

Legislative Assembly

Thursday, 22 May 1997

ESTIMATES COMMITTEE B

The meeting commenced at 9.00 am.

The CHAIRMAN (Mr Ainsworth): This Estimates Committee will be reported by Hansard and a proof document will be made available to the committee clerk progressively throughout the day. The daily *Hansard* will be available the following morning. I caution members that if a Minister asks that a matter be put on notice it is up to members to lodge the question on notice with the Clerk's office. Only supplementary information which the Minister agrees to provide will be sought within one week. It will also greatly assist Hansard if when referring to the Budget Statements volumes or the Consolidated Fund Estimates, members give the page number, item, program, and amount in preface to their question.

As has been the practice of previous Estimates Committees, members should not raise questions about matters of general concern which do not have an item of expenditure in the consolidated fund. The Estimates Committee's consideration of the Consolidated Fund's Estimates of Expenditure will be restricted to discussion of those items for which a vote of money is proposed. We are dealing with estimates of expenditure and that should be the prime focus of this Committee. While there is scope for members to examine many matters, they need to be clearly related to matters of expenditure. For example, members are free to pursue performance indicators which are included in the budget statements while there remains a clear link between the questions and the estimates. It would assist in the Committee's examination if questions and answers can be kept brief, without unnecessarily omitting material information. It is the intention of the Chairman to ensure that as many questions as possible can be asked and answered and that questions and answers are short and to the point.

The Minister may agree to provide supplementary information to the Committee, rather than asking that the question be put on notice for the next sitting week. For the purpose of following up the provision of this information, would the Minister clearly indicate to the Committee which supplementary information he or she agrees to provide. Details in relation to supplementary information have been provided to members and advisers and, accordingly, I ask the Minister to cooperate with those requirements.

Division 63: Office of Racing, Gaming and Liquor, \$ 2 289 000 -

[Mr Ainsworth, Chairman.]

[Mr House, Minister for Primary Industry.]

[Mr B.A. Sargeant, Executive Director.]

[Mr R. Sansalone, Acting Budget and Finance Officer.]

[Ms J. Ough, Manager, Finance and Administration.]

Ms WARNOCK: I refer to page 806. I am always glad to see, with my political philosophy, an increase in FTEs, because I like to see public servants employed. Where will those FTEs go? I am also interested in the discrepancy in the amount of money available. It appears that more FTEs are being employed but they are being paid less.

Mr HOUSE: I understand that there are some typographical errors in the figures. In the right hand column of the estimates under 1997-98, the figure of \$922 000 should be \$1 110 000; the figure of \$1 753 000 should be \$1 941 000; and the figure of \$1 565 000 should be \$1 753 000. That does not account for all of the differentiation in the figures, and Mr Sargeant will explain that.

Mr SARGEANT: Treasury in adding the figures has included \$188 000 for retained revenue in the \$922 000 which Mr House has amended to \$1 110 000, and that has led to a compensating error in the figure of \$1 941 000. It does not affect the bottom line of how much we will get; it is an adding error within the figures.

Ms WARNOCK: What should be the figures at the bottom?

Mr SARGEANT: The figure of \$4 424 000 is the estimated actual for this financial year, and the figure of \$2 289 000 is the estimate for 1997-98. Those figures are correct.

Ms WARNOCK: What is the reason for that vast discrepancy?

Mr SARGEANT: It relates mainly to the racing, gaming and liquor policy portfolio, because in 1992 the Government announced the reduction in the Totalisator Agency Board turnover tax from 6 to 5 per cent. It also announced the rebate of the on-course totalisator taxes. These were previously rebated through my office. The Acts Amendment Racing and Betting Legislation Bill of 1995 came into operation on 28 June 1996, and there was no need to continue those rebates because it reduced the tax rate from the TAB from 6 to 5 per cent, and it also abolished on-course taxes. As a result, we paid out the last of the rebates this financial year and we will not be paying any rebates this year. Therefore, the item for racing, gaming and liquor policy will go from \$2m to \$227 000. That is the result of the reduction in rebates to the racing industry.

In addition, we are recouping some extra expenses this year from agencies for which we perform activities, such as Christmas Island and the Gaming Commission. That amounts to approximately \$200 000. The two items are the reduction in rebates to the racing codes, and the increase in recoups.

That accounts for the reduction in expenditure. We budgeted on filling 109 positions this year. We have had a number of vacancies through people resigning, which is normal. I have received two resignations in the liquor licensing area, two on Christmas Island, some staff in the gaming division resigned, and we have been doing some rationalisation. We are keeping some positions vacant this year. Those are purely as a result of vacancies within our operation. We might fill five positions.

[9.10 am]

Ms WARNOCK: What is the current level?

Mr SARGEANT: One inspector on Christmas Island resigned; a level 8 director in the gaming division resigned, and that position became vacant; and some level 3 inspectors in the liquor licensing area resigned. It is natural attrition.

Mrs HODSON-THOMAS: What are the parameters for extending services to people with gambling problems to include a 24 hour telephone service to be funded predominantly by the gambling industry?

Mr SARGEANT: That has not been determined at this stage. The main contributors in the industry - the casino, the Lotteries Commission, the Totalisator Agency Board - have been contributing about \$40 000 or \$50 000 a year to fund initiatives for problem gambling. The main project to date has been funding to Centrecare to provide a counselling service. They are still negotiating; however, the aim is to tap into the G-line service provided in Victoria through a 1800 telephone number. People could dial a number and get some immediate counselling, and the matter would be referred to counsellors in Western Australia to follow up. That is in the investigative stage. It depends on the cost and the amount of funding that would come from the industry. It is expected that will be finalised within the next financial year.

Ms WARNOCK: How will it be funded through the gambling industry?

Mr SARGEANT: Currently it is a voluntary contribution from the main players in the industry, the casino, the TAB and the Lotteries Commission. The bookmakers' association also contributes a small amount, and the Gaming Commission of Western Australia funds some basic research as well.

Ms WARNOCK: What has been the call on that service?

Mr SARGEANT: I understand that they receive three to four referrals a week and their case load is running run at about 25 a week. That program is run by Centrecare at this stage. It appears to be meeting the need. They will initiate some research into the ethnic area, because particularly Aborigines and Asians are not responding to that service. They are trying to find out how they can overcome that. I know that Victoria has a similar ethnic problem. Gambling is a fundamental issue and the ethnic community must come forward.

Ms WARNOCK: On page 808 reference is made to the Victoria Co. (Resort) Pty Ltd entering into an agreement with a Malaysian company, Metroplex Berhad, to sell its management interests in the Burswood International Resort Casino. What will be the practical effects of that as far as the community is concerned?

Mr SARGEANT: When we submitted these issues to Treasury that was the state of play. That was the result of an announcement in December. Victoria Co has since announced that it entered into a heads of agreement with Metroplex, which is a publicly listed company on the Malaysian Stock Exchange, to buy the management interests. That agreement included their right to operate the casino on behalf of Burswood Property Trust and their right to half the shares in the management of the Burswood Resort (Management) Ltd. At that stage the agreement was for Metroplex to lease the hotel from Victoria Co. There was a change in position in April. Rather than buy the operating rights of the casino from Victoria Co, Metroplex entered into an agreement with the Burswood Property Trust not to pursue that line. Instead the Burswood Property Trust will buy back or cancel the operation agreement.

In return Metroplex will take an equity position in the Burswood Property Trust. This will improve the management of the operation. Previously the Burswood Property Trust owned the casino and had the overall responsibility for the casino, but it had contracted its day to day operations to another company. By buying back the operations agreement they will take over the day to day management of the casino, which is majority owned by Australians. Victoria Co was a Japanese company. It is a plus-plus for the operations on a day to day basis.

Ms WARNOCK: As far as the ordinary person is concerned it will not have any practical effect?

Mr SARGEANT: No, it should not, other than to provide more work for Australians and the profit will stay in Australia and, hopefully, it will return increased returns to the unit holders. It may also mean the ability to retain more money and invest more in the casino. In the long term it is a positive move.

Mr CUNNINGHAM: An amendment to the Totalisator Agency Board Betting Tax Act was passed by the Assembly on 28 June 1996 giving the Minister the power to appoint a seven member board. These members were to have expertise relevant to the functions of the TAB and its operations - business, finance and commerce, especially in the racing industry. Since that date operating costs have risen by 19.6 per cent, which in dollar terms is \$6.4m. Does the Minister consider the changes to the board a success? Would the codes consider the Minister's changes to the board a success?

Mr HOUSE: I will take that question on notice.

Ms WARNOCK: Has the TAB accepted the Western Australian Turf Club's suggestion of an industry advisory board? If not, why not; and if yes, what has happened since then?

Mr SARGEANT: It has taken on the suggestion for an advisory group. The advisory group comprises the chief executive of the TAB and the chief executives of the three codes who meet monthly prior to the TAB board meetings. The understanding is that those individuals plus the chairman will meet as and when required. From the TAB's point of view it has put in place an advisory group.

[9.20 am]

Mr CUNNINGHAM: During the past 12 months the Totalisator Agency Board spent approximately \$1.5m on changing the external colour of TAB agencies. Has this increased turnover? I imagine people who had a late night on Friday and went to the TAB on Saturday morning would feel quite ill just by looking at the new colours. They are disgraceful.

Ms WARNOCK: That is a personal view.

Mr HOUSE: No.

Mr MARLBOROUGH: The colour purple is awful.

Ms WARNOCK: Are there any plans to do something to alter the situation? I know some people in the racing fraternity are concerned that the money has been spent with very little return. There is a degree of worry about it.

Mr HOUSE: It is a decision for the TAB board, not the Minister.

The CHAIRMAN (Mr Ainsworth): That is probably a matter the member might more appropriately take up privately with the Minister for Racing and Gaming. The concern of the member has certainly been noted in *Hansard*.

Ms WARNOCK: I will certainly do that.

Mr MacLEAN: I refer to the casino licensing fees mentioned on page 814. Those fees raised \$56m with another \$680 000 from video lottery terminals. What would be the impact on revenue if gaming machines were allowed into pubs and clubs within the metropolitan area?

Mr HOUSE: From a government point of view that is a policy matter. It has not been advanced in any way. I know it has been the subject of discussion, but no official decision has been made.

Mr MacLEAN: I understand no decision has been made, but surely the governing bodies have done some figures on the impact that might occur.

The CHAIRMAN: I have some problem with this question. Although I accept that if there were a change it could impact on some of the figures within the Budget, until that impact is known, there is not much point in conjecturing. I do not think that can be entered into at this stage. It is a little outside of what the Estimates Committee is about.

Mr MacLEAN: May I rephrase the question?

The CHAIRMAN: If the member can ask about research that has been done in this area, that would come within the acceptable parameters. I am sure the member will be able to find a way to rephrase his question by referring to research in this matter. If he can, we will be able to proceed.

Mr HOUSE: We want this committee to progress in a spirit of cooperation and to give as many answers as possible. The answer I gave is about government policy which has not yet been determined. If Mr Sargeant has any figures or knows of any exercise that has been done, that information can be made available. I do not think there is any secret about that.

Mr SARGEANT: I can do that. There has been no detailed analysis because it is not government policy to introduce gaming machines. I am familiar with the impact of these machines within the Eastern States. It depends on the model used. We can use the model from South Australia, which differs from the model from Victoria, which differs from the model for Queensland. Until there is a positive decision, there is no need for any work to be done. I am not devoting scarce resources to an exercise which is not government policy.

Mrs HODSON-THOMAS: The major achievements for 1996-97 on page 811 mention establishing a community awareness program to inform the liquor industry. It says that the alcohol abuse reduction program steering committee has been established. Who sits on the committee and are members appointed for a set term?

Mr HOUSE: I am sure all members of Parliament are concerned about that issue. The Government is directing resources to correct and help in any way it can. I am sure all members of Parliament will agree with this initiative.

Mr SARGEANT: That committee is established under the Government's task force on drug abuse chaired by Mike Daube. One of its recommendations was to establish this committee. The idea was to have chief executives from some of the key agencies on the committee and agencies were requested to nominate people. The steering committee is chaired by Mike Daube and I represent the Office of Racing, Gaming and Liquor. There is no specific term of appointment. Although I cannot recall the names of all the members of the committee, it comprises officers from the road safety division, from the Education Department, Mr Mel Hay from the Police Department, Mr Maurice Swanson from the Health Department, and officers from the liquor industry council and the alcohol advisory council. I think I have covered most of the agencies, both government and non-government, involved in the committee.

Ms WARNOCK: The major achievements for 1996-97 on page 819 also mention drafting amendments to the Liquor Licensing Act 1988. When will we see those amendments? I have been regularly ringing Mr Sargeant's office for some time. How soon are those amendments expected to be in the Parliament?

Mr HOUSE: I understand they are only a matter of weeks away from Cabinet. I expect they will be seen in the Parliament within the next five to six weeks.

Ms WARNOCK: I asked the question because we are just about running out of time in the autumn session. We have been waiting for those amendments since the beginning of the year, as I understand it. After this estimates week, we have probably only about four debating weeks left, unless I have miscalculated. We then have a seven week break. Are we likely to see those amendments before the spring session? It seems pretty unlikely to me.

Mr HOUSE: I agree; it would be pretty unlikely. The most likely target date for the introduction of these amendments is probably the beginning of the spring session.

Ms WARNOCK: Page 810 sets out units and measures which relate to liquor licensing regulation. It says that 7 255 applications are estimated to be lodged in 1996-97 and it gives an estimate for 1997-98 of 7 260.

Mr SARGEANT: They are applications covering a whole range of areas, from a new five star hotel licence application, to a producer's licence for a winery in Margaret River, occasional licences for various social functions held by sporting clubs - including a one-off night event - and extended trading permits, either on one night or ongoing. The biggest area is the transfer of licences that are sold. That figure represents the approximate load we expect to handle during this coming financial year.

As the member will be aware, one proposal in the Minister's report to Parliament on the Liquor Licensing Act is for an extended trading permit to allow restaurants to devote up to 20 per cent of their seating capacity within the restaurant within which to sell liquor to people who do not have a meal. We expect a workload to come through from that.

Ms WARNOCK: Is it expected that a number of restaurant owners will apply for that sort of licence?

Mr SARGEANT: We expect about 200 applications from restaurant owners throughout the State. It will not be an automatic approval. We must look at how the premises is managed and what is being provided and also the tourist attraction. It is mainly to provide a service to the community.

Ms WARNOCK: Does the Minister wish to comment about that sort of licence? It is an interesting licence. I know the hotels are somewhat uneasy about this licence where one can use a restaurant as a bar. Does the Minister have any view about that?

[9.30 am]

Mr HOUSE: I have some personal views about liquor licensing generally. I will get my colleague into deep trouble if I enlarge on them. I think all members of Parliament would agree that these things need to be constantly reviewed to keep up with demands and needs. There is a need to extend our liquor outlets in some way and be a bit more European about them to accommodate modern needs. I am talking about country areas specifically. The old fashioned country pub is out of date. We need to accommodate the modern trend, which is to be more family and meal orientated and short stop orientated.

Mr SARGEANT: I comment about drinking at bars in restaurants. People will not be allowed to go into a restaurant and drink at a bar. They must be seated to consume liquor without a meal. That does not mean that restaurants will not have bars. If a person drinks at a bar in a restaurant, he should either have a booking for a meal or be allocated a seat. We do not want restaurants becoming mini-taverns.

Ms WARNOCK: So you are not treating restaurants like hotels or taverns?

Mr SARGEANT: The bar will not be used for drinking. It is not an appropriate licence. They should be looking at a tavern licence.

Mr CUNNINGHAM: The Government has a different tax regime in its taxation policy between the casino and the Totalisator Agency Board; namely, the casino is taxed on gross commission which is 15 per cent plus a 1 per cent park tax while the TAB is taxed at the rate of 5 per cent of gross turnover. If the TAB were taxed on its gross commission on the 1995-96 figures - the gross commission of the TAB was \$114.6m - the equivalent tax to the 16 per cent paid by the casino would be 28 per cent. Does the Government intend to make its taxation policy a level playing field between the casino and the TAB?

Mr HOUSE: Both of those are laid down in legislation. The casino legislation runs out in 2001 and that will be the first opportunity to review it.

Mr SARGEANT: There is no renewal date per se in the agreement for the casino licence. However, come December 2000, the casino tax can increase at the rate of 1 per cent per year to a maximum of 20 per cent of gross winnings. It is currently 15 per cent. As from December 2000 it will be able to go up by 1 per cent, in 2002 to 17 per cent and so on to a maximum of 20 per cent. There is no provision in the agreement for that to be reviewed unless other aspects are to be negotiated.

Mr HOUSE: Cannot the legislation be changed after 2000?

Mr SARGEANT: No.

MR HOUSE: Do you mean it can never be changed?

Mr SARGEANT: Put it this way: There is an agreement between two parties and unless the Parliament wants to change things -

Mr HOUSE: That is right.

The CHAIRMAN: Are you saying there is no specified time for an amendment Act but it can be done?

Mr SARGEANT: If it is a matter of government policy. The current agreement does not allow automatically for the legislation to be reviewed or changed. It would have to be changed by government policy or through negotiation.

Mr HOUSE: Let us be clear about this. My initial statement was correct. After 2000, the Parliament could change the legislation. That is the point I was making. I imagine there will be a lot of debate about that at that time.

Mr CUNNINGHAM: The Government not only has a different tax regime between the casino and the TAB but also a different policy on disbursement of TAB distribution between the racing codes. The greyhound industry receives a direct proportion of TAB profits as its turnover. However, the galloping and trotting codes receive the balance of TAB distribution at the rate of 65 per cent for galloping and 35 per cent for trotting. Yet galloping contribution in 1995 was 66.73 per cent of total TAB turnover and trotting was only 18.56 per cent. What is the basis of the logic for the distribution policy?

Mr HOUSE: This has always been the subject of some debate in political circles. My recollection is that the last time we debated this was about two years ago and there was quite a level of disagreement on the floor of the Parliament.

Successive Governments have changed this legislation over the years and have changed the percentage. There was thinking in government that we needed to protect the trotting industry in some way. We cannot always make a case for the TAB turnover being relevant to the following or the industry per se. The TAB does not take every race meeting in Western Australia; it takes some of them. We have the same argument about the split between country and city racing and the division of funding. In some cases country clubs claim they are being disadvantaged.

Ms WARNOCK: I believe they are, Minister.

Mr HOUSE: I would have to agree with the member.

Ms WARNOCK: Can we count on your talking to your colleague about that? I think questions in Parliament have so far got us nowhere. I would like to talk further about country racing but I find it hard to justify from the budget figures. Page 811 of the Program Statements refers to the Liquor Licensing Court. The objective of the Liquor Licensing Court is "to ensure that the people of Western Australia are provided with an independent, responsive and effective liquor licensing court". Earlier this year the court ruled out a community devised plan in Derby to reduce harm caused by alcohol. Does the Minister believe that that is what liquor licensing laws are about? It was a great disappointment to me and to many others, including the people in Derby, that the court ruled that the law did not allow a community group to decide that the law is about the health and welfare of the people as well as good public order and so on. What does the Minister believe liquor licensing is about and would he support any changes?

Mr HOUSE: In a generic sense all of us are concerned about people abusing alcohol. The Parliament had a discussion and received all members' support for helping and assisting people who have problems. That is part of another program. In some areas of Western Australia the problem is exacerbated by social conditions, history and a number of things. It is a very difficult problem for anybody to come to grips with. However, to put the onus on the person selling the liquor in my view is a difficult task. Under the Liquor Licensing Act, people selling liquor are required not to serve people who are inebriated. Sometimes that is a difficult judgment to make. I was in a doctor's surgery a few weeks ago when a young fellow came in whom I judged to be on drugs. He was in a terrible state and he was supported by a couple of young fellows who were with him. He tore the surgery waiting room apart. When I saw the doctor I told him it was a terrible situation, and the doctor said the person was not drugged but had a mental condition that flared from time to time. Sometimes we make judgments about people in the community without any knowledge or ability to do so. I made an incorrect assumption. It would be difficult to put the onus on people serving alcohol to make those decisions. Many of these places impose self-restriction.

[9.40 am]

Ms WARNOCK: This was a combination of community groups who asked that alcohol be served at certain times and in certain types of packaging. It was an arrangement reached by a group in an isolated community and the Liquor Licensing Court ruled that it was not possible to do that. It may be that this provision should be altered when the Act is amended.

Mr HOUSE: The Government made an in-principle decision to make some changes in that direction. I cannot detail those changes because Cabinet has not made a final decision, but the Government is moving down that path.

Mr CUNNINGHAM: The racing industry, like politics, thrives on rumour. It came to my notice some months ago that people who have been barred from the racing industry can buy horses at yearling sales, break them in, train them, and race them in someone else's name. The horse "Singing the Blues" has been racing for the last couple of months and it will be a champion. Every Tom, Dick and Harry knows that horse, together with four or five others, is owned by George Way who has been barred. What will the department do to clear up this anomaly? I know the Australian Taxation Office is involved with the people in whose name the horse is registered, but it is not good for the racing industry that this should be allowed to happen. I have nothing for or against George Way, who received a 15 year penalty. It is a total joke that this anomaly is allowed to continue.

Mr HOUSE: The member has raised a serious issue, of which I have no knowledge. It is obviously a matter of serious concern and I would prefer that a question be placed on notice so that a sensible and comprehensive answer can be provided. I have no doubt that the information provided by the member is accurate, but it needs to be addressed in a comprehensive way which may involve legislative change. I am not on top of the Act and the Minister might be able to suggest another direction.

Mr CUNNINGHAM: Is it true that people who have been barred can go to yearling sales and buy horses?

Mr SARGEANT: At this stage I do not know the detail.

Mr HOUSE: That person is barred from entering a racetrack anywhere in Australia but he is allowed to go to a sale. It is an anomaly.

Mr SARGEANT: Yearling sales are not controlled by the racing industry; they are a private sector exercise. It is only when horses are taken to racecourses or a trainer's property that the current framework for the regulation of racing applies.

Mr CUNNINGHAM: It is not good for racing, is it?

Mr SARGEANT: No, but it must be borne in mind that my office is not resourced to regulate the racing industry in that sense. It regulates the betting side and relies very much on the police racing squad to investigate problems in that regard. The racing industry has a framework to regulate racing. My office is not legislatively equipped or resourced to undertake those types of investigations.

Ms WARNOCK: At page 812 of the Budget Statements one of the major achievements listed for 1996-97 is the implementation of staff structure changes to the court and the achievement of anticipated cost savings. Is that represented by the estimated actual for 1996-97 of \$527 000 and the amount for 1997-98 of \$463 000?

Mr SARGEANT: That is correct. The position of Registrar of the Liquor Licensing Court was abolished, and that has now taken full effect. We have been looking at the administrative support required. When the Act first came into operation in 1989 a large number of cases went before the court. However, precedent has now been established and the workload has declined to the extent that the judge of the Liquor Licensing Court is spending half his time as a commissioner of the District Court.

Ms WARNOCK: Is that because fewer activities come before the court? Are fewer licences contested?

Mr SARGEANT: It is largely as a result of fewer licence applications being contested. The precedent means that once people applying for a liquor licence in category A - for liquor stores and hotels - know the ground rules for objections which must be heard before the court, they decide whether to go to the financial cost. Over time they have been resolved. For instance, a special facility licence, category A, can be objected to. The Australian Hotels Association, as a matter of policy, objects to every one. However, when they get down to the details before the judge rules, agreement might be reached and the objection could be withdrawn. Therefore, the judge does not spend time on those matters. It is maturation of the industry over time and the workload has declined.

Ms WARNOCK: At page 813 reference is made to a review of the liquor licensing regulation conducted on Christmas Island. It is stated that the department is awaiting advice from the Commonwealth Government. Has anything further happened?

Mr SARGEANT: The Commonwealth has applied Western Australian liquor licensing law to Christmas Island, so it is a commonwealth law and we are carrying out the activity on behalf of the Commonwealth and are accountable to it for this function. We did some preliminary work but we are awaiting advice on how the Commonwealth wants us to proceed to the second stage. The Commonwealth has not responded yet because it wants to review a number of other arrangements for the State's involvement in Christmas Island. I am in no better position to advise the Committee than I was previously. It is not a state tax and in no way is the Minister for Racing and Gaming responsible for this activity on the island. It is the responsibility of the federal Minister. We provide a service on a cost recovery basis.

[9.50 am]

Mrs HODSON-THOMAS: The major achievements of 1996-97 outlined on page 813 refer to monitoring the policy developments in other States and overseas. Can information on those achievements be provided in supplementary format? Do we adopt any models from other States or countries on which we base our racing, gaming and liquor policy?

Mr SARGEANT: I would not say that a particular model was involved. The Minister and I keep our ears to the ground on a number of issues. Different models are found in different States. Another matter to bear in mind is the way that portfolios are organised totally differently around Australia. In this State we have a Minister for Racing and Gaming and in all other States, except one, different Ministers have separate portfolios, so it is hard to have a comprehensive model in this area. The major policy development is found in New Zealand.

The member asked for supplementary information, but it might be better for me to invite her down to the office to see the library rather than provide supplementary information, although I am happy to do that. New Zealand has done a lot of work on gaming matters. We relate closely to New South Wales in liquor as some good developments have taken place in that State. Rather than trying to provide an answer, I will make an appointment for the member to come down to the office.

Mrs HODSON-THOMAS: Fine.

Mr MARLBOROUGH: The present arrangement is that the industry makes an annual payment of \$50 000 to the Lark Hill establishment from the race course development fund. Will you clear up from where the funds come with the \$500 000 interest-free loan if \$25 000 is paid back per annum? Is that arrangement guaranteed and does it continue? I am aware, as is the department head, that significant negotiations have taken place for a number of years towards the possibility of further developing that track, particularly the land around it, for a training facility as part of the plan for a major sporting complex in conjunction with the Rockingham City Council. How far has that progressed, and is there anything in this budget to facilitate further work on that development of Lark Hill?

Mr SARGEANT: The member is correct, although I think the figure is now \$70 000 provided.

Mr MARLBOROUGH: From where does this money come?

Mr SARGEANT: Originally from the race course development trust, as negotiated initially by Minister Beggs. The new Government tried to withdraw from this matter, but the current Minister was firm that they stand by the agreement. As a result of the negotiations, the Western Australian Turf Club applied to provide the money directly rather than through the trust. The Minister is firm that the agreement will be honoured; if not, he will take action. Nothing in my budget relates to the development of Lark Hill. If anything, it would be through the Minister for Planning as relevant money is accumulated through the metropolitan planning scheme. I understand that its progress is very much in the hands of the City of Rockingham. The Minister supports the matter strongly.

Mr MARLBOROUGH: Are you considering increasing the trials presently run at Lark Hill?

Mr SARGEANT: I cannot answer that as I do not regulate or conduct the trials. We have nothing to do with that, and that is why I did not answer the question about yearlings. I have neither the resources nor the legislative authority to intervene. I sought permission to attend a stewards' hearing and I was told in no uncertain terms to leave as I had no authority to be there.

Sitting suspended from 9.56 to 10.00 am

Division 11: Commerce and Trade, \$57 986 000 -

[Mr Ainsworth, Chairman.]

[Mr House, Minister for Primary Industry.]

[Dr R.A. Field, Chief of Staff, Office of the Deputy Premier.]

[Mr C.B. Fitzhardinge, Acting Chief Executive Officer.]

[Mr R.M. Bremner, Executive Director, Corporate Services Division.]

[Mr R.J. Muirhead, Executive Director, Industry Development Division.]

[Ms C.M. Gwilliam, Executive Director.]

[Mr R.D. Grounds, Acting Executive Director, Office of Aboriginal Economic Development.]

[Mr A. Webb, Divisional Finance Officer.]

[Mrs C. McPhie, Team Leader, Executive Support.]

Mr BROWN: Page 147 of the Budget Statements contains reference to the expenditure details under the various programs. Obviously, an amount is dedicated to staff, that is, FTEs, and an additional amount relates to the implementation of policies. I cannot extract from the figures how much is allocated to staff costs - internal operational costs - and how much is allocated to payments to industries under the various programs listed. In the absence of that information, it is not possible to work out what amount is available to industry under those various programs. Can we have a breakdown of that today or as supplementary information? I hope we can reach some agreement about supplementary information, otherwise we will have to put hundreds of questions to the Minister for Commerce and Trade when he returns.

Mr HOUSE: We will provide as much information as we can, either as supplementary information or now. Page 148 contains the breakdown of that information.

[10.10 am]

Mr BROWN: There are items like services and contracts at \$18m. I am not sure what that is all about; it is just one lump. There are industrial incentives, like the national industry extension service program. The department has put out information that indicates that it runs a whole series of programs. I understand that there is the accelerated

company expansion scheme, the China export market support scheme, the community enterprise program, the cultural industry service, the design marketing support scheme, the export market support scheme, the industry export consultant scheme, the international projects marketing support scheme, the Japan export market support scheme, the national industry extension service, the rural enterprise network program, the regional fund, the strategic alliance mission, the small business improvement program, the Vietnam market support scheme and the Western Australian innovation support scheme. Those are the programs the department said it ran last year. How much is allocated to all of those schemes? Is the amount of money in a bucket and someone just gets so much of what is left, or are specific amounts allocated to each scheme? What are the amounts allocated?

Mr HOUSE: I will have to provide that by way of supplementary information. I am not sure whether each one has a specific allocation or whether, as the member said, it is an amount of money allocated on a needs basis.

Mr FITZHARDINGE: Each of those programs has a specific allocation and publicly available guidelines.

Mr HOUSE: We can provide that information.

Mr BROWN: Could I also have where the expenditure falls under the item mentioned in the budget, so I can relate it directly to the headings in the budget allocation?

Mr FITZHARDINGE: Yes.

Mrs HODSON-THOMAS: The figures on page 147 show an increase of 10 FTEs in investment attraction. Trade enhancement FTEs are down from 94 to 68 FTEs. Why has there been a reduction? Has a point been reached with trade enhancement where the department does not need any more staff?

Mr FITZHARDINGE: The Department of Commerce and Trade has gone through a major restructure, which means it will move away from the delivery of bulk services to individual businesses towards working with industrial groups and associations. As part of that restructure we have been able to reduce the total staffing requirements. Part of the restructure will result in the transfer of three FTEs to the Small Business Development Corporation, but they will still be contained in the 168 FTEs shown on page 147. The FTEs who are allocated to corporate services are further assigned to each of the three economic development subprograms. The member will see that the 58, 68, 29 and 13 add up to 168 FTEs. Because of the new approach of looking at output based management, we have assigned the resources used in each of those areas to each of those subprogram areas. I have a number of copies of a brochure which outlines the new focus by commerce and trade; they could be circulated with the agreement of the chairman.

The CHAIRMAN: Certainly, if members are happy to have them.

Mr BROWN: Page 148 shows a breakdown of salaries, wages and other matters. The amount under grants, subsidies and transfer payments is set out. Of the overall budget of nearly \$58m, what percentage goes to the administrative costs of operating the department? I do not know what service and contracts are, but even if one includes that figure, it suggests that the servicing of the department is around \$35m out of an overall budget of \$57m, which suggests it is about 60 per cent. Is the rest of the money paid out for various schemes administered by the department?

Mr FITZHARDINGE: The figures that comprise the \$35m could not be construed as being operating costs. The services and contracts area includes activities such as the purchase of land from Agriculture Western Australia and Department of Conservation and Land Management for the expansion of Technology Park. It includes the upgrade of the enterprise and research and development units at Technology Park. It includes an allocation of \$1.3m towards the implementation of the science and technology policy. It includes the debt servicing costs. The debt primarily relates to assistance to industry. Therefore, if one extracts the debt servicing costs and the service and contracts figure of around \$22m, one will see that the actual cost, which is primarily salaries and staff related expenses, gives a much lower percentage. Our operating cost of approximately \$14m represents approximately 25 per cent of the \$57m budget allocated to the Department of Commerce and Trade. Through productivity improvement we have been looking to reduce the proportion of our budget which is spent on internal costs to increase the application of funds to assist industrial development in this State.

Mr BROWN: There is obviously now a focus on infrastructure development. How much is provided directly to companies or projects in industry?

Mr FITZHARDINGE: If the member looks at grants, subsidies and transfer payments, he will see a figure of \$4.3m provided for industry incentives. He will see a figure of \$5.2m provided under the national industry extension service and AusIndustry grants. A figure of \$4m is provided for centres of excellence and grants to cooperative research centres. A figure of \$4.7m is in the Exmouth development trust fund, which will primarily be applied for infrastructure, such as the upgrading of the Learmonth airstrip and the development of the boat harbour at Exmouth. A further \$5m is allocated to the regional headworks development scheme. The other figure of \$8.2m contains all

the other support schemes, such as the export marketing scheme and the WA innovation support scheme. A substantial proportion of the funds is paid to provide infrastructure, incentives or support to industry.

[10.20 am]

Mr BROWN: An interview with the Chief Executive Officer of the Department for Commerce and Trade was reported in *The West Australian* on 6 March 1997. The article states that the CEO, Bruce Sutherland, said that less than 15 per cent of the department's \$60m budget would go on direct financial assistance this year. It was the subject of an editorial the following day. Given the figures, I am trying to work out from where the 15 per cent comes. It does not seem to be 15 per cent; it appears to be a whole lot more than 15 per cent.

Mr FITZHARDINGE: The member needs to look at the nature of the grants, subsidies and transfer payments. For instance, the expenditure from the Exmouth development trust fund will not be paid directly to industry; it will be paid to support pieces of infrastructure located within the Shire of Exmouth. The centres of excellence program is not direct support to individual businesses. The difference between those figures is largely explained by the nature of the grants that are made. One cannot say that 85 per cent of the operation of the Department of Commerce and Trade is spent on internal operations because only 15 per cent is provided as direct assistance to industry. Forms of assistance other than direct assistance are provided to local authorities, associations and industry. The export marketing support scheme would be a case of direct assistance to a business; however, the Exmouth development trust fund is not; it is providing infrastructure to help develop the town of Exmouth.

Mr BROWN: From where in this budget do the direct assistance to industry amounts come? I presume they come from industry incentives, which is \$4.3m, and the national industry extension service, which is \$5.2m. Is there any other area? Does anything from services and contracts go directly to industry?

Mr FITZHARDINGE: I have already indicated that the amount under services and contracts was for the purchase of land for the expansion and upgrading of Technology Park and information technology initiatives. A very small proportion of that, if any, would go as direct assistance to business. Of the \$8m in "Other", we estimate that \$2m would be direct assistance to industry. Within the 1997-98 budget we are looking at approximately \$12m out of the \$57m as direct assistance to industry. In my rough calculation, that amounts to 20 per cent. It is within cooe of what the CEO stated as being the proportion of the budget which was of direct assistance to industry. Also, we must subtract from that the small business improvement program, which will be transferred to the Small Business Development Corporation, and that amounts to \$600 000. There is a small reduction of approximately 1 per cent. We are talking 19 per cent of the 1997-98 budget going as direct assistance to industry.

