

**SUBCOMMITTEE OF THE STANDING COMMITTEE ON
ESTIMATES AND FINANCIAL OPERATIONS**

INQUIRY INTO PUBLIC SECTOR EXPENDITURE

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 8 APRIL 2009**

SESSION TWO

Members

**Hon Sue Ellery (Chair)
Hon Brian Ellis
Hon Jon Ford**

Hon Ken Travers (Participating Member)

Hearing commenced at 10.26 am**BRADLEY, MR BRIAN****Director General, Department of Commerce,
Level 6, 221 St Georges Terrace,
Perth 6000, sworn and examined:****HUNT, MS JOANNE****Manager, Policy and Executive Services, Office of the Director General,
Department of Commerce,
Level 6, 221 St Georges Terrace,
Perth 6000, sworn and examined:**

The CHAIR: On behalf of the committee, I would like to welcome you to the meeting. Before we begin, I will ask you to take either the oath or the affirmation.

[Witnesses took the oath or affirmation.]

The CHAIR: Thank you. Please state your full name, contact address, and the capacity in which you appear before the committee.

Mr Bradley: Brian Thomas Bradley, Director General, Department of Commerce.

Ms Hunt: Joanne Kim Hunt, Manager of Policy and Executive Services, Office of the Director General, Department of Commerce.

The CHAIR: You will have signed a document entitled “Information for Witnesses”. Have you read and understood that document?

The Witnesses: Yes.

The CHAIR: These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, please quote the full title of any document you refer to during the course of this hearing for the record, and please be aware of the microphones and try to talk into them. Ensure that you do not cover them with papers or make noise near them. Please try to speak in turn.

I remind you that your transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during today’s proceedings, you should request that the evidence be taken in closed session. If the committee grants your request, any public and media in attendance will be excluded from the hearing. Please note that until such time as the transcript of your public evidence is finalised, it should not be made public. I advise you that publication or disclosure of the uncorrected transcript of evidence may constitute a contempt of Parliament, and may mean that the material published or disclosed is not subject to parliamentary privilege.

I will introduce my fellow members of the committee to you. Ken Travers, Jon Ford, I am Sue Ellery, and Brian Ellis. We have some questions we would like to ask you, but perhaps you have an opening statement that you would like to make.

Mr Bradley: The opening statement I have is that I am, I think, very limited in terms of what I can offer if the committee is talking about resources safety because that was transferred from my jurisdiction as of 1 January. On that basis, I am here to answer your questions—if I am able to do so.

<007> D/4

[10.30 am]

The CHAIR: All right, we will take it from there. We will start with questions about your understanding of the component of the three per cent efficiency dividend that your agency is required to meet by 30 June and what it is in the out years. We have information from the Treasurer which says that the old consumer and employment protection component was \$1.6 million in 2008-09, \$3.4 million in the following year, \$3.4 million the year after that, and \$3.5 million the year after that. Some of the machinery of government changes might mean those figures have been adjusted subsequently. Are you able to tell us your understanding of what you are required to meet for this year and the out years?

Mr Bradley: Those figures are what we are required to meet.

The CHAIR: And for 30 June this year are you going to meet them?

Mr Bradley: Yes.

The CHAIR: Can you outline for us how you are operationalising the efficiency savings to give you that \$1.6 million by 30 June?

Mr Bradley: At this point I cannot because I came here thinking I was to be talking about resources safety, so I did not bring the notes about the others.

The CHAIR: Perhaps we could ask you to provide that to us on notice then.

Mr Bradley: Yes.

The CHAIR: Are you able to talk to us about your FTE figures at all; what is your operating FTE?

Mr Bradley: My operating FTE for the budget papers?

The CHAIR: Yes.

Mr Bradley: For the whole of DOCEP or commerce or —

The CHAIR: For the area for which you are responsible.

Mr Bradley: The budget papers say I have an FTE level of 922, but in resources safety it is 142.

The CHAIR: You would be aware that the Treasurer made an announcement back in February about a ceiling on the public service levels and that each agency's target, if you like, in that ceiling was the budget figures that you have just referred to.

Mr Bradley: That is right.

The CHAIR: But for some agencies that have appeared before us their FTE usage is actually higher than that.

Mr Bradley: Correct.

The CHAIR: So is your FTE usage higher than that? If there is a difference, what are you planning to do to meet the target?

Mr Bradley: It is a body of work that we are doing at the present moment. My feeling is that it is higher. How much higher, I am trying to figure actually because staff are telling me it is somewhere between 950 and 970.

