform package, which put health and safety in this State on a totally different footing. All the figures and graphical representations show a marked reduction in accidents and fatalities since that time. However, the Government needs to look more carefully and in more detail at the present situation, and the figures. In more recent years, the figures have shown improvements in a number of areas. The incident rate has fallen. However, in all but the past year, the long-term injury rate has not fallen. We have come down to a much lower level, so the relevance of the figures becomes important, because they are quite small. In a particular industry sector, there may be very low figures, and the significance of those figures must be ascertained. In some cases, the figures may be a result of irregular occurrences rather than a pattern indicating a problem.

A problem that concerns me is that there could be significant under-reporting in some areas. There have been some complaints about that. For a few years workers compensation premiums have been very high, and employers, in reporting an incident, fear that it may further increase their premiums. There may also be under-reporting by employees, because under the workers compensation arrangement that existed after amendments were made in 1999, many employees - even government employees on middle-level salaries - have taken a cut in wages if they went onto workers compensation. If they simply do not report the accident, and take sick-leave instead, they keep their higher wage. Factors in the system drive both employers and employees not to report. There is a legal requirement to report under workers compensation legislation. The picture in the longer term is very good. In the recent past it has been reasonably good. However, there are concerns that I have asked WorkSafe and WorkCover to take up. Why is the long-term injury rate trending up when injury rates are going down? Can we really make sure that major under-reporting does not occur? This could skew the data and blind us to where the problems really are.

[12.10 pm]

Mr MURRAY: I am glad to hear that. One of the issues I would like addressed is injured people being brought straight back to work so that their cases are not reflected in the figures. For example, a mechanic might be injured, return to work and sit shuffling papers all day, so that his injury is not reflected in the figures.

Mr KOBELKE: I would like to be absolutely clear on two different issues that perhaps impinge on this. We would have no truck with people trying to hide what should be the proper reporting of an injury. Having people stay at work so that they do not have to report time off work is not an acceptable practice. We would look to deal with it if we were advised of it or if we became aware that it was a standard practice at any workplace. That is totally different from trying to get an earlier return to work. A huge body of evidence indicates that getting an injured worker back to work and in productive employment at the earliest possible opportunity is the best way of ensuring that a person does not have a prolonged period off work, which can give rise to a whole range of issues that make the return to work difficult. That is a managed return to work in the interests of the employee, not simply bringing him back to hide the figures.

Those issues are worlds apart. We need to make clear that we will not countenance people trying to hide workplace injuries, not reporting them and not providing the full information required under the Act in order to support injured workers. On the other hand, we fully support a managed return to work at the earliest possible date in the interest of the employee.

Mrs EDWARDES: Page 460 deals with the Commissioner of Workplace Agreements. Although the Government only expected 35 000 people to lodge agreements in 2001-02, the figures have far exceeded expectations at 120 885. On page 462 the expenses from ordinary activities show supplies and services. The department carried out research into workplace agreements, in particular into the narrow aspect of them. That information was released on 12 March. How much was spent on the research? Could the minister provide by way of supplementary information a breakdown of the supplies and services for 2001-02 and where the \$100 000 is expected to be spent in 2002-03?

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Mr KOBELKE: We did not judge that money was well spent on doing a survey on employer expectations, simply because we were closing the office down. Surveys have been carried out for some years. I would not have thought that the position would have changed markedly. It would not serve a purpose for planning in the future, because we are changing the whole model.

The second part of the question related to the study that we funded to look at the level of exploitation or the lowering of wages under workplace agreements. That did make sense. We thought there was ample evidence available, but we wanted to gather it formally to show the real reasons that we need to get away from the workplace agreement system. The study was seen to serve a very useful purpose. It would be interesting for Western Australia and also throughout Australia.

Mr RADISICH: The cost of the report was \$8 672. I can supply the information on the breakdown of the figures for supply, but I cannot give details now. It can be categorised as general expenses for the few months in which we anticipate the office to be open during the next financial year.