Mr BROWN: Some of the schemes which I read out may not receive direct financial assistance. Will the Minister include in the schedule he will provide in supplementary information a breakdown of the amounts to indicate which amounts are for direct financial assistance; that is, handing over funds to companies to attract them to this State as opposed to infrastructure payments and those sorts of things?

Mr HOUSE: Yes, we will provide that as supplementary information.

Mr THOMAS: I refer to page 147 of the Budget Statements and to the earlier reference to the budget of \$57.9m. In fact, due to the adjustment of the cash book balance of \$4m it is actually a budget of \$61m. Was that money unspent from the previous year? Was it attributed to capital rather than recurrent expenditure?

Mr FITZHARDINGE: There are two adjustments for the cash book balance. There is an adjustment under recurrent expenditure of \$14m as well as an adjustment under capital expenditure of \$4m, making a total of \$18m. The department operates a number of trust funds. It holds moneys provided by other agencies, including the Federal Government. It is normal for some funds to be carried forward each year. This year a large amount of money is carried forward because of a slower than expected expenditure on the national industry extension service program and the Exmouth development trust fund. The full amount from the sale of houses in Exmouth was drawn down to the department's budget on the expectation that it would be spent on infrastructure. Also, money is being carried forward under the cooperative research centres and centres of excellence program.

Mr THOMAS: At the time the Budget was brought down a document was released which related specifically to science and technology. It includes a number of statements on areas of expenditure as well as a summary of a statement which was made by the Deputy Premier some weeks before that. I want to go through all these items, but first I would like to know where these items appear in the budget. Are they under one heading?

Mr HOUSE: Those particular dollar allocations are spread throughout the programs.

Mr THOMAS: I have a brochure which refers to the science technology coordination unit but I do not see anything about it in the budget.

Mr HOUSE: The amounts are spread throughout the budget. We will try to identify them for the member.

[10.30 am]

Mr FITZHARDINGE: Page 152 identifies science and technology as an output. It shows a significant increase from the 1996-97 budget of \$7.3m to an estimated expenditure this financial year of \$14m. The main difference in the allocation of the additional funds for 1997-98 is an increase of \$2m for the centre of excellence, \$1.5m for science and technology promotion related activity, and \$2.9m carried forward from science and technology funds from the previous year. In relation to the \$14m, a substantial number of the programs are identified within the budget summary on science and technology.

Mr THOMAS: Is the bulk of that \$7m for Technology Park capital?

Mr FITZHARDINGE: None of it is capital.

Mr HOUSE: Is the capital allocation the item above that in item 1.2?

Mr FITZHARDINGE: Yes.

Mr THOMAS: In the Deputy Premier's science and technology strategy item 1.1 refers to a marketing program to raise the community's awareness of the importance of science and technology, and \$200 000 is allocated. Is that part of item 1.3?

Ms GWILLIAM: Yes; it is detailed in the handout under leadership in science and technology.

Mr THOMAS: Strategy 2.1 refers to the Government's investigating the feasibility of providing support for agencies to conduct baseline research into terrestrial and aquatic environments, etc, with an allocation of \$40 000.

Ms GWILLIAM: Yes. That is part of item 1.3.

Mr THOMAS: Strategy 2.2 refers to investigating the establishment of a biodiversity institute, etc, also with an allocation of \$40 000.

Mr HOUSE: That is also part of the \$1.3m.

Mr THOMAS: A strategy within objective 3 refers to establishing science and technology forums to raise awareness of science and technology with an allocation of \$80 000.

Mr HOUSE: That is included in the \$1.3m.

Mr THOMAS: Strategy 4.1 refers to the development of information technology policy for the State and has an allocation of \$100 000.

Mr HOUSE: We are not sure about that. We will provide the answer as supplementary information.

Mr THOMAS: Strategy 5.2 refers to the Education Department. Are these matters in the Education budget?

Mr HOUSE: They appear in the Education budget.

Mr THOMAS: Is the amount under strategy 6.1 in the TAFE budget? It is essentially staff development.

Mr HOUSE: That will come from sponsorship. There is nothing in the budget for that.

Mr THOMAS: I can understand that. Is the sponsorship from the Department of Commerce and Trade, the Education Department or TAFE?

Mr HOUSE: I am advised there may be a need for Commerce and Trade to pick up some of that. However, private sponsorship will be sought for the bulk of the funding.

Mr THOMAS: Who is seeking sponsorship?

Mr HOUSE: TAFE.

Mr THOMAS: Strategy 7.1 and 7.2 refer to sponsorship for development of short courses in research and development and commercialisation, with an allocation of \$80 000 a year.

Mr HOUSE: Both are included in the \$1.3m of this budget.

Mr THOMAS: Strategy 8.1 refers to the provision of four postdoctoral fellowships each year to encourage outstanding postdoctoral students to undertake research into areas of high priority for the State, with an allocation of \$100 000.

Mr HOUSE: That is included in the budget.

Mr THOMAS: When, how and by whom, will the postdoctoral scholars be selected and when will they commence?

Mr HOUSE: I am advised we do not have a time frame; we are still in the process of developing an implementation plan. That will be determined.

Mr THOMAS: That type of program will take some time. Will there be one postdoctoral scholarship a year so that at any one time there are not four?

Mr HOUSE: Apparently the arrangements have not been made with the universities yet. It will be necessary to see whether they can fulfil the commitment they have towards that work. When it is determined we will give the member the information.

Mr THOMAS: Objective 9 refers to increasing the penetration of science into schools. Strategy 9.1 refers to the provision of funding support for the Science Teachers Association of Western Australia, Science Talent Search. Strategy 9.2 refers to, I think, a new scheme that is somewhat similar to encourage a program in technology and value adding. It is to be conducted by a consortium of professional teachers' associations. Each of those is allocated \$30 000.

Mr HOUSE: Both are funded in this budget.

[10.40 am]

Mr THOMAS: Objective 10 comes under the heading of the role of the State Government. Provision is made for the appointment of a Minister for science and technology. That will be the Deputy Premier. Reference is made to the establishment of a Ministerial Science and Technology Council which will comprise Ministers whose portfolios have a science component. A coordinating committee will comprise chief executive officers of relevant government agencies. We are told that the chair of the coordinating committee will be the CEO of Commerce and Trade, and universities will be represented. An amount of \$90 000 has been allocated for the establishment of the coordinating committee. Is that amount under item 1.3?

Mr HOUSE: Yes.

Mr THOMAS: How is the program progressing? What progress has been made on the appointment of a Minister for science and technology?

Mr HOUSE: The Cabinet has not made a decision about appointing a Minister.

Ms GWILLIAM: The planning for the implementation of these and other initiatives for 1997-98 is underway. That planning is well advanced. We are drafting guidelines for the financial arrangements for the Ministerial Science and Technology Council and the committee of CEOs. That has not been implemented. We hope to finalise those action plans in the first quarter of 1997-98.

Mr THOMAS: Strategy 12 is to give the State Government the means of measuring the development of science and technology activities in Western Australia. I take it from the Deputy Premier's statement that a state database will be established by disaggregating state data from the Australian Bureau of Statistics. The amount allocated is \$75 000. What progress has been made in achieving that end? Is that amount under item 1.3, science and technology promotion and support?

Mr HOUSE: I am advised that most of the money has been expended. Only a small amount remains to be expended in the budget from July onwards. Obviously this is fairly well advanced.

Mr THOMAS: Whatever else is required will be done under item 1.3?

Mr HOUSE: Yes.

Mr THOMAS: Has the database been created?

Ms GWILLIAM: We hope to make an announcement of the key statistical information in July this year.

Mr THOMAS: Strategy 13 is to increase the level of expenditure on research and development in the mineral sector. I am sure that strategy 13.1 will please many people: The State Government will allocate additional funding for the Minerals and Energy Research Institute of WA to support the minerals industry research and development. I note a small decrease in the MERIWA budget item. Where and how will that objective be achieved? Will it flow through this budget or will it be a supplementary item?

Mr HOUSE: I understand that the matter has not been advanced to a great degree. The Deputy Premier will be holding discussions with the industry and with MERIWA. If a large allocation is necessary it will either be appropriated from somewhere else in the budget or a new appropriation will be made.

Mr THOMAS: It is an important item and part of policy, but there appears to be no budgetary provision for it.

Mr HOUSE: That is because the discussions have not advanced to a stage where we can determine what the amount would need to be.

Mr THOMAS: Strategy 14 is to encourage greater private sector and university involvement in research conducted by the State Government. The allocation is \$100 000. This objective seeks to provide an opportunity for universities and the private sector to be involved in research and development. The document cites the Department of Conservation and Land Management's publication of a forward program of research requirements so that anyone in the business - be it a university or someone in another capacity - can think about undertaking that work. A requirement is for other government departments to undertake similar work. The cost will be \$100 000. Would that amount come from the budgets of those agencies or is the Department of Commerce and Trade, in its capacity as coordinator of science and technology, to do that work for other agencies?

Mr HOUSE: I understand that is not included in the budget. However, \$75 000 has been allocated for activities to encourage industry investment in research and development. Therefore, some of that could be appropriated. It is not a specific line item in the budget.

Mr THOMAS: Strategy 15.3 deals with intellectual property and technology and information management. It states that the Department of Commerce and Trade will coordinate and liaise with public sector management and the Ministry of Justice regarding the development of a whole of government intellectual property management policy. I recall similar statements in previous years. The whole of government intellectual property management policy has been drafted for some time. What progress has been made? Does the amount of \$100 000 fall within item 1.3?

Mr HOUSE: Yes. Cabinet has made a decision on this matter. The Deputy Premier intends to make a more detailed announcement on that Cabinet decision at the end of June or the beginning of July.

Mr THOMAS: Strategy 17 is to increase encouragement of investment in research and development in Western Australia. An amount of \$80 000 is allocated to promote science and technology, collaboration and opportunities both nationally and internationally through cooperative arrangements with industry, government and academe in other countries. Does this allocation fall within item 1.3? If so, how will the money be spent?

Mr HOUSE: It is covered by item 1.3. I understand that the funds will be spent to build up a network of technology information for people to access.

[10.50 pm]

Mr THOMAS: Objective 18 is to ensure that state government purchasing policies and practices promote the development of world class technology by local firms. The document states that rather than trying to protect local industry in a way that would be contrary to free trade, we should ensure that high standards are specified and that local industry is in a position to provide those goods and services at high quality standards; and, therefore, be in a position to be internationally competitive to supply other markets. No amount is specified. That work would require some expenditure. Will the Department of Commerce and Trade have any role in this?

Mr HOUSE: Yes, the Department of Commerce and Trade will have a role, and it is seen as a normal role of the department. The State Supply Commission and the Department of Contract and Management Services will be the prime deliverers.

Mr THOMAS: Here we start getting into big money: Objective 19 is to assist the development of research intensive companies through the provision of technology parks in strategic locations. An amount of \$2.5m is allocated to enhance Technology Park in Bentley into a technology precinct. Where in the Budget does that \$2.5m appear? Strategy 19.2 is to examine the feasibility of establishing new specialised technology parks in strategic locations and to examine the potential for the development of further technology parks.

Mr HOUSE: That line item appears under 1.2 on page 152 of the Budget Statements.

Mr THOMAS: I am disappointed that strategy 19.2 is simply to examine the feasibility of establishing new technology parks. If it was decided it was desirable to have a technology park adjacent to the Joondalup campus of Edith Cowan University, for example, and the land was not allocated now, the area may be built out when that time arose. The Select Committee on Science and Technology, which I chaired, recommended that land should be allocated now, even if the land is not immediately required, in order that future options are not precluded. Even

though at present there is no allocation for the purchase of land, is land available, or has the department ensured that that option is kept open and that sites adjoining universities, which might be considered strategic, are not built out and the options foreclosed in future?

Mr HOUSE: That is a good point. I will relay that to the Minister for Commerce and Trade when he returns.

Mr FITZHARDINGE: Twelve months ago Commerce and Trade led a study on technology precincts other than Technology Park to develop a statewide approach. Some areas have been identified in regional areas that would suit the development of technology precincts in association with either education facilities or industry. In some cases the land is held by government or local authorities. Therefore, it is likely to remain available to enable the examination of the viability of establishing research such as arid land research and research into mining and mineral processing in regional areas. Recommendations have been put forward about the use of the Exmouth former communications base as a research facility. Edith Cowan University has been closely involved with that study. Even though land has not been specifically identified for a technology precinct there, opportunities still exist for technology precincts to be established on land that is held by education bodies.

Mr THOMAS: Is the land at Edith Cowan, which that university aspires to use as a technology park, in government ownership but not transferred to the university? I understand it was owned by the department of planning some years ago.

Mr FITZHARDINGE: I am unaware of the detail of the ownership at Joondalup. Would you like that information?

Mr THOMAS: Yes. I could provide you with more details about what I am talking about. The university indicated to the Select Committee on Science and Technology that it considered it desirable to have a specific block of land.

Objective 20 is intriguing and one in which many people will be interested; that is, to increase the capacity for the State's non-endowed universities to undertake world class science and technology activities. The University of Western Australia is a well-endowed institution and other publicly owned universities are not. Strategy 20.1 is that the Government will examine the means to establish a university research endowment fund. I am aware of the Government's discussion document that foreshadowed allocating the payroll tax of universities to an endowment fund that they would be able to access, which would have been a generous endowment. There was some anticipation by the universities that that would happen. They are disappointed the Government will now examine the means of establishing a university research endowment fund. How far advanced is the Government in examining the establishment of that fund? When is there likely to be some progress on that?

Mr HOUSE: Ongoing discussions have been held between the Minister for Commerce and Trade, the Premier and Treasurer, and the Minister for Education. I cannot give the detail of how far advanced those discussions are. I will relay that question to the Minister for Commerce and Trade. Perhaps the member and he can discuss the matter.

Mr THOMAS: Will the Minister be a little more specific? Rather than his saying that the Minister for Commerce and Trade and I can discuss it, may I have an answer?

Mr HOUSE: I cannot give you more detail.

Mr THOMAS: I know you cannot, but perhaps supplementary information can be provided on that.

Ms GWILLIAM: A working party from the agencies of the Minister for Commerce and Trade and the Minister for Education is considering a series of options that will be funded through the consolidated fund rather than through any other means. We hope to have some agreement by the two Ministers by the end of this calendar year.

Mr THOMAS: Which agencies are involved in that working party?

Ms GWILLIAM: The group includes an officer from the Department of Education Services and an officer from the Department of Commerce and Trade. Extensive discussions have been conducted with the universities.

Mr HOUSE: This is a fundamental issue for the Government and the decision will eventually be made by Cabinet. The process is not advanced enough to give any more information at this stage.

[11.00 am]

Mr THOMAS: Strategy 21.1 is to establish a steering committee to investigate the mechanisms to provide non-endowed universities with a land endowment. The endowment for the University of Western Australia is primarily a land endowment and it has become lucrative. Obviously Edith Cowan University, Murdoch University and Curtin University of Technology have looked at something that would provide a similar basis in the long term. How far advanced is the establishment of a steering committee?

Mr HOUSE: The same answer applies. That is an in-principle decision for the Government. It is not a line in this year's Budget because dollars are not allocated to it. It is not that it is a secret; it is just that we are not advanced enough to give you a more detailed answer.

Mr THOMAS: Has a steering committee been established?

Mr HOUSE: No.

Mr THOMAS: When will it be established?

Mr HOUSE: I cannot answer that. I will provide that as supplementary information.

Mr THOMAS: Strategy 22.1 is to provide support for proponents of centres of excellence for industry focused on research and development, and part of that strategy is to assess the viability of potential research centres of a cooperative nature. The estimated expenditure is \$4m per annum between 1997-98 and the 2000-01. That is a fairly substantial amount of money. What progress has been made in spending that money?

Mr HOUSE: It appears under item 1.3 and it is \$4m per year over four years. I do not know how advanced that is. It is a new program.

Ms GWILLIAM: Planning for the expenditure of those centres of excellence dollars is well advanced. Advertisements have already been placed to receive submissions from universities and industry. The State Funding Advisory Committee is due to meet in June to further consider funding requests, some of which will have forward commitments. In addition, further meetings are scheduled over the remainder of the financial year. The expectation is that we will approve approximately \$2m per round.

Mr THOMAS: Does that \$4m include the program of support by the State for cooperative research centres?

Mr HOUSE: Yes.

Mr THOMAS: Does that \$4m which is heralded include an additional \$2m?

Mr HOUSE: The \$4m allocation includes an additional \$2m.

Mr THOMAS: Strategy 23.1 is \$8m over five years - which is again a substantial amount of money - to establish a medical and health research infrastructure council to allocate funds for medical research. What is the progress with regard to the establishment of that council and the expenditure of that \$8m? Where in the Budget is that \$8m over five years?

Mr HOUSE: The members of that council have been appointed. That was done in conjunction with the Health Department. It is in the Health Department's budget.

Mr THOMAS: There is no budgetary implication for the Department of Commerce and Trade?

Mr HOUSE: No.

Mr THOMAS: Who is on that council?

Mr HOUSE: I need to correct that answer. While the council members have been appointed, Cabinet has yet to approve their appointment. That will be done on Monday, and we will make the information available to the member after Cabinet has agreed - perhaps on Tuesday - as a supplementary answer.

Mr THOMAS: I am intrigued about part 4.0 of the science and technology policy, which will, no doubt, be very dear to both the Minister and the Minister representing: The development of science and technology in regional Western Australia. Do the various items that appear there, or the various commitments that have funding implications, specifically the extension of the Scitech Discovery Centre and the allocation of money to enhance science and technology activities within the regions, appear in the budgets of the regional development authorities?

Mr HOUSE: No; they appear in the budget of the Department of Commerce and Trade.

Mr THOMAS: Strategy 25.2 is to improve communication and understanding of new research knowledge to regional communities. The estimated expenditure is \$450 000, which is \$50 000 per region. Is that also in the Commerce and Trade budget?

Mr HOUSE: Yes.

Mr THOMAS: The estimated expenditure for the provision of telecommunications infrastructure to the regions of the highest national standard is \$75 000. I am not sure how far \$75 000 will go!

Mr HOUSE: It might get to Armadale, with a bit of luck!

Mr THOMAS: It is for an audit and recommendations rather than infrastructure. Where is that provided for in the Budget?

Mr HOUSE: It is in the regional development division of the Department of Commerce and Trade.

Mr FITZHARDINGE: The communications audit by Boshe has been completed and is being printed, and it will be launched in June.

Mr THOMAS: Excellent. That is under item 3. Is that earlier item also under item 3?

Ms GWILLIAM: No. The \$450 000 is under science and technology, not regions.

Mr THOMAS: An item which could have significant budgetary implications but for which no provision appears to have been made is to increase the presence of academic institutions in regional areas. Does the department have any responsibility for the implementation of this strategy; if so, how does it anticipate that will be done without the expenditure of any money? Strategy 27 refers to providing land and financial support for the establishment of special purpose satellite campuses in the regions. That could be an expensive exercise, and no money has been allocated.

[11.10 am]

Mr FITZHARDINGE: The Regional Development Council is working with the Education Department, technical and further education and the Higher Education Council to look at innovative ways of delivering education into the regions. In some cases that will require the provision of technology to existing telecentres, or new integrated facilities, such as the learning centre at Esperance; and in other cases it will require new building facilities which will be part of the budget process. This area is being actively pursued by an integrated approach among education institutions and other government departments.

Mr THOMAS: I accept that, and it seems to be a most desirable activity. However, the strategy is to provide land and financial support. Land can be provided if the department already owns it, but how can the department provide financial support without a budget allocation, or is it covered elsewhere?

Mr HOUSE: We are looking at a long lead time. We will need commonwealth support and cooperation. I do not imagine it will be done this financial year. I am sure any budget allocation in future years will be applied at the appropriate time.

Mr THOMAS: It will not be in 1997-98?

Mr HOUSE: No.

Mr THOMAS: Strategy 28 is to provide regional communities with access to services of the Scitech Discovery Centre; \$100 000 a year has been allocated to enable Scitech to extend its programs to the regional areas and \$50 000 a year has been allocated for secondary students in regional areas to participate in the science and technology awareness raising program which currently exists in metropolitan schools, but not in the country. That is a desirable program. Where is that \$150 000 shown in this budget?

Mr HOUSE: It is under program 1.3. That is a rolling road show that will tour the country regions.

Mr THOMAS: It is a good idea. Strategy 30.1 is to increase the level and quality of communication between the State Government and the Commonwealth on science and technology issues and \$50 000 has been allocated for a biennial science and technology forum comprising representatives of the State Government and relevant commonwealth agencies. Is it anticipated that the first of these biennial science and technology forums will take place this financial year? Does that \$50 000, which I presume will cover the organisational costs, appear under program 1.3?

Mr HOUSE: Yes, it does.

Mrs HODSON-THOMAS: On page 153 a major achievement for 1996-97 is to promote Western Australia as a suitable investment location at 10 internationally targeted promotional events. What were or are those international events? Are the results known, or what are the Minister's expectations?

Mr HOUSE: There were visits to Norway, Italy and Singapore in September; Italy in October; an Asia Pacific conference, for which I do not have the date; a delegation to Canada and Europe in March; visits to Asia and the UK in May; and the final event was in Texas, USA in May 1997.

Mrs HODSON-THOMAS: What are the expected outcomes from those visits?

Mr HOUSE: I will photocopy this document for the information of members. If as a consequence of this document members need further information we are happy to provide that.

Mr BROWN: I refer to the National Industry Extension Service on page 148 and the industry incentive programs. There has been some comment in the Press about the change of focus in the way direct industry assistance is given. What is the change of focus in the criteria that the department uses to provide direct assistance?

Mr HOUSE: The majority of those if not all come to Cabinet for approval.

Mr BROWN: I understood that programs over \$250 000 required Cabinet approval.

Mr MUIRHEAD: AusIndustry and NIES grants do not require approval from Cabinet or from Parliament. The Minister has undertaken to table in Parliament any industry incentive over \$250 000. The change in focus for NIES industry programs is to limit the size of organisations eligible for those programs to less than 100 staff employed. We are negotiating that with the Federal Government at the moment. We hope that will be implemented in a number of weeks. We are simplifying the way in which industry can apply for those schemes and also limiting the funds available for consultants to do business plans and market plans. We are trying to focus on smaller companies.

[11.20 am]

Mr BROWN: A comment was made in the same article in *The West Australian* on 6 March that the department was looking at those companies in genuine need, rather than on the basis of economic benefit. Is that reflected in the criteria? I drew the inference from those comments that there was some criticism in the Press immediately prior to that statement about the Government providing funds for expansion of businesses which were quite well heeled and questioning what the Government was doing chipping in to assist those companies which were doing very well anyway. This comment seemed to suggest there would now be additional criteria relating to the economic incapacity of a company being based on economic need, rather than simply on economic benefit. I presume economic benefit is always there, but there is an equal criterion of economic need. Have the guidelines been changed?

Mr HOUSE: That is now a criterion that is also applied.

Mr BROWN: What economic criteria apply?

Mr MUIRHEAD: The economic need issue is very difficult to measure each time a stated need is given by an organisation; hence, the limit on small schemes covering companies with up to 100 employees. We relate the need in terms of the overall structure. In other words, the 100-employee companies criterion includes parent companies and subsidiaries. That basically excludes most multinationals from the small industry assistance schemes. The comment made by the chief executive officer reflected an overall view about where we previously gave assistance to large companies on the basis of the department providing an incentive for them to do something and to produce economic benefit from that. Now we are getting down to the companies that need financial assistance to become involved in either export marketing or an enterprise activity that will help the company move to another stage of development.

Mr HOUSE: I will provide in a detailed form the relevant criteria that are applied.

Mr BROWN: It would be of some assistance. I indicate the sort of thing I am trying to come to grips with in terms of how the judgment is made. Although some companies are small, they may be highly profitable. If a company is doing okay in the market, questions might be raised about the degree to which it should use some of its own resources to expand to other markets or different markets or whatever, as opposed to going to the Government for that assistance. Other companies may be really struggling, but they have good products. They may have received some expressions of interest to market their products overseas, but to do so would mean a whole range of things that would mitigate against their being prepared to do that. A company may need an extra \$20 000 or \$30 000, and it may not be prepared to put in that sort of money to achieve any result. I notice from the schedule of payments made by the department to the various companies that some quite small amounts were provided; for example, \$1 000 for an airfare and \$500 to attend a conference. In the case of paying \$1 000 for a person to travel to a conference by way of an airfare, if that is the difference between the company's viability or otherwise, it is a pretty marginal operation. Is the thinking that the department will pay \$1 000 because it wants people from that small operation to open their eyes and broaden their horizons, or does the department look at the balance sheet of that company and say, "You did pretty well last year; you made 40 per cent and your turnover is pretty good. We think you have a good product or a good service, but we also think you have the money to do things yourself"?

Mr HOUSE: Those issues are always a matter of judgment. All Ministers who administer those sorts of things - we get people in agriculture who apply for assistance with funding to go to land conservation conferences, for example - must decide whether to send employees of the department to those sorts of conferences. It is always a matter of

judgment. It is not easy to have strict criteria about that. Most Ministers use a balance of advice from their department and judgment they make themselves.

Mr BROWN: I have the schedule of payments tabled by the Minister in the Parliament last year. I notice another area which shows all sorts of amounts. I recently got a schedule of payments by the Department of Education and the Department of Employment and Training which showed \$700 paid to the BGC group. Surely that company will not rise or fall on the basis of \$700. I find that sort of rationalisation difficult. Is the decision made by putting the names of the companies on a dart board and throwing darts at them to select the successful ones which will receive assistance? How does it work? Who gets assistance and who does not?

Mr HOUSE: As I say, it is very difficult to make those decisions. It is a matter of judgment. Most departments and Ministers have difficulty in making those judgments. However, there is always an allocation when we think there is some benefit not just to the company, but also to the State.

Mr BROWN: In the same media statement reference is made to the amount spent by the Department of Commerce and Trade on infrastructure. This article stated that about half of the department's budget would be spent on infrastructure to assist business in a particular area. Is that the same for this budget?

Mr FITZHARDINGE: The article referred to the original headworks development scheme which has an allocation of \$5m in 1997-98. The Exmouth development trust fund has an allocation of \$4.7m. The cooperative research centres and centres of excellence will be provided with infrastructure for which \$4m has been allocated. There is also provision for capital services for the completion of construction of a breakwater for the shipping industry at Jervoise Bay, as well as infrastructure required to attract the Commonwealth Scientific and Industrial Research Organisation to Western Australia. A significant proportion of the department's budget is applied to infrastructure items, which supplement the business assistance programs.

Mr BROWN: Was the Exmouth development trust fund set up by the US Navy when it moved out of Exmouth?

Mr HOUSE: It was not established by the US Navy.

[11.30 am]

Mr FITZHARDINGE: About \$10m was provided from the sale of houses in Exmouth which were vacated as a result of the move by the US Navy from Exmouth. The proceeds from the sale of those houses have been applied to a trust fund. The fund has a number of different aspects to it. A small component of the fund was used for the funding of community facilities, including lighting of the oval, an ambulance, and community centres. However, the majority of the fund will be supplied in two sections: \$5m for the development of the Exmouth boat harbour and approximately \$4m for the upgrading and development of a terminal at the Learmonth airstrip. The bulk of the funds have been provided for two key infrastructure items. However, there is a program for supporting soft or community infrastructure, which is administered through the trust fund and through the Shire of Exmouth.

Mr BROWN: Was any money paid into the Exmouth development trust fund from the consolidated fund?

Mr FITZHARDINGE: The composition of the residual funds of the trust fund comprise the sale of the houses, the payment of interest which is due on moneys held within the trust fund, and there have been some items of state infrastructure which have involved reimbursements to the trust fund. The construction of Burkett Road by Main Roads WA was brought forward with funds from the trust fund and money has been reimbursed to the trust fund. A final payment of \$700 000 is being made this financial year to the trust fund by Main Roads WA.

Mr HOUSE: The answer is no.

Mr BROWN: Therefore, there is no allocation from the consolidated fund into the trust fund?

Mr HOUSE: No.

Mr BROWN: Okay. Are NIES and the AusIndustry grants funded by the Commonwealth?

Mr FITZHARDINGE: They are a partnership between the State and Federal Governments.

Mr BROWN: How much of the grant is funded federally and how much is funded from CF?

Ms GWILLIAM: It varies over time. The Bilateral Agreement refers to, in general terms, matching levels. In 1996-97, the State put in \$2.3m and the Commonwealth put in \$1.3m. We are meeting with commonwealth representatives this afternoon to ascertain the figure that the State will get in 1997-98. We anticipate it will be in the order of \$1.5m or \$1.6m.

Mr BROWN: Is that a reduction from last year?

Ms GWILLIAM: No, it is a slight increase - \$1.3m to \$1.6m of federal money.

Mr BROWN: And the State will put in the remainder, which is \$2.7m?

Ms GWILLIAM: Yes.

Mr BROWN: Is any other income that is referred to in the statements derived from sources other than the consolidated fund, either through the Federal Government or whatever?

Mr FITZHARDINGE: Yes, money which is derived from land sales at Technology Park, money which is paid for the CSIRO lease of the Leeuwin centre, money derived from the normal disposal of assets such as vehicles and equipment, and small amounts of money which come in from other agencies in partnership programs that we run, such as contributions towards studies and contributions towards projects.

Mr BROWN: In relation to developing the initiatives that you offer under the various programs for industry, do you examine whether similar initiatives or like initiatives are available through federal funding? In other words, do you tailor your funding around federal needs?

Mr HOUSE: Yes.

Mr BROWN: You would be aware of the various changes that have been made by the Federal Government to a number of its schemes through the 1996-97 Budget and more recently in the 1997-98 Budget. How will your arrangements change as a result of those changes?

Mr FITZHARDINGE: We have restructured to move away from individual business delivery - the Federal Government is moving away from that approach also - to support for infrastructure and industry associations. A large number of federal government budget initiatives impact on the strategies which are in place for industry development in this State. In the previous Budget, the move on DIFF had an impact on the future direction of Western Australian industry. Obviously the continuation of the ship building bounty had a huge effect on the strategies adopted by Commerce and Trade. In many cases Commerce and Trade operates in partnership with the Federal Government in the regional development program. Again the cutting of that program has meant we have had to adjust. However, we are not in a position to replace the activities of the Federal Government. We need to see whether we can adjust our programs to be still as effective and still access the types of programs which are being run by the Federal Government.

Mr BROWN: I understand there was a cutting back of the export market development grants scheme by the Federal Government.

Mr FITZHARDINGE: Yes.

Mr BROWN: What effect has that had on Western Australian business?

Mr MUIRHEAD: It is difficult to know. Two principle areas caused great concern to local companies. The first was the change that did not allow grants to be paid to trusts, which caused specific difficulty because many companies are held in trusts. That cut out a large number of quite legitimate applications. The other was on the amount of travel that could be claimed under the EMDG. Both of those limitations just have been, or will be, lifted. That has lifted part of the problem.

Mr BROWN: Are you saying there is now changes to those?

Mr MUIRHEAD: The two criteria will be changed, yes. We have been advised that way. We will receive confirmation of that fairly soon when we meet with the Federal Government through the national trade consultative process in Darwin in June. A continuing change over a number of years has limited payments to smaller and smaller amounts. They have brought company thresholds down and they have brought the amount that can be claimed down. They have limited the top end of the EMDG, which in a way is going down the same road as everything else; it is trying to bring the benefit down to smaller businesses on the understanding that large business can take care of itself to a large extent. All in all, from our perspective in Western Australia, given the predominance of small business rather than the very large companies, we are not overly concerned by changes in the EMDG, particularly now that those other two issues appear about to be lifted. We have not had a lot of feedback from industry that it is greatly concerned about it. Our scheme, the export market support scheme to which the member referred earlier, is a complementary scheme with the awareness of the Department of Industry, Science and Technology/Tourism and Austrade. There is a specific requirement for companies, when they apply for our scheme, to state whether they are claiming the EMDG and they need to declare any export market support scheme funding when they are claiming to avoid double dipping. We make sure those things are coordinated between us and the Federal Government.

Mr BROWN: I understand that in last year's Budget \$97m came out of the EMDG. There was also a cut in the Asian-Pacific fellowship scheme, a cut in the Asian business scheme, and the international trade enhancement scheme was abolished. All of that totalled a \$126m cut in industry and export assistance. I am surprised that none of that has had an effect on Western Australia.

[11.40 am]

Mr MUIRHEAD: From our point of view, and following discussions with the Chamber of Commerce and Industry, there has not been a major drive to change, and it has not had anywhere near the impact that followed the abolition of the DIFF scheme or the bounty. We respond fairly closely to industry requirements and comment on these matters. We carry out an export impediment survey every three years, and this year's survey will measure changes in that type of funding. We should have the results in four or five months, and that will enable us to respond either with additional schemes of our own, different delivery of schemes or by lobbying the Federal Government. When schemes have had a significant impact, the department has been active in trying to correct them. The shipbuilding bounty has been corrected. I understand a recommendation will be made for the reintroduction of the DIFF scheme in some form the year after next. I think the pressure brought to bear changed some of the critical schemes. We have not had a major response from industry on this matter, and our feeling is that it has not had a negative impact.

Mr HOUSE: Mr Fitzhardinge has advised he may have given the wrong impression when he answered an earlier question and he would like to correct that answer.

Mr FITZHARDINGE: In explaining the source of revenue for the Department of Commerce and Trade, I said the Leeuwin centre revenue comes through the department and is included in its budget. However, although the department receives the revenue, it is passed directly to Treasury and is not included within its budget statement.

Mr BROWN: Was the last export impediment survey conducted two and a half years ago published?

Mr MUIRHEAD: It was not published but it is available as public information from the Department of Commerce and Trade.

Mr BROWN: Presumably the same will apply this year?

Mr MUIRHEAD: Yes, it will not be published as a document for distribution, but the information is available. It is not confidential information.

Mr BROWN: Given the direction of the Government in providing assistance to smaller companies and bearing in mind a number of decisions made by the Federal Government following the report by the Bell task force, to what extent, if at all, has the policy of the Department of Commerce and Trade been modified as a result of those commonwealth programs, some of which to a lay person seem to overlap.

Mr HOUSE: That question relates more closely to the Small Business Development Corporation.

Mr BROWN: I note that the Department of Commerce and Trade, according to the budget papers, will go down that path. I am referring more to industry assistance to small business. I note there will be some transfers but I understand these grants currently relate to this department rather than the SBDC. That being the case, I am keen to know what adjustments, if any, have been made to the criteria under which direct assistance is available, given the Commonwealth's announcement of the packages available.