The CHAIR: Can you talk to us about demand pressures that are on your agency? Going forward, what are the areas in which demand for your agency services are under pressure or are increasing or decreasing?

Mr Bradley: Yes. Pretty much our demand is going to centre around servicing COAG reform. In COAG, in the consumer protection area under one of the committees there, 13 of the items of the 27 items relate to consumer protection legislation. We have credit and finance brokers earmarked to transfer to the federal system from 1 July. I do not think that will happen; I think that will probably

be more towards the end of this year. But with finance and credit, then you have got a harmonisation of the occupation, safety and health nationally, and that is going to affect work safety. Then as well as the licensing regimes, both in the CP area where you have got motor vehicle licences, dealers' licences et cetera, they are looking at the building commissioners coming across to me, and you are going to have painters, builders et cetera. So there is going to be a lot of activity just servicing the COAG agenda full time.

Hon JON FORD: It is good to see you cutting back on your workload, Brian!

Mr Bradley: Yes, it is getting bigger!

Hon JON FORD: Previously with Resources Safety in the old DOCEP, DOCEP was handling an investigation into the safety case regime.

Mr Bradley: Yes.

Hon JON FORD: Who is doing that now.

Mr Bradley: We handed that across to the Department of Mines and Petroleum. We brought that up to a position where we had made a commitment to amend the current Mines Safety and Inspection Act to pick up the safety case model, and that is about where we had got to when the election was called. So that activity was referred back to the Department of Mines and Petroleum.

Hon JON FORD: What were the costs associated with the transfer of that division into Mines and Petroleum?

Mr Bradley: I could not give you the exact costs, but we elected to leave them out at Cannington, because we had just put them out at Cannington and, as you know, we absorbed a little bit of pain in that move. So we took the decision that we would leave them at Cannington. I suspect there will be some costs, as we have found there are some transitional costs with the IT systems, like when we brought science and innovation into commerce. I suspect there are some costs from the mines and petroleum perspective to make the IT systems compatible with the mines departments, but I have not got access to those costs.

Hon JON FORD: When the division of mine safety was within DOCEP, what sort of working relationship was there with WorkSafe? To make it easier, what I am getting at is: was there some sort of support or synergy between the two departments or the two divisions or, even though they were under DOCEP, were they working alone?

Mr Bradley: They were separate. We kept them separate because that was a commitment we gave to the industry sector at the time we brought them in, that we would keep them as a separate cell. They were also slightly different because the dangerous goods division is a part of the Resources Safety division. Dangerous goods also has responsibility for public safety, which is a little bit different from what the work safety charter is about. But we are all in the same corporate executive, we are all moving forward with the same policies and procedures and enforcement and compliance protocols. All that was the same so that you would be going forward on that basis. We also modified the legislation so that the mining sector had a seat at the table, both in a tripartite sense at the commission; so there was a mining employer rep and a mining union rep at the commission. So we made that change. I also then chaired the mining industry advisory committee from the commission so that there was continuity between the mining industry advisory committee and the commission. So, largely the mining industry advisory committee was there to set policy for the mining industry and still retain their independence, but at the same time they were feeding off what the general commission was doing as well. So there was always every endeavour to keep the links moving.

Hon JON FORD: So, has that gone asunder now?

Mr Bradley: No; that is still the same.

Hon JON FORD: That is still there?

Mr Bradley: That is still there, so that even now we will be working still with the system that we have currently got; that is, there will be a tripartite commission, there will be a person that is a member of the commission, and in this case it will be Malcolm Russell. He will be chairing the mining industry advisory committee, so that you will be getting the general policy here, and that policy will be feeding down into the mining industry advisory committee; and, equally, whatever is in the mining industry advisory committee, that policy there will be coming back to the commission as well.

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[10.40 am]

Hon JON FORD: Right. I am just wondering what is the point of moving the division to resource safety in the mines.

Mr Bradley: It is a question I cannot answer, as you know.

Hon JON FORD: I understand you cannot, but I will be asking the question.

Mr Bradley: But just on that, I think, as an observation you might want to consider, this is a question that gets asked around Australia. If you were to look at New South Wales, Queensland and Western Australia—the principal mining states—there seems to be this view that it is separate, you know, sometimes they pull it together and then they pull it apart, like in Queensland it was there for a couple of weeks and then they pulled it apart again. There have been attempts to merge it in New South Wales; it has not been successful. In the smallest mining states—Tassie, Northern Territory, South Australia and Victoria—it has been merged and it has sort of stayed merged. That is just part of an observation.