Mr KOBELKE: It is not my understanding that we have detailed it in the way that the member might expect. Some costs will arise as a result of closing down the agency. Expenditure is not planned on an ongoing basis. Some aspects of the \$100 000 can be quantified and others are for emergencies and matters that will come up as the agency is closed down. We hope that the relevant legislation will be through this Chamber by June, which would mean that we would have certainty by the start of the financial year. However, if there were a delay, those figures might be out.

Mrs EDWARDES: Would the minister be happy to supply information on those areas that can be quantified and for the 2002-03 period by way of supplementary information?

Mr KOBELKE: I am happy to supply by way of supplementary information a breakdown of the \$817 000 of supplies and services for the Office of the Commissioner of Workplace Agreements for 2001-02 estimated actuals and some breakdown of the \$100 000 that has been committed for 2002-03.

[Supplementary Information No B38]

Mrs EDWARDES: This is the first time that the minister has been available for questions since the vote was taken on the employer-employee agreements. Is it the Government's intention to move in this House to recommit clause 4 at the end of the committee stage to reincorporate those agreements?

Mr KOBELKE: Yes. We will deliver on the package that we put to the people at the last election. Employer-employee agreements were a key component of that. Further to that, my understanding is that, although it voted against clause 4, the Liberal Party is committed to voting for it to establish the EEAs. Some positioning was going on. Members of the Opposition initially wanted to oppose the removal of workplace agreements and see them go before they committed their support. I understand that the vote has been taken to remove workplace agreements, so it is now a matter of going through the Bill and recommitting clause 4, which will ensure that EEAs are part of the package.

Mrs EDWARDES: In the event that workplace agreements are voted down, we would reluctantly support the Government's recommittal to allow some EEAs as individual agreements to be incorporated into the legislation.

The CHAIRMAN: I am not sure that relates to the appropriation before us.

[12.20 pm]

Mrs EDWARDES: It was very valuable information. For a couple of years there has been a push to provide licensing arrangements for areas of the building trades that do not have them. Obviously there are licensing arrangements for electricians, but there are no arrangements for plasterers, sign-writers, airconditioning installers and a range of other people in that industry. The Department of Consumer and Employment Protection has been involved in meetings with people in that industry. Will the Government provide a licensing mechanism for those areas in the building industry?

Mr KOBELKE: No, it will not. Although there are legitimate issues, and I am happy to consider those, the Government has no intention to do that. We have stated our objective to license motor vehicle repairers. That is our agenda. We will consult with that industry. I do not dismiss out of hand the request from other industry sectors to consider licensing arrangements. However, we would need to be convinced of the need for it and the proposed model. We would then have to consult with the industry sectors and the wider community. I do not think that the Government will do that before it has completed the motor vehicle repairers licensing regime, which is not likely to pass through Parliament until next year.

Mr BARRON-SULLIVAN: Does the minister rule that out?

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Mr KOBELKE: I do not rule it out. If there is a need for licensing arrangements and the industry presents the Government with good arguments for that, we will work with it. The Labor Party made an election commitment to introduce legislation to license the motor vehicle repair industry. As I have already indicated, a draft Green Bill will be ready for discussion before Parliament rises at the end of June. We hope to introduce that legislation at the end of the year and proceed with it.

The issue of licensing the areas to which the member referred is at an embryonic stage. We have received some suggestions from certain sections of the building industry. We will have to firm our position on the merits of doing that and decide which path to go down. We would then have to enter into a full consultation process with the industry on the type of model it wanted. We would have to cross a lot of bridges before we committed to that. However, we are open to discussions with any key industry sector that thinks things could be improved.

Mrs EDWARDES: I refer the minister to the major achievements for 2001-02 on page 448 of the *Budget Statements*. The first dot point deals with the drafting and development of the Labour Relations Reform Bill. It indicates that detailed committee notes of the Bill were provided. I put on record that they were the worst committee notes that have ever been provided to Parliament for such an extensive piece of legislation. How many people were involved in drafting the legislation? Who was involved in its drafting? If outside consultants provided advice, were they paid a fee for that support and assistance, and, if so, how much were they paid?