Ms GWILLIAM: Following the Commonwealth's announcement, we are working with the federal Department of Industry, Science and Tourism in relation to much of the information distribution strategies in place. In relation to scheme guidelines, we have already taken the running in 1996-97, and will continue in 1997-98 to focus on small to medium enterprises. Members have heard how in terms of work force levels - not employment - we are introducing criteria so that only firms with a work force of fewer than 100 people will be assisted. In relation to need, we have put in place for some of the schemes an assessment on that basis and will continue to do so for other schemes. In relation to compliance costs, the department is mindful of the need to look at customer requirements and not just administrative requirements for scheme design. We are making a number of improvements to reduce compliance costs on small business.

To ensure better synergy between commonwealth and state schemes, we are working to avoid any overlap. In relation to issues of regulation red tape, we are working with the CCI, particularly through the Small Business Development Corporation, to make sure any areas of red tape removal that have been identified can be addressed. The Commonwealth Government is working on a tight time line for major reductions in regulatory requirements.

Mr BROWN: Is there any overlap between the Commonwealth's new directions in this area and what the State is doing in direct financial assistance?

Ms GWILLIAM: I would not say overlap as opposed to synergy in scheme design and delivery. AusIndustry is a commonwealth-state program, and there is every endeavour not to duplicate other commonwealth programs. In relation to scarce state funds, we have a requirement to make sure with the export market support scheme that we are not duplicating the federal scheme. In relation to the Western Australian innovation support scheme for research and development support, the focus is to make sure we are not duplicating the schemes for companies that could obtain assistance under the 125 per cent tax concession from the Federal Government.

In relation to information networks and the Bizlink development, the State is working extensively with the Federal Government. The State is the collection point for information available in WA on industry assistance schemes. There is a great deal of partnering and sharing of approaches.

Mr BROWN: In the 1996-97 federal Budget there was a reduction from the 150 per cent and 125 per cent tax treatment of research and development, and a number of people in the business community at senior ranks have been quite scathing about that, particularly given the overall level of research and development in the private sector compared with that in some other industrialised countries. Ours is pretty abysmal compared to others. Has the Department of Commerce and Trade done any work in this area to see what effect that tax treatment is having on research and development in this State?

[11.50 am]

Ms GWILLIAM: We have had informal comments made to us in relation to the adverse impact of the 125 per cent tax treatment. We are seeing increased demand in the recent round of the WA innovation support scheme. In 1997-98 we will undertake a review of that scheme. That will be partly done to look at the extent to which schemes should be repositioned and in response to commonwealth changes. The level of complaint is much lower with the small firms than the medium to large firms as it relates more to their needs. Small firms found that the compliance cost of the concession meant they were not availing themselves of it anyway.

Mr BROWN: Are you doing the review later this year?

Ms GWILLIAM: In 1997-98 we will conduct an evaluation of the WA scheme. We will look at the implications of the demand which has come through to the State as a result of commonwealth changes. We are picking up issues of impact, compliance costs and the extent to which the scheme does and does not address these issues, and the extent to which ongoing attention is required.

Mr BROWN: Will that be in-house or commissioned out?

Ms GWILLIAM: It will be a commissioned external evaluation.

Mr HOUSE: It is an interesting line. It is a good example of where government has become paternalistic in support rather than encouraging activity in other areas. Land care is another example. Handouts are made through grants from the consolidated fund, but tax concessions are not given so that people have the incentive to get on with the work themselves. Research and development falls into that category also. If the grant assistance were taken away, one could provide incentives to let them get on with the matter themselves.

Mr BROWN: It is the argument of direction; the same argument applies to the universities. Given the focus in the budget papers on infrastructure needs - reference is made to Jervoise Bay and the Coogee development - what has the department identified as infrastructure needs? Have the infrastructure needs been identified for the next five to 10 years as part of the state plan? What is the cost, and has an examination been made of the ways in which those costs will be met?

Mr HOUSE: My understanding is that a state strategy scheme is in place.

Mr FITZHARDINGE: The State, through a number of planning strategies, has identified infrastructure needs to support private sector investment programs in mining, mineral resource processes and other development. There is a dollar figure on the infrastructure required over the next 10 years, but I do not have it to hand. It is clear that that figure is beyond the capacity of the State Government.

A move has been made in a number of areas to identify the opportunities for the private sector to invest in infrastructure. An example is the \$180m development in Jervoise Bay, around 50 per cent of which could involve private sector investment. A partnership has been arranged with the Federal Government in the infrastructure investor information service which seeks to identify infrastructure which is investor ready, and identify future private sector infrastructure investment. It is thought that the superannuation industry will be the source of much funding.

Mr BROWN: Why is that?

Mr FITZHARDINGE: The private sector is already investing in infrastructure. AMP has spent \$100m on infrastructure investment in the last two years as the superannuation companies are looking for long term investments with a steady revenue flow. Infrastructure tends to be long term investment with an increasing yield over time. Typically, it increases at the rate of the consumer price index. The superannuation companies are looking for opportunities to invest in infrastructure simply to place their funds. At the moment, strong investment is being made in energy infrastructure, such as in pipelines and power plants around Australia, and it is expected that this will increase with airport infrastructure with the recent tenders of the Federal Airports Corporation's facilities in Sydney, Melbourne and Perth.

Also, it will include water and waste water infrastructure. The challenge is to identify income streams to fund these programs. In some areas in waste water, there is no difficulty because the user is known to produce facility revenue streams. It is difficult to identify reliable road and marine facility income streams which will support the project for the life of the infrastructure.

Mr BROWN: One of the intentions of compulsory superannuation schemes was to generate funds for long term development, but many fund managers in their portfolio mix have not been directing funds in that way. If investment is now made in the way outlined by Mr Fitzhardinge, I am pleased. Having been a trustee of a fairly large superannuation group and fund portfolio, and seeing the way fund managers vie for the quick market return and play the stock exchange better than one would play the casino, although more intelligently, I am pleased to hear about that change. Certainly, when I was looking at the issue closely some time ago, many fund managers were not interested in the long term.

Mr HOUSE: One would have to worry about the successive changes in the superannuation system, which must have affected confidence. The many changes caused people to lose confidence in the schemes.

Mr BROWN: That is an argument for another day. Is that document to which Mr Fitzhardinge referred public? From where do I obtain the information on the identification of infrastructure needs and costing? I know there is a planning document.

Mr FITZHARDINGE: The information is in a series of documents, such as Main Roads' "Roads 2020" series, which identified road priorities to the year 2020. Information is available on the marine infrastructure as part of the "Way Ahead" program run by the Department of Transport. Some broad assessments are being made in the work done for the "Regional Futures" document for the year 2015. I think the "WA 2029" study contains some information on infrastructure costs. It is necessary to aggregate the figures from a number of areas. Certainly, it is a large figure. I will attempt to send the background papers to the member along with the infrastructure investment material prepared by the Department of Commerce and Trade summarising those figures.

Mr HOUSE: A number of documents will be made available to the member, so it will not be supplementary information.

[12 noon]

Mr BROWN: I appreciate that, because it is sometimes difficult to get a handle on all the documents and to recognise duplication. Given that the department is specifically looking at this, and that it is the lead agency for government, it would be very handy to have that position.

I refer the Minister to the model for funding. The Opposition has raised this matter with the Minister for Energy in relation to the Oakajee proposed development and has questioned from where the \$250m to \$300m is coming. The Minister has said that it might come from the private sector. We are unsure whether someone we do not know of in the private sector is looking to invest that amount of money. Has any modelling been done? Obviously, if groups in the private sector, particularly superannuation funds and managers, are looking to go down this path they will do their own modelling, which will be very sophisticated, and will look for returns for their investors. Has the State done any such modelling in respect of development issues? If it is private sector run and owned, there are questions of access, cost, how it is amortised and over what period. Do the people who own the asset have control over who uses it? How does one buy in? Is it open to industry?

Mr HOUSE: Is the member referring specifically to Oakajee?

Mr BROWN: Many private companies are happy to invest in roads and then charge toll fees. We have not done that in Western Australia.

Mr HOUSE: The Government has not explored that. If the member is talking about toll roads, that is not a government policy.

Mr BROWN: I understand that. I am looking at a particular issue. There is a reticence on the part of this Government to borrow money for infrastructure; the Minister can agree or disagree. One way of avoiding that is to get the private sector to invest in infrastructure. Private sector investors want the maximum return. However, that poses a whole variety of public interest questions of access, rental and so on. For example, this Parliament will be debating some time this year legislation relating to commercial tenancies, because there is a view that some big shopping centre owners have not treated some smaller businesses equitably.

Mr HOUSE: The member is not suggesting that the Government should buy shopping centres?

Mr BROWN: No. However, if the Government is looking at private sector investment in traditional government controlled areas, which are open to the general community, the questions become more complex. Has any modelling been done?

Mr HOUSE: It depends in some cases on the infrastructure concerned. The member makes a valid point with regard to the Government's looking at infrastructure development in a positive way. I agree that the Government should be more proactive in some of that infrastructure development, and that it can borrow against the future. For example, with airport development, we might well need government funding to establish the principle of getting people to a certain area in order to reap the longer term benefits and therefore repay the cost of that infrastructure. In relation to access and restriction, if the Government goes to private enterprise to achieve those things then it must have a very clear understanding about what can and cannot be done.

The member is well aware that the decision on funding for Oakajee has not been made; the Government is looking at options. That is a large infrastructure investment in one project. However, if a proposal involved that same amount of money to establish a multiple use facility, such as a port or an airport, there is very good reason to spend government money. There is no one answer. In a general sense, the Government should be more proactive about infrastructure development.

Mr BROWN: I have had this shadow portfolio for only a few months and I am desperately trying to come up to speed.

Mr HOUSE: I have been here for only three days.

Mr BROWN: In doing that, I have spoken to a number of people who have some knowledge of this area. I spoke to one person about infrastructure and I was told quite bluntly that it is vitally important and that if we do not have the infrastructure we are not even in the game; if we have it, at least we are in the game. This is a vital issue, particularly if we consider that all economies go through growth phases and cycles. It has been suggested that for Western Australia, given other world factors in respect of our minerals and downstream processing, this could be a fairly long cycle. I am sure all of us hope that that is true. However, the one inhibitor to that can be infrastructure. Infrastructure, by its very nature and even with all the technology in the world, cannot be installed in 10 minutes. We would not want in a year or two to be saying that we missed a golden opportunity because we were hoping for private sector investment but it did not eventuate.

Mr HOUSE: I agree. Probably one of the best examples in Australia of infrastructure development creating something for the future is the Queensland Government's decision to build international airports in the north of the State before they were really needed. That then led to a large increase not only in tourist trade but also in economic trade. That is just one example supporting the member's point.

Mr MacLEAN: While we are talking about general trade development and this State's relying on mineral exports more than it should in the long term, I read recently that some Western Australian based information technology companies have done very well at a German IT exhibition. In one case, a company displayed a telephone monitoring system that monitors who makes calls and to where without infringing on conversations. Has the department done an overview of technology development in the State and the direction it is taking, especially in relation to IT and science?

[12.10 pm]

Mr MUIRHEAD: We have been talking closely with the technology industry. Under the new structure of the department we have been involved with the industry rather than having operational areas of trade investment and development attraction and enterprise development. The first task of the new industry teams is to work with the industry groups to identify exactly what aspects of international markets and information technology, for example, they will pick off. They will find out what are the requirements and impediments in this State and hopefully enlarge and enhance the requirements of the infrastructure we have just been talking about. We want to work together and have a strategy shared between industry and government. The IT and communications area has been led by about 12 major companies in this State, which have provided pull-through for smaller organisations. The department has

very much run with them on the investment activities in which it has been involved. We will see a change to a whole of industry perspective, not merely involving equipment suppliers but also software and intellectual property suppliers. We plan to have those strategies drafted by Christmas this year.

The CHAIRMAN: I remind members of the need to keep questions relatively short. We have had some interesting questions but there are many divisions to get through. I am conscious of the time.

Mr RIEBELING: I refer again to the infrastructure for major projects and mention Oakajee and the possible capital commitment by the Government. A great deal of concern has been expressed in my area, which is where all the minerals come from that support this State, that insufficient emphasis has been put on projects such as the AUSI Steel project by way of government commitment in comparison with the Kingstream project. Will the Minister comment on the apparent difference in the Government's commitment? The Deputy Leader of the Liberal Party confirmed last week that there was nowhere near the commitment to AUSI Steel that there is at the moment to Kingstream, partly because AUSI Steel's preferred site is not inside a designated area to which the Government wants it to go.

Mr HOUSE: I am not aware of the level of discussions that AUSI Steel has had with the Government or the Minister specifically. I am aware that AUSI Steel has not brought, through the Minister, a detailed proposal to Cabinet. Kingstream has, and that is the subject of the agreement Bill that has passed through the Legislative Assembly but not yet the Council.

Mr RIEBELING: I have spoken to people who were looking at investing in the AUSI Steel project. They said that had the Government committed itself to a \$30m pipeline, they would have been interested. For the sake of the \$30m guarantee, they would have invested in that project. Compared with the type of money we are talking about for the Kingstream project, \$30m seems to be a drop in the ocean.

Mr HOUSE: Did they approach the Government for that sort of guarantee or any assistance?

Mr RIEBELING: I do not know.

Mr HOUSE: I do not know whether they did or not. It obviously falls into the area of responsibility of the Minister for Resources Development.

Mr RIEBELING: The Department of Commerce and Trade would have looked at major projects like AUSI Steel and what should be put into them. What is too much?

Mr HOUSE: Obviously, if people come to the Government, their projects are examined.

Mr RIEBELING: I presume those people did approach the Government. The Government has been saying over the last four years that those projects would make up the \$20b worth of projects. I do not think the Mineralogy project will happen. That \$4.8b is in the books, so to speak. The Government has been heavily involved in the AUSI Steel project, which is worth about \$2.5b. There may have been offers or none.

Mr HOUSE: I will discuss the question of AUSI Steel with the Minister. I am not sure of the detail and will try to establish the facts. I suggest the member ask the question of the Minister for Resources Development when he appears before the other committee this afternoon.

Mr RIEBELING: I will be involved in this committee.

Mr BROWN: The second dot point on page 149 refers to the challenge not only to ensure businesses are internationally competitive and export capable but also to identify products and services in demand, gain market access, create collaborative research and development opportunities and to develop ongoing business relationships. That is all fine. What role does the department play in identifying products and services in demand?

Mr HOUSE: We have a number of Western Australian trade offices in different countries. The member would be aware that last year an office was opened in India. We have had an office in Indonesia for some time. Offices are also established in Malaysia, Singapore, Hong Kong, Japan, Korea and China. Part of the ongoing brief of the staff of those offices is to identify and assist people travelling to the region and looking to sell product or wanting to establish a market and vice versa; that is, to ensure that people in those countries have access to information about Western Australia so that they can put product into Western Australia. We have booklets published country by country in Asia. The one I have here is entitled "Opportunities for Trade and Investment for Western Australian Companies in Thailand". The Deputy Premier is launching a new booklet on the Phillipines. If there are other booklets, we can provide copies.

Mr FITZHARDINGE: Because we have opened an office in Shanghai, the office in Hong Kong is to be closed. We do not have a formal office there. We have an arrangement with the International Educational Marketing Group office for our representation in Hong Kong and Singapore.

Mr BROWN: The statements show that we attribute certain outcomes to those offices. I cannot speak highly enough of the staff I have met; they are multiskilled and multilingual. However, the offices are quite small. The offices provide a businessman travelling to the country with an opportunity to know the nuances of where he is going and what to do and not to do, to have introductions to government officers and to know which business organisations to contact, and so on. It is positive and it is necessary, especially if a person goes to a country and he does not have a great deal of knowledge about it. The comment about identifying products and services which are in demand is a narrow focus. I am aware that other countries do things along those lines. I do not know to what degree that narrowness is observed by business overseas.

[12.20 pm]

Mr HOUSE: I will give two examples relating to my portfolio responsibilities in Agriculture and Fisheries. One is the development of the lobster market into China which has been assisted by this State's representative who was in Hong Kong but is now based in Shanghai. The people from the fishing industry who have been going into China used him as their initial point of contact. He has played an ongoing role in the negotiations, and the industry that has developed in that country has now become a major part of the lobster trade. The other example is the effort we have made to try to get India to buy more raw wool from Western Australia. The amount of raw wool going to India has increased by approximately 60 per cent in the past couple of years and that coincides with the efforts by the Western Australian trade officer who is based in Bombay. Western Australian business has been successful in the two examples I have given. Obviously, the member's question is very broad. I suppose if there are one or two people in an office they must target specific things. We have targeted those industries I have mentioned and have been successful.

Mr MacLEAN: The Minister indicated that the Hong Kong office was to close.

Mr HOUSE: It has already closed. The original placement of an officer from Western Australia was in Hong Kong. After he had been there for a few months he advised the Minister for Commerce and Trade that he believed that the best place for him was in Shanghai. He was moved to Shanghai from where he operates now. He covers Hong Kong and Taiwan.

Mr RIEBELING: I presume that the main aim of officers in Asian countries is to assist small business and not the larger organisations, for example, the iron ore producers, to gain access to markets.

Mr HOUSE: Some of them do use our services. As soon as they build up their contacts they no longer need our assistance. There is no restriction on larger companies. It is open-ended.

Mr RIEBELING: The iron ore industry is very important to this State. At times the negotiators of the companies achieve unusual results. For example, meetings have been held with representatives from Hamersley Iron Pty Ltd after the company had been forced to accept a lower price for its ore. In the next breath it said it was successful in selling a greater volume of iron ore. My understanding of economics is basic, but if there is a greater demand the supplier can demand a higher price. The comment in the Pilbara is that when the iron ore companies negotiate with the Japanese, the Japanese have a bit of a chuckle and rip them off. I understand that the Japanese have stockpiles of iron ore which will allow them to operate for considerable time.

Mr HOUSE: There is an important distinction between what actually happens and the question the member asked. It is not the government officers' role to get involved in negotiating deals. Their role is to open the doors and to make contacts to assist these people.

Mr RIEBELING: That might be the case, but one of the significant issues and trends is to maximise the benefits to the State. A downside of a badly negotiated contract for Western Australia is a reduction in the number of people working in the industry. That has occurred in my electorate and there has been a substantial decrease in the number of people employed in the iron ore industry. I understand it is not the role of the Government to negotiate contracts.

The last dot point on page 150 of the Budget Statements states that increased levels of Aboriginal enterprise development and employment are essential. That is all well and good, but the table indicating the output and input indicates a reduction in the State's commitment to Aboriginal economic development support.

Mr HOUSE: It is simply because the Aboriginal and Torres Strait Islander Commission funding was applied last year to the actual figure, but has not been included in these figures because the actual figure is still being negotiated with the Commonwealth Government.

Mr RIEBELING: In last year's figures the gross cost of the project was \$3.48m. The gross estimated cost this year is \$2.9m. Presumably, the ATSIC funding will be deducted from \$2.9m, which is what occurred last year.

Mr HOUSE: It is added to that figure.

Mr RIEBELING: This year's budget indicates that the gross cost of the project last year was \$3.48m and the ATSIC funding was \$779 000. That amount was deducted from the \$3.48m which meant that the State's contribution was \$2.7m. This year the allocation is \$2.9m and the ATSIC funding is not included in the budget.

Mr HOUSE: These figures indicate the State's contribution, which is \$2.937m. Last year, the State's contribution was \$2.708m.

Mr RIEBELING: When the ATSIC funding is determined will the gross cost be added to the figure in this budget?

Mr HOUSE: That is correct. For the sake of the exercise, if the member presumed that the ATSIC funding was the same this year as it was last year, it would be added to \$2.937m and the bottom line would change.

Mr RIEBELING: Does the department think that that level of funding will be achieved?

Mr GROUNDS: Yes. When these figures were prepared for printing we were renegotiating the funding with ATSIC.

Mr HOUSE: It may be a fraction higher.

Mr RIEBELING: Will all the money be spent in my electorate?

Mr HOUSE: No.

[12.30 pm]

Mr BROWN: Towards the end of last year the Public Accounts and Expenditure Review Committee delivered a report on state support for industry. Recommendation 3 of that report recommended the Government establish a ministerial task force to develop an industry policy. On 31 October the Minister tabled in the Parliament his response to the report. He advised that Cabinet had established a subcommittee on economic and strategic planning and that the development of an industry policy was one of its roles. Has an industry policy document been produced that I have missed?

Mr HOUSE: It is still being developed.

Mr BROWN: Is there a target date for when it is to be completed?

Mr HOUSE: Not that I am aware of. That subcommittee of Cabinet has been meeting to develop that policy. It is in progress. There is no target date for its release.

Mr BROWN: As a member of that public accounts committee, I know that concern was expressed about the focus on industry support. It is all very well to have companies producing good proposals - not to say that any industry policy would preclude that - but as you will know, a number of Governments throughout the world have decided, rightly or wrongly, that they will be involved in a certain business. Malaysia has decided it will be in the information technology business. It is putting enormous resources into it and making it attractive for companies to go there. At our peril we will ignore some of those things. Australians have been great innovators over the years. However, despite all those skills, sometimes it takes a lot more than that. People will hit their head against a brick wall only so many times; at the end of the day even the most innovative person will walk away because it is easier to get assistance somewhere else.

Mr HOUSE: A number of examples indicate that you are quite correct. That is why we need to be more positive about getting runs on the board. I can assure you we are trying to do that. The process is probably dragging its feet a little, but we are on the way to achieving that.

Mr RIEBELING: At page 159, regarding the capital works program, the last three dot points are about Technology Park in Bentley. I understand it was established so that Western Australians who had good ideas would have the facilities to develop their concept and sell it to the market. Does the inclusion of larger groups of people making use of what is now called the Technology Precinct indicate a different focus by government for bigger industries to use that facility? Will it still be possible for smaller people to have access to it?

Mr HOUSE: It is a mixture of all those things. We will not discourage anyone from going there; on the contrary, we want to see it developed as a true blend of large and small industries.

Mr RIEBELING: It is a great concept. I was concerned the comments in the budget papers indicated that a great number of bigger industries would be using it.

Mr HOUSE: I understand there are only four blocks left. Part of our planning is to develop Agriculture Western Australia at the end of their block. As agriculture develops into new phases it will blend well with some other industries.

Mr RIEBELING: How much room is in there for expansion?

Mr HOUSE: I understand there are four blocks left.

Mr RIEBELING: I hope it will not go onto the golf course.

Mr HOUSE: No; it will remain in the existing area.

Mr BROWN: At page 153 under major achievements for 1996-97 reference is made to the number of jobs that have been created as a result of attraction capital. Joe White Maltings is the first company listed on that page. The Minister for Commerce and Trade made a statement to the Parliament about this funding. A series of three papers were tabled in Parliament at the time. In his statement to the Parliament the Minister observed that Joe White Maltings would employ 13 employees. No figure is given under "Employment" alongside that firm, on this page.

Mr HOUSE: As you know, Joe White Maltings operates in Northbridge. Part of the plan is to get that company to relocate and increase the size of its building where the new Cooperative Bulk Handling Ltd terminal is being built at Forrestfield. A number of wins will result for the Government. Moving some of the heavy truck traffic out of Northbridge is a priority. Introducing more efficiency into the Joe White operation by getting him to relocate and increase in size will benefit farmers. Other things will result from that. That facility has not been built yet, but the structure is being replaced at present. It will be another 12 months before it is built.

Mr RIEBELING: The Oceanfast project listed immediately under Joe White Maltings, with about a third of the commitment from the State, according to the statement, created 133 jobs. When the infrastructure is in place will there be an increase in employment?

Mr HOUSE: I doubt it. I was involved in the discussions concerning Joe White Maltings because it will be of great benefit to agriculture to have this process here rather than export raw material or add value to it. Unofficially, there will be capacity to expand the operation once the first stage is built. I am being subjective, but I think it will be possible to double the capacity.

[12.40 pm]

Mr RIEBELING: This is downstream processing rather than job creation.

Mr HOUSE: We had to fight off the Victorians. Industry incentives schemes are an interesting problem. In this case, the Victorians made very strong overtures to the company whose head office is in Victoria. We would have had no hope of moving our raw product to the Eastern States if Victoria had been successful. Therefore, we would have lost jobs. We took into account a mixture of matters when we made the decision.

Mr BROWN: I understand that the maltings industry is highly mechanised. Does Joe White Maltings work for the Japanese, or is that some other group?

Mr HOUSE: It is a combination. Kirin Australia has a small malting plant in Western Australia, but that work is only a small percentage of its total capacity. Some of its work is done in China now. It has a factory in China as well as in Japan.

Mr BROWN: The Minister for Commerce and Trade's statement indicates that the Government would develop an incentive program to encourage the development of environmentally sustainable production technology for industry. Has an allocation been made for that?

Mr HOUSE: I am advised that \$100 000 has been allocated for that. I understand also that the commitment is \$400 000 over four years.

Mr BROWN: Who is working on that?

Mr HOUSE: We do not have any detail. It is still being developed.

Mr RIEBELING: These days \$100 000 does not achieve a great deal. Will that amount be sufficient to achieve the objective?

Ms GWILLIAM: We hope that we can also access other support programs that the department runs. There will be assistance under the Western Australian innovation support scheme, which runs to \$1m a year for grants. Potential exists for companies to be assisted under that program for developments in that area. The new money is reflected in the additional \$100 000.

Mr BROWN: The statement refers to \$50 000 to develop collaborative networks between resource developers and local companies to increase the number of local firms supplying major developers.

Mr HOUSE: That is included in this budget.

Mr BROWN: There will also be a trial of piggy backing by regional businesses and individuals on government agencies to use a common digital network

Mr HOUSE: I understand that is operated through the Public Sector Management Office which is the responsibility of the Premier.

Mr RIEBELING: Does this relate to subsidies for industry or incentives to assist companies to establish in this State, such as Joe White Maltings? Three companies are mentioned under major achievements for 1996-97. We have been talking about a so-called level playing field for the past decade, but I think that we are the only ones playing by the rules. Many of our Asian competitors pour vast sums of money into ensuring their countries have the advantage. Will additional funding be provided to ensure we have some advantage?

Mr HOUSE: The Government has a general policy to assist industry on a request basis. Some guidelines have been set up to address that situation. It will be a Cabinet decision. If someone requests assistance, the guidelines must fit, and we try by negotiation with the proponents to make them fit.

Mr RIEBELING: Will that benefit the State?

Mr HOUSE: We went through the criteria earlier today. We ensure that sensible criteria are applied, so that we achieve job creation or a combination of advantages.

Mr BROWN: In his statement the Minister for Commerce and Trade said that there would be an amendment to the investment incentive program to increase significantly the incentive for overseas and interstate companies to locate in regional Western Australia; the Government would also develop a special program to assist companies to relocate in Perth.

Mr HOUSE: We will provide increased incentive for companies to locate in rural Western Australia. Again, the criteria will flow from Cabinet deliberations on a needs basis.

Mr BROWN: Has that incentive program been effected?

Mr HOUSE: I understand that the Minister for Commerce and Trade has made a submission to Cabinet to finalise that program.

Mr BROWN: So, the program has not been implemented.

Mr HOUSE: That is right.

Mr BROWN: A commitment was made also to appoint regional trade officers in the Kimberley, the goldfields and agricultural regions.

Mr HOUSE: That has not happened yet either.

Mr BROWN: A commitment was made to establish a pilot project in which private sector investment in quality staff and housing for business in regional towns is encouraged by the State underwriting the long term lease of 10 years at commercial rates.

[12.50 pm]

Mr HOUSE: I understand it is part of the Regional Development Council's brief to look at the application of that policy.

Mr BROWN: What amount is made available to the tourism industry in this Budget?

Mr FITZHARDINGE: Some elements of the Department of Commerce and Trade's expenditure have an impact on the tourism industry; specifically, the facilities at Exmouth. Also, integrated planning studies have been carried out in each regional area. An element of the work that has been done to support Aboriginal enterprise will support the development of tourism. Tourism is one of the industries that receives assistance through other business assistance programs that are available through the Department of Commerce and Trade; therefore, it is spread throughout the Budget. We do not specifically identify tourism as one of the output areas; it fits in with industry development.

Mr BROWN: The Government is to spend \$4m over four years to help local government improve basic tourism amenities. Which area of the Budget would cover the tourism aspect?

Mr HOUSE: Those dollars are allocated in the Minister for Tourism's budget.

Mr BROWN: I refer to the third dot point on page 150 of the Budget Statements. To what degree is the Department of Commerce and Trade involved in ensuring community services are coordinated and delivered effectively?

Mr HOUSE: Commerce and Trade has a coordinating role. For example, the Department of Commerce and Trade and the Minister for Commerce and Trade have played a part to achieve an equitable price for power in Esperance, because that issue has a dramatic effect on whether the port can operate competitively with other ports and whether businesslike processes in the fishing industry there can operate competitively with other areas of the State. The Department of Commerce and Trade can play a role in ensuring a generic understanding in government of the application of that policy across the State.

Mr BROWN: I understand that. However, "community services" is a broad term and relates to everything from health, transport, housing and education to law enforcement. I am happy if the Department of Commerce and Trade is coordinating that, because no-one else seems to be; however, I am not sure that it is being done. In not only regional Western Australia but also the metropolitan area community services are often not coordinated. There are boundaries at which Ministers try to pull back from providing money for services because someone else is to provide it, but it is not provided and people slip through the gaps.

Funding for a service for young people at risk in which I am involved was cut off because even though those people were of school age, the Minister for Education said it was not an education matter; the Minister for Employment and Training said they were underage and therefore could not be employed; and the Minister for Justice said it was not a crime prevention program because they had not been in trouble. Everyone found a reason for not funding it, but it was a good program and it had a high success rate. I am not sure whether this is a limited role the Department of Commerce and Trade is playing. If so, what is that role?

Mr HOUSE: This Budget includes a new initiative to which \$250 000 is allocated to help coordinate some of those issues the member rightly outlined. My understanding is that that initiative will provide information and enable that coordination to take place.

Mr BROWN: Will that work be contracted out for someone to do an audit and overview, or will the work be undertaken by officers in the department?

Mr HOUSE: It will be a mixture of using the telecentres, business enterprise centres and, I presume, local government authorities to get that information together to try to pick up those gaps in the service.

Mr BROWN: Will that occur in certain areas first? An amount of \$250 000 will not go far.

Mr HOUSE: You were pleased a minute ago!

Mr BROWN: The Government will not be able to conduct a statewide program with that amount.

Mr HOUSE: The first stage is to do an audit to pull that information together.

Mr FITZHARDINGE: We will pilot it in a number of regions first, but those regions are yet to be chosen. Also, there may be a mixture of some regions getting priority for education, some getting priority for health services, and some getting priority for the delivery of water supply, sewerage and other basic services. The exact structure and approach is being resolved because a large number of players is involved. We cannot simply do it ourselves.

Mr BROWN: How much has been allocated to the expansion of university and rural surgical services?

Mr HOUSE: That is part of the program Professor Tony House established. Surgical teams, accompanied by general practitioners in some cases, are flown into rural locations to provide a surgical service because in most cases there are no specialist surgeons in those areas. Professor House is operating with one group of surgeons now. The idea is to set up a second group to service a greater area of the State. The last time I spoke to him he was doing three lots of three locations. In other words, when he went to Katanning, he did Katanning, Kojonup and Gnowangerup; when he went to Wongan Hills, he did Wongan Hills and the two closest hospitals.

Mr BROWN: There is a proposal to transfer small business programs from Commerce and Trade to the Small Business Development Corporation. What has been transferred?

Ms GWILLIAM: It is not shown in the budget papers. However, the decision has been announced and has been effective since 31 March 1997. The small business improvement program with \$600 000 - \$450 000 of state money and \$150 000 of commonwealth money - will be transferred to the SBDC to administer and deliver. In addition, three FTEs have been transferred to undertake the function at the SBDC.

Sitting suspended from 1.00 to 2.00 pm

Mr FITZHARDINGE: I said earlier in response to a request for information about a \$1m tourism infrastructure program that the program was with the Minister for Tourism. That program is actually with the Department of Local Government, and that department is advertising for projects.

Mr BROWN: What resources are committed to the Government's Indian Ocean strategy?

Mr HOUSE: The allocation is \$540 000 and one full time employee.

Mr BROWN: What is the \$540 000 for?

Mr HOUSE: To service the office in India.

Mr BROWN: The funding allocated for capital works for the Jervoise Bay development is significantly less than the amount that a number of employer groups, including the Chamber of Commerce and Industry, advocate is required for that infrastructure. What is the reason for that?

Mr HOUSE: The amounts that appear are for the north groyne. The other Jervoise Bay infrastructure development has not yet been finalised by Cabinet, so no budget figure appears for that further development. The figures here are not for the full development.

Mr BROWN: Given that no further funding has been allocated in this Budget, is it safe to assume that if Cabinet did approve further funding for Jervoise Bay, that funding would not be provided until next year's Budget?

Mr HOUSE: It would depend upon the need. If funding were required prior to that Budget, there would be a special budget allocation; if not, it would go into next year's Budget.

Mr BROWN: Page 157 refers to an independent survey of customers and indicates that interviews were conducted, which achieved positive results. How is the extrapolated amount calculated?

Mrs McPHIE: We surveyed selected numbers of our client base at random and asked them how much they had invested as a result of services provided by the Department of Commerce and Trade, how many jobs they had generated, and how much export they had generated. They were asked to respond in dollar amounts or numbers of employees. The responses were then extrapolated over the total client base to give the total estimated amount of investment generated.

Mr HOUSE: Page 67 of the annual report 1995-96 details the calculation.

Division 22: Small Business Development Corporation , \$7 081 000 -

[Mr Ainsworth, Chairman.]

[Mr House, Minister for Primary Industry.]

[Mr R. H. Buttsworth, Finance and Administration Officer.]

[Mr B.L. Roberston, Manager, Business Services.]

Mr RIEBELING: Page 864 details the categories of expenditure. All the other estimates that I have looked at have included increases in revenue from operations. What is the reason for the apparent \$700 000 reduction in revenue from operations in this budget?

Mr BUTTSWORTH: The forecast for this year includes a carryover from the previous year of \$100 000, which was the carryover of the account balance at year end. A further \$476 000 relates to commonwealth funds, and that follows the withdrawal of the business advice for regional areas funding of \$250 000, which has been separately funded from the consolidated fund this year. A further \$226 000 is related to a one-off specific project, which is a local government licensing database which is being developed to assist small business to access information about compliance with local government licensing requirements.

There are also some other minor amounts, including \$17 000 for asset sales, which was from sales of motor vehicles this financial year; a reduction in sponsorships for marketing activities, which will be separately negotiated, but at this stage we do not envisage its being the same level of revenue; and a reduction in interest on our bank account, which reflects the current economic climate.

[2.10 pm]

Mr RIEBELING: We have been told that shortfalls in commonwealth funding grants of \$400 000 will not be made up by the State. However, it appears in this instance the shortfall is being taken up by the State.