Hon JON FORD: Thank you. I am not sure whether you have the notes for this, but how many WorkSafe inspectors do you have within the inspectorate?

Mr Bradley: I do have those notes, I think. I think the WorkSafe inspectors—at the moment what I have here is 95 plus eight vacancies, so around about 103.

The CHAIR: Are you actively seeking to fill those vacancies?

Mr Bradley: Yes, yes, yes.

Hon JON FORD: Where are they based?

Mr Bradley: It is just in my —

Hon JON FORD: Well, it can just be roughly.

Mr Bradley: The bulk of them are in Perth, but there are inspectors in Bunbury, there are inspectors in Karratha, there was one in Geraldton—but I am not sure whether that one left—there is one in Broome, there was one in Albany and that one has come back to Perth, so we have to put another one back there. So, all the major centres, basically, except Kalgoorlie.

Hon JON FORD: And that is serviced out of Perth, is it?

Mr Bradley: Yes, the rest are serviced out of Perth.

Hon JON FORD: Okay. What sort of is the general skill set for an inspector at WorkSafe? Are they engineers, electrical engineers or civil engineers?

Mr Bradley: No.

Hon JON FORD: Trade background?

Mr Bradley: More the trade background, if anything. There seems to be a number that have come through the health sciences area at the university level who see their way, come through as—especially in the health components, you know, where you are monitoring and that type of thing.

But, for the normal inspector going out, say on a construction site, probably trade. Very few would come back from industry, as such, and a lot would probably come through. We have had a few electricians come through and also a lot have come through from the manufacturing process side of things. There have been a few ex-police, I think have also tried their hand.

Hon JON FORD: So, in the old world, the DOCEP world, when there were shortages of mine inspectors, was there ever a drawdown or some supplementary inspectors from WorkSafe?

Mr Bradley: A couple of the WorkSafe inspectors were successful in moving across to the old resources safety minerals division, but not a lot. You might recall that during the boom period, we actually provided an attraction and retention benefit to that sector. The effect of that was that we stemmed the flow of people leaving that resources safety inspectorate, but we did not probably attract as many as we would have liked. But, there were a couple of WorkSafe inspectors that moved across. WorkSafe, at that particular time, seemingly had enough applicants to fill their positions and it has only really been in the last six months of last year that they also found it difficult to backfill positions, so we had actually stepped down a process of looking at an attraction and retention benefit for WorkSafe inspectors just before around about the election last year.

Hon JON FORD: Thanks for that, but I suppose I was really looking for: if there was a shortage and a job to do out of the mining division, were there any resources that you could swap over temporarily to them?

Mr Bradley: Technically no, because they probably did not have the skill set to become that mining inspector.

Hon JON FORD: Okay.

Mr Bradley: Just on that, the other way we were looking to assist in that resources sector area was where there was a construction, we would build an instrument so that it would be covered then by the construction inspectorate for the construction phase on a mine site.

Hon JON FORD: Has the inspector or the WorkSafe commission been quarantined from the three per cent?

Mr Bradley: No.

Hon JON FORD: Where would you get the savings from? Well, not the savings, but the efficiency dividend? Where would that come from?

Mr Bradley: Other parts of the agency.

Hon JON FORD: So, how many people do you have supporting your 103 inspectors?

Mr Bradley: You know, can I just answer as an approximate?

Hon JON FORD: Yes.

Mr Bradley: Okay. Look, I think around about 150—somewhere between 150 and 160 would be the WorkSafe complement.

Hon JON FORD: So, the role that they do is where you would build further efficiencies?

Mr Bradley: Yes, that is right. The efficiencies will mainly come out of the business services area.

Hon JON FORD: Okay, so are you doing that by either not backfilling on leave or —

Mr Bradley: Yes, that is right.

Hon JON FORD: — not filling vacancies?

Mr Bradley: That is right.

Hon JON FORD: It is not through investment in more efficiencies and things like that?

Mr Bradley: Well, we are looking—we are doing a major piece of work in trying to upgrade the IT system for what we call a compliance management system. We are rolling that out to all our inspectorates and we are still doing that for the resources safety division, as well.

The CHAIR: Are there any other further questions?

Thank you very much for your cooperation. You will get a copy of the uncorrected transcript and you can pick up from there where you have agreed to give us further information. If we have further questions, if you are happy to receive those in writing, we will check the transcript and get back to you. Thanks very much for your assistance.

Hearing concluded at 10.46 am