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LEGISLATIVE ASSEMBLY ESTIMATES COMMITTEE B

Thursday, 28 May 1998

Legislative Assembly

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ESTIMATES COMMITTEE B

The meeting commenced at 9.00 am.

The CHAIRMAN (Mrs Holmes): For the information of members, the Estimates Committee will be reported by contractors to Hansard. A daily verbatim proof *Hansard* will be available during the afternoon of the following day. Hansard will distribute the documents for correction at that time, which must be returned on the A4 document sent to members. The cut-off date for corrections will be indicated on the bottom of each page. I caution members that if a Minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office. Only supplementary information 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, the item, the program and the 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 discussions 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. Although 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 my intention to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point.

The Minister may agree to provide supplementary information to the committee rather than ask 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 agrees to provide. Details regarding supplementary information have been provided to both members and advisers, and accordingly I ask the Deputy Premier to cooperate with those requirements.

Division 62: Office of Racing, Gaming and Liquor, \$14 855 000 -

[Mrs Holmes, Chairman.]

[Mr Cowan, Deputy Premier.]

[Mr B.A. Sargeant, Executive Director, Office of Racing, Gaming and Liquor.]

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

[Mr R. Sansalone, Financial Systems Officer.]

Mr COWAN: Madam Chair, as you know, I represent the Minister for Racing and Gaming in the Legislative Assembly. I hope committee members do not expect me to be as knowledgeable as the responsible Minister on these matters. The general rule in the Estimates Committee is that matters of policy generally receive a response from the Minister, and matters of finance or administration are directly answered by the officers present upon deferral by the Minister. With this portfolio, fairly substantial cross-over will occur, as I expect the Executive Director, Mr Barry Sargeant, of the Office of Racing, Gaming and Liquor to also deal with issues of policy.

Ms WARNOCK: I address to the Deputy Premier an important racing issue. I refer to page 987 of the Budget Statements and the reference to the provision of timely advice to government on the racing, gaming and liquor industries. This is an important but general question. Is the Government concerned about the riding accident at Kalgoorlie last weekend which caused the death of a young apprentice? Will the Government ask the Western Australian Turf Club for an explanation?

Point of Order

Mr BRADSHAW: Is this part of the Estimates Committee process or is it outside its scope? Where does this question fit within the budget?

Ms WARNOCK: I refer simply to the provision of timely advice to government on the racing, gaming and liquor industries.

Mr COWAN: I have no difficulty in dealing with that issue.

Committee Resumed

Mr COWAN: As the member for Perth knows, an inquiry is being conducted into that particular incident. As a matter of course, the report from that inquiry will be forwarded to the Minister for Racing and Gaming. I have no doubt that if some action is needed, discussions will be entered into with the Turf Club on that issue. An inquiry is taking place at present, and it would be inappropriate for action to be taken before the inquiry report is received.

Ms WARNOCK: Is the Deputy Premier aware of the apprenticeship training system for jockeys and the fact that a call has been made to change it? A meeting was held last night attended by many members of the fraternity. I ask these questions because I had an urgent call this morning from the racing community about this matter.

Mr COWAN: In my view, that is something that is the responsibility of the industry itself, and is something that the Western Australian Turf Club has a responsibility to deal with. Undoubtedly, it will have received the same level of representation as the member has received. I am quite sure that if the Turf Club believes some action is warranted, it will be taken.

Ms WARNOCK: Is the Deputy Premier aware that some parents of young apprentices are worried about their sons and daughters not being covered by public liability insurance or workers' compensation while training?

Mr COWAN: I am aware that there is such a concern. No-one, I would imagine, has presented any evidence of that to the Office of Racing, Gaming and Liquor. Once again, I see that as an industry issue which should be addressed by the industry.

Mr BRADSHAW: Page 982, under major initiatives, mentions replacement or upgrade of computer infrastructure. What is the total cost involved in that process, and what will be spent this year? Will it overcome the millennium bug problem which we apparently will face in 2000?

Mr SARGEANT: I will answer the last question first. That is part of the strategy particularly related to the liquor licensing system. It is mainly the liquor licensing area that we are concerned about. Probably the ballpark figure is about \$500 000 over a number of years.

Mr COWAN: With respect to the year 2000 problem, as you know, the Office of Information and Communications is within my portfolios. It is responsible for managing a program which ensures that government agencies are year 2000 compliant. The Office of Racing, Gaming and Liquor would be part of those agencies which will be requested to ensure that they take the action necessary to reach compliance well before 2000. We are requiring CEOs or executive directors to include a reporting provision in their annual reports to demonstrate the action taken within the agency to ensure that equipment is year 2000 compliant. That relates not only to their own equipment within the agency, as it also requires CEOs or executive directors to ensure that suppliers are compliant so some breakdown in the supply of services to government agencies does not occur.

Mr BRADSHAW: Regarding the Totalisator Agency Board's computer system, I visited a TAB recently which had its computers down. I was listening to the radio recently and I think the TAB computers were down again. How often does this occur in the TAB system? Is it a major problem or is it that I happened to be unfortunate, or fortunate, enough to hear about two incidents recently?

Mr SARGEANT: I am not conscious or aware of any major problems with the computer system. All I can do is take that question on notice and get supplementary information. I do not know first-hand of the TAB. It is not part of my direct brief. It is a separate statutory authority.

Mr COWAN: Can that be regarded as a question which requires supplementary information, and could we provide a report on that to the committee?

Ms WARNOCK: I refer the committee to page 982 under significant issues and trends. One of the dot points refers to gaming and wagering on the Internet. Some concern was expressed by some of my colleagues on the opposition side recently, and discussion was held about this matter. What effects is this likely to have? How ensconced so far is gaming and wagering on the Internet? Having regard to all the other matters we have all been seeking to control on the Internet, like the censorship debate we had a couple of years ago, which is still lingering and still a matter of concern to us all, how can it be controlled, if at all? Is it a state or a federal issue? Should the Government be educating the community about its implications, because people have begun to be concerned about what it will mean?

Mr COWAN: I am very interested in the answer to this question given that it is practically impossible to maintain any controls over an international system such as the Internet. However, I am sure, as a result of the implications this will have for bodies such as the TAB, Mr Sargeant has an answer.

Mr SARGEANT: Yes, answering from the TAB's point of view, it is one of three TABs which have a product available on the Internet. Therefore, you can actually place a bet on the Internet as well as by telephone account. Western Australia has participated in a national and ministerial working party to draft a regulatory model to address this issue, and two States have passed legislation to license Internet operators; namely, Queensland and the Northern Territory. However, my Minister is very conscious of one fundamental point, and it is interesting to see that some of the other Ministers are now following suit. The Internet providers are desperately looking for a Government to regulate them because it gives them legitimacy. Therefore, by default, as soon as you regulate them you are going to make it far more attractive because they will market their product by saying, "We are legitimate. We have been regulated from Queensland; we have been regulated from the Northern Territory; and, therefore, you can safely put your money with us."

By contrast, presently countries like the US, particularly at a state level, and with the national inquiry and the US Kyle Bill, are trying to make betting on the Internet illegal. The UK and many European countries are very much concerned about it, and do not want to encourage people. So, you have this shadow element whereby products are available and you can gamble on the Internet, but many people are aware it is a buyer beware situation because they are not regulated. There is no surety that things will come through. We are participating but in Western Australia the Minister is not keen to legislate to give that legitimacy. We are waiting to see what happens in the Northern Territory and the Queensland situation. Interestingly, the first State that came out publicly to encourage the regulation was Victoria, but now that State has gone a little cold on the idea; there might be a change of heart in relation to the problems that can be involved with Internet gambling.

You raised the question about whether it is a state or a federal issue. The current announcement by the Federal Treasurer of the inquiry by the Productivity Commission has included in its terms of reference Internet gambling. I am very pleased to see that because my office has been asked to respond to the Treasury on those terms of reference, and I will make a strong point that although this inquiry has set a time limit of 12 months, I do not frankly think it will do it in 12 months. They should give, as a high priority, the regulatory scheme for Internet gambling simply because I personally believe it is largely a federal matter, for three reasons. One, the Federal Government, not the State Government, controls the communication links. Second, the Federal Government, not the State Government, controls the financial systems because that is where the settlement comes through. Third, other countries, particularly the US and some of its States, have made it quite clear that they will indict officers of companies that offer Internet products, and if any international agreements are to be made in this area, we will enter those agreements at a federal level. I hope as a priority this commission of inquiry might address this and look at the regulatory levels.