Mr BUTTSWORTH: A figure of \$250 000 has been taken up by the State. That is operational funding to regionally based business enterprise centres that were funded by the Commonwealth. They will fall into line with the 31 other business centres in the State in that they receive funding from the Small Business Development Corporation.

Mr RIEBELING: Although the funding in this category has increased by \$600 000, all the shortfall has been made up?

Mr BUTTSWORTH: A \$250 000 shortfall has been made up from the consolidated fund.

Mr BROWN: What is the Government doing about the administration of the franchising code now that the franchising council has gone into voluntary administration? The Minister has flagged a potential need for legislation in this area. What is proposed given the array of small businesses that operate on a franchising basis, and what funds are available in the budget to deal with this matter?

Mr ROBERTSON: The franchising code of practice council was disbanded on 31 January this year. It is a voluntary code of practice, with 60 per cent adherence by the industry. The Small Business Development Corporation has a specialist adviser who works closely with the franchise industry. Although the council no longer exists, the Franchising Association of Australia and New Zealand is still active and has a Western Australian chapter. We are encouraging people entering into franchise arrangements to be aware of the essential elements of the code. It is good commercial practice to be aware of the code. We advise people who are negotiating franchises to include the seven day cooling off period and the disclosure period contained in the code as part of their agreement. In the interim I understand the Australian Competition and Consumers Commission also has a role in monitoring practices resulting from the code being abolished. In the interim any legislation would be at a federal level. We are well placed to advise prospective franchisees.

Mr BROWN: One of the issues that arises is mediation of disputes. Does the SBDC play a role there?

Mr ROBERTSON: One of the clauses of the code relates to a mediation process to avoid litigation. That is another feature of the code that the SBDC promotes when it advises people who are negotiating franchise agreements. Figures show that the cost of resolving disputes in the franchise industry using mediation is about 10 per cent of the cost of litigation. This is well known in the industry.

Mr BROWN: Did the franchising council provide a list of potential mediators and arbitrators?

Mr ROBERTSON: I do not know whether it provided a list. The SBDC is aware of consultants in industry who provide services of that nature. Accord is an Australia-wide company that has a good reputation, and there are other mediation groups, although not specialising in franchising, which nevertheless can take on franchising disputes.

Mr RIEBELING: The first point on page 865 states that the growth in the Western Australian small business sector is set to continue as Governments and large business continue to downsize. How does downsizing positively impact on small business? That is self-explanatory with outsourcing of core activities. For instance, downsizing in the mining industry is causing huge problems for small business. How can downsizing be in any way positive? Does the SBDC have a view on the effects of downsizing in, for example, the home building industry with loss of job security and the like, if the trend continues?

Mr HOUSE: Downsizing will have different effects in different areas. I accept what the member for Burrup says about his area. However, in many instances where government departments have shed business that was either not their core business or could be done by the private sector more efficiently small business has grown.

Mr RIEBELING: Outsourcing is the second part of the statement. How does downsizing assist small business? The statement should read "downsizing by outsourcing".

Mr HOUSE: Yes.

Mr BROWN: On page 867 the objectives of the small business development program are to encourage economic growth and enhance employment opportunities through the development of effective small to medium size enterprises in Western Australia. A number of small businesses are concerned about the Hilmer reforms. For instance, newsagents and pharmacies, and even farmers, are concerned because the existing regulatory framework within which they have been operating has provided a measure of protection. Their concern is that if the regulatory mechanisms are abolished large scale change will affect the viability of their operations. For example, with pharmacy and newsagent chains, the outlets that are making an ordinary living will collapse. What role does the SBDC play in moderating the laissez faire economics within the market?

Mr HOUSE: Many people, including Hilmer, are now saying that some of Hilmer's proposals may not fit a sensible model for Australia's best future development. The member has nominated some areas in which that is the case. A

good case can be made for some industries to have some form of regulation. It may be for the continuous supply of a product on regular basis; it may be for other reasons in other industries. The Government has been examining all the options for the delivery of services in a freer way.

The Government also has an open mind, where regulation can assist and provide better service as it does in a number of cases of which we are both aware. The Small Business Development Corporation is more an area of government policy. We are reviewing all of the regulated statutory authorities, and that must be completed by the end of 1999.

[2.20 pm]

Mr BROWN: I agree with the Minister that this is a matter of government policy. However, let us look at the Small Business Development Corporation providing advice to potential small business proprietors or those entering into a business. Let us take the case of people who, fairly unsuspectingly, look at a newsagency which is advertised at \$400 000; its purchase would require them to put their house on the market or take on a substantial mortgage, and they seek advice from a government body because they trust it more than they would a non-government enterprise.

Mr OSBORNE: That is biased. Your ideological slip is showing!

Mr BROWN: Not always. What advice does the Small Business Development Corporation provide to those who are seeking to buy newsagencies?

Mr ROBERTSON: Typically newsagencies have brought in goodwill three times the net profit for one year. That might start to drop away. I have checked with some of the bigger brokers in the industry and it has not started to happen yet. If I were counselling prospective purchasers of a newsagency, I would not support paying three times the net profit for goodwill. As the member is suggesting, this potential risk is not worth that much in the marketplace.

We can also advise the purchaser on the commercial tenancy leasing arrangements because the goodwill is tied to the amount left on the lease. We are wary of that situation. If people come to us, we can advise them of the potential risks in that regard.

Mr RIEBELING: The significant issues and trends on page 865 refer to the growth in the Western Australian small business sector and it states that it will continue as Governments and large business continue to downsize and outsource non-core activities. This relates to the reliance of government departments on core business, especially in small country areas. It means that a government office is no longer in that town. Can the Minister comment on the impact of government downsizing and the reliance on core activities in small rural areas?

Mr HOUSE: Like all other businesses, the Government has a focus to ensure we have a good outcome result. That does not always manifest itself in dollars and cents; in many cases it is providing a service that is needed. Country hospitals are a good example of that. Those decisions are made on an area by area basis. In some areas a different service can be provided, such as a country medical service.

A little earlier we talked about the flying surgeon service which is operating now. That is a good case in point where we can provide a different type of service with today's technology and abilities. No members who represent rural areas deny the fact that we are concerned about how services operate in our rural areas, both in the private sector, with regard to banks, for example, and in the government sector.

Mr RIEBELING: In small communities in the country the provision of an officer in a government department in days gone by may have totally relied on the fact that he got work from other agencies to justify that position in the town. The reliance on core business for small communities means there will be fewer of those government employees within those towns. That has happened and it has had a disastrous effect on a large number of communities, especially in the provision of services. The post office has no problems with non-core activities. People go to the post office to pay any sort of bill. It is picked up on an agency pays basis. That has cost people in remote areas quite dearly, in my view.

Mr HOUSE: Using the same example, in my area, a number of post offices have been privatised. That caused a protest from the community when it happened. I venture to say that very few of those communities want to go back to the old service because they are getting a better service and sometimes it is provided on Saturdays, which was not the case previously. A range of services is now provided in small towns that people could not get before.

Mr RIEBELING: The staffing has not increased; it has cost people jobs.

Mr HOUSE: In the example I have given, I do not agree. Perhaps the member can give me an example if that is not the case.

The CHAIRMAN (Mr Ainsworth): This is an interesting subject and it is dear to my heart as well; however, we are probably straying from the budget a little and into a more philosophical discussion which is best left for another time.

Mr RIEBELING: I do not strongly disagree with you, Mr Chairman; however, the significant trends and issues clearly state that it is a benefit. That is exactly the subject I am covering.

The CHAIRMAN: I think the member has had an adequate opportunity to disagree with what he has read, and it has been well canvassed.

Mr RIEBELING: I am finished now.

Mr BROWN: Has any money been set aside in the budget for the Small Business Development Corporation to undertake or commission any research into the way in which business operations are changing in light of the technological revolution? In some sectors there now appears to be an increasing hold by big business over small business. Big business is now dominating. Although it has always been there, in the past, because of lack of technology and communication systems and so on, big business has been very happy to contract out work and to see lots of autonomous units set up. Now in a range of areas big business is dictating to small business. In effect, big business is saying to small business, "If you want some of this action, you will have to do some things; you will have to put on computer systems and on-line systems." In effect, some so-called independent businesses are becoming not much more than supervisors of works.

Even in a lean sense they are independent businesses, but in a discretionary sense they are being dominated more and more, not just in relation to acceptance in a traditional way about how they will handle the work of the big business. The big businesses now tell small business the services to be used, about replacement parts, and about compliance with quality assurance standards. It is very easy to set up a computer system which absorbs information which just comes down the line from the cash register and from the stock records - that does not need the employment of clerks - into the central computer. At head office a mechanism is set up where the manager has only to switch on a computer to read a program which shows how well the business is doing. That is the major implication for small business. I am aware that already in some sectors this is really coming into place. Some large businesses which, 20 years ago, tried to manage 55 managers and decided it was hopeless and contracted it out, are now starting to go the other way because it is now so easy to manage in a remote way.

[2.30 pm]

Mr ROBERTSON: The Small Business Development Corporation has access to a business information database; it is not doing its own research. We are not doing it because we subscribe to Ibis Business Information Pty Ltd which is based in Melbourne. It is updated quarterly and it supplies data on all Australian industries - some 2 000 companies representing about 60 per cent of Australia's gross domestic product. With this information we are getting the key sensitivities of each industry, key success factors, and a news line telling us whether there is an article in *The Australian Financial Review* or some other publication that impacts on that industry. Therefore anybody who is in that industry and looking to survive or somebody who is just starting can get this excellent quality information. On that basis we cannot justify doing our own research to that end, given that we subscribe to this Ibis information.

Mr BROWN: Does it look at this facet: I met some small business people the other day who said that they had not met with a politician before because it was not their way of operating; however, they said they were being ignored? I said that the probability is that if they had not spoken to anybody, nobody had heard their voices and that is probably why they were being ignored. Does the system examine the question of market concentration?

Mr ROBERTSON: For each industry, the market concentration is very important. Many small businesses operate in areas where they do not have a large section of the market. That is one of the keys for their success. Obviously, they try to steer away from areas of command concentration. For example, the chicken meat industry is very highly concentrated with the three biggest producers in Australia producing something like 65 per cent of total production.

There is no way that small business can compete with that. We have the information available relating to the areas in which they can maintain their competitive advantage to assist them in making decisions. We also provide forecasts to the year 2001 of expected turnover in each of those industries. To the extent that it is possible to predict change in business, we have those types of tools to contribute to solving problems.

Mr RIEBELING: Would that sort of research warn potential purchasers of garages. With the multi-site management system that the fuel companies are now introducing, hundreds of small businesses have been wiped out in this State. I expected to see legislation similar to legislation in South Australia to protect the interests of those small businesses. However, it does not appear to be forthcoming. Would the information protect those sorts of people?

Mr ROBERTSON: Probably not. Unfortunately, change is exponential in society now. As hardware is changing every day, software is taking years to catch up. If you like, you can call change in business the hardware, and government is the software. There is a timelag in first identifying the problem and taking steps to correct it. I would say no, it would not solve it and the information with which we are provided is not always correct.

Mr MacLEAN: One of the problems that I see with small business is that it does not know how to tender for government contracts. Does the Small Business Development Corporation provide assistance in that regard?

Mr ROBERTSON: That is a very timely question. We are working with CAMS, which has all contracts on the Internet. Currently, we are dealing with two Internet specialists to provide a web browser to download that information and display it at the Business Information and Licence Centre at the Small Business Development Corporation. Any small business person who is not attached to the Internet can come in and see what contracts are available. We can also print the fax form to provide that tender. That is only a matter of weeks away.

Mr BROWN: In the Minister's statement of 26 November 1996, he said that, in this term, the coalition Government would introduce legislation complementing the federal trade practices laws so as to offer small businesses better protection from predatory trade practices. I am aware that, in the service station area, the complaint by the independents is even though they come together to buy fuel, they cannot buy the fuel for a price lower than sometimes the oil companies sell it at their other outlets; therefore they go backwards. Their only demand is that they should be able to buy it at the gate for the same price as the oil companies sell it at the gate to others. Is the SBDC examining that?

Mr HOUSE: Yes, it is. However, that has not been completed yet. The statement refers to this term of government. It has not yet gone through the Cabinet process.

Mr RIEBELING: Do you have any idea of the time frame.

Mr HOUSE: No, I do not.

Mr RIEBELING: In another 12 months they will not be there. They are all going broke.

Mr HOUSE: No, I have no idea of the time frame.

The CHAIRMAN: I encourage members to take that matter up directly with the Minister.

Mr BROWN: Has research come out of the business opportunities and franchise expo and the meet the buyer campaign on the effectiveness of that policy?

Mr ROBERTSON: We are in the process of working with the people concerned. Five thousand attended the business opportunities expo and meet the buyers. Some feedback I have is that it was quite successful. However, we are yet to have a debriefing with each of the suppliers to get all the formal responses from them.

Mr MacLEAN: I refer to the third paragraph under the second dot point on page 869. From long experience in local government I am aware that some local government authorities are not exactly user friendly when it comes to small business. Is there any intention to set up a liaison unit with these authorities so that the differences can be sorted out.

Mr HOUSE: When you say "not user friendly" you mean they do not do what?

Mr MacLEAN: They are obstructive to small business in the way the regulations are couched. Is there any intention for the Small Business Development Corporation to approach local authorities to go through the small business regulations to try to sort out some of the problems?

Mr ROBERTSON: We have all the occupational licensing data on the computer. We are going through a process with the Business Information and Licence Centre. The first thing we are trying to do is standardise the forms so that people going to any local authority will fill in the same type of form. At this stage I do not know whether we are addressing the individual requirements of each shire council.

[2.40 pm]

Mr HOUSE: I understand the Minister has been trying to encourage business enterprise centres to have local government representatives at those centres. That is one way of providing direct linkage in the system. There are 36 business enterprise centres, and that may go some way to breaking down some of those barriers.

Mr RIEBELING: If the forms are standardised across local government, it will be easier for the department, but I do not understand how it will assist a person going to, say, the Shire of Roebourne if he is likely to deal only with that local authority. I am not one to standardise things if it will not be of benefit to the user.

Mr ROBERTSON: The business information and licence centre has some 800 state and federal licences available. It is a one stop shop from which anybody in the State can get information about the licence requirements, free of charge. If we know, for example, what form is required for a person wishing to open a business in the Shire of Mukinbudin, we can advise people on how to fill in the form. If we do not know what that local authority's form is like, we cannot be of assistance.

Mr RIEBELING: The problem I have with standardising forms across the State is that, for example, the Shire of Mukinbudin may devise a form that suits its needs and those of the community. If a state government body decides which form shall be used, I do not know whether it is progress or going backwards.

Mr ROBERTSON: It is done in consultation with local government. They are part of the input process. We are not driving this.

Mr HOUSE: It is only in an advisory capacity.

Mr BROWN: We heard earlier today that functions previously carried out by the Department of Commerce and Trade have been transferred to the SBDC, particularly the program relating to direct industry assistance. What processes will be used in the SBDC to administer those and other funds?

Mr ROBERTSON: The small business improvement program was transferred from the Department of Commerce and Trade on 1 April this year. To date, the conditions that apply to qualification and the processes and procedures are still the same, but they have been discussed at board level and some recommendations for change will be put to the Minister on his return. They are an attempt to direct the program more to the smaller type of operator.

Mr BROWN: I understand proposals have been made for changing the management of business enterprise centres, and debate has taken place between the chairmen's group and the SBDC on that issue.

Mr ROBERTSON: A meeting was held of the Chairs last Monday week. I was not in attendance and I do not know what took place. I cannot comment on that.

Mr RIEBELING: One of the major achievements for 1996-97 is listed at page 870 as progress in the investigation and removal of onerous or unnecessary regulations on small to medium sized enterprises. Presumably, they are onerous or unnecessary in the view of small business enterprises. I am interested in the initiatives involving development of the national food hygiene standards, review of the Hire-Purchase Act, review of the Pawnbrokers and Second-hand Dealers Act, WorkSafe requirements for forklift drivers, and amendments to the Liquor Licensing Act. My fear is that those things regarded as onerous by small business may be protection for consumers. Will the Minister comment on the department's directions or submissions in those specific areas?

Mr HOUSE: I said this morning that the Liquor Licensing Act will soon be dealt with by Cabinet and I anticipate amendments will be introduced in the first or second week of the spring session of Parliament. I understand the SBDC has input into the other areas mentioned, but is not the driving force; in other words, the SBDC is not directly responsible for that legislation. For example, national food hygiene standards are covered by the Health Department, and the pawnbrokers and secondhand dealers are covered by the Minister for Police.

Mr RIEBELING: I assume in the case of the pawnbroker legislation that the industry would object to the amount of information that must be obtained from the seller of goods to a secondhand dealer. It may reduce the profitability of people stealing goods, which is of benefit to the public but not necessarily of benefit to the operators of those businesses. Those things that benefit small or medium enterprises are not necessarily good for the community.

Mr HOUSE: That is why the SBDC has a role in, but not prime carriage of, those reforms. That is a good example.

Mr BROWN: Do the fees for renewal of business name registrations go directly to the department's budget, or to the consolidated fund?

Mr ROBERTSON: We are not involved in the registration process; it comes under the Minister for Fair Trading.

Mr BROWN: Have they been abolished?

Mr ROBERTSON: Not to my understanding. I think there was some talk of them being abolished but I do not think it has happened yet. A lesser fee is required for renewing a business name than for registering one, but I do not have information on the abolition of that fee or otherwise.

Mr BROWN: Before the last election the Minister promised to establish a contracts ombudsman within the Ombudsman's office to deal quickly with complaints about the tendering of government services. Has the SBDC had any involvement in that proposal?

Mr ROBERTSON: Not to my knowledge.

Dr FIELD: That position has been established in the Department of Supply. It is not called the contracts ombudsman, because an attempt has been made to avoid the use of that title, but the position serves the same purpose.

Mr BROWN: Does that mainly deal with inquiries from small business or inquiries from the general public? Is it inquiries from people seeking contracts or from those complaining about contracts?

Dr FIELD: It is more to do with complaints from small business.

Mr BROWN: About people not getting contracts?

Dr FIELD: Yes.

[2.50 pm]

Mr BROWN: Comment was made on page 870 of the budget papers about red tape. Are red tape matters under consideration by the department? You have referred to the licensing issues, which are local and state government matters. I am aware that the Prime Minister's statement referred to one-stop shops and licensing, but are other matters being considered?

Mr HOUSE: I understand that three industry forums were held; namely, tourism, food and regional issues.

Mr ROBERTSON: The tourism forum held last year in Perth involved small business, local government, Department of Transport licensing, Ministry of Fair Trading travel agency licensing and anyone who had an impact on the tourism industry. The food industry forum was attended by manufacturers of food, deliverers of food, suppliers of food, health inspectors, local government people and restaurateurs. This forum gave the participants in the industry an opportunity to speak to people involved in making or changing legislation at the local and state government level, such as the Health Department. People articulated problems and commented on how licensing was regarded as unfair.

The Australian Quarantine and Inspection Service and the state quarantine service also attended, and complaints were made about the high cost of inspection. Although we do not bring about the changes ourselves, we act as a catalyst to bring the agencies and the small business proprietors together to make them aware of concerns. Therefore, people will be mindful of those concerns and impacts when making changes. The well attended regional issue forum was held at Collie to identify any red tape issues impacting on small business.

Mr BROWN: Do you keep records of the issues raised at the forums and implement a follow-up system, or is it just a facilitating system?

Mr ROBERTSON: At this stage, it is a process of catalyst to change; we do not bring about the change ourselves. Obviously, we are still able to receive submissions from trade associations. If the change is not happening quickly enough or problems are still evident, we can act as a broker to try to remedy problems, or at least make the agencies aware of the how they impact on small business.

Mr BROWN: It is a bringing together of people for an exchange of views. I know they are not your regulations or Acts and you have no authority to change them; however, do you record the issues raised and formally take them back to the host organisation, be it transport or whatever, and say, "Three months ago this issue was raised; what are you doing about it?" How are issues resolved? Do people say, "We have looked at the issue and people do not like stopping at railway crossings, but if they do not stop they will be run over; therefore, we will not stop the train"? Is there a follow up, or is it a facilitation matter and that is it?

Mr ROBERTSON: It is a facilitation matter and that is it. The problem is that we do not have the resources to project-manage each of these issues independently.

Mr BROWN: I understand that concerns have been raised by small business about the cost of compliance with the Pawnbrokers and Second-hand Dealers Act, particularly small businesses which are not primarily second-hand dealers. For example, 90 per cent of a business may be selling fridges, radios or whatever, and it allows trade-ins on old units. For this small amount of trade, businesses must photograph and take fingerprints and find 55 people who know the customer. They object to the cost of compliance. Are you looking at that sort of thing?

Mr ROBERTSON: We have not received a formal submission, but I take the point. I am sure it was never the intention of the legislation to impact in that way when trading washing machines. We hope that commonsense can prevail and legislators will make the necessary change so people are not roped in. There is not a huge market in second-hand washing machines.

Mr BROWN: It applies to washing machines and second-hand books.

Mr ROBERTSON: It is fair comment.

Division 20: South West Development Commission, \$4 769 000 -

[Mr Ainsworth, Chairman.]

[Mr House, Minister for Primary Industry.]

[Mr Marshall, Chief Executive Officer.]

Mr OSBORNE: Page 875, dot point one, of the Budget Statements states that the Port of Bunbury access road has a high priority. This facility is extremely urgent. I understand that the South West Development Commission has held a series of discussions with Main Roads WA. At what stage are those negotiations, and is there anything the Government and the commission can do to expedite construction of the road?

Mr MARSHALL: The member is right: We have had discussions with a range of people such as the Port of Bunbury, Main Roads and the Department of Transport. A submission has been made to the Department of Environmental Protection to realign the Preston River. If this can occur, we can cut the cost of the road in half to about \$2m.

Mr OSBORNE: Is it possible that this can be given emphasis to accelerate the project? I am sure that if it is possible, you will do so. Are there concrete avenues you can explore to hasten this matter?

Mr MARSHALL: The matter has been submitted to the Department of Environmental Protection and the Environmental Protection Authority which will make an assessment of the change. If this matter can proceed quickly, we can move forward. If we are forced through the processes of lengthy environmental assessment, it will delay the project.

Mr OSBORNE: Point four of the major achievements on page 877 refers to the outstanding south west eco-museum project. I see that a 12 further interpretive sites are mentioned, including the Bunbury Dolphin Discovery Centre. I am aware of management problems at the centre, but these are personality problems and not your issue. What kind of presence does the South West Development Commission retain in these eco museum projects to protect the taxpayers' investment? If this spat continues, that investment is at risk.

[3.00 pm]

Mr MARSHALL: We are aware of the problems with a couple of centres. It has always been our intention that these projects become community driven. The member will appreciate that the Government does not fund the whole project. After the facilities are set up, they must be community driven, and most are now run by trusts. In all but one instance, we no longer have representation on the trusts.

Mr OSBORNE: I am concerned that some of the differences have become irreconcilable and that the Government might need to do something.

Division 36: Western Australian Tourism Commission , \$30 580 000 -

[Mr Ainsworth, Chairman.]

[Mr Bradshaw, Parliamentary Secretary.]

[Mr S.R. Crockett, Chief Executive Officer.]

[Mr J.L. Aquino, General Manager Operations.]

Mr BROWN: According to a recent answer in Parliament, eight EventsCorp staff are devoted entirely to the Rally Australia project. What are their roles?

Mr BRADSHAW: EventsCorp has a staff of 24 FTEs, including a core of 10 FTEs based in the Western Australian Tourism Commission. Another six staff are engaged on short term contracts depending on the event in question.

[3.10 pm]

Mr CROCKETT: Rally Australia is one of the events that EventsCorp has managed totally within its own structure. It has eight staff to run the event and it is run totally by the Western Australian Tourism Commission, unlike the other events which are organised. The executive director is effectively the overall manager. An operations manager looks after the logistics and the mounting of the event per se. His primary role is to manage contracts for building, construction, etc.

A marketing manager is responsible for securing approximately \$3m-worth of sponsorship through licensing and merchandising arrangements. A publicity manager looks after the media, particularly the international media, and generates exposure. A services manager is primarily responsible for getting the 700-odd competitors here and looking after their requirements for the event, as well the requirements of support and secretarial staff to those people. In essence, those are the four primary management areas. There are three support staff below them.

Mr BROWN: In round terms what are the costs of the staff for the event?

Mr CROCKETT: I will have to get some specific information on that. All staff costs are included in the total allocation for the event, which has been approximately \$2m over the last eight years. All costs such as staff costs, office hire, fax hiring are included in that figure; there are no extraneous costs.

Mr RIEBELING: Is the promotional income in this Budget? How much money is derived from sponsorship?

Mr CROCKETT: The total operating budget is around \$5m. It varies from year to year. Approximately \$3m of it is generated revenue. These figures show the net figure as a cost to the commission, which is the \$2m allocation.

Mr MacLEAN: We are spending about \$30m on tourism and yet there seems to be a lack of hotel accommodation in the city. Has the Tourism Commission encouraged anybody to come and look at the problem?

Mr BRADSHAW: The Tourism Commission has in place a review process which works out the needs of accommodation for people coming to visit Western Australia. From that it can estimate the future needs and whether capacity is at its maximum or is underutilised. The commission can then go out and encourage new hotels. We have seen in the last couple of years three major hotels - the Rydges, the Duxton and the Holiday Inn. More capacity is certainly coming on stream. The member will find that the occupancy rate has dropped.

Mr RIEBELING: It has dropped?

Mr BRADSHAW: The total number of occupants has not dropped away but the occupancy rate has because of the new hotels coming on stream.

Mr BROWN: To return to Rally Australia, I cannot see the information in the statements but it is probably in the annual report. What financial benefits does the State derive from the number of visitors who come to the State as a result of the Rally Australia event?

Mr BRADSHAW: The advantage as a result of the tourism that has been promoted to Western Australia has been worked out at varying between \$15m and \$19m a year. For the \$2m invested, it seems a very good return in my eyes and those of the Government.

Mr BROWN: I went through the annual report. I cannot recollect seeing the methodology for working out the figure. I am interested to obtain today or by way of supplementary information the methodology used in that. It has been put to me that at the time when the Rally Australia event is here a number of other events are occurring, such as wildflowers and other projects. I am not an expert on the area, but it has been suggested by people wiser than I that in any event there would be an influx of tourists at the time. I do not know whether calculations are based on gate figures; if they are based on gate figures, how they are worked out. Obviously many Western Australians as well as people from interstate and overseas go to see the rally. I do not know whether it is worked out on the basis of hotel bookings and what assumptions would be made. Hotels might be filled up anyway at different times of the year. I do not know whether it is possible to have an overview of the methodology used and the underlying assumptions.

Mr BRADSHAW: One can never tie down 100 per cent the income derived from events such as Rally Australia. A lot of visitors are associated with Rally Australia; there are drivers, back up crews and others who have a fairly important impact, let alone those people who come from interstate and overseas and who also travel from country areas of Western Australia into Perth or the south west in order to watch the rally.

Mr CROCKETT: The event, like all large events, is independently researched. Over the years I think three companies have had the contract to research. Reark Research has done it; Curtin University did it two years. The methodology is based on the simple premise of the expenditure by visitors to Western Australia. It does not include local people spending as a result of the event. That aspect of the methodology is often argued in Australia. For a number of major events on the east coast it is argued that there is the benefit of people spending money in their own State as opposed to going to another State. Most researchers who have looked at Rally Australia have taken a very conservative view based on the spending by interstate and international visitors. The methodology from that premise works on the basis of an interview survey of attendees, competitors, media participants and other people associated with the event. It is a very sensitive survey which develops a spending pattern for those people. It determines the expenditure across the event. Provision has been made in the last number of studies for participants or people who have come to the event to be asked if they are in Western Australia entirely for the event or for other reasons and happen to go to the event or are in Western Australia for no particular reason at all. A factoring analysis allows for those people who are not here specifically for the event. Research is based on those principles developed some years ago by independent research companies. One of the tertiary institutions in Western Australia was heavily involved in developing the principles upon which that study is based.

[3.20 pm]

Mr BROWN: Is that public information?

Mr CROCKETT: All the studies are available to the public and I will make available to the member for Bassendean a copy of the last study.

Mr BROWN: I would prefer that it is not supplementary information because it comprises three volumes.

Mr BRADSHAW: I give an undertaking that I will provide the report to the member for Bassendean.

Mr RIEBELING: Will the Parliamentary Secretary advise the reason for the reduction in corporate services of approximately \$400 000?

Mr BRADSHAW: Over the last couple of years the emphasis has been on providing more money for promoting Western Australia interstate, intrastate and internationally. One way to do that is to reduce the corporate cost of running the Tourism Commission. The \$400 000 is the result of that. Obviously, the money has gone into promoting this State, which is the way to go. I will ask Mr Crockett to explain how that is funded.

Mr CROCKETT: The reduction of \$400 000 in this year's budget compared with last year's budget is relevant to two initiatives of the commission. One was to redirect its energies and moneys towards the primary function of promoting Western Australia to attract more tourists to the State. In addition, there have been some ups and downs in that figure. In 1996-97 a weakness in the commission's financial accounting system was identified. One of the primary methods of overcoming the problem was to introduce a new accounting system to replace an old mainframe system which was not effective in its recording. That effectively added \$120 000 to the costs that year. The system is now in place and funding for it is not required in the 1997-98 financial year.

The reduction of funding across government included \$45 000 from this division. Also in that year there were a number of displaced salaries which totalled \$97 000. That has now been resolved and will not be an issue for the 1997-98 budget. We also moved \$56 000 of the funding as part of the saving in overheads to be directly related to the convention and incentive travel business. That is an important initiative this financial year because of the increase in the number of hotel rooms and the need to fill those beds with short term solutions, one of which is conventions. The cost of corporate services is spread according to proportion of usage across each of the five operating divisions through the programs.

Mr RIEBELING: Will you give a quick rundown of where the 28 full time equivalents appear in those programs?

Mr CROCKETT: It is simply a pro rata percentage. Therefore, in the case of national marketing which has a \$6.6m budget, it would be a pro rata percentage of the \$23m budget against the 28 FTEs.

Mrs HOLMES: I refer to the first dot point on page 941 of the Budget Statements which mentions the increased economic significance of the Asia-Pacific region. It states "should a dedicated Convention and Exhibition centre be developed in Perth". Obviously, it would be an advantage to the State. Will the "should" become "will", and if so, when?

Mr BRADSHAW: The Government is certainly committed to a dedicated convention centre in Perth. It would certainly attract more conventions to Western Australia. Currently, the venues for conventions in Perth are limited. A feasibility study has been conducted by the Government and the result is that government funding will be required to build a new convention centre. However, Burswood is considering expanding its operations and included in that will be a convention centre. If it goes ahead with its proposal it may negate the viability of a major Perth convention centre. If that happens, it is all well and good, but if that is not the case and the one it builds is not of the capacity suggested in the feasibility study, the Government will have to reconsider the viability of building another centre. The Government is waiting for Burswood to indicate the details of its expansion program.

Mr BROWN: I refer the committee to page 937 which outlines expenditure for national and international marketing, event tourism and convention and incentive travel. The amounts allocated to international marketing and event tourism are quite large. The budget papers also indicate the number of FTEs for each category. Obviously, the amount allocated covers far more than the cost of the FTEs. Will the Parliamentary Secretary provide a breakdown of how the funds will be allocated? For example, in the case of event tourism what events are envisaged, how much will be spent on each event and so on. I will then be in a position to know what the money is spent on.

Mr BRADSHAW: The number of FTEs is not the only issue covered by those amounts. Advertising and promotion costs are involved. For example, the Tourism Commission has been publishing a brochure titled, "The Best in the West" for tourist operators. Mr Crockett may be able to give a breakdown of those figures, but it can also be provided in supplementary information.

Mr BROWN: I am happy for it to be provided in supplementary information. I appreciate all the information cannot be provided in the budget papers.

Mr BRADSHAW: It will be provided in supplementary information.

Mr RIEBELING: I refer to the table of "Summary of Key Program Level Outputs" on page 943. The national marketing budget for last year was \$6.63m and this year it is \$6.6m. I understand that this year nine campaigns will be conducted while last year there were only seven. Therefore, the commission is spending less on each campaign this year. What is the reason for that?

Further down the reverse occurs with international marketing etc. The same number of events have been promoted with substantially more money being spent on them this year than last. Is there a difference in national campaigns compared with international campaigns?

[3.30 pm]

Mr CROCKETT: We have been successful over the past 12 months in gaining more cooperative industry support for our campaigns. The amount spent per campaign in most cases is more than it was the year before. However, it is at a slightly reduced cost because of the increased support from industry.

Mr RIEBELING: Can you find out how much industry is contributing?

Mr BRADSHAW: We will provide that by supplementary information.

Mr CROCKETT: The number of international campaigns has remained at 15. However, the cost increase from \$6.5m to \$7.3m is primarily because for the first time we will be undertaking a brand campaign in the United Kingdom. A brand campaign is more expensive than previously mounted tactical campaigns, particularly in the UK market which will have its first ever brand campaign for Western Australia.

The number of events is measured more specifically in the budget papers because a number of people is a more tangible figure to acquire. In 1996-97 there were \$17.9m of visitor expenditure generated from a \$5.9m investment. In 1997-98 we expect the return to rise to \$21m. The cost will also rise to \$7m. The year of 1997-98 is unique in that 11 major international events will occur, hence the large cost. In the following year we anticipate that cost to decrease to a little more than \$5m.

Mr RIEBELING: May I have details of the international events?

Mr BRADSHAW: I will provide them as supplementary information.

Mrs van de KLASHORST: At page 944 under major achievements for 1996-97, the second dash point under the first dot point refers to implementing a campaign to follow up incentive travel buyers etc. Will you expand on that? Have you had any tangible results?

Mr CROCKETT: The point you mention is directly in response to the Dreamtime initiative which involved bringing the Australian Tourism Commission's primary incentive trade show to Western Australia. It is the first time it has been here; it was a coup to get that here. It is usually held on the east coast. It was equally a coup to hold it in Broome rather than just in Perth. It was a combination of Broome and Perth.

We have the attendees on our database which we have individually followed up and will continue to do so over the next 12 months. Now they know what a great product it is for conventions and centres our challenge is to convince them to bring people here, so we will continue to monitor that database.

Mr BRADSHAW: The term "incentive buyers" refers to incentives being given to workers in the form of travel. It is becoming a lucrative market. We are trying to tap into it so that Western Australia will not miss out on its share on a global basis.

Mrs HOLMES: I refer to page 941. Point 3 refers to the establishment of the regional tourism infrastructure and product fund. When will it be established? How much will its budget allocation be?