Mr KOBELKE: I am happy to provide supplementary information to give the member some indication of who was involved. We will not list all of the people in the department who were involved, but we will provide the names of the principal draftspeople. Some outside consultants were used, and we will indicate the name of the person and what was the cost.

[*Supplementary Information No B39*]

Mrs EDWARDES: I refer the minister to page 444 of the *Budget Statements*. When I raised this matter in support of the member for Wagin, the minister indicated that he might refer to the units that are listed under "quantity". In 2001-02, 15 000 units are budgeted for occupational safety and health investigations and in 2002-03, the budget target for information and education services is 520 000 units. What do those units mean?

Mr KOBELKE: I will ask Mr Bradley to provide the details.

Mr BRADLEY: Those 520 000 units are broken up as online visitors to our site.

Mrs EDWARDES: Is that the number of visitors?

Mr BRADLEY: The number of contacts is 350 000 online visitors. There have been 64 media releases, 172 media-initiated contacts, 500 contacts at shows and expos, and 170 000 publications have been distributed.

Mrs EDWARDES: What are the 15 000 units referred to for occupational safety and health?

Mr BRADLEY: That figure refers to priority investigations.

Mrs EDWARDES: Is that the number of investigations the department plans to do this year?

Mr BRADLEY: It is the number of priority inspections where the inspectors look at priority areas. They could look at seven priority areas in the one inspection.

Mrs EDWARDES: Has the department identified and does it propose to conduct 15 000 inspections?

Mr BRADLEY: Yes.

The CHAIRMAN: Will the minister explain why it is envisaged that the number of units to investigate occupational safety and health will reduce from 16 308 in the 2001-02 estimated budget to 15 000 in the 2002-03 target?

Mr BRADLEY: The target for 2002-03 has been set at 15 000 because it is anticipated that greater experience and a priority approach will lead to a deeper and more sophisticated process, which might slightly reduce the overall number.

Mr MARLBOROUGH: In other words, you do not know what you are going to come across until you get there.

The CHAIRMAN: Is there a cost for each unit or can the department not give a direct unit cost per inspection because it will conduct investigations into multiple priority areas?

Mr KOBELKE: The cost efficiencies are provided for on page 444 of the *Budget Statements*. That is the cost divided by the number of outcomes. It is an indicator, although sometimes it can be misleading. As Mr Bradley suggested, if the department engages in more thorough investigations, the cost per unit could rise. Some people might interpret that to be because of inefficiency, but it might be what we want. We must tailor the way we undertake investigations. It is appropriate for this matter to be queried in the Estimates Committee. If the cost

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per unit suddenly jumped, it would be appropriate for the minister to explain whether that was because of inefficiency or because the mode of operation had been shifted for good reason and, therefore, the investigations took longer. As I indicated earlier before you took over as the Chairman, we have achieved huge efficiencies through the use of laptop computers. Those types of changes could mean that the same level of work could be done at a lower cost. Alternatively, we could change the level of work to achieve better outcomes but have a higher cost structure. It is appropriate for members to seek explanations for these types of issues during the Estimates Committee. However, these figures remain steady and will continue to be that way.

Mr WALDRON: I refer to the net appropriation determination on page 457 of the *Budget Statements*. Licences and other regulatory fees increase from \$1.014 million in the 2001-02 estimated actual budget to \$3.189 million in the 2002-03 budget estimate. That is an increase of \$2.1 million. Can the minister explain how that increase has occurred and what areas it came from?

[12.30 pm]

Mr KOBELKE: It is basically an accounting issue related to the reorganisation. The technical safety division looks after electrical and gas safety.

Mr WALDRON: The minister spoke about that before.

Mr KOBELKE: Yes. The member would see a similar drop in the figure for the Office of Energy because it has been transferred to this budget.