From my perspective, it is clearly at a federal level. If the Federal Government does not do it, the State can, as the Minister would propose to do, ban the advertising of Internet products within the State. Also, it can make it difficult or impossible for people to set up mechanisms to support Internet providers. Although we are quite comfortable under our current legislation, we can stop Internet providers setting up their boxes here if we can catch them. It will make it difficult for them to set up accounting systems and banking accounts in this State, if need be, to follow them up. In that roundabout way, it is an issue of which we are very conscious. However, as the Minister said, there is no short term solution.

Mr NICHOLLS: It sounds to me like the wheel is turning as we will have SP bookies again and it will go through the cycle. From my limited knowledge of the Internet, you can go through all those processes, but frankly it will be only a token gesture. People will try to get around it. I do not see how you will put regulation in place to stop people using the Internet to gamble. I see a real threat to our local revenue raising streams if you put regulation in place and shift the money exchanges offshore.

Ms WARNOCK: Everybody is afraid of that.

Mr SARGEANT: It is an issue. You mentioned SP bookies. I do not think it will make any difference to SP bookies because they have the telephone communication links now.

Mr NICHOLLS: I refer to when we ban people from gambling. We will see a thriving of SP bookies in areas to which they did not previously have access.

Mr SARGEANT: Undoubtedly, there is a problem there. Part of it, as mentioned before, is the education of people. It is possible with the Internet to put up barriers to make it used by only the determined people who want to communicate. However, it is an area which if you want to regulate it, you will need 1.3 million officers to sit in

every lounge room to see what people are doing. Ultimately, individuals will have to assume responsibility for what they do. People should be fully aware that if they gamble in an area other than a State or a jurisdiction which is regulated, their money will be at risk. You talk about taxation, and maybe they could look at different ways of taxing it. Maybe it is the number of bytes or the number of bips going through the system that we regulate. I do not know at this stage.

Mr NICHOLLS: I suggest that we put a lot of money into research and development to make sure your transactions are secure. You then might actually have people flooding into Western Australia to gamble. I now refer to the reference to gambling machines outside the casino underneath the one cited by the member for Perth on page 982. This is an issue of great interest to me and to a number of community or sporting clubs in the Mandurah area and right around Western Australia. These organisations are interested to know whether we are likely to see provisions to allow them to have gambling machines in their premises as revenue raisers, or whether there is potential to link into some of the activities the casino runs. This will provide access to people in rural areas who are unable to simply drive down to the casino in a couple of hours and gamble, if that is what they want to do.

Mr COWAN: We are in the process of amending legislation to tighten the law with respect to electronic gaming machines which until now have been permitted in hotels. The general government policy is to adhere to the original provisions of the Burswood casino laws which allowed for electronic gaming machines to be permitted only at Burswood. Again, it would be appropriate for Mr Sargeant to elaborate on that policy.

Mr SARGEANT: The policy of government is not to allow gaming machines outside the casino. Last year the Governor issued a proclamation to assist in stopping the location and use of video draw poker machines in various licensed premises. That has been successful. We are amending the Act to make it part of legislation rather than through supplementary legislation via a proclamation of the Governor. This will reinforce that stance. As far as my office is concerned, government policy is not to introduce gaming machines outside the casino and we are enforcing that provision rigorously. There is no change as far as I am aware from the Government on that issue.

Mr COWAN: Although that is the stated policy, Madam Chair, you can be assured that the issue you raised with respect to options for country clubs and hotels particularly, but for all hotels and clubs irrespective of where they are located, is a matter that will be examined. We have received representation from the hotel and hospitality association. Although the declared policy is quite clear, please be assured that we hear the representations of hotels and licensed clubs regarding the changes they seek. However, no change is proposed at this stage.

Mr BRADSHAW: How long has the Burswood casino's monopoly to run, and has there been any approach to the Office of Racing, Gaming and Liquor, the Minister or the Government regarding obtaining a licence for a new casino?

Mr SARGEANT: The current provisions of the state agreement awards the casino a licence to operate effectively until the year 2060, which is the year in which the Burswood property trust deed expires. The agreement contains an exclusivity period of 15 years to date from when the licence was first issued. The licence was issued on 23 December 1985, so the exclusivity expires on 23 December 2000. That enables the Government to license other casinos only within a 100 kilometre radius; it must be of a comparable standard and size to the present casino, which means an investment of probably about \$750m to match the current investment. Outside of that radius, one can have a lesser investment. The gaming machines under the exclusivity period are basically limited to casinos effectively only until 2060. There is no provision in that agreement.

Mr BRADSHAW: Was that in the state agreement Act?

Mr SARGEANT: Yes. In fairness, with the 2060 termination, there is no time limit to the actual agreement. However, the trust deeds clearly state that the trustee for the Burswood property trust terminates in 2060 - that means by default. I am not saying it is the legal position, but my understanding is that that is when the agreement for the trust would expire.

Ms WARNOCK: Are people who are lobbying us to have poker machines wasting their time entirely, or are you saying that you could have poker machines under other circumstances but not in casinos?

Mr COWAN: That is more of a policy issue. Even though I am not the responsible Minister, it is incumbent on me to answer that question rather than Mr Sargeant. Any agreement is, or can be, the subject of renegotiation. The Government's view is that in any renegotiation, it would seek an assurance that all parties were in agreement with the variation that might be negotiated. As you know, there is constant agitation for change to the monopoly that is held by Burswood. At this moment, that agitation for change, while it has been recognised, has not ever been agreed to by government. We would still be prepared to hear any representation put forward by different groups or bodies on issues which would effectively cause a variation to the Burswood agreement. However, we would have a requirement as near as is practicable for agreement from all parties.

Mr NICHOLLS: The agreement provides after 2000 for the ability to have additional casinos licensed, but within the 100 kilometre radius, presumably of Burswood, they must be of a comparable size; that is, they must effectively replicate what is at Burswood. Is that what you say?

Mr SARGEANT: It is the original investment. They must replicate the hotel and the casino complex.

Mr NICHOLLS: Outside the 100 kilometres, is it up to government, which is providing the licence, to determine whether the investment is in line with the agreement?

Mr SARGEANT: That is right. The agreement talks about an international standard casino, so you could not put it in a very run-down hotel, for instance. It would have to be subject to a complex agreement. Effectively, on 24 December 2000, they will no longer, strictly speaking, have the right to a monopoly on casinos.

Mr BRADSHAW: It just about tied it up though.

Mr SARGEANT: The question was asked: Has the Office of Racing, Gaming and Liquor had any approaches? In the five and a half years that I have held this position, I think we have had three approaches for casino licences.

Mr BRADSHAW: Were there any solid ones, or were they just approaches?

Mr SARGEANT: I would not say they were solid. They were saying, "Give us a licence and we will go and get the money to build the casino." The attitude was that they will bring wonderful benefits to the State. The thrust was always the casino rather than looking at it from the point of view that, "This is what we want to provide, and the casino is just an add-on." It was always the reverse.

Mr NICHOLLS: If the agreement locks in the electronic gambling devices, and if we give somebody a casino licence, if the agreement stays the same, will that operator be precluded from introducing poker machines into that casino?

Mr SARGEANT: No. They will not be precluded from playing exactly the same games that are out at Burswood, but nobody can play poker machines as we know poker machines - that is, the real machines.

Mr NICHOLLS: The electronic gambling machines.

Mr SARGEANT: The agreement says that the casino is entitled to play any game which is commonly played at a casino in Australia or elsewhere. That right would immediately extend to any new casino as well.

Mr NICHOLLS: Is that under the current agreement?

Mr SARGEANT: Yes. They would have the whole range of products unless the casino developed a game which it had royalty or propriety on, and they would then need to negotiate. Other than that, they would be entitled to play the same games.

Mr NICHOLLS: If a game at the casino were franchised or allowed out, would that decision be made only by Burswood? For example, if I talked about Keno, and other licensed clubs wanted to access that game, is it an issue to be determined under licence by Racing and Gaming or is it simply a commercial decision based on Burswood's licence and anybody else it would like to franchise that game to?

Mr COWAN: I would need to go back to address the terms of the Act; however, my view is that after the year 2000, provided it was outside the 100 kilometre boundary, it would be for the State to make a decision. Also, within the 100 kilometre boundary, it would still be for the State to make a decision. Given, if my memory serves me correctly, the provisions within the Burswood agreement, it would need to be, as Mr Sargeant said, a complex of some likeness in capital investment to the existing casino that is within 100 kilometres. In other words, outside the 100 kilometres, the State would be able to enter into agreements with existing operations for the establishment of other gaming facilities in existing establishments, such as licensed hotels, clubs, recreation centres or whatever. Within 100 kilometres, it would have to be, if my recollection of the provisions of the agreement is right, in another casino. Mr Sargeant might like to elaborate on that matter.