Mr CROCKETT: It is a new initiative for this year to run over the next four years and involves an investment of \$6m. In 1997-98 and 1998-99 \$1m will be spent in each year and \$2m in each subsequent year. The criteria guidelines are being finalised. We hope they will be completed in time for the next round of the local government budgeting process later this year. It is focused on a need identified in the Coopers and Lybrand infrastructure study conducted two years ago which found that regional areas lack minor infrastructure particularly in the form of signage, interpreting centres, etc. The fund will specifically address that and will match dollar for dollar local government or non-profit area funds.

Mrs van de KLASHORST: Could I have a copy of the document seeking nominations for the funding?

Mr CROCKETT: It has not been finalised.

Mr BRADSHAW: I will supply that on notice when the information is available.

Mr BROWN: I refer to the summary of key program level outputs at page 943. A number of columns indicate unit measures. Item 1.4 is for event tourism and lists campaigns in 1996-97 as \$17.96m visitor expenditure and in 1997-98 as \$21.6m visitor expenditure. Is that the amount it is anticipated visitors will spend as a result of event tourism?

Mr BRADSHAW: Yes. That is the estimated actual figure; we have not finished the financial year yet.

Mr BROWN: The table indicates that in 1996-97 the Tourism Commission will spend just under \$6m and attract just under \$18m in visitor spending. That means it will spend \$1 to make \$3. The next line shows that on convention and incentive travel the commission will spend just over \$1m but make \$73.7m which suggests if it spends \$1 it will make \$73. Would it not be desirable to spend \$1 to make \$73 on all occasions?

[3.40 pm]

Mr CROCKETT: It is a good point and one we grapple with constantly. In the summarised version in the budget papers, it is difficult to give the full picture. One of the added advantages which is difficult to quantify is the exposure of the State to the various media covering the event. It is conservatively estimated, but it is difficult to do that objectively and accurately. However, if we consider the value of television coverage alone these events generate more in value for the State than do conventions. How many conventions are available for us to attract? Over the past 12 months, and in the future, we will continue to increase the amount of funding put into the convention sector, but there is a ceiling because we do not have a dedicated convention centre. In our previous reports we said that if a convention centre came on stream it would significantly change the mix between the amount of money spent on events and that spent on conventions, because we would have the facilities to cater for that. One component is the ceiling, and the second is that events have the added benefit of television coverage, which is significant, particularly in the South East Asian region. There is a lack of consumer awareness in those areas. Television advertising is very expensive and we can have very cost effective promotion of the State via event television coverage.

Mr BROWN: The convention centre in Sydney at Darling Harbour, and the one in Brisbane on the border of the city, are massive structures. I do not know what they would cost to build, but we should consider the income of such centres. For instance, the next Lions convention will involve about 22 000 delegates, many of whom will come from overseas, presumably bringing their spouses and families. There could be enormous benefits to the State if we could hook into such an event. Of course, that is if we could accommodate them! It would be a real problem if we had to accommodate 18 000 visitors in one go. However, the income to the State, to local business and hotels would be enormous.

Mr BRADSHAW: That is why the Government is dedicated to building a convention centre of reasonable magnitude. A feasibility study has been undertaken, but we are waiting to see which direction Burswood Resort Casino will take. Trade fairs or conventions bring enormous benefits to the State. Recently I was in Germany attending a tourism fair. People could not find hotel accommodation while the trade fair was on that week. I stayed on a little longer, and when I returned to Frankfurt, without a hotel booking, I was told by the first hotel that I would not find a room within 15 kilometres of Frankfurt. I finished up driving around in ever increasing circles trying to find a hotel room. Eventually I found one about 70 km from Frankfurt. This is what happens when functions such as conventions and trade fairs are held, and it is very important to promote such events in Western Australia.

Mr BROWN: The Global Dance Foundation recommended to the Tourism Commission that the event be postponed until 1999. The Government has not indicated whether it has agreed to postpone the event. It is scheduled for August this year. The correspondence and memos made available under the Freedom of Information Act indicate there is no chance of the event being conducted in August 1997. Has the Government agreed to postpone the event or is it seeking to recoup the moneys outlaid?

Mr CROCKETT: At this stage the deferment is being considered. The contract documents have been given to the Crown Law Department. We are awaiting that advice.

Mr BROWN: That was the information we received a while ago. Obviously it is still stuck at Crown Law. Under FOI conditions we did not receive the whole file but I was unable to find any feasibility study carried out on that event, other than a so-called feasibility study by the proponent. If it was a feasibility study, it was not much! Representations were made by Mr Reece to the Department of Culture and the Arts for it to be involved in a feasibility study before money was handed over. That proposal does not seem to have gone anywhere. It certainly did not happen before the money was handed over.

What is the case with other projects? Is it commission policy to carry out feasibility studies on proposals, including the financial standing of the proponents, the degree to which they have established national or interstate contact and the degree to which others are cooperating with them? These are the areas which I thought one would consider in

a prudent way. For instance, one should consider who is the managing director, the owners, and whether these people have been in the business for, say, 25 years. How many checks are made before agreement is reached with the commission and ultimately the taxpayers who will provide the funds to run events?

Mr BRADSHAW: A process was introduced in 1995 to check out events proposed by EventsCorp to see if they were suitable and viable. A feasibility study is based on a number of different components including the background and concept of the proposed event; a description of the event including details of the proposed venue, date, national or international connections; sanctions, event benefits - whether there will be a financial or economic impact; the nature of media frequency; tourism activity; and development potential - in other words whether it can expand into other areas on an ongoing basis. The components also include funding; preliminary budgets; sponsorships; state and federal funding; gate takings; cash flow budgets; details of the proposer - that is, the structure, contact persons, the executives, and financial background statements; management of EventsCorp's role; contractual arrangements; other parties consulted; events' operations; plans; performance measures; and recommendations of EventsCorp management and executive. We do all we can to find out whether an event will be a winner or a loser. One can never have a 100 per cent guarantee that an event will be a winner, even after undergoing those checks.

[3.50 pm]

Mr BROWN: Is the information you have provided contained in a policy paper of the commission?

Mr CROCKETT: We have two basic policy documents - the framework and feasibility study and a framework for the standard contract containing a number of issues that must be addressed in a contractual sense. Both of those were introduced in 1995 as part of the refinement of the event-seeking process in which Western Australia had been involved since 1987. That process is constantly being refined by external consultants and through internal refinement. We can provide them as supplementary information.

Mr BROWN: Will you include a list of the amounts that will be provided for each event?

Mr BRADSHAW: We will provide that as supplementary information.

Mr BROWN: How much is allocated in this budget for the Elle Racing campaign? In which countries will that advertising be undertaken?

Mr CROCKETT: I will clarify the Elle advertising. In the Brand Western Australia advertising campaign a significant number of commercials incorporate Elle Macpherson's role. There has previously been confusion about the \$1m fee that was associated with securing the appearance of Elle Macpherson and her yacht, and the cost of the ongoing campaign, which is about \$8.8m over four years. Those two matters are totally separate.

Mr BROWN: Did the \$1m for the first item come out of your budget?

Mr CROCKETT: Yes. For 1997-98 the estimated expenditure on the Brand WA campaign is \$2.4m, bearing in mind the Brand WA commercials are used in the national market and internationally. That will include marketing in Sydney and Melbourne. There will also be marketing in South East Asia, particularly with television campaigns in Jakarta and Singapore and a print and radio campaign in Malaysia, and a television campaign in the greater London area. I stress that the \$2.4m includes all media buy and associated costs as per the synopsis of the advertising costs tabled in Parliament. Other things could loosely be connected to Brand WA - for example, the production of posters or collateral material for travel agents to promote Western Australia - that are not included in that \$2.4m.

Mr BROWN: Is the construction of the Elle yacht now on track?

Mr CROCKETT: The yacht is an issue for the management in charge of putting the yacht together. The best advice we have received from them is that they are still looking to bring the yacht to Western Australia.

Mr BROWN: Is there any word on other sponsorship that has been attracted to the yacht?

Mr CROCKETT: They have not advised of that at this stage.

Mr BROWN: I note an allocation to the Country Tourism Association of WA. Is it correct that that amount went to the tourist bureaus and was then transferred to the tourism association?

Mr CROCKETT: That is correct. Last year we reviewed how funds were given to country associations and bureaus. The recommendation of the regional tourism review board was that to avoid duplication, the funds should go through one central regional body - the association. The tourist bureau funding goes via the regional associations. How much money goes to the tourist bureaus and how much is spent in general marketing activities for the region will be a local decision.

Mr BROWN: Some tourist bureaus have money raising ventures from which they can get an income; however, others do not have that ability. Questions were raised about whether they would be funded, even though they did not get a lot of funding, or whether they would not be funded at all. What is the degree to which local tourist bureaus have continued to be funded under this new arrangement? Has it simply been a matter of providing money to the association, which in turn delegates it; or have there been areas where tourist bureaus are no longer receiving funding?

Mr BRADSHAW: The idea of setting up the Regional Tourism Association was to get the industry in the regions to be more proactive in providing finances and an overall strategy for promoting those regions. In the past tourist bureaus tended to be localised; they worried just about providing services to tourists and giving information about surrounding areas. The Government believes people must be attracted to the regions, and if there are no tourists, the bureaus are not required. The idea was to encourage industry input by releasing brochures and conducting promotions. Besides the Government providing money, it was felt the industry should pay its way as well. The Regional Tourism Association provides somebody to approach industries for funds, thereby getting more money in the pot to promote the region. Some of that money is still being allocated to bureaus. To some extent there have been duplications in tourist bureaus. People are parochial and they want a tourist bureau in their area. However, if the bureaus are non-viable, it is questionable whether the funding should go to those bureaus.

[4.00 pm]

Mr CROCKETT: The process has been quite lengthy, with about eight months of consultation with the various regions. One of the cornerstones of the new partnership agreement was that each association must have the support of all the tourist bureaus in its region. Each association has had that support, and generally it has followed the line that it will continue to maintain the level of funding to all bureaus that existed previously. Some associations have developed some innovative and ground breaking strategies to do that on a different basis, and that has also proved very successful. We are very pleased with the new approach that many regions are taking.

[4.10 pm]

Division 55: Justice, \$290 985 000 -

[Ms McHale, Chairman.]

[Mrs van de Klashorst, Parliamentary Secretary.]

[Mr G. Byron, Director General.]

[Mr D. Daley, General Manager, Community Based Services.]

[Mr G.R. Gibson, Director Policy Programs and Projects.]

[Mr A.D. Jamieson, Acting Director Financial Management.]

[Mr A.J. Marshall, Director Policy.]

[Mr K. Payne, Executive Director Offender Management.]

[Mr T.W. Simpson, Executive Director Corporate Services.]

Mr RIEBELING: We have been given four hours to consider three pages in this division. In the three hours that were allocated to this area on Tuesday we debated nine divisions. Whoever allocated the time for this division and the previous divisions that were debated on Tuesday got it wrong. We did not have sufficient time to examine the other divisions.

Mrs van de KLASHORST: I take that on board. I will follow that up myself with whomever organised these times, because I agree with the member for Burrup.

Mr RIEBELING: I asked question on notice 238 on the number of hours that had been lost in Corrective Services through sick leave. I was advised that 29 000 hours had been lost within the prison system. Some people within the prison system think that figure is far in excess of the true amount. Did that figure include non-prison officer staff - that is, clerical and administrative staff - and maternity leave, workers' compensation or any other types of leave; and if so, what is the actual number of hours lost through sick leave in the department?

Mrs van de KLASHORST: I do not have those figures, so we will provide that as supplementary information.

Mr RIEBELING: What funds were allocated to employ additional prison officers?

Mr PAYNE: There were 12 new FTEs for prison officers in the Eastern Goldfields Regional Prison. We conduct ongoing assessments of prison numbers, and as the muster increases it affects the formula for the number of prison officers employed. Recently four schools were completed, and that brought the number of officers up to the present formula rate. Because of the anticipated expansion of the Eastern Goldfields Regional Prison we were able to employ 12 new officers. As the muster varies so will the number of prison officers.

Mr RIEBELING: What amount of money has been allocated for new FTEs in this budget? Page 500 refers to 19 FTEs. I hope the department is not stating that there will be only 19 new FTEs?

Mr PAYNE: At the moment as a result of a \$3m increase in current funding there will be at least 12 additional prison officers.

Mr MacLEAN: Reference is made on page 496 to the number of referrals to the juvenile justice team attributable to the Young Offenders Act. Is there an ongoing evaluation of this team, and what is the result?

[4.20 pm]

Mr DALEY: Since the juvenile justice teams have been operating there have been two internal evaluations. We are in the process of tendering for an external evaluation. The tender has gone out, but the appointment of the person who will carry out that evaluation has not been made.

Mr RIEBELING: I understand the committee is dealing with pages 491 through to 502 of the Budget Statements.

The CHAIRMAN (Ms McHale): We are dealing with the offender program and it is set out on pages 499 to half way down page 502. If members refer to page 492 which deals with expenditure they will find under "Offender Management" that the subprogram cover three areas. My ruling is that those three areas will be the basis of the committee's discussions this afternoon.

Mrs van de KLASHORST: Yes, that is what I understand.

Mr RIEBELING: Will the Parliamentary Secretary accept questions on pages 491 to 502?

Mrs van de KLASHORST: Only in relation to the three areas in the subprogram.

Mr RIEBELING: What about questions on the declining number of charges in the Children's Court?

Mrs van de KLASHORST: The Children's Court comes under the Attorney General.

Mr RIEBELING: They all do. Will we be able to ask questions on the number of juveniles having contact with the justice system?

Mrs van de KLASHORST: Yes.

Mr RIEBELING: I refer to the first dot point on page 496 which states there has been a 9 per cent reduction in the number of charges in the Children's Court. It appears to be good news for the system. However, the second dot point states there has been a 50 per cent increase in cautioning juveniles. The Government was elected on its policy to get rid of the revolving door syndrome at the Children's Court. How does that fit in with the rhetoric which has been used in the budget papers? On the one hand we appear to be bringing fewer children before the court, but on the other hand there has been a 50 per cent increase in cautioning juveniles. Presumably, the number of offences has increased.

Mr DALEY: There has been a significant decline in the number of charges as recorded. The reason for the reduction appears to be attributed to the effect of cautioning and the direct referral to a juvenile justice team. In fact, the Crime Research Centre which compiles the criminal statistics for Western Australia told me when we discussed the matter that there would have to be a degree of caution in making a firm judgment on the statistical relationship between cautioning and referral to juvenile justice teams in the case of juvenile criminal activity. It is caught up with reporting and protection rates. If the member requires more specific information, I will be more than happy to provide it.

Mr RIEBELING: I would be pleased to receive the statistics.

Mrs van de KLASHORST: What is the precise information you require?

Mr RIEBELING: Has there been an increase or decrease in juvenile offences? Does the 9 per cent decrease in the number of court appearances indicate there has been a reduction in crime? However, there has been an increase in cautioning. It is easy to reduce the number of people who appear in court if the process for dealing with a specific offence is changed.

Mr DALEY: It is difficult to provide a clear answer. Mr Marshall may be able to provide more information.

Mr MARSHALL: That figure needs to be taken cautiously. Cautions are often the outcome of the juvenile justice team. It includes cautions not only for juveniles who have been apprehended by the police and issued with a caution, but also cautions which are issued by the juvenile justice team. There is a third way in which a juvenile can be given a caution. That is, the juvenile goes to court and is referred by the court to the juvenile justice team which issues him with a caution. You cannot read into the figure that there has been an increase of new clients into the system.

Ms MacTIERNAN: Is Mr Marshall saying that a person can actually be charged, referred to a juvenile justice team and then be given a caution?

Mr MARSHALL: No, they are not charged. The Act requires the police to refer them to a juvenile justice team.

Ms MacTIERNAN: Is that prior to being given a caution?

Mr MARSHALL: Yes or after being given a caution. The outcome is a caution if it is agreed by the members of the team that the juvenile should just receive a caution. The figures will include juveniles who are cautioned by juvenile justice teams.

Ms MacTIERNAN: Previously there would have been charges.

Mr MARSHALL: Prior to the introduction of juvenile justice teams juvenile offenders were referred to the juvenile panel.

Ms MacTIERNAN: Therefore, the referrals can be made without actually issuing a caution?

Mr MARSHALL: Yes.

Ms MacTIERNAN: Where is the legal compulsion to go to the team?

Mr MARSHALL: The young offenders' legislation.

Ms MacTIERNAN: Even without a caution or a charge a juvenile can be referred?

Mr MARSHALL: Yes.

Ms MacTIERNAN: I share some of the concerns of the member for Burrup. On the street there is a great deal of dissatisfaction with the caution system. I will tell the committee an anecdote from my electorate, but it is common to any area. A young girl of 14 gets off the train and is smashed up by another young girl who has been glue sniffing. The victim did not know the perpetrator who is also 14. It is just a random act of violence. The parents of the victim are very upset and the police advise them that they have no option other than to caution the perpetrator of the crime. They are told that at some point they will be contacted by the juvenile justice team and there will be a process of reconciliation. What seems to happen in cases like this is that the injured party is either never contacted or an enormous amount of time elapses between the event and their being contacted. How does this cautionary system work? Are the police obliged only to issue a caution? Is there a degree of discretion? While I understand the philosophy, where there are acts of violence against outsiders it creates a great deal of animosity towards the criminal justice system.

[4.30 pm]

Mr GIBSON: The Young Offenders Act provides for a person to be cautioned for a first offence unless it is a scheduled offence, which includes serious assault. If the police charge someone with a scheduled offence they will not be cautioned.

Ms MacTIERNAN: How serious must the assault be?

Mr GIBSON: Bodily harm would be the threshold on the assault scale. Otherwise the police have discretion to caution as many times as they wish; for the first offence they must caution.

Ms MacTIERNAN: If it were not a scheduled crime, in that instance the police could have later charged her with bodily harm.

Ms WARNOCK: At page 496 the third point from the bottom of the page refers to crime diversionary strategies, etc. We have noted that the number has decreased. What else are we talking about in the crime prevention and diversion strategies apart from cautioning?

Mr GIBSON: The main diversionary strategy is the juvenile justice teams to which up to 3 000 juveniles have been referred in the past 12 months. The preventive strategies offer a range of community funding programs across the State.

Ms WARNOCK: What about crime prevention?

Mr GIBSON: It takes a number of forms of funding - for youth groups in places such as Halls Creek through to school based programs for children facing difficulties to assist them with employment or recreational activities. They are funded on an individual basis.

Mr RIEBELING: There has been an increase in the seriousness of offences that go to court. Is there any indication whether the number of violent offences which end up in court have increased?

Mr GIBSON: The number of juveniles in the courts has reduced compared with the number of juveniles in custody. I will follow up with supplementary information on the violent offences.

The CHAIRMAN: The Parliamentary Secretary will provide supplementary information on the question asked by the member for Burrup.

Ms WARNOCK: At page 522 under capital works reference is made to relocation, community correction centres Balcatta and Northbridge. What is the Northbridge facility?

Mr DALEY: The Northbridge centre was originally a convent in West Perth which was taken over by the then Corrective Services Department for use as a work release hostel in the late 1970s or possibly early 1980s. In the late 1980s work release legislation provided for work release to be a home-based program. That centre then became a community corrections centre for the inner city areas. It was never purpose designed for large numbers of offenders to report to. It has problems with security, maintenance of files, separation of offenders from work areas, etc. It has many faults and did not allow for programs to be operated because as a heritage building we could not dismantle internal walls. Bearing those problems in mind and the redevelopment of Northbridge because of the tunnel, funding was provided to move the centre. It will be relocated to the triangular building in Milligan Street opposite the Entertainment Centre. The amount of \$897 000 rings true as the amount allocated to that relocation.

In 1988 a community corrections centre was established at Balcatta to provide services, including large workshop facilities, for offenders in response to legislative amendments introduced in the late 1980s. It soon became clear that large workshop facilities were not the way to go in the management of offenders. One of the main objections was that if we used large workshop facilities for people to work out their community work the community got no benefit, but the department did. It provided much additional space which was thought to be needed at the time. However, the Balcatta office was not well located for the offenders particularly in relation to government commitments about increasing accessibility to justice. The Balcatta catchment area is 55 per cent from the Mirrabooka, Balga, Girrawheen and associated areas and 45 per cent from the northern corridor surrounding Joondalup which also has a court centre. It was decided that if we are to adequately manage offenders in the community the centres should be where the offenders are.

Ms WARNOCK: Do we know when the Northbridge centre will be prepared and what sort of activities will take place from it?

Mr DALEY: Northbridge is scheduled to commence in the last week of July this year. It will house the Northbridge community corrections centre which is responsible for the management of work and development and other release orders imposed by courts. It will also house a number of the program branches from the program section of offender management. The sex offender treatment unit will have its headquarters there. Rooms will be available to run a variety of programs, such as anger management, alcohol and drug problems and sexual offender programs. They could cover the gamut of the programs required to deal with people with a propensity to offend or reoffend.

Mr RIEBELING: I refer to points 5 and 6 at page 496. Each contradicts the other. The first indicates that introduction of the Sentencing Act and the Sentencing Administration Act on 4 November 1996 will result in fewer short term prisons, which appears to be correct. The next point refers to an increase due to the same legislation and demand for prison accommodation. Has the department done any research on the impact of the new legislation on the number of people in prisons?

[4.40 pm]

Mr DALEY: The Sentencing Act and the Sentence Administration Act have been in operation just over six months. In some areas the long term impact remains uncertain. For example, in the first six months of operation of the legislation 450 suspended prison sentences were imposed. However, we do not know what would have happened to those people had that provision not been in place. Would they have gone to gaol anyway or have the courts moved the tariffs slightly across the spectrum so that people are being sucked in from some other form of sentencing lower down the sentencing spectrum? The other issue which is difficult to answer is how many of those people under suspended sentences of imprisonment will start to come back into the system because they have breached the conditions. The Criminal Law Amendment Bill is not within my bailiwick.

Mr MARSHALL: The three strikes provision was promulgated in November. The first person sentenced was a juvenile, in January. We have had an effective operation period of just over three months. During that time 26 juveniles have been sentenced. Juveniles sentenced to 12 months under the young offenders legislation will serve six months in detention, and then go on supervised leave. We can expect that after six months we will see a turnaround. The juveniles will be released as other juveniles are being admitted. That will be the plateau. Based on that very simple analysis we estimate that about 70 juveniles will be affected at the plateau. It is very difficult to predict the situation for adults because we are receiving anecdotal information from the courts that they are sentencing for more than 12 months anyway. Therefore, they have not had to use these amendments.

Mr MacLEAN: The fifth point at page 496 refers to the abolition of prison sentences of less than three months. It is stated that the provision has not been operative long enough to assess its impact. When will an assessment be made?

Mr DALEY: We have not undertaken a review yet. I understand arrangements will be made for a review after the first 12 months, but to be on safe ground I would need to make inquiries to be sure that was an accurate answer.

Mrs van de KLASHORST: We will provide that by way of supplementary information.

Ms MacTIERNAN: I refer to the offender management program at page 499. One of the aims of the offender management division is to ensure the health and safety of prisoners in custody within a just and humane environment. Some of the contentious issues are the provision of condoms and needles. These would affect the health and safety of prisoners. It is generally understood that there is an incidence of homosexual rape within male prisons, and I understand there is a significant level of risky homosexual activity. Do you have evidence of the levels of rape or homosexual activity, and are prisoners being exposed to risk because they do not have access to condoms?

Mrs van de KLASHORST: The ministry has established a blood borne clinical diseases steering committee. These matters are being referred to that committee. The membership of the committee comprises health and custodial staff, and representatives from external agencies and organisations including the Health Department, the AIDS Council and the Hepatitis C Council. The group is charged with developing and implementing some strategies to reduce the incidence of problems associated with rape and hepatitis. This will involve debate on those matters and the availability of condoms to prisoners, the bleaching and sterilisation of needles, the issuing of exit kits, and health promotional material to prisoners on discharge. The committee is considering all those problems.

Ms MacTIERNAN: It is good to see that something is being done. When will the committee report? I am interested in the composition of that committee, as well as any statistics on the incidence of the underlying engagement of prisoners in homosexual activity, the level of intravenous drug use, and the level of HIV-AIDS within the prison system.

Mrs van de KLASHORST: I will provide that by way of supplementary information.

Ms MacTIERNAN: Are any advisers familiar enough with the prison system to be aware of the level of the problem in prisons?

Mr GIBSON: The committee has been made aware of the problem by many people making statements. Many of the allegations of the activities are not substantiated by evidence. The committee will go to the general prison community - both the employers and the prisoners - to get an understanding of the issue. A number of interviews have been conducted. The policy is not to provide condoms or needles. That is not contemplated at the moment. The committee is trying to evaluate the magnitude of the problem.

Mr RIEBELING: Was a pamphlet distributed among the prison population indicating that if prisoners wanted to have safe sex they should get hold of condoms.

Mrs van de KLASHORST: I am advised that the pamphlet was not official.

Ms MacTIERNAN: I note that the adviser is firm in his insistence that no condoms or needle products are distributed in the prison system. Given that this department is charged with the responsibility of ensuring the health and safety of prisoners, what research has been undertaken on these problems?

[4.50 pm]

Mrs van de KLASHORST: It is government policy not to provide needles and condoms in prisons. Whether the Government will review that after the committee reports, I am not in a position to say. I would have to check that with the Minister. The prevention and management of hepatitis C in prisons is a major health issue and it is being addressed.

Ms MacTIERNAN: What research has been done on the incidence of infection?

Mrs van de KLASHORST: That is what the committee is looking into.

Ms MacTIERNAN: Nothing has been done to date?

Mrs van de KLASHORST: The committee is working at the moment to find that out.

Ms MacTIERNAN: Do you not have any idea of the incidence of HIV/AIDS in prisons to date?

Mr PAYNE: We are aware of the prisoners with it.

Ms MacTIERNAN: What percentage of prisoners is that?

Mrs van de KLASHORST: We do not have the detail.

Mr PAYNE: We will provide that as supplementary information.

Ms MacTIERNAN: Are all prisoners tested?

Mr PAYNE: No.

Ms MacTIERNAN: How would you be aware of the prisoners who were HIV positive?

Mr PAYNE: It is based on the medical evidence they provide to the doctor when they go into the prison or at any other time they see the doctor.

Ms MacTIERNAN: There may be a considerable number of prisoners who are at least HIV positive that you do not know about?

Mr PAYNE: Yes.

The CHAIRMAN: When will that committee report?

Mrs van de KLASHORST: We do not have that information. We could find that out.

Ms MacTIERNAN: Did the impetus for this committee come from the AIDS Council of Western Australia and the Hepatitis C Council of WA?

Mrs van de KLASHORST: As far as I know, the ministry established the committee.

Ms WARNOCK: I refer to page 500 of the Budget Statements. How are juvenile offenders managed in the community? How successful is it believed that program has been?

Mr DALEY: Currently they are managed under a variety of different orders, mostly through legislation set up under the Young Offenders Act.

Mr GIBSON: The courts can impose a community based order which can have three parts - a reporting requirement, a work requirement, and a program requirement. The other order is the intensive supervision order, which is for more advanced offenders. It contains the same elements, but also has an automatic default to prison. The court sets the number of hours for the order and an agenda that says, for example, the offender must report, must attend a program at Holyoake, and must undertake 80 or 100 hours of community work. The offenders are supervised by community based officers around the State.

If offenders breach either of the orders, they return to court. The breach can involve either a breach of conditions, such as not reporting to the supervising officer, or not doing the work. It can also involve reoffending. In either case offenders are taken back before the court and the court decides whether they are placed on another order or are placed in custody. In more severe orders the supervision requirements are usually harsher and the breach rate is higher; they deal with higher levels of offenders. Although I cannot be exact with the figures, they have about a 60 per cent success rate. The case loads of community based officers looking after juveniles are considerably higher than the case loads of officers looking after adults because they involve working with the entire family and spending much more time on a one to one basis; for example, getting the children back into school. In other words, the order is not left to the responsibility of the young offenders as much as it is with adults.

Ms WARNOCK: Is the community management of juvenile offenders working? Is it stopping people from reoffending?

Mrs van de KLASHORST: I have the juvenile offender performance indicators for 1995-96. Offenders are released from custody at the earliest possible date, and there is a 48 per cent success rate. Other figures are as follows: Successfully completed youth community based orders, 59 per cent; intensive youth supervision, 40 per cent; intensive youth supervision with detention, 59 per cent; and supervised release orders, 72 per cent. The escape rate

was 1.69 per cent, so it was not a major percentage. Previous data is not available because the Young Offenders Act was implemented in only 1994.

Ms WARNOCK: Has the management of juvenile offenders in the community been successful insofar as it stops young people reoffending?

Mrs van de KLASHORST: The objective of the program is to stop young offenders reoffending. We do not have the figures for this year. The objective of the program is to keep them out of the prison system and to have programs at steps along the way.

Mr DALEY: The figures are not as easy to interpret as might be apparent from a bald statistic by itself. If a young offender commits a breach of conditions - for example, does not turn up to see the supervising officer - the officer has two choices: To disregard that for the purposes of trying to persevere with the kid and run the risk of the courts or others criticising that leniency; or promptly take that kid back to court to report a failure to cooperate, as the officer is required to do. That person will be entered in the figures as a breach and, therefore, not as a successful completion, even though he might subsequently be released on another order. A substantial proportion of those who might be regarded as contributing to the failure rate statistics will be re-released and will breach on technical, rather than offending, grounds.

That is a very important point. The other point is whether work orders are effective work, and that is always a contentious topic. Do people do the work or do officers turn a blind eye and say, "Let's get the kid out of the system"? It is a recurrent theme in the community. Our challenge has always been to ask those concerned to give us the evidence of which town, which place, which offender and which officers failed to perform their duties so that we can act on that information. To date, no-one has taken us up on that challenge.

[5.00 pm]

Mr RIEBELING: I find the last 10 minutes of answers hard to accept given the figures in this document. On page 500, under the summary of key program level outputs, the figures show that in 1996-97, 2 552 juvenile offenders were managed in custody; in 1997-98, the ministry expects that figure to be 3 497. That is an increase of almost 1 000 juveniles in custody in that period. The figures also show that 15 322 offenders will be managed in the community in 1996-97, and in 1997-98, the ministry expects 17 854 offenders to be managed in the community, which is an increase of 2 500. The total increase will be 3 500. I would like some comment on that.

In addition, of the juveniles who will be managed in custody, we see not only an increase of 1 000 but also a \$12m reduction in the management budget. How can the number increase by 1 000 but the budget reduce by \$12m?

Mrs van de KLASHORST: Banksia Hill detention centre will be completed and it is predicted that that will lead to a lowering of the cost of case management for each prisoner.

Mr JAMIESON: The summary program chart shows a reduction under the dollar column for 1996-97 of \$33.7m to \$21.3m in 1997-98. That reduction in funding is largely due to a significant expenditure during 1996-97 for the Banksia Hill detention centre, which will be completed during that financial year. Therefore, that capital expenditure in 1996-97 will not appear in the 1997-98 budget. It appears to be a reduction in funding and an increase in work volume, but it is due to the completion of a large institution.

Mr RIEBELING: What about the success of the programs? We will witness an increase of 1 000 juveniles in detention and 2 500 offenders managed in the community; that is, 3 500 more offenders being dealt with by these methods. That does not demonstrate the success rate that the Parliamentary Secretary was talking about only five minutes ago.

Mr MARSHALL: We have witnessed an increasing trend in the number of juveniles remanded in custody. These figures are estimates. It is believed that the number will continue to increase. A committee has been established comprising members of the ministry and the Children's Court to look at the situation in relation to remands in custody.

Mr BROWN: Has that occurred as a result of the changes to the Bail Act about 18 months or two years ago? They tightened up the law considerably in relation to bail, and particularly juvenile bail. Those changes related to the offender being released into the care of an adult. However, some adults, even parents, are not prepared to accept responsibility for the supervision of the child. When the Minister introduced those changes it was anticipated that those offenders would be released within 36 hours. However, some offenders are staying in custody for up to two weeks before they are released.

Mr MARSHALL: There is some element of all of those factors involved in this increase. However, the major area of increase is in remands in custody, with no bail set. That is the object of this committee; it will consider why there

are so many remandees in custody and whether bail supervision units are working effectively in finding parents or other responsible adults for children who have bail.

Mr RIEBELING: So, in excess of 1 000 of those offenders are remandees in custody?

Mr MARSHALL: That is an estimate we had to produce last year; it is the predicted increase, or whatever, in relation to juveniles. I am not sure whether the final figure will be that high for this financial year. The likely cause of much of that increase is the number of remandees in custody.

Mr RIEBELING: What about the 2 500 increase in offenders managed in the community? Presumably, a court has determined their fate.

Mr DALEY: I have become responsible for the juvenile justice community program in the past couple of months. I understand that those figures also build in some calculation based on predictions that happily have not been fulfilled in relation to the likely impact of the three strike legislation and the rate at which juveniles might be detained. The figures for the rate at which juvenile offenders are managed in the community represent what is likely to happen in respect of the number of young people coming into the system. They are not based on any individual source of change but on a particular trend line growth in the number of kids who in the course of a year will be under juvenile supervision.

Mr RIEBELING: How does that tie in with what the Parliamentary Secretary said about the success of the programs? The ministry is projecting that the figures will go up. We have just been told that this has been a success.

Mr DALEY: Both of those things can coexist happily without contradiction. We are talking about a primary aim to prevent kids re-entering our system. We have little or no control over the rate at which juveniles come into the system. Of course, a proportion of offenders will keep coming back. The objective is to target those at most risk of coming back. Because of the independence of the courts and the way in which the sentencing and prosecution process works, a large proportion of those people will continue to come into the system as a result of factors that we do not control.

[5.10 pm]

Mr RIEBELING: I understand that the current adult prison system is over its capacity. The figures I was given on 14 March of this year show that some 2 404 adult offenders are in the prison system. The statements on page 497 indicate that the average daily prison muster from July 1996 to January 1997 was 2 204. I understand that the solution to the problem is to double bunk, which is not a permanent solution in anyone's language. What is the actual capacity of the prison system if one removes the double bunking? What is the optimum occupancy rate to make the prison as efficient as possible?

Mr PAYNE: Double bunking is often a matter of the choice of the prisoners themselves, as well as where a number of additional beds are required. The operating bed capacity is made up of 2 131 beds, plus 167 special purpose beds and, for peak muster, 136 double bunking beds. That gives an overall capacity of 2 434 beds.

Mr RIEBELING: What is the ideal operating level of the prison system? I understand that to run an efficient system anywhere in the world, it is not thought to be sensible to run at the maximum capacity. The figures the adviser read out indicate the original design of the prison system. Those figures seem to exceed the capacity of the prison system.