Mrs EDWARDES: I have a question relating to the last dot point on page 448; however, I want to follow up an earlier question about parenting leave. Because other agencies have not been required to incorporate in the forward years their budget relating to the \$3.2 million, is the Government still proposing to implement its parental leave policy from 2004-05, irrespective of whether a different approach is taken nationally to parental leave?

Mr KOBELKE: We gave an election promise to advance the issue of maternity leave and family leave, but we did not say when we would do that. We are still committed to that undertaking. The money has been taken out of this budget and given back to Treasury because we are unsure of how the model will be applied. The second part of the member's question alluded to the fact that this issue is on the national agenda. I do not believe that means we will escape the costs - we will have to find the money - but the model may be drastically different from the model we envisaged, and the money required may be less if a commitment is given by the federal Government.

Mrs EDWARDES: That should not stop the Government providing for public servants.

Mr KOBELKE: No, it will not. However, I am sure there will be a cost to the State to cover public servants. We do not know the model and it is therefore impossible to work out the quantum. There may ultimately be a national scheme.

Mrs EDWARDES: The last dot point on page 448 states -

During October 2001 a proactive consultation program including visits to employer and employee associations . . .

Will the minister clarify what is meant by that dot point? Is that an ongoing program that commenced in October 2001? Why has the minister not incorporated in that dot point the visits from unions to the labour relations service within the department? What consultation has been undertaken? The labour relations service conducted a workshop at the Miscellaneous Workers Union, but the Chamber of Commerce and Industry of Western Australia was not involved in providing a similar opportunity for the labour relations service. Will the minister clarify what this dot point means for the issues I raised?

Mr KOBELKE: There is ongoing consultation with all of those organisations. I attended the Chamber of Commerce and Industry this week in a training capacity. We want to be in touch with all of those organisations to understand their concerns, to convey the Government's policy and to seek their feedback and cooperation in its implementation. That happened before October and will continue after October. The dot point relates to the fact that the department launched a more proactive approach in October 2001 to cafés and restaurants. That is not the only area in which it is working. It reworked the model of how to conduct consultations and it now follows through with education and enforcement programs. October 2001 alludes to the fact that in that industry sector the department launched a different, more proactive approach, it consulted with those groups and implemented that program. It is now following through in other employment areas with a similar program, again involving consultation with appropriate employer and employee groups, in addition to the regular program of consultation with those organisations.

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Mrs EDWARDES: The dot point would have been more informative had it included general visits that the minister had made - as occurred in previous decades when I was a minister, not only in the past 10 months - and had it referred to the work of the Restaurant and Catering Industry Association of Western Australia, the joint workshops held by the minister and the visits to and from the agency and what they were all about. This dot point is more generalised; it incorporates everything and anything and does not mean anything.

Mr KOBELKE: I am sorry if it caused some confusion to the member but I suggest the issue is not confusing. I contrast it with the period when the member for Kingsley was a minister and received complaints from the security industry. I understand that the security industry told the Government that it had a major problem with the underpayment of wages, and the Government responded by conducting a study. That approach is different from what this Government is doing. We will designate an education program and a compliance audit to a particular industry sector. First, we will sit down with key stakeholders - the major employers of an industry group, the employees and their representatives - and map out what we will do. We want to get their assistance at an early stage and even involve them in the education campaign. October 2001 features in that dot point because that was the first time this model was rolled out. This model will be used in a number of different industry sectors. It is ongoing, but as we shift our resources to target a new area we will use it, or a refinement of it in the light of our experience, to work with industry to ensure compliance. We would rather have industry working with us than against us, as opposed to using a big stick, to get better outcomes.

Mrs EDWARDES: It is far more than the general model alluded to earlier. It is more specific and deals with particular areas of investigation and follows up on compliance.

Mr KOBELKE: Yes.

Mrs EDWARDES: The minister mentioned the Australian Mines and Metals Association. What area of compliance or investigation has the minister mapped out in that case?

Mr KOBELKE: In addition to general consultation, the Australian Mines and Metals Association was consulted specifically about the issue of compliance affecting the heavy haulage industry; this has not been fully implemented. We had initial discussions with the industry about whether it would become a target area and how we would take the matter forward.