Mr SARGEANT: Although you say that outside the 100 kilometre radius they could negotiate with a club or hotel, it still must be subject to a casino complex licence agreement. Therefore, it would still have to be a destination which would be classified as a casino.

Mr NICHOLLS: I am talking about community sporting clubs, licensed premises and so on.

Mr COWAN: The answer is inside the 100 kilometres.

Mr NICHOLLS: That was the next hurdle.

Mr CUNNINGHAM: Keno is in all the hotels and clubs in Tasmania.

Mr SARGEANT: That is right.

Mr NICHOLLS: That is basically what I referred to.

Mr CUNNINGHAM: All the clubs benefit from Keno in that State, but it cannot happen here.

Mr SARGEANT: It is a matter of agreement. Keno actually emanates from the casino in Tasmania. Currently, the only game in town for Keno is at the Burswood. If Burswood were to say to the Government, "We want to send this out", the Government could negotiate if it wished. Currently, Burswood can say to the Government, "You can't let somebody else have it." Burswood has the royalty. After December 2000, the only other place that Keno could be played, unless again there was agreement going back to Burswood, would be in a casino. Ultimately, it would require Burswood and government to negotiate if it were the community desire to introduce Keno across the State. Now they have introduced gaming machines in Tasmania, the interest in Keno has dropped off. Again, both gaming and Keno are controlled by the casino complex. If you go to the Hobart casino, it is really just a very big gaming machine parlour. It has lost the glamour it had in the 1970s when it was a good casino.

Ms WARNOCK: I refer the committee's attention to page 984 and the performance measures for output 1. I find the layout of the budget papers somewhat confusing. What is meant by the estimated number of licences? Is that licences held and being renewed or new licences? What is meant by the maximum percentage of appeals lodged and sustained? Why is the estimate for 1998-99 the same as that for 1997-98? What is that based on? The estimated average cost per application increases from \$177 to \$184, and I am interested in understanding why that should be so under the amended Liquor Licensing Act.

Mr SARGEANT: The reason for this year's increase in the cost estimates, in which I am more interested than the other figures, is that we are given extra money to help with the subsidy scheme for wine producers. Consequently, although the number of licence applications and the number of licences we administer have not increased, we have had an extra cost involved in helping to process the applications for monthly refunds, and to audit those refunds. Therefore, we have had an increase in our estimates for this year overall. This section relates to the court situation. The fundamental number of licences is the licence database within the Office of Racing, Gaming and Liquor for all classes of liquor licences.

Ms WARNOCK: Is that 8 000 for all classes of liquor licences?

Mr SARGEANT: Yes. The maximum number of appeals lodged is an estimate to be sustained and held up. We do not expect it to change dramatically. When I say the number of licences, it is so high because we issue occasional licences as well. It is not just the hotel and cabaret licence and so on. We have a number of casual licences for social clubs and so on. That is why it is a very high number. We have a target on average to turn things around within 10 days. That is what we try to do as a minimum. Some of them are on the lower side, and some of the more complicated ones are on the higher side. Those are the fundamentals.

Mr COWAN: I ask Jenny Ough to provide some additional information on the types of licences, where they generally fit in and some other comments.

Ms OUGH: The 8 000 represent a range of applications for approval to, say, vary a manager of a licensed premise, extended trading permits, occasional licences for Easter and Christmas, special functions and all the changes we make to licences. It does not represent 8 000 licensees.

Mr NICHOLLS: I cannot find any information in the budget documents on TAB dividend or distribution. Could you give us an overview of the distribution? I would like to know the sum distributed last year. Is it part of the budget process?

Mr COWAN: It is a separate institution and does not come under this area. However, if Mr Sargeant can find the information, it would be churlish of us not to provide it.

Mr NICHOLLS: I am specifically interested in the amount going to the greyhounds.

Mr SARGEANT: I have brought with me the annual report for the TAB for the last financial year, which indicates that the TAB distributed a total of \$42.6m to the codes, compared with an equivalent of \$36.8m in the 1996 year. I will give you the breakdown per code only for the current year. For racing, it was \$23.5m; for trotting, \$12.6m; and for the greyhounds, \$6.3m. The allocation to the sports betting fund was \$200 000. Interestingly, the previous year the provision for the greyhounds was \$5.4m. It went up from \$5.4m to \$6.3m. This year the distribution - I do not know the breakdown per code - across the board will increase to around \$43m. That is only an estimate at this stage.

Mr BRADSHAW: Some years ago I became aware through the Liquor Licensing Court that if people wanted to do alterations on a hotel - for example, put in a drive-in bottle shop - or build a hotel, they were charged a premium. At that stage, nobody was prepared to tell me the formula for working out the premium. Is that still the case with the liquor licensing laws? Is a set formula in place? In other words, are premiums charged to people wanting to make alterations to their hotels, such as installing a drive-in bottle department? Does it apply if someone makes application for a new licence?

Mr COWAN: No, a premium is not applied.

Mr MARLBOROUGH: There are many rumours around at the moment in the racing industry that the Totalisator Agency Board will be privatised very shortly, within the term of this Government. That has obviously been fuelled by a number of matters, including what is happening in New South Wales and Victoria. Is that what is meant by the third dot point on page 982 about the liquor and gambling legislation being reviewed in accordance with the competition principles agreement of 1995? The competition principles agreement basically seeks work to be put out for tender and done in a different way, or to sell off certain government agencies if prices can be offered more cheaply. One, are you looking at the privatisation of the TAB, and, linked to that, in the term of this State Government is it possible that a GST may be introduced?

You deal with an industry at both the lotteries and gaming level which, whatever the GST figure will be, will face a tax on a tax; that is, it will affect state government and federal government revenue. Have you started to make any allowances for the introduction of such a system of taxation and, if so, have you looked at calculating the losses that may occur in the area of gambling? I refer to people paying more for a lotteries ticket and to put a bet on a horse. Simply, fewer entertainment dollars will be available to go around. It will have a very severe impact on this industry in general. What, if anything, have you been looking at or do you intend to do? Is privatisation one of the things on the agenda for the TAB?

Mr COWAN: I am delighted to hear that the member for Peel is so confident that the coalition will win the next federal election!

Mr MARLBOROUGH: I am confident that you will be around! When the MUA asked me what it should do on the day of the strike, I said, "Well, you have a conservative Government in power at the State level until after the Olympics." That made them sick. I am confident of that. This is a serious issue.

Mr COWAN: It is. The extent of revenue that is obtained by the State from the gaming dollar or gaming investment, whichever way you want to put it, draws considerable revenue to the State. Mr Sargeant has just given an indication of the revenue to the State from one gambling tax. It is a serious issue, but I think we can deal with the matter of privatisation in this committee; however, it would not be appropriate to speculate on whether a GST will be introduced, other than to acknowledge that if a GST were introduced, unquestionably some adjustment would be needed to the way in which gambling taxes are applied and collected. We will address that issue when the time comes, or in time for any change, should it occur.

Regarding privatisation, I have a letter here written by the Minister for Racing and Gaming to Mr Loxton, the Chairman of the West Australian Provincial Thoroughbred Racing Association, in response to a question by him to the Minister. It is an answer to correspondence the Minister received asking the same question you asked about privatisation. It gives some detail. Although it does not give a yes or no answer, it indicates very clearly that the Minister has some scepticism on this issue of privatisation, and the possibilities for that in Western Australia. With your permission, Madam Chair, I table that letter. It will give the member for Peel and all other members of the committee an opportunity to examine it.

The CHAIRMAN: We cannot table it, but copies can be provided to members.

Mr COWAN: Some greater explanation can be provided -

Mr MARLBOROUGH: Are you saying that the Minister for Racing and Gaming in the letter - I have not read it - although it is not a yes or no answer, says he does not see an opportunity of privatising the TAB in this State?

Mr SARGEANT: That was a letter initiated by the Minister because he had a number of questions about privatisation -

Ms WARNOCK: Including one from me.