Mr PAYNE: If there were one prisoner to a cell, and everybody wanted that, we would be over capacity. Many prisoners request to be double bunked. If we sought to change that we would have prison management difficulties. It is not impossible but very difficult to come up with the ideal bed numbers for a prison system. However, the Government has undertaken a feasibility study, which was to be completed in November 1996, by Australasian Correctional Services. It had a look at the capacity of the existing prison infrastructure and any needs for future accommodation based on the projection of the State's anticipated population growth. The study is being reviewed by the Government at the moment, bearing in mind what can be done within the existing prison parameters. Nobody could say what is the perfect bed number for our prison population, given the requirement by so many prisoners to be double bunked.

Mr RIEBELING: Is the adviser saying that the prison is not over capacity?

Mr PAYNE: I am saying that the prison is over capacity if one looks at the raw data, but we are not over capacity in comparison with other States.

Mr RIEBELING: Is the prison staffing worked out on a ratio of prison officers to prisoners?

Mr PAYNE: Yes.

Mr RIEBELING: What is the current ratio?

Mr PAYNE: Each prison and each part of a prison has a different ratio. We have just completed four training schools, so the ratio of prison officers to the number of prisoners in the system is in accordance with the formula agreed with the union. There may be one or two exceptions where it would be over. One area which is down at the moment through personnel problems as much as anything is the eastern goldfields. The overall prison management numbers are in accordance with the formula agreed with the unions.

Mr RIEBELING: What is that?

Mr PAYNE: I cannot give specific details because each prison has a different formula. I would need to provide those details by way of supplementary information.

Mrs van de KLASHORST: Yes.

The CHAIRMAN: Details of prison staffing formulas will be provided.

Mr BROWN: It is nothing unusual, but there seems to be a reluctance on the part of the Government to agree that prisons are under pressure. The numbers the adviser gave referred to single cells in maximum security prisons. In the minimum and medium security prisons cells are shared. The optimum level is considerably below 2 400, because of the special cells and other areas where there must be cells into which to move people with management problems. In Casuarina and Canning Vale, although it is not a maximum security prison any more, cells were built as one person cells.

Mr PAYNE: I agree with the member that it is not a perfect world in Casuarina in particular because we have a significantly high number of remand prisoners, which is putting pressure on the prison system, and the ongoing problems that go with remand prisoners. In an ideal world management, unions and staff would agree on the need for a medium security prison in our present prison service. The situation seems to have built up over a long time because successive Governments tended to go along with it. That is why the Government has had an independent assessment. Only some two years ago the ministry advised the Government that it did not need additional prisons. The Government undertook an independent study to follow up on those issues. The report on that study is with the Government at the moment.

Mr BROWN: Whenever the question of bed spaces is debated, there is always the argument that prisons are not overcrowded. To run a maximum security prison efficiently and effectively, if it is built with one person cells, as with Casuarina, then the optimum is one prisoner per cell. One cannot bring the number of special cells into the equation because they are for management problems for people who need temporary isolation.

Mr PAYNE: I agree, but an agreement between the union and management is that we can have up to 500 prisoners in Casuarina. By management and employee standards that is not ideal, but we are operating at probably some 20 prisoners below that figure. It fluctuates. As the member for Bassendean would know, the debate on that issue is ongoing, but as soon as the number gets close to 500 we will have to negotiate again with the unions. They are satisfied that Casuarina can manage with 500 prisoners, but that does not mean it is the desired capacity; the bed numbers are not that high.

[5.20 pm]

Ms WARNOCK: I now turn to the heading on page 499 "Offender Management". I want to discuss how crime is dealt with in our community. Not many people have much contact with prisons, fortunately, but it means that they know little about what goes on in them. Dot point 3 refers to minimising future recidivism of offenders in custody by all available means, including the provision of remedial programs, further education and the development of employment skills. How much of what goes on in prison has varied over the years? Obviously it has depended on what philosophical view has been held by the people running the prisons; that is, whether they thought prisoners were to be punished or prevented from offending again? What is the present approach to managing adult prisoners? How much further education is offered to prisoners and are the employment skills of prisoners developed?

Mr GIBSON: The current philosophy of rehabilitation programs in prison industries focuses on employment training in line with state training profiles. It is also about promoting self-sufficiency and income for the prison, but its first focus is to provide training skills. Last year, the industrial officers, who run industries in the prisons, were trained and accredited as trainers with the Australian Training Council. The education programs were expanded last year and all the prisons have education centres. Staff numbers have increased. Currently, a review of education and vocational programs for prisoners in every prison in the State is being undertaken by the Department of Training and the Offender Management Division and an audit has been completed of those services in each prison. That will be recommending to both the Ministers for Employment and Training and Justice future directions for training in prisons and whether the Ministry of Justice or outside providers are the best providers of those services. We contract TAFE

a great deal to prisons across the State to provide training and basic education. Yesterday, the Ministry of Justice in partnership with TAFE launched a basic communication and literacy program for prisons.

In the last year, we have increased sex offender programs, substance abuse programs and introduced a major program for serious violent offenders which was developed with Edith Cowan University. That is now underway at Casuarina Prison. Another new program is the prison-through-the-community-transition program. All the prisons have received funding on a pilot basis to introduce programs to bring people into the prisons to run programs in life skills and so on. Those programs were individually programed for each prison. Roebourne Prison will have different needs from Casuarina and Wooroloo Prison Farm. The focus is very much on prison life, rehabilitation and education. Industry now has a clear focus. Its primary purpose is to train.

Mrs van de KLASHORST: I have not been to the senior prisons, but I have been to the juvenile detention centres, especially Longmore Detention Centre and Rangeview Remand Centre. While I was at Longmore I observed that educationalists from normal schools are being brought into the prison system. They stay only two years so that they remain fresh. They are there by choice, so they pick people who are interested. Some of the programs are impressive. They work on an individual basis. I saw one teacher with four young people and each one was working at a level he was able to cope with. I visited Longmore around Anzac Day and noticed a range of impressive and topical paintings and arts and craft. The same is happening at the women's prison. Even though more needs to be done the programs seem to be working reasonably well. I can only talk about what I have observed.

Mr RIEBELING: I refer now again to double bunking in prisons. I understand there are 136 double bunk beds in the current system.

Mr PAYNE: Yes.

Mr RIEBELING: Will you explain the figures that I have which are based on figures to 14 March this year. My information shows that the standard capacity of the Albany Regional Prison, for instance, is 186, but as of 14 March 205 prisoners were there; so, presumably, 19 double bunks are being used there. In Bandyup Women's Prison, the standard bed rate is 85, yet at 14 March 102 women were in that prison; that is a double bunk occupancy of 17. In the Broome Regional Prison the standard bed rate is 69, yet 71 prisoners were there; an extra two. At Bunbury Regional Prison there were 192 prisoners and its capacity was not exceeded. The Canning Vale Prison was built for 305 prisoners, yet there were 306 prisoners there at 14 March, so there is one extra person there. The C. W. Campbell Remand Centre, which was built for 147 prisoners, had 167 prisoners, so there were an extra 20 bunks being used in that prison. Casuarina was built for 360 yet there were 488 prisoners, an extra 128. The Eastern Goldfields Regional Prison had no prisoners in excess of its capacity, and nor did Greenough. Those figures indicate far in excess of the figures that are provided in the budget papers; that is, 136 double bunks being used at peak muster. Where do those prisoners sleep?

Mrs van de KLASHORST: I will give the member for Burrup some averages, but he must remember that prisons go through peaks and troughs. The daily average muster for July to January last year was 2 224, and from July to May this year was 2 226, so it has increased by two. The problem is being addressed in the short term by double bunking and by providing additional prisoner accommodation at a number of regional prisons. Greenough was below its capacity. When I was at Greenough recently the management said that a number of metropolitan prisoners were being sent out to regional prisons, but they do not want to stay there. They asked to go back to Perth, which leaves some of the prisons in the outer areas perhaps not so crowded as others.

[5.30 pm]

Mr PAYNE: I want to make it clear that when I gave the figure of 2 131 standard bed capacity and additional special purpose beds and double bunk beds, I am saying that 2 131 beds were built for one-bed rooms. At the moment for some reason, from the point of view of both the prisoners and management's ability to manage peak musters, single bed designed rooms contain more than one bed. In fact, in some prisons - in particular, the Eastern Goldfields Regional Prison - up to six prisoners will be in one room. That is by their choice, not that of management. The 2 131 beds will include a number of places where there are more than one bed. We are talking only about our capacity.

Mr RIEBELING: The Minister answered a question on notice giving those figures as the current standard bed capacity of each prison in Western Australia. Are those figures correct?

Mrs van de KLASHORST: What date was that for?

Mr RIEBELING: Surely the prisoners do not take their beds with them. I thought the capacity of the prisons remained the same. It does not matter how many prisoners leave.

Mrs van de KLASHORST: I take it that the member is asking how many beds were available and not the number of prisoners.

Mr RIEBELING: The answer provides a specific number for the current standard bed capacity. I have given those figures. On 14 March we had the muster; not whether the prisoners would be sent off. I read out the figures given to me for the actual number of people in those prisons. Presumably the Minister told us the truth about the number of standard beds. Surely, on the ministry's figures on 14 March, 50 people did not have a bed. I understand it can be managed by shifting people, but on 14 March there appears to be a discrepancy of about 50 people who did not have a bed. Did they sleep on mattresses? As I understand it, a couple of months ago the prisoners at Wooroloo were sleeping on mattresses.

Mrs van de KLASHORST: That was due to the fire.

Mr RIEBELING: No, the Bandyup Women's Prison.

Mr PAYNE: The standard bed capacity at the moment is 2 434. That is the figure in the system at the moment, based on the use of all the additional beds that have been put in with recent developments in Greenough, Roebourne and Bunbury. There have been additional beds. The capacity at the moment is 2 434 beds. Some prisoners will sleep on mattresses.

Mr RIEBELING: Without a bed?

Mr PAYNE: Yes. They do that more often than not by choice, particularly in some of the regional prisons.

Mr RIEBELING: Which prisons are they? Do they do that in Albany?

Mr PAYNE: I cannot answer that. In some prisons on a particular day prisoners will choose to sleep on a mattress on the floor, rather than on a bed. They would still be in the same unit.

Mr RIEBELING: Is the adviser suggesting that we are not above capacity in our prison system?

Mr PAYNE: Another thing that must be taken into account is that in the figures the member is quoting, he has not included the number of prisoners in lockups and hospitals.

Mr RIEBELING: I am talking about the prison muster on 14 March.

Mr PAYNE: We include those people in lock-ups and hospitals as part of our prison muster.

Mrs van de KLASHORST: It is not above the operating capacity, even though it may not be the ideal.

Mr RIEBELING: It is above the optimum though.

Mr PAYNE: As of 22 May the last figures I have are that 45 prisoners were in either the hospital or a lockup. Those figures were included in the prison muster.

Mr BROWN: This is a circular argument. Similar debates took place in the Estimates Committee about two years ago. The advisers may comment on this, or not, as they wish: The prison system must take prisoners. It cannot say, "Sorry, we are full; go down the road and see whether you can find a prison system within the Department for Community Development; we are not taking you." The capacity is probably 4 000. It is just that prisoners will be sleeping everywhere. To consider what is good for the prison system we must look at guidelines. Casuarina Prison was designed for 360 prisoners. I do not know why when we have this debate there is a reticence about saying that the joint is overcrowded. The systems in those institutions are built around the numbers that were worked on in the design. For Casuarina, it was 360 - for staffing, facilities, workshops. I asked some questions last year or the year before about the number of prisoners who did not have a job. It was about 100. That is not good for prison management. There is a saying: If it looks like a duck, and it walks like a duck, and it quacks like a duck, it is probably a duck! All we are saying is that this has all the hallmarks of a duck, but the officers or the Minister will not call it one.

Mr PAYNE: With due respect to the member for Bassendean, I did acknowledge that the Government had advised two years ago that it did not need extra prisons. The comment made by the member has been given to the Government by ministry staff since that time and a full scale review has been undertaken. I mentioned earlier there are indications that there is a need for medium security beds, in particular in the vicinity of the central district because of the high number of remands. The Government has taken on board a full scale review by Australian correctional services to confirm the views of people, and it will then take action on the report. That report is being considered at the moment.

Mr BROWN: The Government has not come to a conclusion.

Mrs van de KLASHORST: The report went to the Attorney General two months ago and it is being worked on now.

Mr RIEBELING: The Minister is a little braver than the advisers are allowing the Parliamentary Secretary to be. I asked the Minister whether the State would need a new prison within the next two years. That is a simple question. The answer was equally as simple. It was yes. What is the problem? We are told that a decision has not been made. The Minister is saying that within two years we will need a new prison. I asked the Minister what was the ideal operating muster level within a prison as a percentage of capacity? In a quite straightforward way he said that, typically, other jurisdictions aim to achieve buffer stock to meet peak demands in the region of between 10 per cent and 15 per cent of capacity and that that was a guideline only. Is that right or is it wrong?

Mr MARSHALL: The 10 per cent to 15 per cent figure is an unwritten guideline of the Australian and New Zealand correctional administrators. No State has anywhere near that figure, apart from some new prisons that are in the process of being commissioned.

Mr RIEBELING: Will we get a new prison in two years?

[5.40 pm]

Mrs van de KLASHORST: The Minister for Justice was given a report by Australasian Correctional Service. He is reviewing it. The Minister for Justice will make that decision. I am not privy to any of that information.

Mr RIEBELING: I will give you a copy of his answer.

Mrs van de KLASHORST: We will leave it at that. I cannot say what the Minister intends to do.

Mr BROWN: Has any consideration been given to building a new prison in or near the Gngangara pine plantation?

Mrs van de KLASHORST: I have not heard anything. It would be up to the Attorney General and the Government to look at that. There has been some talk among some groups around that area but no decision has been made and no information has been given to me or to these gentlemen.

Mr BROWN: Whereabouts, in particular?

Mr GIBSON: There have been discussions of minimum security beds for women in that area. There has been no approval by the Government at this stage. There have been discussions with a group in the Santa Maria area. However, at this stage it is purely a concept.

Mr BROWN: What is the muster at Bandyup these days?

Mr GIBSON: The muster at Bandyup is around 100. Over the past three years, the number of minimum security women at Bandyup averaged 40 per cent of the muster and there are no minimum security beds.

Mr BROWN: I know it is a big issue among women prisoners, especially now that Bandyup is such a high security prison. Those minimum security prisoners consider themselves to be hardly done by compared with male prisoners who have an opportunity to go onto farms.

Mrs van de KLASHORST: That has been a concern of mine for some time.

Mr GIBSON: The concept is to try to relocate 30 minimum security beds for women.

Mr BROWN: Where to?

Mr GIBSON: Discussions have been held about that site. However, there has been no firm decision. The Government has not considered it at this stage.

Mrs van de KLASHORST: The concern is about having high security and low security women in the one prison. I think the women in the prison system in this State are very hardly done by compared with the guys. Even though you do not think the conditions for the guys are ideal, they are better than what the women have.

Mr RIEBELING: I notice there are no statements in these documents about major achievements for women prisoners because nothing has happened. Is there the same desire for double bunking in the women's prison as there is in the men's system?

Mr GIBSON: There have been recent discussions about that. They have the same request, particularly by Aboriginal women. They wish to stay together, particularly after significant events such as birthdays, mothers' day, and children's birthdays. Some women prefer it all the time and others ask for it at particular times.

Mr RIEBELING: Therefore, if we build a new prison - we do not know whether we will - part of it will be a women's prison or are we talking about a whole new facility for women?

Mrs van de KLASHORST: The Government is looking at the possibility of trying to find something for the low security women in the women's prison.

Mr GIBSON: The concept is being explored to try to get minimum security women out of Bandyup. That would allow those beds to go back to maximum security and would address the issue that women have had no alternative but to be held in maximum security. Bandyup's life would be extended if we could get the minimum security prisoners out of it.

Mr RIEBELING: Has consideration been given to converting juvenile detention centres into prisons for women?

Mr PAYNE: No.

Mr RIEBELING: With the expected increase, albeit for remand of juveniles - on your figures, increasing by roughly 1 000 juveniles in offender management and custody - will the department be able to close the juvenile detention centres that it claimed it will when Banksia Hill opens?

Mr PAYNE: There is a capacity at Banksia Hill for 120 beds and there is, within the existing perimeter, a capacity to extend that further should that be required. However, Riverbank will be maintained. It will be used as a training centre for prison officers and ministry staff and as a juvenile detention centre. However, at the same time, it will be properly maintained so that if there is a need for an over capacity in the Banksia Hill area, it can be used. It is planned that the Longmore-Nyandi facilities will be sold off because there is a capacity in the Riverbank area, and also, as a result of shifting the training centre there, it is intended to increase the capacity on the Canning Vale site - there are facilities there for training. That will allow the ministry to sell the hostel in North Fremantle. We are serving two purposes with Riverbank - maintaining that extra bed capacity if needed for the juveniles at Banksia Hill and providing a training centre.

Mr RIEBELING: What will be the capacity?

Mr PAYNE: Thirty-four.

Mr RIEBELING: So, there will be a total capacity of about 150 juveniles?

Mr PAYNE: One hundred and fifty at Banksia Hill and Riverbank if needed and then there is Rangeview.

Mr RIEBELING: I thought you said that Banksia Hill held 130.

Mr PAYNE: It has 120. With 30 at Riverbank, there is 150 and Rangeview has a capacity of 48. However, Banksia Hill can be extended within its perimeter.

Mr RIEBELING: So there is a capacity for 200 roughly?

Mr PAYNE: Yes.

Mr RIEBELING: With the expected increase shown in your figures of 1 000-odd, albeit remand, how does the 200 capacity fit into the 3 497? Is the 3 497 a manageable number? That indicates that a large proportion of those are very short term. Going by what is said in the budget documents, we will amend the Act to get rid of short term sentences of one to three months. Presumably there will be up to 1 000 in custody on remand a year. That leaves 2 500 and the vast majority of those will stay longer than three months.

[5.50 pm]

Mr MARSHALL: The 2 000 or 3 000 admissions are to the detention centres. Some of those admissions may spend hours there, some a day or two, and some longer. The increased capacity is handled by the constant throughput. In 1990 the old Longmore remand centre had more than 3 000 admissions in a year. The average stay statistically is less than three days.

Mr RIEBELING: The average stay for the 3 497 is less than three days?

Mr MARSHALL: Remands.

Mr RIEBELING: What does that mean?

Mr MARSHALL: Those children are brought in following arrest by the police or are remanded in custody by the courts or are on bail.

Mr RIEBELING: I thought you said about 1 000 would be in that category.

Mr MARSHALL: I said 1 000 remands in custody were projected. Of that 2 000 or 3 000, about 200 are sentenced juveniles. The balance are either arrested or remanded juveniles.

Mrs van de KLASHORST: They stay a night until a court appearance the next morning. When I was at the remand centre some of them were moving in and out in a couple of hours, depending on the time they were arrested.

Mr RIEBELING: Are many of them basically contacts?

Mrs van de KLASHORST: Yes, but they are checked and taken to the court system or juvenile justice system. It is a place to bring them to.

Mr BROWN: I am interested in the figure of 200. Do you expect a bed capacity for sentenced juveniles of 200?

Mr MARSHALL: No, I said 200 sentenced admissions a year.

Mr BROWN: How long do you estimate the sentenced period will be?

Mrs van de KLASHORST: It would depend on the sentence.

Mr BROWN: What formula is used for estimating the numbers and working out the accommodation needs?

Mr MARSHALL: The average sentence is about six months.

Mr BROWN: With regard to the recent review of prison bed requirements, presumably you have projected the prison bed requirements for the State for the next five years.

Mrs van de KLASHORST: Yes.

Mr BROWN: What is the anticipated average muster for each year? For example, a couple of years ago I asked whether the ministry had done projections for the following five years. *Hansard* records those forward projections. Has that same exercise taken place so that you can project the numbers?

Mrs van de KLASHORST: I will provide that information on notice, because it cannot be compiled within seven days.

Mr BROWN: Do the numbers indicate there is a need for a new prison?

Mrs van de KLASHORST: Yes, they do.

Mr BROWN: About 15 months ago, perhaps longer, Parliament debated the Sentencing Act, which sat for 12 months before being proclaimed about six months ago. It was stated in the debate in the Parliament that the Sentencing Act would reduce the prison population because it provided for a minimum period of imprisonment of three months, and any magistrate or judge who handed down a sentence between three and 12 months must provide reasons for incarcerating someone and not putting that person on a work program. I have always been concerned that a magistrate who would previously have sentenced a person to six weeks' imprisonment might now sentence that person to a three month term rather than nothing. What has been the experience so far? To what extent was the Sentencing Act taken into account in the forward projections?

Mr DALEY: With regard to the sentencing behaviour of the courts and whether an adjustment has been made, there is anecdotal evidence. Some members of the judiciary will privately say they have a clear view of the sentencing requirements and will set the sentence they think appropriate which reflects that. It is probably another way of saying adjustments have been made in some cases. It is difficult to ask a judicial officer why a certain sentence was imposed, and we shall never assess the answer to that question in a scientific way because the judicial response may be that it is none of our business or, at best, the judicial response may be that there are lots of more valid reasons. There is anecdotal evidence of some adjustments.

Mr BROWN: What do you mean by adjustments? Are they sentencing for three months instead of six weeks?

Mr DALEY: I have spoken to people in one or two country courts who have suggested that whereas perhaps a sentence of so many months might have been contemplated, cumulative sentences might apply. Once again, you cannot put a finger on it and say that is the cause of the sentencing pattern. You can only advert to the possibility that some people make those adjustments.

As to the effect of the Sentencing Act, many of the earlier discussions about the projections took place in 1992 or 1993 because there was a long lead-in time. In the meantime a number of other things happened. The Criminal Law Amendment Bill was passed last year. Projections based on the impact of suspended sentences also led to a number of varied scenarios. The British experience has been that high levels of suspended sentences are invoked. In Victoria the experience is that low levels of suspended sentences are invoked. We have had to assume that the lower level is likely to apply, but there is a degree of risk in making an adjustment. The reason a lower level is likely to apply

in Western Australia is that under the new legislation it is not automatic, as is the case in Britain, that where a suspended prison sentence is breached the full sentence will be invoked.

Another thing has happened in Britain, which we hope to avoid in this State - once again, it is mostly anecdotal but sometimes written evidence; that is, when imposing a suspended sentence, the court sentences the person to six months in gaol, but gives him a suspended sentence of 12 months. If the conditions of that suspended sentence are breached, the person is then faced with an automatic 12 months' imprisonment. The impact will be at the lower level, but it may take 12 months to conduct a review of the effect of the Sentencing Act.

[6.00 pm]

Mr BROWN: Would that indicate that the projections are conservative?

Mr DALEY: I have not seen the projections, but I am doing my best to assist the member. My area is community based. I was involved in working on setting the projections some 18 months ago.

Mr GIBSON: The projections relate to prison needs and take into account the Sentencing Act and population increase issues. We will provide supplementary information. The figures indicate what is taken into account during the years.

Mr BROWN: I was particularly interested in the previous answer about the way the courts will jump on this issue - it is a danger.

Mr GIBSON: Our projections are based on best and worst scenarios. We have said what could be the worst outcome and best possible outcome.

Mr BROWN: So you have two sets of figures?

Mr GIBSON: Yes.

Mr BROWN: Do we need one prison on the best set and two prisons on the worst set?

Mr GIBSON: We need a prison and it depends how far one goes in determining whether we will need a second one. The demographics alone may determine that. We have projections for five years, by which time the Western Australian population growth will cause pressure on the prisons.

Sitting suspended from 6.01 to 7.00 pm

Mrs HODSON-THOMAS: What type of community work is involved for the adult offenders to be managed in the community program outlined on page 500?

Mrs van de KLASHORST: I know about the Bibbulman Track program as the 950 kilometre walk trail between Kalamunda and Albany ran through my electorate. The Minister had an input with the prisons section of the department and it involved rehabilitation work.

Mr PAYNE: The first and major project for the department in the Bibbulman Track building program was the construction of 28 huts placed on the track. The huts were put together in the Bunbury Regional Prison and taken apart and reassembled by the prisoners from Karnet under the supervision of senior officers. This was from Pardelup Prison Farm, so we started at both ends of the track. The huts are quite large. About 28 have required substantial man hours in construction and reconstruction on the track. In addition to that part of the program, much work is carried out in national parks. In four parks we work in conjunction with CALM officers, who direct the ministry staff and prisoners in rehabilitating camping areas, forest surrounds and general community services. In regional areas in particular, we assist with the management of parks and facilities.

In the next few weeks, we intend to become very much involved in the Araluen Park, which relies on volunteers. The new manager of the park has agreed with the superintendent of Karnet prison to run a work team to contribute significantly to the community. It will be recognised by the many visitors to Araluen in the spring.

Mrs HODSON-THOMAS: Can you elaborate on the pilot program run jointly with the Police Service and the Disability Services Commission to divert disabled people who commit nuisance offences from the justice system?

Mr GIBSON: That access justice working party is considering people with disabilities and the law. It is based on a model of a juvenile justice system for people with intellectual disabilities who are in touch with the Police Force as a result of nuisance offences. Instead of taking them to court, they sit down with a police officers and a member of the Justice Department and a representative of the Disability Services Commission and work out options without taking them through the justice system. Currently, 40 people have been put through the process. An evaluation is taking place. Police officers in Fremantle received special training from the Disability Services Commission so they

recognise when they are dealing with such people. The anecdotal evidence is that this program has been very successful. It shows that alternative ways of dealing with people with such problems is possible in the justice system.

Mrs HODSON-THOMAS: Obviously, it is meeting expectations?

Mr GIBSON: Yes.

Mrs van de KLASHORST: This operates across government agencies with the involvement of Homeswest, the Disability Services Commission as well as the Ministry of Justice.

Mrs HODSON-THOMAS: What programs are to be conducted at the detention centre at Banksia Hill, especially for the needs of those entering detention with low numeracy and literacy skills?

Mrs van de KLASHORST: A visit to Banksia Hill is well worthwhile. This innovative and fantastic facility cost \$31m to build, and will allow many programs to be provided.

Mr GIBSON: Banksia Hill will have a range of programs. A requirement of the juvenile custodial system is that all people attend education of one form or another. As the average numeracy and literacy skills of people in detention is that of persons aged eight years or lower, literacy and numeracy is a major area of focus. TAFE instructors will provide training programs in many job skills. Catering and cooking skills will be included as hospitality skills will be taught; this is enabled through the design of the kitchen and catering facilities. Young people will gain job training. Literacy and numeracy are the main focus, along with issues such as substance abuse. People should visit the centre as I consider it to be the best facility of its kind in Australia.

Mrs van de KLASHORST: An ethos to be encouraged is self-discipline within the prison system. Offenders will live in mini villages with three living quarters housing half a dozen or four inmates, depending on the type of quarters. Those people will be free to move around in a certain area, although this will be strictly supervised. If they cope and do not offend, they will have more freedom. It is innovative. It will teach the consequence of actions because consequences follow if detainees offend in Banksia Hill.

Another idea is to separate offenders who upset everybody else by moving them to the north side of the facility and they will lose some of the privileges available to others. The idea is to teach young offenders about society through the prison system; that is, they will know when they step outside the facility about self-control and the repercussions of bad behaviour. They will also learn reading, writing and sport skills - a sport field is provided. It is innovative and the best facility in Australia and due to open in July.

Mrs HODSON-THOMAS: You touched on substance abuse. What sorts of initiatives deal with these problems?

Mrs van de KLASHORST: It will involve individual case management with each inmate, depending on need. Programs will help them overcome the abuse. If they enter the facility under the influence of substance abuse, they can be monitored through a nice glassed area. They are watched all the time so they do not abuse. Programs will be set. I do not know the specifics. Staff are being hand-picked as we are seeking only staff interested in working in this different type of centre with emphasis on more freedom than other centres. The staff must be willing to assimilate in a different manner from other centres.

[7.10 pm]

Mr RIEBELING: Are you saying they are being recruited from outside the existing staff?

Mrs van de KLASHORST: No. They are being recruited from inside, but they are being asked whether they want to work in that area. We do not want people who do not feel comfortable working in that situation. The director is setting it up, and there will be a lead time; the prisoners will not come there immediately. They will work through all these issues. That is taking place now.

Mr RIEBELING: Has extra money been allocated for training?

Mrs van de KLASHORST: Yes.

Mr RIEBELING: Where is that in the budget?

Mr DALEY: I understand that a large proportion of the commissioning costs of \$475 000 is dedicated to training.

Mr RIEBELING: What will be the staff ratio for that prison?

Mr PAYNE: It is not prison; it is a juvenile detention centre. The Community and Public Sector Union and the ministry are discussing the staffing ratios and are close to a resolution of that issue, and once that information is available, it will be public information.

Mrs HODSON-THOMAS: Can you explain the regional domestic violence strategies that you have put in place for victims and offenders?

Mr DALEY: The first domestic violence program was established at Maddington Community Corrections Centre about two and a half years ago, and that was run in conjunction with the Armadale domestic violence intervention project. The Government subsequently picked up on the value of that program, and at some point the Task Force on Domestic Violence reported, and since then a number of those domestic violence programs have been established. The Ministry is interested in the perpetrators of domestic violence; a range of other services is provided for victims. Joondalup and Midland followed on. It is planned to duplicate those services to nine regional areas; I cannot nominate them all at this time. The Ministry is in discussions constantly with the relevant section of the Women's Policy Development Office about the program planning, policy development and budgeting for that initiative.

In 1997-98, the Community Based Services Directorate, which I represent, will probably allocate about \$300 000 of its program funding to that area. The rate of development is generated largely by the capacity of local communities to form and develop regional committees and agree on strategy. The essential feature is that we do not drive it. The community drives it, and we support it. The allocation of funds for 1998-99 will depend largely upon the rate at which communities develop those resources and programs during the next 12 months.

Mr RIEBELING: I want to get back to Banksia and the capacity of the juvenile detention centres. I understand from what you said that the 200 long term prisoners whom you expect in the next 12 months will serve six months on average, so 100 of the beds will be taken up.

Mrs van de KLASHORST: Two hundred sentenced prisoners.

Mr RIEBELING: That is about 100 beds over a 12 month period. The remand prisoners of 1 000 average three days, so that is approximately 10 of the beds -

Mrs van de KLASHORST: It is not correct that they average three days, because some stay for a few nights while others come in late at night and leave the next morning, and others come in the morning and leave in the afternoon -

Mr RIEBELING: What was the average of three days for?

Mrs van de KLASHORST: The average of all remand was three days.

Mr RIEBELING: Is that the 1 000 we are talking about?

Mr GIBSON: The average remand figure over the last five years was 2 000 per year.

Mr RIEBELING: It is about 20 beds?

Mr GIBSON: Yes.

Mr RIEBELING: That leaves around 300 to 400 people for whom I have not accounted. Have I missed a category?

Mr GIBSON: That is the average. People who have been charged with murder are on remand for 18 months, while others are on remand for a short time. It is difficult to say to how many beds it equates. In a year, an average of 2 500 go into the system, but some stay as long as 18 months while others stay as short as half a day.

Mr RIEBELING: Is the planned occupancy rate an average of 120 beds per night?

Mr GIBSON: It is about that, because we expect Banksia Hill not to be full in the beginning and Rangeview to be full, which it always is.

Mr RIEBELING: That detention centre is designed for a specific number of occupants. Would it be difficult to put double bunks into that centre? Is it designed for that?

Mr GIBSON: It is designed for single occupancy, but it can be expanded quickly. The facility is built to cope with 200.

Mr RIEBELING: In a modular setup?

Mr GIBSON: Yes. Another module can be added.

Mr RIEBELING: The design is for single beds?

Mr GIBSON: Yes. In some cases, particularly for Aboriginal people, the rooms are big enough that they can be put together if they want to be together.

Mrs van de KLASHORST: In some of the units it is feasible to have communal living, because only the outside area is closed in, not each separate room within it.

Mr RIEBELING: Last year, some 2 500 went through Rangeview, and the other detention centres were not used?

Mr GIBSON: Are you talking about remand and custody?

Mr RIEBELING: The figures for 1996-97 show that 2 500 juvenile offenders were managed in custody. You said a while ago that one institution dealt with 2 500 last year.

Mr GIBSON: The average over the past four or five years has been 2 000 to 2 500.

[7.20 pm]

Mr RIEBELING: Does the department expect an increase of 1 000 in the coming year?

Mr MARSHALL: That is the estimate.

Mr RIEBELING: Before the dinner break the Parliamentary Secretary agreed to provide information on the current trends under the Sentencing Act. The former Minister undertook to look closely at how many people were being locked up by justices of the peace, and I formally request that information here.

Mr DALEY: The information should be able to be extracted from the court system. It is not available from this program area. However, I will do the best I can to provide it as supplementary information. If it requires longer perhaps the Parliamentary Secretary may be able to report back to the Committee.

Mrs van de KLASHORST: We will take that as a question on notice rather than supplementary information.

The CHAIRMAN: When the member for Burrup says "locked up" does he mean refused bail or convicted and sentenced to a custodial term?

Mr RIEBELING: No, actually sentenced. It is my understanding that any imprisonment by a justice of the peace must be confirmed by a magistrate.

The CHAIRMAN: I thought it was a matter of policy that JPs were not to imprison offenders and to refer sentencing to a magistrate.

Mrs van de KLASHORST: In 1994 the Young Offenders Act prohibited sentencing by justices.

Mr RIEBELING: The Sentencing Act retained the capacity for justices to lock up offenders; however, there is still that one to three month span. The argument is the same as that which was put earlier; that is, some justices say, "This person has to go prison and I was going to give him a month, now I will give him four months." We tried to bring that problem to the attention of the former Attorney General. She said that a survey would be taken and she would keep a close eye on it. It has probably been done, but possibly not.

Mrs van de KLASHORST: If we cannot get that information to the member as supplementary information, we will treat it as a question on notice.

Mr BROWN: Is the Parliamentary Secretary able to deal with the Fines, Penalties and Infringement Notices Enforcement Act?

Mrs van de KLASHORST: We are dealing with program 1. That issue was dealt with on Tuesday by the Minister representing the Attorney General.

Mr BROWN: That is most unfortunate.

Mr RIEBELING: The department deals with the end product of people who do not pay the fine and end up in prison. Through that process can the department tell us how many people are serving defaults?

Mrs van de KLASHORST: It is almost nonexistent.

Mr BROWN: I will put on record a note that was contained in a letter to me from the Attorney General's chief of staff, Karry Smith, dated 9 May 1997. A statement was provided to Ms Smith by someone called Greg. It states -

At this point in time there are:-

8000 warrants of execution (seizure and sale of goods) logged on the police computer for outstanding matters. That is, enquiries been made and the offender is unable to be located. In addition there are 935

warrants of commitment (imprisonment) similarly held. (by comparison there were 118,000 outstanding in the previous system)

approximately 650 active warrants currently in the hands of the Sheriff, at this point in time, and,

5700 warrants await printing and despatch to the Sheriff. These warrants are being forwarded at the rate of approximately 200 per week as the Sheriff has insufficient resources to process this number of warrants at one time.