Mrs EDWARDES: I note under quality in the output performance measures on page 448 that the satisfaction target is reduced. Is that because of a change in methodology? Does the department not expect to receive the same level of satisfaction because it has to do more with less, as I suggested earlier? What is the reason for reducing that measure?

Mr KOBELKE: That is being realistic about the additional workload we expect with new legislation.

Mrs EDWARDES: That is not an expectation of the level of satisfaction; it is an expectation of the efficiency of the agency to produce the work.

Mr KOBELKE: We will attempt to put in extra resources. However, that figure refers to the quality and to the standard of being able to fully answer people's questions when there is a marked increase in the number of people making inquiries of the department. We have a very good call centre. It is a training ground for people coming up through labour relations. The issue is being realistic. When the new legislation comes in, which will be early in the 2002-03 year, we do not think it will be possible to maintain our current high standard, if these performance indicators are taken seriously and if there is the expected huge increase in workload.

[12.40 pm]

Mrs EDWARDES: That is disappointing.

Mr KOBELKE: We will do our best, but we are being realistic.

Mrs EDWARDES: I refer to the statement of financial position on page 452. The table indicates that one of the current liabilities is the provision for employee entitlements. There is very little reduction in the outgoing years in employee entitlements; that is, unused long service leave that has been accrued and outstanding annual leave. I presume that is what that relates to. Why is the department not making a significant reduction in that area and, instead, has increased the budget estimate?

Mr KOBELKE: The issue is the incorporation of the electrical safety.

Mrs EDWARDES: The change for 2002-03 relates to that. I can understand that. Why is there no concerted effort to make a significant reduction in that area, given that that is the Government's policy?

Mr KOBELKE: The member can see from the figures that we will just maintain the current level.

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Mrs EDWARDES: However, there is a significant liability to government in accrued employee entitlements. As I understand it, all departments and agencies are required to make a significant reduction in that area; yet the minister's department is not attempting to do that in the next four years.

Mr KOBELKE: The Government does not require that there be a reduction in employee entitlements in general; it is in accruing annual leave.

Mrs EDWARDES: And long service leave that has been accrued already?

Mr KOBELKE: Clearly when it goes beyond the date. The member has raised a good point. The issue is about both annual and long service leave entitlements. However, only when those entitlements become due are they put into these figures. As I indicated in an earlier answer, the basis for these forward estimates is not particularly sophisticated. We assume that they will stay the same, unless a policy decision is made to change them. These forward estimates are for Treasury purposes to reflect any change in policy. It would not be standard practice to start to write these down on the basis that there is across-government policy to try to reduce accrued entitlements. The member is right in pointing out that government policy is to ensure that they are under control; it is not to have them at zero. However, they have burgeoned and for some years there has been a general policy to bring that under control, and we wish to continue with that. What we put in the forward estimates is quite unsophisticated. It just assumes that they will stay at the same level.

Mrs EDWARDES: To what extent is the leave that is currently due incorporated into that \$4.1 million? The Treasurer is firmly on the record as saying that across all departments and agencies, long service and annual leave that is due, and therefore payable, must be reduced. It is an enormous liability across government.

Mr KOBELKE: I have very high confidence in Mr Bradley and senior officers. Directions that come from Treasury or government to comply will be delivered on.

Mrs EDWARDES: I refer to the details of controlled grants and subsidies on page 456. The government has continued with some of the very important grants. An amount of \$60 000 has been allocated as a tripartite grant instead of breaking it down between the Chamber of Commerce and Industry of Western Australia and UnionsWA, as it had been identified previously. Where will that money go? Will it go to the same two organisations?

Mr KOBELKE: I do not envisage any change to the current arrangements.

Mrs EDWARDES: I am somewhat at a loss. I share responsibility in this division with another member of this committee, but we cannot track him down at the moment. As I will not be here after lunch, is it possible to suspend this division and quickly move to the next one?

Further consideration of the division postponed.

[Continued on page 400.]

[12.50 pm]