Mr SARGEANT: He sent that letter to a number of people. I happened to pull one off the file which was addressed to Mr Loxton. Basically, the Minister says that you must look at what has been privatised in the eastern States: Essentially, it is a revenue stream to gaming machines. Particularly in the case of New South Wales and Victoria, they reduced the tax take substantially to basically match what the State already received in tax. Also, the other

States decided not to take back fractions and unclaimed dividends, which currently go back to the industry. Basically the Minister says that if you want to privatise the TAB, you have to ask, "What are you privatising?" There is virtually no income stream to be privatised, so the Minister's view at present is that there is no windfall gain or magic amount of money to be pulled out of the air to provide in relation to privatisation. Therefore, it is not on his agenda at this point.

The national competition policy review is being conducted to assess the competition impact. There is nothing precluding the TAB or the Lotteries Commission continuing to operate in the field as they are. They do not have to be privatised. The question is whether there should be competition to the TAB or the Lotteries Commission and whether other operators should come into the field. That is how it has been reviewed: It is not from a privatisation perspective, just the competition perspective.

Mr MARLBOROUGH: Is the review under that federal competition review policy that that has to happen? Is it that either one of those bodies must have competition in the State?

Mr SARGEANT: It is up to the various States, not only Western Australia, to determine whether they want to keep the monopoly, and to justify in the public interest why that monopoly should stay. They are the issues that we are addressing as part of that review.

Mr MARLBOROUGH: When is the review due to be finished?

Mr SARGEANT: Under the timetable agreed to by various Premiers, it should be finished by the end of this year.

Mr COWAN: Different times were given for different agencies in their response to the review requirements.

Mr SARGEANT: We have until December of this year to plead our case. We called for submissions earlier this year from various parties.

Ms WARNOCK: I have asked the Minister many times about the privatisation of the TAB and received the "no" reply. I think that Mr Sargeant has outlined why the Minister has adopted that view. I went to the eastern States recently to speak to Victoria and New South Wales about that matter, and I can understand why the Minister has said "no" given the complexity of what they have privatised over there. The competition principles inquiry that you mentioned earlier also involves the investigation of liquor trading on Sunday afternoons, Minister. Is that a matter that is to be discussed in that competition principles inquiry?

Mr COWAN: Yes. The member also knows that legislation has just passed through our House, and is currently wending its way through another place.

Ms WARNOCK: My questions relate to page 982 and to amendments to the Liquor Licensing Act to which the Minister just referred as wending their way through Parliament. One of the reasons the industry asked us not to be tardy in getting the Liquor Licensing Act through the Parliament was that it was concerned about an enormous rush of licence applications. Has there been a rush of applications? The changes on page 982 refer to the transfer of responsibility for the administrative management of the court to the Ministry of Justice and the consequence that the Liquor Licensing Court will exercise an appellate and disciplinary jurisdiction only. Has there been any alteration at all in the activities under Mr Sargeant's authority? There was a major concern in the industry at the huge number of applications of various kinds which were being made at one stage this year.

Mr SARGEANT: The transfer of responsibility has not happened. That proposal has not been considered by Cabinet, so it is still under consideration. Essentially the licensing court will exist whether that is under my management and administration or in the justice area. The Act came into operation last Saturday, 23 May. The member is aware that up to about six weeks before Parliament again considered the Bill there were a rush of applications. The emphasis then changed from applications to getting them through the court system. A number of them have been held up. In particular, the Gull application is now being considered under the new rules and we are assessing how we process the current applications.

As a result of a number of changes to the legislation all liquor licensing matters will be determined by the Director of Liquor Licensing, although they will be subject to appeal. The Act makes it clear that the director can refer any matter to the court to be determined. However, as some precedents could be involved, it is likely that the director will refer those applications that are currently in place to the court to determine rather than determine them himself. The court must set the precedents in certain areas. However, we are confident that the new provisions of the Act, particularly with respect to minimisation of harm and ill health and the opportunity for the Executive Director of Health to intervene in matters, will ensure a different perspective when awarding liquor licences.

Ms WARNOCK: Could you give us any idea whether that is likely to make any difference to the Gull applications? I am sure everybody in this room is aware of the Gull petrol station applications.

Mr SARGEANT: All I can say is that, from a government perspective, it was a precedent for the Director of Liquor Licensing under the old Act to intervene in an application before the Liquor Licensing Court.

Mr COWAN: It seems that I owe that other place an apology. The legislation has been passed and enacted. They must have galvanised themselves into some action.

Mr CUNNINGHAM: My question relates to a major initiative for 1998-99 on the national competition policy and the Betting Control Act. Will there be a review of the \$200 minimum wager for telephone betting with bookmakers? Some sections of the bookmaking fraternity believe that this is a restriction of trade under the Trade Practices Act, and if challenged under sections 90 and 91 of the Constitution would show a case against the free flow of commerce between the States. I know that the \$200 limit with bookmakers is a national policy. However, will this State conduct any review? I think that the Northern Territory has dropped the \$200 limit on telephone betting.

Mr SARGEANT: This aspect is being considered under the national competition policy review. The bookmakers' association made a very strong point about that in its submission. I cannot guarantee whether it will be removed or it will stay, but it will be assessed under the terms of the national competition policy.

Mr CUNNINGHAM: I do not mean abandoning the base rate altogether, but reducing it to at least \$50.

Mr SARGEANT: It could be. It is being considered.

Mr CUNNINGHAM: It is unreal to have a \$200 minimum today. Most people cannot afford to bet \$200 with a bookmaker.

Division 10: Commerce and Trade, \$70 374 000 -

[Ms Holmes, Chairman.]

[Mr Cowan, Minister for Commerce and Trade.]

[Mr J.M. Loney, Acting Chief Executive Officer, Department of Commerce and Trade.]

[Dr S.D. Meek, Executive Director, Science and Technology Division.]

[Mr R.E. Marshall, Executive Director, Infrastructure Co-ordination Division.]

[Mr M. Murray, Acting Executive Director, Industry Development Division.]

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

[Mr M.S.J. Collins, Executive Director, Office of Information and Communications.]

[Mr C.B. Fitzhardinge, Executive Director, Regional Development Division.]

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

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

[Mr R.A. Field, Chief of Staff.]

[Ms L. Mackin, Senior Adviser.]

[Mr M. Beech, Senior Adviser.]

[Mr J. Clem, Regional Adviser.]

Mr BROWN: A few days ago I sent some questions to the Deputy Premier, and I will run through some of those. A reference is made on page 189 to the fact that manufactures exports have been growing faster than resource exports. What is the growth in manufactures exports and resource exports? In relation to all of the companies involved in the export of manufactures, what percentage are expected to be provided with financial assistance by the department in the current financial year; and what percentage of those companies are otherwise assisted by the department with information and so on?

Mr COWAN: Before I ask John Loney to answer this question, I assure the member for Bassendean that we will provide him with detailed answers to all of his questions. I am not sure when they were sent to me but we have not had sufficient time to provide any detailed written response, but that will be provided. I would appreciate if we could find some mechanism for those questions to be incorporated in the *Hansard*, so that our responses can be regarded as supplementary information and be incorporated into the record. I would like a ruling on that, because the questions together with the answers should be kept for the record. I appreciated the opportunity to have written

questions. Unfortunately, there was not time for us to prepare detailed answers in the time that was available to us. However, if we can follow that process in future years so that there is an opportunity for officers to prepare answers and to provide them, that will make for a much more orderly process during the estimates and might provide greater value.

The CHAIRMAN: If a member requires supplementary information and the Minister is happy to provide it, that can be done. However, if a member has a list of questions, they must be read out by the member so that they can be recorded and taken on the record. The Minister can treat those questions as supplementary information. The member can read them out and they can be dealt with by the committee on the record or he can put them on notice.

Dr TURNBULL: I do not mind spending time listening to the questions being read out.

Mr BROWN: I am happy to circulate the questions. I went through this process because last week the Deputy Premier and I debated this issue in the Parliament. I was complaining about some Ministers - not about the Minister for Commerce and Trade - who seem to think that the estimates process is a bit like wicket keeping. They want to be like Rod Marsh and make sure that no information gets through. At that stage, it was suggested by the Deputy Premier that some advance notice of these matters might be worthwhile so the detail could be considered. I was a little slow in getting these to the Deputy Premier. I think they got to him a couple of days ago. I appreciate that there is a host of questions. I am happy to circulate the questions.

Mr COWAN: Madam Chair, did you indicate that the member must read them all, so that I can then say that I will provide supplementary information?

The CHAIRMAN: Yes, if you want to put them on to the record.