It currently takes 26 weeks to process warrants of commitment; that is, before those warrants are recorded. At the moment there are 935 warrants that will lead to imprisonment. The penalty under the Sentencing Act was increased to \$50 a day. We heard statements that no-one had been imprisoned under this Act since it was put in place. The reason is that it takes about a year to get through the system. Now it is in operation, I understand that people have been imprisoned for non-payment of fines or for refusing to carry out a community work order. I understand that the imprisonment figure is still low by comparison; however, given the backlog that number is likely to increase. I appreciate that the threat of licence suspension is encouraging some people with resources to pay; however, how many people have been imprisoned so far?

The CHAIRMAN: The member for Bassendean could also ask for the number of people who are imprisoned indirectly; for example, people who have been charged with driving without a licence and who were then subsequently convicted of that offence and received a custodial sentence. I know from personal experience from being imprisoned under those circumstances.

Mrs van de KLASHORST: That does not come under this program. I suggest the member for Bassendean ask the Attorney General.

Mr RIEBELING: Would the Parliamentary Secretary be able to obtain records of how many people are serving defaults?

Mrs van de KLASHORST: We will provide the member with the number of people who have been incarcerated for non-payment of fines as supplementary information.

The CHAIRMAN: The old figure for the average cost of maintaining an adult in prison was \$64 000 a year. What is the current monthly across the board figure for the cost of maintaining an adult prisoner, compared with a juvenile prisoner or detainee?

Mrs van de KLASHORST: I will provide that as supplementary information.

Mr BROWN: How many people in this financial year have been imprisoned for driving under suspension, in breach, or without a driver's licence? It will be another six or 12 months before the effects of this legislation will be seen as it takes a long time to go through the pipeline.

Mrs van de KLASHORST: We will provide that information for a six month period.

[7.30 pm]

Mr RIEBELING: Are there any unfunded programs in the department, and if so, what are they?

Mr PAYNE: All the programs are funded.

Mr RIEBELING: Has funding been allocated to administer anticipated increased prison numbers over the prison bed capacity? If so, how much has been allocated for those peaks?

Mr PAYNE: We monitor the peak musters on a regular basis. Each prison is in a position to record that detail on a regular basis and, if necessary, every three to six months Treasury provides supplementary funding, to cope with additional peak musters. Funding has been allocated to meet the present muster. If it continues at that level, we are sufficiently funded. However, if there is an increase in the muster we have the opportunity to receive supplementary funding from Treasury.

Mr RIEBELING: Has funding been allocated for secondments? If so, what projects are people seconded to and how many people are on secondment?

Mr PAYNE: There has been a significant number of secondments over the years, but there has been a conscious effort by the prisons operations directorate over the last two months to return seconded officers to the prison from where they came. From now on if someone is seconded to another part of the ministry, he will be seconded only to positions where funds are allocated for that particular project. The prison will not have to bear the cost of that

seconded officer by paying his salary. Supplementary costs - for example, overtime or additional shifts - will be identified.

Mr RIEBELING: I suppose informal positions are positions which do not have a line item in the budget. Have funds been allocated for any informal positions? If so, how much has been allocated and what are the positions?

Mr PAYNE: The budget includes a lot of initiatives which ultimately will require project officers. All the projects have a finite term as far as an allocation or full time equivalent is concerned. The funding is available and the salary component has been built into the costing. The practice in the past was that the funds would be found after it was decided what would be done. In this budget we have identified the salary costs as well as any additional costs.

Mr RIEBELING: What funding has been allocated to new prison programs? What funding has been allocated to the provision of equipment for those programs? What funding has been allocated to the training of prison officers? I presume there is a greater pool of money than the \$400 000 which was referred to earlier.

Mr PAYNE: Last year 13 schools were run for prison officers. The total training costs amounted to approximately \$2m. This year we will be in a position to keep up with natural attrition and to that extent we intend to run two and a half schools to meet that demand. Funds have been allocated in the budget to meet all the additional costs.

Mr RIEBELING: Is that just over \$1m?

Mr PAYNE: It is approximately \$1m. We also need to identify the prison officers who have been in the system and have not had the opportunity to train. The funds for recruitment training which were not expended last year will be directed to the retraining of prison officers where necessary. We have just carried out an audit of that. Mr Gibson is in a better position than I am to answer the member's question on programs and equipment.

Mr GIBSON: The increase in funding for programs last financial year was approximately \$2.7m and the increase continues this financial year. I will have to provide the information on the amount of money spent on equipment in supplementary information. All the education centres have been re-equipped with new computers. I do not have the exact detail with me, but I will provide it to the member.

Mr RIEBELING: Is it possible to obtain that information in seven days?

Mr GIBSON: I will provide as much information as I can. A lot of the equipment in the training and education area is one-off and it is changing all the time.

Mrs van de KLASHORST: Does the member require details of the type of equipment or the total figure?

Mr RIEBELING: I would like the information to be as specific as possible, within reason.

Mrs van de KLASHORST: The information will be provided in supplementary information.

The CHAIRMAN: What is the average cost per month of supervising an adult and a juvenile offender and convicted person in the non-custodial sentencing area? I would like to be able to compare the custodial costs with the non-custodial costs to ascertain whether it is cost effective to divert adults and juveniles away from that area.

Mr DALEY: I will have to provide the exact figures in supplementary information. The amount per offender has increased dramatically in the last 12 months, but that is an artefact of a change to the fine default legislation. Before the legislation was changed there were 2 500 offenders a day through that program. The fine default program has reduced that on an average daily basis to about 200. The total cost of the budget is divided over fewer offenders. There was a historical distortion. Until last year it was approximately \$1 875 per adult offender. I think the figure is probably closer to \$3 000 now, solely for the reason I outlined. I will undertake to obtain the information. It should be available within the next couple of days.

The CHAIRMAN: The answer will be provided in supplementary information.

Mr RIEBELING: I refer to the allocation for a pay increase for 1 581 adult custodial officers within the prison system. I understand there is provision for a 2.5 per cent pay increase. Has it been paid?

[7.40 pm]

Mr PAYNE: Prison officers are currently considering an offer of an 8.7 per cent increase through an enterprising bargaining agreement. It is being voted on and I think the result will be known tomorrow.

Regarding the commitment to the salary increase, government supplementary funding of 3.5 per cent is available. The additional amount of the increase will result from more effective management of the system. With that in mind we have already undertaken many initiatives in management practices, not necessarily those involved with the prison

officers, but in general management of both head office and the prison system. In identifying that money we are looking across the whole range of offender management, not just prison officers because they are involved with the prison officers' agreement run in conjunction with the enterprise bargaining agreement.

Mr RIEBELING: My information is that at 15 June there is supposed to be a 2.5 per cent increase and an 8.7 per cent increase is being considered, at least through the EBA.

Mr PAYNE: The 8.7 per cent is related only to prison officers. The 2.5 per cent concerns the white collar staff and is subject to a completely different agreement and has been under discussion for several years with the CPSU.

Mr RIEBELING: Are you saying that, if the EBA claim of 8.7 per cent is agreed to tomorrow there will not be any extra allocation of funds to pay for that; it will be paid for out of this budget?

Mr PAYNE: The Government will provide 2.5 per cent.

Mr RIEBELING: If the total claim is 8.7 per cent will the remaining 5.2 per cent be made up of internal structural changes?

Mr PAYNE: Yes.

Mr RIEBELING: What does that entail for the prison officers? I believe that for the last EBA substantial productivity gains were made. I think the ratio of prison officers is now one to every 1.73 prisoners.

Mr PAYNE: That is right.

Mr RIEBELING: Would savings in productivity mean that the ratio would be one prison officer to two prisoners?

Mr PAYNE: There is no intention of changing the ratio of prison officers to prisoners. That is an industrial agreement that has been in place for a number of years. We have identified a number of areas where we have the opportunity to work smarter and better without affecting the ratio.

Mr RIEBELING: Can you give us a hint of one of those areas?

Mr PAYNE: For example, 20 vehicles had expired by normal standards. They cost a significant amount of money and had not been returned to the system. They were not being driven by prison officers but by people in the offender management system. We made arrangements to take them out of the system as from 1 July. The savings could amount to from \$300 000 to \$400 000. It is a matter of sensible management.

We will address the use of our telephone billing system, where significant savings can be made. Funds emanating from the telephone system used by prisoners have been paid into revenue in the past. The ministry has borne the cost, but the money went into general revenue. The Government has agreed that should be retained by the system.

Where we generate income there is the incentive to retain it. Prisons will be given the opportunity to do that. That in itself will address further moneys. We can cut down on our travelling. This year, because we now have our staff numbers to agreed levels, overtime costs will be reduced. Senior management within offender management, particularly prisons to which you are alluding, recognise that opportunities exist without the need to change the ratios.

Another area for management initiatives is the farms area. Western Australia is one of the leaders in self-sufficiency, through which we feed the prisoners. However, we can always do it better. We have just had approved a policy whereby we will continue to raise and sell fat lambs on our four farms. We will give hogget to the prisoners. That will provide significant cost savings.

In the past we have grown things such as peas and sold them and got peas back in kind, but then spent 40¢ a kilogram delivering them. It is a question of more efficient use of money and produce. We will need approximately \$2.5m to accommodate that increase.

Mr RIEBELING: In addition to what you are now doing?

Mr PAYNE: Yes.

Mr RIEBELING: I refer to the table at page 500, showing a summary of key program level outputs. A line in italics refers to revenue and other funding sources. I presume those are the funds that do not go into consolidated revenue, but are retained by the service. The budget papers indicate that in the forthcoming year there will be about \$300 000 less than last year.

Mr PAYNE: That area comes from the sale of the canteen products to prisoners, although as part of our review we must address that. A 3 per cent to 5 per cent administration fee goes with that and some of it goes back into prisoners' amenities and things like that. That is where approximately \$1.95m will come from referred to at page 525 under

the outline of net appropriation determination. Another area that is subject to review is the sale of prison produce. We could start with the sale of wool and skins. I do not have the full breakdown of the \$1m. If we are in a position to raise more than what is estimated we have the opportunity to keep the funds under retained revenue. That is an incentive for the prisons, particularly the farms, where we have been able to rationalise both equipment and management. The prison farms are at Badgingarra, Pardelup, Woorloo and Karnet.

[7.50 pm]

Mr RIEBELING: I understand what you say, but that is not reflected in this line item.

Mr PAYNE: They will take out \$1m which is reflected here. With this funding we have the opportunity to retain it.

Mr RIEBELING: So you are saying that if the EBA is agreed to there will be an 8.7 per cent increase in salaries which will be met by the \$3.5m, and the balance will be for projects, and that \$3.5m will be increased by about \$1m as a result of farm produce.

Mr PAYNE: That would be looking at the sky, but I hope there will be significant improvement.

Mr BROWN: Has the ministry considered the establishment of private prisons?

Mrs van de KLASHORST: No.

Mr BROWN: An article appeared in *The West Australian* of 22 August 1996 under the headline "Court paves way for private jails". It states that the Court Government is paving the way for Western Australia's first privately owned prisons; that the Government will announce a \$20 000 review of the prison system including private sector provision of prison beds and services. The article also states that the move followed a statement by the then Minister assisting the Minister for Justice, Kevin Minson, in the Legislative Assembly that the Government had given no consideration to the privatisation of Western Australian prisons.

Mrs van de KLASHORST: This would not be a ministry decision.

Mr BROWN: I know it is not a ministry decision. Has the ministry carried out any investigations into the privatisation of prisons?

Mrs van de KLASHORST: No it has not.

Mr BROWN: In 1994 two inquiries were initiated under section 9 of the Prisons Act; they were concluded in February 1995. A report was prepared by the Director of Public Prosecutions and presented to the Legislative Assembly in December 1995. The report dealt with a range of matters -

Mrs van de KLASHORST: To which budget item are you referring?

Mr BROWN: I am providing the background, and you can tell me where we stand. Arising from that, further inquiries were undertaken. A report presented by Mr Allanson QC was tabled late last year, and reached a contradictory finding to that of the DPP about cost overruns. Also arising from that, questions on notice were asked on outstanding matters which, I understand, are the subject of further investigations. Is the ministry carrying out any investigations into those matters, or is the ministry aware that the Commissioner for Public Sector Standards or any person engaged by that commissioner is carrying out investigations into these matters?

The CHAIRMAN (Mr Baker): To which expenditure item are you referring?

Mr BROWN: I am trying to find out whether an expenditure item relates to this.

The CHAIRMAN: Are you seeking a yes or no response? That matter does not relate to the areas under discussion.

Mr BROWN: With respect, it deals with the administration of the ministry.

The CHAIRMAN: That is the case, but at the moment we are dealing with offender management.

Mrs van de KLASHORST: There is no money in this budget for the matters referred to.

The CHAIRMAN: I rule that question out of order.

Mr BROWN: Has money been allocated to review the Prisons Act? I took up this matter some time ago because of the abysmal way section 9 of the Act was misused and the massive costs incurred to the taxpayers. I can see nothing under this program, but it is somewhere in *Hansard*. I have searched for it but I cannot find it. Is a review under way in the ministry?

Mrs van de KLASHORST: A review of the Prisons Act is being undertaken, but no extra money has been allocated for that. It will come out of general Ministry of Justice moneys.

Mr BROWN: Has anyone been commissioned to carry out that review?

Mr PAYNE: It is being undertaken by ministry resources in our policy and legislation area. It is a normal legislative review of the entire Act. It does not fall within offender management. The policy and legislation section will have some input but only on a part time basis by a member of staff of the offender management division.

Mr BROWN: That section of the Act was introduced when Bill Hassell was Minister. An undertaking was given in Parliament about the way the section would be used, and that was thrown in the bin, because evidence was taken under that section and passed to the police who charged people under the Criminal Code. That would make a strong case to review the Act. The undertakings were given in Parliament when the Act was first introduced in early 1981 when I was the secretary of the Prison Officers Union, so I have some memory about it.

Mrs van de KLASHORST: This is not relevant to what we are talking about now.

The CHAIRMAN: I am sorry, member for Bassendean, I must rule that the test of relevance has failed.

Mr BROWN: Prison officer discipline is directly related to offender management. A review of the rules that relate to those who guard prisoners is a critical issue. I cannot see how that does not fall under this item. If you rule it out of order, I will put another 500 questions on notice. If people want to be driven to distraction answering questions, I have no problem with that. I have done it before and I will do it again. I am giving people here the opportunity to answer.

The CHAIRMAN: I understand. In any event, even if I allowed the question, it would be put on notice. I am sorry I must rule it out of order, otherwise we will have the potential to elongate the lines of inquiry this evening.

Mr RIEBELING: At page 500, the estimated expenditure for capital works is \$22.474m. Further detail is provided at page 522. The estimated expenditure for Banksia Hill Juvenile Detention Centre in 1996-97 was \$18.1m. The estimated expenditure this year is \$5.9m. The allocations to other programs do not appear to meet the problems of overcrowding, or represent a major attack on the problem, except perhaps for the \$3.8m new offender management program.

[8.00 pm]

Mrs van de KLASHORST: A report was conducted by Australasian Correctional Services Pty Ltd about prison capacity. That report is before the Minister for Justice, but he has not come forward with anything from that report to address the State's anticipated prison population growth and what can be done about that. I cannot understand what the member for Burrup is getting at with those items.

Mr RIEBELING: The rhetoric indicates there will be an increased number of adult offenders. However, nothing in the expenditure indicates an allowance has been made for that increase. The plan does not appear in the capital works program. Where is the plan?

Mr JAMIESON: Page 522 refers under works in progress to detention facilities and cell conversions for which the estimated expenditure is about \$2.7m. The next item is the new cell block at the Eastern Goldfields Regional Prison. The last item is the cell conversions at Wooroloo Prison Farm for this year and next year. Page 524 indicates the new works commencing and the planning for new works. Additional prisoner accommodation under the existing prison infrastructure has received a large allocation of \$8m with \$2m commencing next year. Provision of \$500 000 is made for planning for additional prison capacity in the metropolitan area.

Mr RIEBELING: I was aware of those initiatives, but they are bandaid attempts. There is no forward planning. We are told the Minister has not made a commitment to any prison yet. However, \$500 000 is allocated to the planning of a new prison. How much would a new prison for adults cost - \$150m?

Mrs van de KLASHORST: I do not have a clue. There is no plan for a new prison at the moment. The Minister is looking at the evaluation by ACS. He has made no decision about a new prison; therefore, it could not be reflected in the Budget. He received the report only two months ago and these budget figures were prepared before then.

Mr RIEBELING: He told me the State would need a new prison in the next two years.

Mrs van de KLASHORST: The figures on page 524 are for only 1997-98.

Mr RIEBELING: Are you saying a prison could be built in 12 months?

Mrs van de KLASHORST: If the Minister has not made a decision, how can it be reflected in the Budget?

The CHAIRMAN: Would there have to be some planning first, prior to any decision he made?

Mrs van de KLASHORST: That is right; \$500 000 is allocated for that.

Mr RIEBELING: There would have to be some building, too. One does not just wake up one morning and find that a prison has been built. What did the last prison for adults cost?

Mr DALEY: I believe it was in the order of \$95m.

Mr BROWN: Page 501 refers to a review of juvenile justice teams. Is that an in-house review or a review that is being commissioned externally?

Mr GIBSON: There is a tender to review the Young Offenders Act and the juvenile justice teams as separate evaluations. The steering committee for the review is being chaired by Professor Harding.

Mr BROWN: Is it being undertaken by a committee?

Mr GIBSON: No; it has gone to tender for a consultant to do the review, but it is being monitored by a committee, involving the police.

Mr BROWN: It was felt young Aboriginal offenders were not being referred to juvenile justice teams, but were being taken through the court system; whereas offenders other than Aborigines ended up in juvenile justice teams and avoided conviction if they agreed to comply with what came out of the conferencing. Is that still a problem?

Mr GIBSON: I will not say it is not still a problem. Significant progress has been made and each team now has an Aboriginal person. In most cases they are attached to the metropolitan teams part time. One of the problems was not just the issue of referral, but of the family not taking up the offer because they did not trust the process. These people visit the family and encourage them to take the offer. The police have also put in a lot of time training their staff. The figures have improved radically. They are still not as high as they should be. The review will consider that.

Mr BROWN: Do you mean the referral rate is not as high or the completion rate is not as high?

Mr GIBSON: The referral and acceptance rate is not as high as we would like. It is much better than it was in the first 12 months, mainly because of the involvement of Aboriginal people. In the more remote areas the team process has been adapted to better suit those conditions; in other words, sitting under a tree in an Aboriginal community instead of in a building. Improvements have been made. The evaluation will provide a clear picture of that. There has been a significant improvement in the number of Aboriginal people being referred to metropolitan teams.

Mr BROWN: Will the review have another look at the scope of offences for which juveniles may come before a team? The Opposition supported the concept of conferencing. However, we were concerned that juvenile justice teams were a narrow concept compared with the family conferencing system in New Zealand that takes in a much broader group of offenders and has significantly lowered the imprisonment rate there. The New Zealand model is far more intensive. It looks at the young person as a whole. Will this concept be considered again?

[8.10 pm]

Mr GIBSON: The review of the Act will include a review of both the offences and the schedules to the Act that restrict cautioning and other things. Family conferencing has been a major role for the juvenile justice teams. They are regularly held with the Education Department in respect of school planning. Issues such as speeding fines do not attract a family conference, unlike the more major offences such as burglary. Many agencies are involved. The family conferencing model has been adopted for serious offences.

All schedules will be looked at as part of the review of the Act. The other aspect of the review is consideration of police perceptions about the success of the process. The tender deals with three issues: First, the Young Offenders Act; second, juvenile justice in terms of operations and scope; and, third, police perceptions of the operation of juvenile justice. That is important because the police control most of the input to the system.

Mr BROWN: They do.

Mrs van de KLASHORST: New Zealand has pulled back on some aspects of the system.

Mr BROWN: Yes, but I understand it is still broader in application than ours. The extent to which they have pulled back is part of the political agenda.

Mr GIBSON: The Children's Court has used this method for some quite serious offences, to the surprise of the police and others, and it has been successful. The Fremantle cemetery raid was referred by the court to the panel. People

were surprised that the court saw the panel as an alternative. Some of the magistrates who have seen the issue as much more socially based than behavioural have accepted the team as an option. It is also important to note that this is not always the soft option; often the requirements imposed are harder than those the court would impose, and the court recognises that in some cases.

Mr BROWN: What is the time line for the review?

Mr GIBSON: The tender closes in about a week, and we expect to have it completed by September.

Mr BROWN: That quickly?

Mr GIBSON: Yes, we expect it to take three months with a private consultancy.

Mr BROWN: Will a criminologist or a psychiatrist be involved?

Mr GIBSON: We do not know. People from the Crime Research Centre, Edith Cowan University, Curtin University legal studies faculty and so on have picked up tender documents.

Mr RIEBELING: If there is a reduction in the allocation to the Parole Board, will that impact on the way offenders are managed? Is the ministry expecting a reduced workload?

Mrs van de KLASHORST: No.

Mr BROWN: Reference was made earlier to the desire to sell the former Fremantle bail hostel, which has not been used for about 12 months. I keep asking a question, but I do not get an answer. The bail hostel was used to accommodate people on bail and to provide some measure of supervision. Is that program still being run and, if so, who is running it?

Mr DALEY: The bail hostel was closed in November 1995. An internal review was undertaken during that year, and there have been other reviews. During its life it averaged, at best, 60 per cent occupancy, but in some years the rate was less than 30 per cent. The manner in which the hostel was operated was clearly not an adequate or efficient use of resources available to the ministry for management of offenders because it did not have any impact on the rate at which people were remanded in custody. Although the bail hostel staff would frequently go to the remand centre and review the admission slips and warrants and then go back to court and argue the case for people going to the hostel, generally speaking the courts did not take that up. It was meant to be an alternative to having someone put in custody, and one would have expected that when conditions of bail were breached people would end up in a remand centre. However, in many cases offenders would breach the conditions of residency and then go back to court and be released on personal bonds. It raised some interesting questions.

Local community based correction managers have approached a number of private hostels and asked whether they would be prepared to accommodate those who would have been placed in the hostel. A number of hostels said they were happy with that proposal. Most of them said that they did not wish to be identified as part of the program because they ran general purpose hostels. If it became known locally that a person awaiting trial or attendance at court was admitted as a resident, that would cause problems and they would withdraw from the program. A number of people indicated preparedness, but there has been very little demand from the court for a service like that. The Aboriginal Legal Service has raised it once or twice, and it will come up again to a limited degree as the winter draws on because people have difficulty finding other places and hostels fill up. However, generally the level of demand is exceedingly low. That was the only bail hostel in Australia; no other State thought it worthy of duplication because their belief was much the same as our experience.

Mr BROWN: A couple of years ago when sex offenders approached the Parole Board they were knocked back because they had not been through the sex offender treatment program, and I can understand that. However, there were insufficient resources, and offenders had to wait beyond their earliest possible release date to participate in that program. The Parole Board will not release its policy on this, but it appears from reading between the lines that that is still its policy. In order to participate in the program, a prisoner must admit his guilt, which many do not like to do. Are there now sufficient resources in the system to enable a prisoner to go through that program before his earliest possible release date?

[8.20 pm]

Mr GIBSON: Yes, currently we are up to date. As the member is probably aware, a brand new intense program is resourced and is operating. The Karnet program is operating. The intense program is being extended from six to nine months and we will still manage to be on time. If we had a sudden rash of prisoners who were denying their offences, it would be another matter. All those people who are eligible are getting on the program on time for the earliest release date. A number of prisoners believe they should be on the program but the program will not accept

them. They would contest that, because they say they are not getting out at the earliest release date. We have prisoners who are not acceptable on the program, which has nothing to do with resources but their acceptability. Since Bunbury opened we are up to date.

Mr RIEBELING: I understand that some 60 officers who were in the special operations unit have been spread out throughout the prison system. It has been suggested to me that they have been put into the prison system and that no additional clerical support has followed the allocation of increased staffing at certain prisons. What is being done about clerical support for those officers? Is it shown anywhere in the budget?

Mr PAYNE: I do not think we can isolate clerical staff in relation to just those special operations unit officers. We need to look at all supporting staff in prison. One of the things we have undertaken in the last three months, which will continue for at least the next nine months, is a review of support services to every prison. We started with head office just to get a feel for these things. We then moved to Bandyup, the review for which has been completed. We are now at Canning Vale.

Before any report is implemented a superintendent or director, prison management and I will make some input and then it will go back to the person conducting the review. That person will come from another agency. In some areas there are already indications that we need to provide more support staff and make better use of prison officers who are doing some of the work of support staff. This is a full review and not just confined to those officers from the special operations unit.

Mr RIEBELING: I appreciate that but the special operations unit dispersment has exacerbated the problem of clerical support. As the adviser will be aware, in some prisons there have been some serious sexual assaults on civil servants working inside the prison walls. I suppose there is some justification for having civil servants inside prisons for some operations, but is it hoped that civil servants will be moved to outside the walls.

Mr PAYNE: We have to answer that in two parts. We cannot effectively run a prison without some non-prison officers working in it. That applies to the superintendent, assistant superintendent and support staff. We will always need to have non-prison officers in a prison, but they need to be in a position where they can be as safe as possible. We are working on that. Over and above that, the major offence that occurred in the past 12 months was in relation to the maintenance of health records for all prisons, which was carried out in one area. The records were not tied to one prison so we have taken the civilians right out. They are working outside the perimeter on the Canning Vale complex and will continue to work where people have no direct day to day prison activities. We will ensure that support staff are not inside the perimeter wall.

Mr RIEBELING: I gather from my information about that assault that it resulted more from a design fault in the place where people were working, which allowed prisoners of that type with that sort of record to be in that area.

Mr PAYNE: Without debating the particular assault, which raises a number of questions, if we take a step back, it seems there was no need for our prison medical records to be maintained within the Casuarina Prison system. We need to address that issue first and then anything that comes out of the assault. The assault needs to be examined in the whole context of safety in prison.

Mr RIEBELING: Between 30 June 1996 and 10 March 1997 I understand that 35 assaults on prison officers occurred in the system. In prison systems throughout the world in comparison to a system of our size, is that high, low or acceptable?

The CHAIRMAN: I am sorry to raise the point again. We are dealing with offender management. I know that the words themselves perhaps indicate that we could launch into the prison system, but I will have to rule that specific question is not relevant.

Point of Order

Mr RIEBELING: We are dealing with program 1 and offender management. It gives as its objective "To reduce re-offending". If assault within the system is not re-offending, I do not know what is. It is also "the protection of the community". If prison officers are not part of the community -

The CHAIRMAN: They are not part of the public, as it were.

Mr RIEBELING: They are part of the community.

The CHAIRMAN: That is true, but they are a class within the public.

Mr RIEBELING: So I cannot ask the question?

The CHAIRMAN: No, I am sorry. It is an inappropriate question.

Committee Resumed

Mr BROWN: On page 492 the offender management program deals with custody of adult offenders, custody of juvenile offenders and community based services. Could I have this either just recorded in the *Hansard* transcript or by way of supplementary information. The figures of the FTEs in the papers do not differentiate between the number of officers and non-officers or civil staff involved with adult offenders. I do not know whether that figure is available now.

Mr DALEY: I could give a reasonably accurate summation of the FTE staff allocation in the adult community based offender area. There were until a month or so ago 196 FTEs allocated to community based services. A number of those FTEs were in specialist areas, like providing court advice, and a dozen provided for the Warminda services for young offenders. About 95 front line community corrections officers directly supervise offenders and another half a dozen manage work orders. There are 25 managers and the balance of the 196 are clerical and administrative support staff. Other specialist programs include the victim mediation unit.

[8.30 pm]

Mr BROWN: The figure in the budget papers for community based services is 344.

Mr DALEY: In the past couple of months community based services has started to absorb juvenile justice and adult community correction services. The figure of 196 was the number for community based services for the adult part of the system, so the balance is made up of officers in juvenile justice.

Mr BROWN: Is that officers in juvenile justice dealing with community based orders as opposed to officers in juvenile justice dealing with the detention centres?

Mr DALEY: Yes, so the aggregate for the new community based services directorate is 330 or 340.

Mr BROWN: I asked a series of questions last year, to which I did not get an answer, about the various orders under the Young Offenders Act. I wanted to know the incidence of the orders, because as you know there are a range of community based orders provided for in the Young Offenders Act. Are systems now in place that can provide that information? I understand that the court can deal with three or four orders and I was keen to see how the courts were administering that and how the ministry was administratively dealing with it. I do not expect you to provide that information tonight, but are systems now in place for you to tell me how many people are under those?

Mr DALEY: The numbers should be in the statistical report for the year.

Mr BROWN: That is now a year old.

Mr DALEY: I can make a general comment, and I will follow up on the other detail. Before amalgamation the juvenile system had come across from its former place in Family and Children's Services. It relied very much on manual tracking of how things happened, which is somewhat antiquated. Computer tracking was introduced only this month to tell us on a day to day basis and by the punch of a button how many people there are and where they are. Before that information was collected manually through all the branches.

Mr BROWN: Do you also get compliance rates from the system?

Mr DALEY: We can get compliance rates from the statistical annual reports. As I said in response to an earlier question, they must be interpreted with a degree of caution, because a compliance rate may mean that a person failed to stay out of trouble - in other words, they broke the law - or it may simply mean that on one or more than one occasion they failed to report or they changed address without notification. Those compliance rates must be qualified.

Mr BROWN: The annual report did not come down until after the election.

Mrs van de KLASHORST: It came down early this year.

Mr DALEY: Additional information is available in last year's statistical reports, but the latest statistical reports are still being compiled.

Mr BROWN: The previous reports of the Ministry of Justice provided very interesting graphs that showed compliance rates. One could easily look at compliance rates and in an instance see what had gone wrong or if there was a change in the system. I am interested in this year's figures, given that the Young Offenders Act is to be reviewed. Will the annual report be out somewhat earlier than January or February of next year.

Mr DALEY: I cannot comment on that. What do you want us to dig out for you?

Mr BROWN: I appreciate the difficulty of compiling the information, but I would like to know how many people have been under the various orders under the Young Offenders Act and what the compliance rates are. I am also interested in the court's ability to impose additional sentences where a person has been convicted twice before. I am still mystified about how the court will do that. The last time I inquired not one single offender had been caught for that purpose. I do not know of any case still.

Mr DALEY: We cannot say whether there is or not. There probably is not.

Mr BROWN: We had some doubts about whether that would apply.

Mr MARSHALL: The offender has to be sentenced twice previously, and it is by application to the Director of Public Prosecutions. It is not a court order initiated by the courts; it is initiated by the DPP.

Mrs van de KLASHORST: At this point I assure the member for Bassendean that the report is being prepared now and it will be on time.

Mr RIEBELING: Page 502 refers to the education of prison officers. It says at the sixth dot point down -

A more appropriate education base for persons seeking employment in the criminal justice field.

I presume that is a relatively broad field and refers to prison officers, but it may also refer to administrators within that field as well. Would you explain that?

The next dot point states -

Working parties have been established to progress the implementation of the Performance Assessment System as part of the prison officers' package.

Is that part of the current enterprise bargaining agreement? What does that entail?

Mr PAYNE: The 1994 prison officers agreement required the ministry to have an appropriate performance management system. That had not been followed up, but in the past 12 months we progressed to a stage to implement the package. We are training those who must make the assessments. That will be done by the end of the package, at the end of this financial year.

[8.40 pm]

Mr RIEBELING: I take it that the prison officers' union is fully aware of it.

Mr PAYNE: It has been kept fully informed.

Mr RIEBELING: What about the other matter relating to criminal justice?

Mr GIBSON: That covers a range of employees and includes criminal justice studies at Edith Cowan University. The primary research council is looking at an Australia-wide course for justice administrators for the next century. There is a whole range of programs of education in more specialised areas. We are looking at the placement of justice administration students within the justice system, rather than their studying and not getting any jobs. We have a range of initiatives with the various universities to try to get people more focused.

Mr PAYNE: It is important to recognise that we ran 13 schools over the past 12 months, and we have also changed the methods of selection, such that people will be selected on merit and we will have regard to certain education standards. The course is nationally accredited and it links in with the justice studies course at Edith Cowan University. In fact, that university provides some of the modules of the training. People coming in at the bottom level - that is, as a prison officer - have the opportunity to proceed to justice studies. It is available not just within Western Australia, but also other States and it can even be used in other occupations. Some of the modules can be completed elsewhere.

Mr RIEBELING: When I was in the public sector, and I was much younger than I am now, I was told to get a diploma in public administration because that was considered to be the be-all and end-all in qualifications. People would spend five years attaining it and then the powers that be would change their mind and say that a diploma in legal studies was required because the diploma in public administration was too general. People would then study for the diploma in legal studies. At the end of the day is there any certainty with this qualification? We all know education is a moveable feast. There appears to be a shifting of the goal posts within what used to be the Crown Law Department and is now the Ministry of Justice, which is a much bigger area for public sector workers. Some people within the public sector think exactly as I do; that is, that the qualifications they have attained are not the right ones for the current situation.

Mr PAYNE: In relation to prison officers, it is not a matter of changing the goal posts; it is putting people on the field. We are trying to give them some direction so they know the skills they are getting in the job is one part of the process, but that the other is the education component which will reinforce those skills. This pathway will not only allow them to get promotion, but also give them the opportunity to go elsewhere in the offender management system. One problem we have had is that some officers have been in a very stressful job for a long time. We are giving them an opportunity, both in education and on the job training, to push them forward. Edith Cowan University is not the only place that offers the justice studies course. It is a national course. There will always be a change in the education system. Basically this is about a qualification at the degree level. People have the opportunity to aspire to achieving that. We do not expect all of them to get there; however, if they want to, we are giving them that opportunity. We believe it is important for their job opportunities.

Mrs van de KLASHORST: Justice administration is changing. Often case management is coming into it. For some people who have been in the system for a long time, an opportunity to get into that area is very worthwhile. However, these people must achieve the academic requirements to make it worthwhile.

Mr RIEBELING: The direction of the public sector over the past few years has been towards non-specialisation. An officer at level 5 in the justice section should be able to do a similar job at a similar level in another department. I do not disagree that this is a good idea; I am just saying that it is not the course of action many departments tell their staff members to take. These people must be able to fit into any department. We are getting back to the old system where people start in a department and progress through it. People have not been told to head in that direction.

Mr PAYNE: It is important to recognise that we have tried to get a justice security element in offender management. We are trying to reduce recidivism. If we are to have a chance of doing that, prison officers must play a very important part. The only way in which they can play a part is to get on the job skills and education skills. We are trying to marry the two. It will not be an easy process to change the focus. Some areas will require only security. We must give people the opportunity to come on stream.

Mr RIEBELING: I am not criticising that, I am just trying to make the point. Page 494 deals with categories of expenditure. It talks about grants for legal aid assistance and gives an amount of \$8m. Is that legal aid funding?

Mr PAYNE: Yes, it is.

Mrs van de KLASHORST: We dealt with legal aid on Tuesday.

Mr BROWN: I thought this was contained within the Ministry of Justice budget.

The CHAIRMAN (Mr Baker): It is; but we are dealing with only certain categories.

Mr BROWN: It is hard to know what we are doing. I picked up the agenda and I saw that at this time we were supposed to be dealing with the Ministry of Justice estimates, and that is what this is - expenditure for the Ministry of Justice.

Mrs van de KLASHORST: We are dealing with offender management.

Mr BROWN: It does not say that on my agenda. I was given a timetable and I was told that the estimates for the Ministry of Justice would be covered at this time.

The CHAIRMAN: I will not take issue with the member on that point.

Mr BROWN: This question may have to be taken on notice. I am keen to know what will happen to the Consumer Credit Legal Service. I appreciate that these advisers cannot answer the question. It is a very important service and it is now looking down the barrel of being closed. It falls within the items on page 494. Can that information be provided? I have asked a couple of questions about it, which I did not expect anybody here to be able to answer. I have put the questions on notice. I am not getting much of an answer back and I am trying another device.

Mrs van de KLASHORST: I do not think the member will get a much better answer here. I suggest that he put the question on notice to the Attorney General.

Mr BROWN: I will put it on notice again. I am just trying to save another forest.

[8.50 pm]

Mr RIEBELING: Under "Major Achievements for 1996-97" on page 501 of the Budget Statements the fourth dot point refers to the victim mediation unit's services to the Children's Court. Is the special witness service for children involved in that?

Mrs van de KLASHORST: That is in the court's program.

Mr RIEBELING: It is not under that item?

Mrs van de KLASHORST: No.

Mr BROWN: In relation to the custody program, Mr Payne indicated earlier there was an enterprise agreement proposal for 8.5 per cent for the officers being considered at the moment.

Mr PAYNE: It was 8.75 per cent.

Mr BROWN: Are you expecting the agreement, if it is endorsed, to reflect an increase in the budget allowance of that amount or will so-called productivity trade-offs minimise the budgeted amount?

Mrs van de KLASHORST: We have already answered this. The member was not here.

Mr PAYNE: I answered this question before in full detail.

The CHAIRMAN: Perhaps the member could read the answer in *Hansard*.

Mr BROWN: Just tell me the figure. Is it reflected in the figure or is there an offset?

Mr PAYNE: An amount of 3.5 per cent will be additional funding, and the balance will be met from the offender management area, in particular the prisons operations, but it will not result in any increase in the ratio of prison officers to prisoners. There are a whole range of issues that I identified earlier in answer to the question.

Mr RIEBELING: In relation to the training program referred to on page 502 of the Budget Statements, who will pay for courses? Will prison officers be offered entrances into the courses and allowed time off work if they complete two-thirds of the course in their own time or whatever the old system used to be? If it will be necessary over the next five years to have that qualification for specific jobs in certain areas of the prison system, will existing prison officers be advised how long they have to get there?

Mr PAYNE: There is certainly no obligation or intended obligation on prison officers to attain degree status or diploma status. That is not the intention. If it were, we would contemplate giving an appropriate lead time and would do that in full discussion with the unions involved. As far as allowing the officers the opportunity to further their studies, we would make sure that they were afforded the same standards that apply to the white collar members of staff.

Mr RIEBELING: What is that these days? If you have done two-thirds you get time off?

Mr PAYNE: I am not aware of the specific details. However, I have not had any complaints so it is obviously quite generous.

Mr RIEBELING: The wording of that sixth dot point indicates strongly that the education levels at the moment are unacceptable.

Mr PAYNE: That is right.

Mr RIEBELING: And there is a relatively strong emphasis for you to go down that direction so that in time more appropriately educated people will be in the system. Some prison officers would be concerned that the department is heading down that path and they might miss certain jobs.

Mr PAYNE: It is not intended to require officers to go to an education service, such as a university or a TAFE college. Much of this education is self-taught on the job, and it has not been recognised in the past. Many prison officers have the skills that are required to go further. We need to have a self-based learning package. That is being implemented. Once we have that, it will help us identify the shortcomings. That is one of the reasons that - because Banksia Hill will be so close and we have the remand centre and the Canning Vale Prison - we will have the opportunity to have further education without formal qualifications very close to the centre. It is our responsibility. We have accepted it to help them on that track.

Mr RIEBELING: In today's very competitive labour market a young person who leaves school can go straight into a university course and obtain a degree and then be more appropriately qualified than those who do not have any qualifications. Do you see that as a way of gaining entrance into the system in the long run?

Mr PAYNE: Getting a degree will be one part of accreditation. I understand that three graduates from Edith Cowan University applied to be prison officers and were unsuccessful. That indicates to me that it is only one part of it and it is not integral to appointment.

Mr BROWN: Item 1.1 in the summary of key program level outputs on page 500 of the Program Statements indicates a daily muster of 2 237 and the following year an average daily muster of 2 200. It also shows a difference between \$115m in the first year and \$125m in the second year.

Mrs van de KLASHORST: We have been through this.

Mr BROWN: No. Listen to the question and then you can work out whether it has been asked. I asked a question last year about prisoner daily costs. I got figures back for 1993, 1994, 1995, and 1996. I have those costs here with me. Is it anticipated that in the 1997-98 financial year the daily cost rate will increase?

Mrs van de KLASHORST: A question has been placed on notice to supply that information by way of supplementary information.

Mr BROWN: I understood that question related to existing figures.

Mrs van de KLASHORST: No-one can answer that off the top of his head.

Mr BROWN: Perhaps that information can be provided. I have the figures for the past four years. They show it is constantly coming down, partly because there is overcrowding - or that is what I believe. However, I am interested in having a look at what the rate is.

[9.00 pm]

Mr RIEBELING: I have been advised in answer to parliamentary questions that in 1995-96 Western Australia had the cheapest prison system per head of population in Australia. Is that still the case?

Mrs van de KLASHORST: It is reported in the annual report but it will be provided as supplementary information.

Division 37: Recreation Camps and Reserves Board, \$637 000 -

[Mr Baker, Chairman.]

[Mr Marshall, Parliamentary Secretary.]

[Mr J.G. Busch, President.]

[Mr K. Watson, Manager Administration - Recreation.]

Mr CARPENTER: At page 816 the estimated actual expenditure for 1996-97 is \$955 000 and 1997-98 it is \$637 000, a 30 per cent decrease. What is the reason for that?

Mr BUSCH: It is important to note that this is the net appropriation, so expenditure and revenue affect that bottom line. A couple of key factors bear on that figure. First, capital works will reduce from \$410 000 to \$260 000, a reduction of \$150 000. In essence there are specified capital works items for 1996-97 and there are fewer items under capital works for next year. The other key component is the Woodman Point camp, which has been advertised in the marketplace for expressions of interest to lease it. That is currently under consideration and it is anticipated that it will be finalised and, therefore, operated through that leased arrangement in the next financial year. That will reduce our expenditure, and we are working hard to increase our revenue. Those are the key factors.

Mr RIEBELING: Mr RIEBELING: Is the attempted removal of that establishment from your control the reason for two fewer FTEs?

Mr BUSCH: Yes.

Mr CARPENTER: How many camps are in operation? Is there a continuing program to reduce the number of camps, reduce expenditure on the camps or outsource the management of them?

Mr BUSCH: A strategic marketing plan was announced by the Government in 1995, and the key objectives of that plan were to ensure that the Government would still be in the business of managing and operating some camps; that is, those that would provide unique sport and recreation opportunities for important sectors of the community. Other camps, which were identified as being of less relevance, will be relinquished by the Recreation Camps and Reserve Board.

Mr CARPENTER: Does "relinquish" mean sold or transferred into the management of another department?

Mr BUSCH: A mixture of that. Three cottage camps, Lewana, Wellington Mills and Myalup, were held by us on lease from the Department of Conservation and Land Management. CALM resumed that lease and has leased them out commercially. They are now the responsibility of CALM, which has outsourced them. At an earlier date we outsourced the Quaranup camp in the Albany area. We are retaining five camps - Bickley, Ern Halliday, Noalimba,

Tone River and Point Walter. We will remain in the business of managing and operating those five camps. We want to outsource Woodman Point. The only camp that will not continue is Point Peron.

Mrs van de KLASHORST: It is stated at page 818 under significant issues and trends that the board assists the Ministry of Sport and Recreation in enhancing the lifestyle of Western Australians. Reference is also made to utilisation of the camps by a wider range of community groups. Are these camps used by sporting people or are they for families and general recreation? Are they specifically for people training in sport? What is the reason for them?

[9.10 pm]

Mr BUSCH: They have a wide range of uses, but they are essentially community based. To varying degrees they are used by schools and community groups. We have set a target for four of those five camps to provide an increased range of recreational programs. We first piloted that with the Bickley camp five years ago. We have put an expert in outdoor recreation into a management position. We have established rope and other courses so that people going to the camp can either run their own outdoor experiences or the manager will provide them with those sorts of experiences.

The bulk of the camp users are community groups, families or schools. Families increasingly use the cottage camps. Of the five camps, only one is a cottage camp and the others are dormitory situations. However, they are also used by visiting sporting teams, such as with the World Swimming Championship, as visiting teams will use our facilities in 1998, as occurred in 1991. They are also used by country people. When a young person is training for a state team and is looking for accommodation, he or she can be accommodated individually or maybe mum and dad travel up to Perth too and they can be accommodated together in camp. We can arrange a variety of uses.

Mrs van de KLASHORST: Do we cost-recover from them? How does this compare with other camps?

Mr BUSCH: In overall terms we are moving towards cost recovery. Page 816 indicates that recurrent services for the year has moved from \$545 000 to \$377 000, and approximately \$200 000 of that money relates to the two reserves for which we are responsible. The remaining \$345 000 for the camps will move to approximately \$177 000 over the next 12 months. We are moving to operate more viably, which is part of the Government's objective to provide camps to the community at minimal cost.

Mr RIEBELING: I was disappointed to hear that the Point Peron camp is to close. Why is it to close? I thought it had the best location of the camps near the metropolitan area. Country people use these camps, which are a valuable educational asset for country people. Was Point Peron closed because it was getting too old?

Mr BUSCH: Thank you for your endorsement of the camps for country communities, as they are prime users of a number of our camps. As suggested, the difficulty with Point Peron was its age. We looked at the cost of bringing it back to a viable camp for the future, but the costs outweighed the value of retaining it. Also, the reserve is very environmentally sensitive and the plan is to restore it to its natural environment and retain it for public use, but not as a camp. Also, we had to consider the need to keep the other camps open.

Mr CARPENTER: Did the bans by school teachers a couple of years ago on activities such as camps impact on the recreation camps' revenue? Are there any expectations of similar problems this year?

Mr BUSCH: That issue had a significant impact on us, other camps and users. I cannot remember the precise figures, but we had a significant downturn when the schools discontinued undertaking camps. We have gradually improved the situation since that time, and we hope a further impact will not be felt through difficulties in that area this year. Action in that area impacts on the camps.

Mrs HODSON-THOMAS: Do you have any marketing programs in place to encourage community groups to use the camps in off-peak periods? How do you promote the camps?

Mr BUSCH: A lot of it relates to targeting local markets. Many community groups have used the camps before. Further, Noalimba has achieved quite good success in attracting people from overseas so it has targeted a number of countries and used various avenues to get information overseas. Therefore, we have increasing recreational activity as well as sport-specific activities. Also, local promotion takes place through a number of avenues.

Mr RIEBELING: I hope in our endeavour to become cost efficient we do not lock out access by country kids to these places. You could rent out these place all year round if you wanted to. The camps are provided especially to serve country kids, and I hope you do not make them so commercially orientated that they cannot use them.

Mr BUSCH: Country communities are important users. The one camp which has targeted the international market place has 512 beds, so we make sure we look after local needs as well as maximising international opportunities.

Mrs van de KLASHORST: Does the reverse apply with places in the country for city children to visit? Are camps only for country people?

Mr BUSCH: Three of the camps we relinquished to CALM were based in the country. We have the Tone River camp near Manjimup, which is our main country camp.

Mr RIEBELING: What about Dampier?

Mr BUSCH: That is an Education Department facility.

Division 39: Western Australian Sports Centre Trust, \$3 625 000 -

[Mr Baker, Chairman.]

[Mr Marshall, Parliamentary Secretary to the Minister for Sport and Recreation.]

[Mr G. Moss, General Manager.]

[Mr D. Smith, Finance Manager.]

The CHAIRMAN (Mr Baker): What was the effect of the transfer date of assets to the trust?

Mr MOSS: The effective transfer date was 1 January 1997.

The CHAIRMAN: What were the criteria for determining which facilities were to be transferred to the trust? Did criteria apply?

Mr MOSS: In terms of the facilities at Joondalup?

The CHAIRMAN: That could be used as an example, but what were the criteria or guidelines used in deciding which facilities were to be transferred to the trust?

Mr MOSS: The LandCorp Board, as I understand it, for some years has looked at the ongoing management responsibility of Arena, Joondalup, which was built by LandCorp as part of its development facilities at Joondalup. The board was of the opinion that it was not part of its core business to manage a sports facility. As it was a state government funded sports facility, it seemed appropriate that the WA Sports Centre Trust, established in 1986 to manage the then Perth Superdrome, was the most appropriate government agency to manage this state funded sports facility. The Sports Centre Trust Act allows the trust to manage not only the now Challenge Stadium, but also facilities of a similar nature. Therefore, after an approach by the LandCorp Board to the WA Sports Centre Trust, and following several months of discussion and negotiation, it was determined that the transfer of ownership and ongoing management responsibility be transferred from LandCorp to the trust.

The CHAIRMAN: We have not completed half a financial year yet in this transfer, but with current projections, and treating the Arena as a separate accounting entity, will it break even as at 30 June this year?

Mr MOSS: No, it will not. Although the assets and management responsibility was transferred on 1 January, it was agreed that LandCorp continue to fund the operating deficit until 1 July this year. As from 1 July, the financial responsibility will be transferred to the trust. It appears that Arena Joondalup will have an operating deficit of about \$650 000 this financial year. There has been an allocation of \$600 000 to the trust in the next financial year to fund the operating deficit, and we believe that will be the operating deficit for the next financial year.

[9.20 pm]

The CHAIRMAN: Are there any restrictions on the use of the Arena? For example, around Easter time it was touted that the Arena would be used for a major rock concert - by Silver Chair, I think - but that did not go ahead because there were some administrative problems.

Mr MOSS: Not that I am aware of. That comes under the management responsibility of the WA Sports Centre Trust, and the only restrictions that apply are those in the WA Sports Centre Trust Act, which is very broad with regard to the uses to which it can be put. It is basically a sporting-community recreational facility.

The CHAIRMAN: There was some talk of the trust being asked to contribute towards the cost of constructing the passenger rail platform in the vicinity of the Arena so that people attending, for example, the Falcons games could catch a train and get off at the Arena. Are any negotiations or arrangements in place at the moment?

Mr MOSS: No negotiations are in place at the moment. The Arena Joondalup master plan did have a sports station, and there were discussions between the Department of Transport and LandCorp, but those negotiations did not progress any further. It is probably an issue that the trust will take up in future.

Mr CARPENTER: What are the criteria for the uses to which Challenge Stadium can be put?

Mr MOSS: It is covered by the Act. The trust has a number of functions, which are to manage a major, in the case of the Perth Superdrome, sports and recreation facility. The Act gives the trust certain powers. It designates the types of activities that may be carried out at Challenge Stadium, which are very broad.

Mr CARPENTER: Do political rallies fit the profile?

The CHAIRMAN: Good question!

Mr MOSS: The trust does not have a policy on political rallies. With regard to the Pauline Hanson situation, if I can expand further, we took the booking, at that stage unaware that Pauline Hanson would speak at that rally. When we found out it was Pauline Hanson, I had to decide whether I could discriminate for political, religious or racial reasons. I took the view that I could not - it was a public meeting - and I referred it to the board. The board was of the same opinion, and we agreed to accept the booking.

Mr CARPENTER: When you say you took the booking, from whom did you take the booking?

Mr MOSS: Paul Filing's office.

Mr CARPENTER: Was it obvious that it was for a political function?

Mr MOSS: Paul Filing's office approached us to book the venue for a public meeting.

Mr CARPENTER: I appreciate that perhaps this does not fit within the strict confines of the Budget, but I could ask about the financial return from the event. How much did they pay for it?

Mr MOSS: The hire fee was \$3 750, and some on-costs would have been associated with that, probably in the order of \$1 000 for security, etc.

Mr CARPENTER: Was there any reference to the Minister, either directly or indirectly, before the final decision was made about taking the booking, once it was known that it was a Pauline Hanson event?

The CHAIRMAN: The question of any perceived ministerial intervention does not relate to expenditure.

Mr RIEBELING: Not intervention - influence or advice.

The CHAIRMAN: That does not relate to expenditure. Who paid for the hire of the facility and the associated security costs? From whom did you receive the cheque?

Mr MOSS: Paul Filing's office.

Mrs HODSON-THOMAS: Was the \$1 000 for security only the cost of security for Challenge Stadium? Obviously there was other security?

Mr MOSS: There was a police presence, for which we were not responsible. We were responsible, as we are for all events at that venue, for our internal security.

Mrs HODSON-THOMAS: That \$1 000 was for your internal security costs?

Mr MOSS: That was the approximate cost. That would not include cleaning, ushering staff, etc.

The CHAIRMAN: That cost was passed on to the hirer?

Mr MOSS: Yes.

Mr CARPENTER: Were there any subsequent costs for damage as a result of the rally?

Mr MOSS: There was some minimal damage to the gardens, but we rectified that ourselves, and in dollar terms that was insignificant.

Mr RIEBELING: This is unusual; I want to ask a question about sport! One of the outcomes at page 894 is to facilitate international standard elite sports training. What sports are under the wing of this department? Does it include hockey?

Mr MOSS: The WA Sports Centre Trust simply manages the venue. It is a multipurpose sports venue. Thirty different sports can be accommodated at the venue. We do not get involved in running the sports that use the venue; we simply maintain and make the venue available to those sports.

Mr MARSHALL: With regard to hockey, I was looking at the place a few months ago, and some of the state hockey players were training in the gymnasium. Some of the netball players were there as well. It is the most modern and up-to-date gym in Western Australia. It has pressurised training areas so that people who have to go to high altitude areas in South Africa, or wherever, to run or play tennis can acclimatise before they go.

Mr MOSS: The WA Institute of Sport is based at Challenge Stadium. It is our major tenant, and it is responsible for running the elite training programs which are carried out at the stadium.

Mr CARPENTER: I have been asked by disabled athletes to ask a question about the Challenge Stadium gym. Is there is access for disabled athletes to that gym?

Mr MOSS: If you are referring to the fitness centre, yes. There is disabled access to all parts of the facility, in particular the gym, and I am aware that a number of disabled athletes - wheelchair athletes - use that fitness centre.

Mr CARPENTER: I am referring to the WA Institute of Sport gym. Is it not below ground level?

Mr MOSS: There are a number of gyms at Challenge Stadium.

Mr CARPENTER: It is the one that you have to go down the staircase to get to.

Mr MOSS: If it is the new one, I am not sure whether there is access for disabled athletes. There certainly is access to the Challenge Stadium gym, which is the public gym that we operate.

[9.30 pm]

Mr CARPENTER: I was told at a meeting of para olympians that there was no wheelchair access to the elite athlete's gym.

Mr MOSS: I will check on that and provide that as supplementary information.

Mrs van de KLASHORST: Is the Challenge Stadium the only facility that the trust manages?

Mr MOSS: The Challenge Stadium and the Arena Joondalup are the two major sports facilities.

Mrs van de KLASHORST: Do either of those facilities provide velodrome training?

Mr MOSS: No.

Mrs van de KLASHORST: I will come to see you about the Midland velodrome joining with the trust.

Mr CARPENTER: Is the reduction in the estimated actual expenditure in 1996-97 from \$5 499 000 to \$3 625 000 in 1997-98 a result of the Challenge Bank sponsorship?

Mr MOSS: In part, though not fully. As part of its financial management responsibilities the WA Sports Centre Trust also has responsibility for the eighth world swimming championships. The organising committee for the championships was formed as a committee of the trust. That is a significant event with significant revenue and expenditure that substantially affects the actuals for this year compared with the estimated outcomes for next year. The bulk of the income for the championships will be received next year, which is the year they are staged. That substantially reduces the recurrent expenditure for the next financial year.

Division 38: Sport and Recreation, \$25 032 000 -

[Mr Baker, Chairman.]

[Mr Marshall, Parliamentary Secretary.]

[Mr J.G. Busch, Executive Director.]

Ms F. Graham, Acting Director, Corporate Development and Services.]

Mr MacLEAN: If FTEs have increased by only four from 28 to 32 what is the reason for the estimated expenditure on salaries and wages increasing by almost \$2m to \$12.658m?

Mr MARSHALL: The FTEs actually increased from 88 to 100. In 1996-97 the Ministry of Sport and Recreation was understaffed by six FTEs. In a sense this was to meet the savings required to fund extras that were not budgeted for, such as the enterprise bargaining agreement and \$157 000 for the introduction of the Sport and Recreation Council. That advisory council is chaired by Yvonne Rate; and the chief executive officer is Ron Alexander. That committee comprises people like Adrian Hurley, Mick Malthouse and Sally Carbon the Olympic hockey player. They are high profile athletes with great vision for sport in the State. That innovation has proved successful. This

committee combines elite athletes, who can show how to expand the performance of Western Australian athletes, with other people, who understand what participation is all about. The department has now returned to its approved FTE level of 94, plus three FTEs in Trailswest, a new initiative; and three FTEs in the Sport and Recreation Council.

In a new policy initiative almost \$2m has been allocated for sport participation and development. This small investment covers a number of programs that are exciting for Western Australia including the Junior Sports Foundation and the sports club development scheme. That scheme was launched today. Its aim is to close the gap between local government, schools and sporting clubs. It will endeavour to get youngsters leaving school to join sporting clubs. That is \$1m over four years. It means that 385 clubs could receive \$750 a year to enhance junior sports development. The sport participation and development initiative also includes support for the Western Australia Institute of Sport in the lead up to the 2000 Olympics; Sports International; a country package; and water safety initiatives. They are extra initiatives to progress sport and recreation in Western Australia.

Mr BUSCH: Several of those initiatives are located in other parts of the Budget; however, they are all part of the overall package.

Mr MacLEAN: What are the results of the initiatives that the Parliamentary Secretary has explained so well? I am interested in the initiatives that concern local government and the sporting clubs.

Mr MARSHALL: The initiative that was launched today relates to the fact that the population is unfit. The idea is to get youngsters to maintain the fitness levels they have built up through physical education programs in primary and secondary school, by joining clubs after they leave school. Unfortunately, some children are discouraged by the activities of volunteers in these clubs. For example, three boys who go along to a junior football club may meet an overzealous coach. One of the lads is highly motivated, is well coordinated and has good ball sense; the second is rotund and a little slow; and the third has no ball sense at all. The overzealous coach would take the talented youngster for his team and reject the other two, who would leave disappointed and would not be involved in that football club. That is the wrong decision. We will train volunteers, so that when they see those three boys they will encourage the first boy to play and the other two boys, who are his mates, will feel great pride from seeing him star on the field; and one can become the water boy and one can become the secretary/treasurer one day. The club must involve all three boys at some level.

For years physical education teachers have been going to work between 9.00 am and 4.00 pm. Why not change that around a little? A trial has operated in Geraldton where physical education teachers work from midday to 7.00 pm, enabling the teachers to train youngsters at local clubs after school.

The attendance of children is only as good as the parents who have children in the club. As soon as the parent leaves, the child leaves and then there is a vacuum. Training has to have continuity. Junior clubs need computers on which to record the addresses of their players. They need to circularise the players and have a photocopier to help to put out newsletters. Some of this money can be allocated to this kind of thing. It is a very good and innovative idea which was launched today. I cannot say yet that it is a success because the forms for the applications to apply for the money went out only today. I can assure members that it will be a success and is much needed in Western Australia.

[9.40 pm]

Mrs van de KLASHORST: I hope it applies to girls and not just to footballers.

Mr MARSHALL: I used football as an example. We could use the example of women's hockey, netball, basketball or whatever other women's sport. Just as there are gruff old male presidents who have lost their patience with children, there are gruff old woman presidents. They need to be trained to the same extent as well. Seminars will include the coaching of teenage girls, pregnancy and the law, coaching female athletes, myths and realities, a report on teenage girls' participation, and another seminar on how coaches should travel with female teams. All the member's concerns will be covered in the training in the volunteer seminars.

Mr CARPENTER: I will divide my interest into two strata. One is elite sports involved in the Olympic Games, which have been allocated to Sydney, the Commonwealth Games and the world swimming championships. Are there special allocations to assist Western Australian elite athletes and developing potential elite athletes in the budget?

Mr MARSHALL: Some \$250 000 is allocated for the very purpose of giving extra training and encouragement for the participation of Western Australian athletes at the Sydney 2000 Olympics.

Mr CARPENTER: I am referring more to the funding of athletes who are already in the program. Have we made any increase in the special allocations for them?

Mr BUSCH: The Western Australian Institute of Sport is not specifically under our jurisdiction, although I sit on its board. Included in this budget is an extra \$250 000 per annum over the next three years, some \$750 000 in total, to be added to the work the institute is delivering and the scholarships and programs it is already providing to existing elite athletes and those who may join those programs during the next three years.

Mr RIEBELING: Was the bunfight with the gymnastic team resolved or has it disappeared to Canberra?

Mr BUSCH: A modified program will now be funded through the ministry rather than the institute. That has been negotiated with the Western Australian Gymnastic Association and the parent group. Assistance will be available to athletes.

Mr RIEBELING: How many will we lose because of the infighting?

Mr BUSCH: I am not sure that any will necessarily be lost. Depending on how successful the athletes are, some of them in due course will have to go to Canberra.

Mr MARSHALL: There is a grant allocation of \$50 000, which has been provided to the Australian Commonwealth Games Association, Western Australian division, to assist with the preparation of the 1998 Australian team. It represents one-third of the Western Australian quota of \$150 000 set by the Australian Commonwealth Games Association.

Mrs van de KLASHORST: A significant issue and trend is encouraging an increasing number of seniors to maintain their active involvement in sport and recreation. How is that being carried out?

Mr MARSHALL: Seniors comprise a very big part of sport and recreation participation. The total membership of clubs at the moment in Western Australia is around 6 000. The Over 55s Archery, which is a registered club; Over 55s Walking Association, walking for fitness and pleasure; Prime Movers, who move to music; Come out Camping with the Older Dogs, which is an excellent organisation; Over 55s Cycling Club, which is state wide and going very well; Over 55s Ballroom Dancing, which caters for all areas; Old Time Dancers; Over 55s Canoe Club and Over 45 Social Canoe Club, are just some of the organisations that make up that 6 000 registered veteran participants. Something close to my heart is the veterans' tennis scene. Between 1968 and 1972 when legislation was passed for equal rights for women and men, the men's veteran club of Western Australia had a membership of 195. When combined with the women's club the membership went up to 600. That was 15 years ago. Now the Veterans Tennis Club of Western Australia has 1 550 members and is the largest club of its kind in Australia. People certainly have a wonderful time playing in tournaments all over the State. They have tournaments for the 55s and over and the 60s and over but they have round robins where the combined age is 120 years. Two sixty year olds can play and meet people of their own age and compete. They have a lot of fellowship as well as keeping fit. The veterans organisation and the money that goes into it are very important. All members will know about the "Have a Go" day, which is chaired by Brian French, who does a marvellous job for seniors in Western Australia. That has been going for 12 years. It is held at Burswood Park and usually attracts around 4 000 elderly participants in all sports. They do dancing and many other events. It is quite a spectacle. It is a very important part of the funding in Western Australia. By keeping seniors fit, we are cutting down on hospitalisation and medical fees.

Mrs van de KLASHORST: What percentage of the money goes to country areas and what percentage to the metropolitan area?

Mr BUSCH: Not a large amount of money is allocated through the budget. We have moved from a situation where we had several staff and a budget of over \$100 000 towards a more community based approach. That is what led to the establishment of the Seniors Recreational Council. Many of the clubs which the Parliamentary Secretary mentioned were already in place. It is very much driven by the community groups to whom we provide support and assistance. Originally we produced a publication; it is now a commercial publication of 50 000 copies to spread the word throughout Western Australia. We look at the communities driving it and then supply support and assistance. Some support is provided to assist in the operating costs of the council, but as much as possible we have moved to let them decide what they would like to do. The "Have a Go" day is a classic example of that. We used to operate it but it is now very much operated by the Seniors Recreational Council with staff of the ministry assisting.

Mr MacLEAN: On page 883 at dot point 1, what is meant by "maturing of the sport and recreation industry"? At dot point 2, reference is made to the need for skilled people, including volunteers, to manage and deliver sport and recreation. I take it that refers to the volunteer training program for training coaches and umpires?

[9.50 pm]

Mr MARSHALL: One way the ministry is promoting coaching in various sports is through corporate sponsorship. A good example is Alcoa of Australia Ltd. Alcoa has been in partnership with the Government since 1980. The Alcoa coach in residence program has been copied by other companies around Australia. Since 1980, approximately

150 coaches from 17 countries representing 40 sports have come to Western Australia. Tennis coaches have been brought to Australia from America and I have been involved with them. It was a good idea of Alcoa's to bring Guntas Tilmanis to Western Australia, which was initially a grass court tennis playing State, to teach the sequence which players use when they play on clay and hard courts. Three or four Western Australians have been in the Australian squad since they learnt that skill. Over \$500 000 has been provided by Alcoa and it has utilised the technical skills of the Ministry of Sport and Recreation to organise its program statewide.

Mr BUSCH: Skilled people includes paid and unpaid staff. They are chief executives of associations, sport development officers, regional development officers, volunteers, board and committee members, officials, umpires, coaches and technical officials. The primary responsibility of the Western Australian Coaching Foundation is coach education and it addresses all the necessary areas.

The member for Wanneroo also referred to the increasing diversity and maturing of the sport and recreation industry. We have found in recent years, and I am sure the trend will continue, that the expectations of the community are changing with respect to what a sporting body should provide. It puts demands on the management and the sport development capabilities of the organisation. At the elite end there is a range of facility provisions and that includes to the national level. There is a diverse range of extra demands on the industry to provide either entertainment or participation opportunities for the community. It is in that range that we have seen a maturing of the industry and an increase in the capacity of the industry to meet those needs.

Mr MARSHALL: With regard to providing skilled people, tennis was the initiator in sending coaches to various zones throughout Western Australia. It divided the State into zones and I knew a coach who would go to Babakin, Corrigin, Kulin, Kondinin, Narembeen, Mt Walker, Bruce Rock and Shackleton. In five days he would coach over 600 youngsters. He did that for 10 years and in that time two Australian players emerged from that program, Gary Penberthy from Narembeen and Tim Clayton from Kulin. One young girl, Shirley Francis, was brought to the city at the end of one summer to train during the winter months at John Curtin Senior High School with the aim of becoming a future state tennis player. She joined the Fremantle Hockey Club and subsequently became a state and Australian hockey player. She never became a state tennis player, but it indicates what zone coaching will do. A skilled coach can identify talent and bring those people to the metropolitan area for further training.

Mrs HODSON-THOMAS: The first dot point on page 887 states that one of the major achievements for 1996-97 was to provide better managed organisations in the sport and recreation industry by developing the management audit tool process for state sports associations and this was completed and piloted with three associations. What are the three associations?

Mr BUSCH: We have developed a tool which, in essence, allows us to work with sports to assist and identify the areas which are being managed well. We will also identify those areas where improvement can be made. We have met with three associations and subject to confirmation they will be the three pilot organisations. We are about to embark on the actual pilot. We have completed all the preparatory work and it is a matter of testing it.

[9.55 pm]

Mr CARPENTER: The second strata of interest was the community based facilities for sport. There is an allocation for the community sporting and recreation facilities fund of \$8m. I refer to the table on page 886. Program 3.1 talks about financial support for facilities with actual expenditure of \$7.3m. Do I take it that the \$8m was not taken up in total in the current financial year?

Mr MARSHALL: The community sporting and recreation facilities fund has been a marvellous innovation introduced by this Government. So far \$26m has been spent. We do not relate this figure to the \$26m. It is to do with the infrastructure that came from it. Sporting infrastructure worth \$76m has been introduced within Western Australia, of which 70 per cent has been spent in country areas. That is very important.

Mr CARPENTER: I am not trying to get a political statement of what a great job the Government has done; I am trying to find out where the \$8m allocation for that financial year was taken up. The estimate for the net year is \$10.3m and there is an increase in the number of grants being managed. Bearing in mind the Ros Kelly experience, I want to know the process the department goes through to decide the allocation of funds for particular facilities and the allocation of funds for output group services and recreation groups in the community. How is it decided who gets money for the organisations and how is it decided who gets money for the facilities?

Mr BUSCH: An independent committee looks at all the applications. The \$26m is allocated on a rolling triennium basis. In the first year \$10m was committed to be allocated over three years. In the second year another \$8m was allocated on another rolling three year basis. In the third year another \$8m was allocated on a rolling three year basis. This year, 1997-98, is the first year in the three year program where there is a cash outlay of the \$8m. The allocation is geared to that figure. In 1997-98 we are moving towards that figure. Before money was allocated, but the

commitment to pay out that money comes in in the full budget year in 1997-98. There is no underallocation for 1996-97.

On the issue of facilities, the process is that all proposals are considered by the relevant local council authority, administrative regional staff or metropolitan area staff and the state organisations which are involved in most cases, but not all. All of that input and documentation is provided to a committee that recommends to the Minister. We have also worked very hard over the past three to five years with local government and community organisations to improve the planning design and management of facilities. Considerable work goes into those areas and into working with those groups, providing documentation and seminars to assist them to go about that task more effectively, which then improves the quality of the applications and the overall result achieved.

In respect of organisations, our funding primarily goes to state sporting organisations. They can receive funding through three possible approaches: First, the smaller or less organised sports get funding through category funding and can apply for a specific need, such as assistance to send a team to a national championship. The second level is the development plan covering three, four or five years. Each year the organisations will identify their priorities and get funding assistance for those plans. It can include salary assistance, managerial staff or development officer staff or sending teams to national championships, coaching initiatives, etc.

Mr CARPENTER: Funding has been provided in the past. May I have information on those organisations that made applications for funding for facilities, the recommendations that were made and the Minister's decision on which recommendations were accepted?

Mr BUSCH: As far as I know that information is publicly available and will be subject to confirmation. That will be provided by supplementary information.

Committee adjourned at 10.00 pm