Mr COWAN: Madam Chair, I do not want to subject the committee to that. I have no doubt that the member will want to take some of the relevant and pertinent parts of those questions and apply them today. It might even be all of them, I am not sure. If we can get some form of incorporation of the questions and the answers in the form of supplementary information I would not want to require the member to read out everything. I am sure that we can go through the normal process and give the member an assurance that irrespective of the answers he receives during this Estimates Committee the questions that he has put in writing will be answered in full by the department. That is not something that will take a great deal of time. It will be done as a priority, but we could not do it for today. We can still give some answers. The Acting Chief Executive Officer will provide some answers with respect to the growth of exports.

Mr LONEY: The first question related to the growth rate of manufactures exports compared with the growth rate of resource exports. We have some figures for a 10 year run to 1997. For manufactures the figure is an annual growth rate of 21 per cent compared with the resources growth rate of 12 per cent. As we indicated, that is a significant difference.

Mr BROWN: Is that the calculation that you used for the purpose of the budget papers?

Mr LONEY: Yes; although when we made that point we were simply saying that our client base was principally the companies involved in manufacturing and services, which have been growing quicker, and hence we need to give them more attention. The significance is not that it was 21 per cent versus 12 per cent, it is that the difference was significant.

Mr GRILL: I have been intrigued by these figures for quite a while. One thing that interested me about the figures was not so much the growth as the fact that in a newsletter about 10 months ago you indicated that although manufacturing exports had been growing faster than resource exports the number of people employed in the manufacturing sector did not appear to be growing, and there seemed to be some expression that it was falling. Have you been able to review those figures, and is that still the case?

Mr LONEY: I cannot tell you, to be honest. I do recall that, although I cannot recall the figures. However, I am happy to try to get some more up to date figures.

Mr COWAN: We will provide that as supplementary information.

Dr TURNBULL: It is said on page 189 that the dumping of goods may become an issue for some sectors.

Mr COWAN: There is no question of that.

Dr TURNBULL: Could you please explain your concerns?

Mr COWAN: Given the falling value of currencies, particularly in Asia and South East Asia, products from those countries will be very competitive. We will find that products produced in countries which have experienced that

financial crisis will appear in Western Australia and across the world at what would seem to be dumped prices. The economic situation in South East Asia and Asia as a whole has impacted very strongly on specific sectors of industry, and the State's economy. For example, horticulture and food products such as live cattle and fish - particularly the rock lobster industry - have seen a considerable downturn in exports, and as a consequence of that a downturn in prices. If we look at the trends across our exports to Asia we will find that our exports have gone up as a total. While specific industry sectors have seen a reduction our exports have increased. That is predominantly because of the increases in the sale of gold, particularly to Hong Kong and Singapore. In the first half of this financial year gold sales to those two centres were \$1.5b. As a consequence of that we have seen a percentage increase in the total volume of exports and trade to Asia. However, if you discount the fact that increases in gold sales have lifted our total exports, we have seen a reduction in some items such as alumina, food products, wheat, grains, horticultural product and fisheries product. That growth has also been evident in the March quarter of this year. When people talk about the Asian crisis and the economic factor, essentially they are talking about a downturn in the export capacity of some industries and an increase in others. Gold is a classic example of that. When we talk about dumping of product we are probably referring more to the impact of the exchange rate in which product from countries where there has been a considerable depreciation of the currency - for example, the rupiah against the dollar - will be coming into this country at considerably lower prices.

Dr TURNBULL: Is this noted as an issue and not something which the Government or your department can do anything about, because it is related to the devaluation?

Mr COWAN: That is correct.

Mr GRILL: The evidence I have seen in the newspapers, which is fairly anecdotal, is that this dumping phenomenon which you are afraid of in this documentation has not come about so far. Some of the economic commentators have been a little surprised about that. Do you have any evidence of dumping as yet or is it more a fear?

Mr COWAN: No, we have not. However, given the variation in currency values we expect that some products will come into this country at competitive rates. It will be argued that that could be construed as dumping. As you know, some federal laws protect this country against dumping. I agree with the member for Eyre, and I doubt that there will be an occasion that someone will ask for the anti-dumping laws to be applied.

Mr BRADSHAW: A major initiative for 1998-99 on page 191 is the completion of the North Coogee redevelopment project. Was that once referred to as the biotechnology park?

Mr COWAN: Yes.

Mr BRADSHAW: Is it still referred to as the biotechnology park and how many industries have relocated to this area? How many industries are located in the area? Are they thriving industries, or are they still struggling?

Mr COWAN: I do not know whether Mr Marshall will have that at his fingertips. While he is gathering his thoughts, I make the point that the previous government marked the site as a biotechnology park. As everyone around the table is aware, the Robb Jetty abattoirs were closed because of the losses being incurred and because of the slacking off in demand for processing space in abattoirs. As a result of the abattoirs' closure it would have been very difficult to continue with the plan for a biotechnology park in that area. We have considered locating in that area some of the processing industries that are associated, for example, with fisheries. I would be interested to know how that relocation process is progressing, but in the main the take up of land in the North Coogee area has been fairly good.

Mr MARSHALL: As the Deputy Premier said, I cannot give the exact number of companies. The area will now be dedicated very much to aquaculture-type industries, especially those needing seawater. We are working on the infrastructure for that and for the distribution of seawater through that area. The relocation is proceeding, and will continue this year. Two companies are still to be relocated from the southern section and we are upgrading the rest of the facility. I cannot tell you off the top of my head the exact number of companies that have taken up that residency, but I can provide that information. Do you regard that as a supplementary matter?

The CHAIRMAN: Yes.

Mr BRADSHAW: I notice there has been a scheme to improve that area and knock down some of the old buildings. Does the Government own the land or is there pressure on the owners of the land to do something about their buildings?

Mr COWAN: If the member for Murray-Wellington is referring to South Coogee, the Government has extensive holdings there, and there is also some ownership by the private sector. Mr Marshall referred to the relocation of companies. We have been acquiring properties for the purpose of demolition and alternative use land south of what is known as South Coogee - that is, south of the railway line - and there is some private sector

ownership there. One of the difficulties we face is the matter of contamination, which is something that might interest this committee.

Mr MARSHALL: The area is made up of fractured limestone and there is quite a bit of contamination from past industries, especially south of the railway line from skin stores, fellmongering and so on. A considerable amount of money has been spent in that area and a further \$1m will be spent this year in rehabilitating that land. The State is acquiring land either directly or through LandCorp. The land south of the railway line will be turned over to residential development. The land north of the railway line will remain industrial, and the industries will be located in that area.

Mr BRADSHAW: The Government is paying for the demolition of those old buildings but, should the onus not be on the owners of those buildings? Will there be a return to the State?

Mr MARSHALL: There will be some return but it will not put us into the black. There is a cost to the State. That policy has been agreed to by successive Governments since 1993. I am not aware of the precise cost associated with that, but some of the costs naturally will be recovered. In the main that redevelopment, which is necessary, will be at a cost to government.

Dr TURNBULL: I refer to the relocation of the Commonwealth Scientific and Industrial Research Organisation's division of petroleum and mineral resources research to Technology Park, Bentley. The select committee chaired by Bill Thomas addressed this issue. Will the Minister provide an update on how that is progressing and what will be the contributions to the relocation costs from the Western Australian Government, the Federal Government and from the CSIRO?

Mr MARSHALL: The centre is progressing well. The land is being divested from one area of the State Government to another, and 4.3 hectares will be made available to that facility. Eventually we will have a \$40m relocation of the CSIRO's petroleum and minerals group to Western Australia, and 170 to 200 scientists and support staff will move here.

Mr COWAN: A significant allocation of funding has been made to meet the costs associated with the building on that parcel of land to which Mr Marshall referred. I am not sure when that will commence, but we have made considerable progress with all of the facilities that must be in place before work can commence on the site. We are keen to see that project completed, because it will present to Western Australia a significant research and development capability. If one analyses research and development funding that comes to Western Australia from the Commonwealth, one sees that Western Australia lags behind the other States. Only the Northern Territory receives a lesser per capita figure than Western Australia. As a consequence of the advent of the CSIRO's petroleum and minerals resources research institute, we will have the opportunity to attract a greater volume of taxpayers' dollars from the Commonwealth.

Mr MARLBOROUGH: A major initiative on page 190 is the implementation of industry sector strategies to work closely with industry and business to minimise the impact of the Asian economic situation. We have just spoken on its impact. What does the department hope to do in a rapidly declining, shaky market?

Mr COWAN: It is not a rapidly declining, shaky market in all sectors of industry. We acknowledge that some areas have experienced reductions in export volumes to Asia. As I said, the food industry has been particularly affected. The department has encouraged business and industry not to vacate the arena but to maintain their presence.

Mr MARLBOROUGH: What will the department do to assist them?

Mr COWAN: The Western Australian Government's trade offices in countries like Indonesia and Malaysia are working hard to maintain good liaison with businesses that are exporting product there and to maintain a strong relationship in a more practical way. We have expanded the export market support scheme. In the past that scheme was available on reasonably limited criteria, as one would expect from a program that provides taxpayers' funds to individual businesses. It supported companies that were exhibiting at recognised exhibitions and provided air fare concessions, returns or subsidies - whatever word you like to use - for members of official business delegations or those who attended an exhibition. We have expanded the scheme so that support can be made available to companies that want to visit other countries for alternative markets, or to visit the same country to which they have been exporting for some time to identify new distribution agencies so they can get a greater penetration into the market, and through that capture a better market share. We have broadened that scheme. I am not able to identify what the takeup has been. However, one would expect that, other than providing information, there would be a limited opportunity for a government agency.

Our policy has not been to throw huge dollars at industry support in direct funding. It is very much part of the Government's process of attracting industry to Western Australia to provide support directly to industry and it also

provides the export market support scheme. Our target has been to provide information in Western Australia through documents such as this I am holding, which I am sure the member for Peel would have seen. It provides an analysis of what has occurred in each country, and it will be updated. We have specific programs which provide funding support for companies that want to identify new agents, new distribution agents or new markets within different countries or perhaps in other countries. The Indian Ocean region is an example of that.

Mr NICHOLLS: The Minister commented on the downturn in food product exports. I have a concern about the potential for New Zealand products to flow into the domestic market in Western Australia as a result of the downturn in Asia, and to impact on our own primary producers and their potential market. Do you foresee any real potential for that? Does the national competition policy that currently guides our actions across Australia and New Zealand prevent Western Australia from taking action to stop New Zealand imports coming into Western Australia and competing with local producers?

Mr COWAN: The member would not have to go to the competition policy to look at the removal of any barriers. The closer economic relations policy that Australia has with New Zealand brings that about anyway. There are no barriers to New Zealand products coming into Western Australia. I doubt whether the Asian issue will have an impact. The Asian financial downturn has ensured that some Western Australian food products are more readily available on the local market at a much more acceptable price. Rock lobster and table grapes are classic examples of that. Most members would acknowledge that for the first time we have been able to enjoy some of those products at reasonable prices. We cannot say that the competitiveness and the aggressiveness of the New Zealand food producers has in any way been fuelled by the Asian economy; it is purely a result of the CER arrangements and their ability to produce good quality product and competitive prices.

Mr THOMAS: My question relates to output 1, which deals with science and technology development services. I congratulate the Department of Commerce and Trade on producing a booklet titled "A Report on Research and Development in Western Australia", which was published this week or last week. It is an excellent idea. A chart on page 16 shows the gross expenditure on research and development in Western Australia. The amount spent has increased from \$151m in 1984-85 to \$665m in 1994-95. Is that in 1984-85 dollars or has that been adjusted for current value so it is comparable?

Mr COWAN: We will have to find the person who compiled the document. Dr Sue Meek is responsible for those areas of science and technology and I am not sure whether she has access to or knowledge of the question.

Dr MEEK: Unfortunately, the way in which the data is compiled is not always consistent and we have tried to have a pattern which is representative. Rather than taking a wild guess at the moment I would prefer to come back on that question.

Mr COWAN: Can we regard that as a supplementary reply?

Mr THOMAS: I would like an answer on that, because it is important. It shows a spectacular growth, and I am very pleased if that is the case. However, that growth would be markedly less spectacular if it is in dollars of the day.

The report shows the commonwealth allocation to States. The Deputy Premier mentioned earlier that Western Australia is a poor loser when those calculations are made. My notes show that is a fact. A chart on page 40 shows that Western Australia has the lowest per capita commonwealth expenditure on research; that is, the Commonwealth Government is spending less per capita in Western Australia than in any other State, although that is increasing. The Deputy Premier indicated that with the relocation of a division of the CSIRO to Western Australia those figures would improve. How much will they improve? Will we receive, say, 10 per cent on a per capita basis, which would be reasonable, or will we still lag behind?

Mr COWAN: I will outline the policy that we have adopted to seek to attract a greater volume of funds, not necessarily from the Commonwealth Government alone but also from industry. Through the centres of excellence program, which is managed by Dr Meek, we have set aside funds which are usually allocated to projects within the universities. Those projects generally attract money through the cooperative research centres program, although not exclusively. We believe that making funds available to support the CRC program leads to a greater attraction of commonwealth funds. The member for Cockburn has asked us for our projected target, and perhaps Dr Meek can answer that. I think the answer would be no, and it would be appropriate to elaborate on some of the areas of success with the CRC program where we have supported successful CRC applicants with funding.

Dr MEEK: The centres of excellence program has three components. One is an allocation of assistance to people who want to bring together centres. The Minister stated that this is not necessarily cooperative research centres, and could be other forms of industry focused research and development. The scheme has a business planning assistance component which provides up to \$20 000 on a dollar for dollar basis to organisations that want to prepare applications for centres. Another component is to assist organisations that are applying for larger commonwealth

schemes. That could be the cooperative research centre program or the Australian Research Council. That element of the scheme provides up to \$10 000 on a dollar for dollar basis to assist application preparation. The third component of the program is major funding support, which involves the provision of up to \$1m to centres where there is significant leverage of funding, preferably from both industry and commonwealth sources, and where there is a perceived benefit to industry in this State as a result of having research expertise in those areas.

Mr COWAN: Our commitment to research and development is demonstrated by the substantial increase in funding in the budget papers.

Mr THOMAS: On page 17 of the document to which I referred earlier a pie chart shows the sources of funding for science and technology. The State Government provides 14 per cent of the funding for science and technology in Western Australia, but across Australia the figure is 11 per cent. Effectively, the budget papers show that generally the State Government pays a higher proportion than other State Governments. Page 193 of the budget papers indicates that the amount spent on science and technology development services in Western Australia has increased from \$9.5m to \$15.9m. That is a spectacular increase; it has almost doubled. Apart from the items that Dr Meek has already outlined, where will that money be spent? That is a substantial increase and I am pleased that the Government is spending this money. However, it appears to me that the disproportionate amount of funding in Western Australia from the Commonwealth indicates that the Commonwealth is not pulling its weight. Does the Minister believe that situation will improve?

Mr COWAN: I regret to say that in many instances a large proportion of the funds in the budget papers is a carryover from the previous year. Programs were earmarked but, for reasons outside the control of the department, while they might have been approved for funding they have carried over into the coming financial year. Funds were brought forward in the centres of excellence program and the Western Australian innovation scheme. Dr Meek can outline some of the centres of excellence programs for the coming financial year as well as the Western Australian innovation scheme.

Mr THOMAS: I am happy to hear from Dr Meek but that will not account for \$6m. That is a lot of money.

Dr MEEK: About \$3m of that is a carryover. It demonstrates some of the difficulties of trying to work with matters that are as uncertain as research and development within a 12 month cycle. It often means that programs or projects that have been initiated in a period and which supposedly have a 12 month cycle - which is the case in the WA innovation support scheme - for a diverse range of reasons have not been finalised within the period. In allocating funds from the State to the cooperative research centres and other centre of excellence programs we require the centres to enter into a specific agreement with performance milestones. Sometimes the legal toing and froing to get those agreements finalised within a reasonable period has meant that we have not been able to finalise them in time to make the payments this financial year.

I could give an indication of the sort of demand that is on the centre of excellence program at the present time. Approximately 17 centres in the State are receiving some funding. Six more are approved for funding at present and agreements are being finalised. That accounts for part of that carryover. Another four are in the application stage and are under consideration at present. Currently the 29 centres on our books have indicated that they will look towards the centre of excellence program for assistance in some form. That may involve business planning, application assistance and, ultimately, major funding. We have moved from a situation in which the original program - the cooperative research support program which preceded the centre of excellence program - was a very reactive program trying to obtain leverage for commonwealth funds to a much more flexible situation with the centre of excellence program, in which a wider range of research arrangements focus on the needs of industry in this State is generating more than exponential growth. Clearly not all of those centres will come to fruition and not all of them will be supported. However, we are moving from being reactive into a competitive situation of applying for funds from a range of sources in the academic sector.

Mr COWAN: One of the other funding increases is in the innovation scheme.

Dr MEEK: That was what I alluded to when I referred to projects which were supposed to be finished within 12 months and which, for various reasons, have carried over. We have had to carryover the funds into the next financial year.

Mr COWAN: The balance of those increases will make sure that we can meet the demand on that part of the department's operations. There has been a significant increase for the implementation of the science and technology policy. That took some time in its development. As everyone would know, the implementation of any policy is where the money starts to be spent. That is the reason for an increase in the outlays for the implementation of the science and technology policy.

Mr GRILL: This does sound very impressive in the abstract. Has a list of those centres of excellence that have been

funded to date, those that are being considered now, and the 20-odd that were mentioned that might be funded in the future that have made application been published? It is nice to know what the abstract program is but it would be nicer to know whether we could look up the projects, so that we can make some judgments about them. Will that list be published or made available?

Mr COWAN: Yes. It is published after a decision has been made to provide the funds. If the member is asking whether I should invite the Parliament to have some input into whether we are making the right decisions, that would be unprecedented.

Mr GRILL: The Deputy Premier might have missed the first part of my question. The bulk of the question focuses on those that have been funded and those that are in the process of being funded right now.

Mr COWAN: That information should be available.

Dr MEEK: We are in the final stages of producing a promotional document which will profile the centres that we are supporting. It has a number of different purposes. It will not only create awareness within the research community in Western Australia and within industry about their capabilities but it will also promote the State in that regard in international promotional exercises and so forth. We are finalising the text at the present time. Once that is ready we could circulate it in a similar way to the R and D report.

Mr MARLBOROUGH: Have all of the schemes that you have funded been successful or have some collapsed or not delivered? How do you measure their success?

Mr COWAN: Page 29 of the department's annual report lists those centres which have been funded. With respect to the question asked by the member for Peel, I am not aware of any particular centre which has terminated, but that is a different issue from whether those centres are producing positive results. Bearing in mind that CRCs are inevitably funded from four sources - the universities, the State Government, the Commonwealth Government and industry - different measures can be applied to determine whether they have been successful. One measure would be the extent to which industry is demanding or seeking research from a centre. In most instances the centres would be able to demonstrate growth through the level of industry support in that they are providing research on the basis of fee for service. It is a little premature for us to talk about the success of these centres, but I do not think that any CRC has been wound up in WA.

Dr MEEK: No centres have fallen by the wayside, as it were. Even more significantly, the Federal Government recently announced a continuation of its cooperative research program, which was in some doubt for a period of time. It has amalgamated the previous rounds two and three and the cooperative research centre is reaching a stage at which it will reapply for funds. We have nine centres in rounds two and three, all of which will reapply for extensions to their existing funding. They are very confident.

Mr NICHOLLS: I expect that the birthmark promotion will come under output 3 on page 195. Will that campaign continue and has it been a success or will it be overhauled or reappraised?

Mr LONEY: The birthmark campaign has been around for some considerable time. As you point out, there has been some concern that it may have passed its day. We have reappraised it several times and we have agreed that it performs a useful role for local companies that wish to make it clearly known that they are Western Australian owned and operated. We will continue to provide support and funding, although on a reduced basis to that which we have done in the past. I am sorry I do not have the precise figures, but with the permission of the Minister we would be happy to make them available.

The CHAIRMAN: That can be provided as supplementary information.

Mr NICHOLLS: Does the nationally agreed competition policy put the Government in a position where in its tendering or decision making process it can still give preference to the birthmark campaign as a way of promoting products that are manufactured in Western Australia ahead of those that are manufactured in other parts of Australia and New Zealand? Is this issue being considered in our promotion of local producers or manufacturers?

Mr COWAN: While the birthmark campaign is designed to promote Western Australian made or manufactured products, the regional purchasing compact which we have, and which has not yet been challenged by the competition policy - at some time in the future it may be, although I doubt it - still provides incentives for regional purchasing. We have had a difficulty with the Commonwealth Government procurement officers where they have procured product from overseas in preference to Australian and Western Australian product. An example of that was the Australian Fine China contract to supply product to the Defence Department, where that product was overlooked in favour of overseas china. I am very pleased to say that that overseas supplier is now experiencing a difficulty in meeting that contract. A case of "I told you so" does not get a great deal of value, but sometimes we get some satisfaction from that.

With regard to the regional purchasing compact - this is in rough terms, because you need to appreciate that that is the responsibility of the Minister for Works - 5 per cent can be added to a contract if the product is supplied regionally; and that can expand to 10 per cent if some of the product is manufactured or processed within the region. If, for example, you were importing bricks from Midland for a building, you would get a 5 per cent regional preference. However, if you were manufacturing trusses for that building and that was done in the local region, you would get, I suspect, the full 10 per cent.

Mr GRILL: I was concerned when I read the booklet from the Federal Parliament entitled *A Sea of Indifference*. One part that really concerned me was the allegation that the percentage of local content was calculated not on the total cost of the project but on only that part of the project which the developer considered was capable of being manufactured economically within Australia. If that is the case, the percentages of local content which have been used in the media to date, and which have been used in both Houses of Parliament, are quite inaccurate and misleading. If the matter were decided subjectively in that fashion, we would not know whether the figures were hard or very soft. I mentioned that allegation in passing in a speech that I made last week. The Minister for Resources Development could have responded to it, but he decided not to; I think he was not too sure about that issue. It is a matter that your department needs to take on board, because if that allegation is correct, it is very concerning; and if it is not correct, it needs to be corrected, because it may mean a huge difference in the percentage of work that comes to Western Australia and Australia.

Mr COWAN: I note the member for Eyre's comments. That will certainly form part of the department's pursuit of local content. You will be aware that although the Department of Resources Development has the main carriage of the local content policy, we still have an input, in conjunction with DRD and the Western Australian Chamber of Commerce and Industry. We will certainly continue to pursue that matter through our representation in respect of local content policy.

Mr GRILL: That document is not unflattering to Western Australia, because it states that the Government has the right policies in place, or at least it has some policies. It alleges that the Federal Government does not appear to have any policies.

Mr THOMAS: One of the performance measures for output 1 - science and technology development services - at page 193 is client satisfaction with services and dealings with the department, and it records that 64 per cent of the clients who dealt with the department in 1997-98 were satisfied. How is that measured? Did the other 36 per cent not get grants? Are you happy with 64 per cent? It is interesting that there is no target for 1998-99. Do you have a target; and, if you do, what is it, and why is it not in the book?

Mr COWAN: That survey is conducted by an outside consultancy and independently of the department, so it is at arm's length, and we are not seeking to make the results look good. We certainly are not satisfied with 64 per cent satisfaction. You are right that a client who has had an application refused is not likely to give us a glowing report. We have set ourselves some targets with regard to the percentage of client satisfaction that we want to enjoy, and we are prepared to make that information available to members. We require that survey to ensure that we maintain a quality of service and are not deluding ourselves that what we do is acceptable to industry. We recognise that the clients are not necessarily the stakeholders.

The CHAIRMAN: Can you nominate the company?

Mr COWAN: I am told by the acting CEO that it is the Marketing Centre Pty Ltd.

MR GRILL: I understand that the principal of the Marketing Centre has positions on two government boards within Agriculture Western Australia.

Mr COWAN: I am not aware of that.

MR GRILL: You used the words "at arm's length" a minute ago.

Mr COWAN: I think that is at arm's length.

Mr GRILL: Just a short arm.

Mr COWAN: That may be so. You can make your own judgment on that. They set the criteria. The criteria have to be met with regard to the survey. I do not know that I should chop some company out of an open and fair tendering system because you say it is automatically precluded from tendering. We have the added protection that those surveys are subject to scrutiny by the Auditor General. He has not raised a question about the surveys being conducted by companies that are so insufficiently distanced from government as to render the information they provide of no worth.

Mr MARLBOROUGH: My observation of the budget papers is that yours seems to be the only department that has a rating of under 90 per cent in anything. The remainder start at 90 per cent and go up. You have 68 and 72 per cent. You may be living in the real world.

The CHAIRMAN: I refer to the first dot point at page 191. Is Bentley Technology Park fully occupied; and if it is not, when will it be fully occupied?

Mr COWAN: To my knowledge, stage 1 of Bentley Technology Park is very close to being full. We did not go through the requirements of developing stage 2 just for the Commonwealth Scientific and Industrial Research Organisation, although that certainly was the catalyst. There is a requirement for additional land, and that will be available within stage 2. We prefer those companies to be associated with the type of work that will be done at the CSIRO's Petroleum and Minerals Resources Research Institute. The land available in stage 1 was just about fully taken up.

Mr MARSHALL: That is correct. Stage 1 is almost complete. We needed to move across Kent Street and acquire another eight hectares because while a few blocks are still available for sale, it is getting very close to full and we are looking at ways of expanding the park.

The CHAIRMAN: The Minister may be aware that for many years LandCorp has advocated developing a technology park or precinct in the Joondalup area. Can Joondalup be considered as a possible site for the expansion referred to by Mr Marshall, or is the Joondalup proposal years down the track?

Mr COWAN: That has been the subject of constant review and examination by the department. I acknowledge that we have concentrated our energy on areas such as Bentley and North Coogee. Coogee is not a technology driven industrial park. We believe the Joondalup area has potential, but we have not taken any action with regard to other government agencies that may implement that. That is for the future and will not be ruled out.

Mr THOMAS: I am pleased that the report was published, and I look forward to that being an annual event. However, the most recent figures in the report are for 1994-95, which really limits its usefulness. Will it be possible to get more up to date data in future editions? I understand that it is difficult to get current statistics, but the report is now four years old and we are debating the 1998-99 budget on 1994-95 figures, which is not very satisfactory.

Dr MEEK: I agree. We share your frustration with the dates. This report was held back to incorporate some of the recent data that the Australian Bureau of Statistics released; nevertheless, it does lag some years behind the present day. We cannot do a lot about that. The cost of collecting the data independently is unrealistic, and also we probably would not get the response rates that the ABS gets. We have worked very closely with the ABS in compiling this report. I am sure the member is aware this is the first time that this data has been disaggregated for Western Australia. We have built up a very good relationship with the ABS, and it changed some of its data collection patterns and practices on the basis of some of the interaction that it has had with the department. We now have an arrangement where, as soon as new data becomes available, it will disaggregate it for us, and we will then get an update. This report is also on the web site of the department, and as new data becomes available, we will automatically put it on the web site so that we will keep as current as we possibly can, as fast as the ABS data becomes available.

Mr BROWN: Last year, the Government produced a science and technology policy, which listed expenditure under various heads of policy. Can you provide by way of supplementary information the expenditure for each of those headings in 1997-98, and the amount that has been set aside in 1998-99 for each of those headings?

Mr COWAN: I can give some basic information about expenditure on science and technology policy, but I cannot give the information on the headings. In 1997-98, we expect to spend around \$800 000 on the implementation of that policy and in 1998-99 we expect to almost double that expenditure to \$1.5m.

Dr MEEK: That does not include the centres of excellence program, which is separate, nor the WA innovation support scheme. That scheme does not sit under the policy but is a departmental program; the centres of excellence program does. In addition, there are allocations in the Health budget for medical health and research infrastructure. It is by no means the total package of the S and T policy. I am not sure how to deal with this. There are 21 strategies, which have individual budget allocations.

Mr COWAN: We can certainly provide it as supplementary information.

Mr BROWN: I ask the same question for the centres of excellence and the co-operative research centres programs. Can that also be provided as supplementary information?

Mr COWAN: Yes.

Mr BROWN: With regard to your science and technology research programs, what is your assessment of the decision by the Federal Government to change the tax treatment of R and D from 150 per cent to 125 per cent? I attended the commerce and trade seminar yesterday, where people were complaining bitterly about those tax changes. That is at least the fifth time I have heard it from people. How has your policy to promote innovation and developments in this area been impeded by those tax changes?

Mr COWAN: I do not know that it has been impeded, but there is no question that the moment you impact upon the incentives to the private sector to embark upon research and development, there will be a lack of interest in the provision of funds for R and D. It is not simply a question of whether the percentage rate of deductibility is 150 per cent or 125 per cent, but also who is eligible to make those deductions. The member may recall that there was considerable debate about the eligibility criteria. Some large corporate entities had established, for example, foundations that were exclusively for the purpose of providing funds for research and development and attracting the 150 per cent deduction. That had an impact on identifying who was eligible for that level of deductibility. In addition, in order to tighten the strings so that only pure research and development was eligible for that deduction of 150 per cent, and now 125 per cent, the cost of compliance has increased, and that has also had an impact on the extent to which the private sector will invest in research. The short answer is that any reduction in allowances or deductibility for R and D does have an impact on the private sector's willingness to invest in R and D; and as a consequence, because the majority of programs in the State are tied to research and development, it clearly will have an impact on the State. We have not really measured or assessed that level of impact.

Mr BROWN: Earlier this week, or last week, the Federal Government finally put in place its innovation investment fund, which now has four fund managers. In what way do you envisage the State working with, or supplementing - or whatever is your role in this area - those federal initiatives?

Mr COWAN: In the first round, we sought an undertaking from the Federal Government that one of those fund managers would be based in Western Australia, but we received no answer to that. In this second round, there are still no Western Australian based fund managers, but we will do as much as we can to attract them to Western Australia and to give some support to R and D in this State.

Dr MEEK: It was very disappointing that the first round of fund management contracts that were awarded all went to eastern States companies. There is considerable debate about the extent to which venture capitalists who focus on the seed capital end of the venture capital spectrum can deal with distance management of their investments. There is some argument that at the later stages of investment it may be possible to manage a portfolio involving a certain amount of distribution of the investment portfolio. We are very concerned that with seed capital, it is a very hands on management situation. We are not convinced that some of the fund managers that are based in the eastern States will effectively be able to make investments here. We sought some explanations pretty strongly from the Federal Government and made the point that we did feel that there was ample justification for a fund manager to be based in Western Australia, and we will continue that pressure. In addition, we have had a series of discussions with local venture capital providers to get feedback from them about how we may be able to improve the situation.

Mr BROWN: Do you see the guidelines for your innovation scheme resulting in a change here, because your scheme requires a contribution of one for one, or two for one, or something like that?

Mr COWAN: I have not received any recommendation for change, and I do not think I am likely to receive one.

Dr MEEK: There is a significant difference in the intentions of these two schemes. The intention of the investment innovation fund is to provide investment to develop companies to a better financial situation. You are quite right; the Commonwealth does offer a two for one incentive for investment by the fund managers. The WA innovation scheme is up to \$50 000 on a dollar for dollar basis for specific research and development projects which are close to commercialisation. The intentions of the two schemes are diametrically different.

Mr BROWN: The question of local content was raised earlier. I notice from the budget papers that the department was involved two or three years ago in developing a local content policy for resources development. I asked the Deputy Premier about 26 questions on projects, one of which fell within the Department of Commerce and Trade, to which I received an answer, and 25 of which fell within the Department of Resources Development, to which I received a pretty standard answer, which was that basically it could not give me the information. I was pretty disappointed about that, because it does not enable the Parliament to make any adjudication about whether we are getting any benefit from the local content policy. I raise that here because it is a matter that I intend to pursue. The way in which the matter has been dealt with, not by Commerce and Trade but by Resources Development, is quite appalling; and given the focus of Commerce and Trade, there is a need for Commerce and Trade to look at that area.

Mr COWAN: The member's comments are noted.

Mr GRILL: I found Dr Meek's remarks quite interesting in that she said that with venture and seed capital it was

important that the financial institution have some proximity. Do you agree with her, given our recent history and the loss of most of our financial institutions to the eastern States?

Mr COWAN: It is a matter of interpretation. I interpreted Dr Meek's words to indicate that if a financial institution was within proximity, it would have a better understanding of what was proposed, it would take a less clinical approach, and there would be a greater prospect of support for a local project that was innovative. I believe that if we had a local agency that had some knowledge and awareness of what was happening within the State of Western Australia when these particular schemes were considered, we might get a representative or proportionate share of the funds that were made available. My difficulty is that in practically every instance when we examine commonwealth programs that include the allocation of funds, if Western Australia is not well represented on any assessment panel or board when these decisions are made in the eastern States, a disproportionate share of the funds comes our way. That disappoints me, because we already see an imbalance in the contribution. We are part of Australia. I am not taking up that issue - I am not a secessionist - but we already see an imbalance of \$1.4b in the taxation revenue which travels across the Nullarbor to Canberra and is not distributed back to the State of Western Australia. When it comes to the redistribution of funds, particularly for programs that the Commonwealth may devise, and we find that yet again we are deprived of a per capita share as a standard model, that becomes very difficult to accept, because it just makes the imbalance worse.

Mr TRENORDEN: I refer to page 191 and the creation of the Office of Information and Communication. I cannot find the \$10m allocation for infrastructure in the figures for Commerce and Trade.

Mr COWAN: The last entry on page 191 shows an allocation of \$5m for the communications pipeline in each of 1998-99 and 1999-2000.

Mr TRENORDEN: Is it split over those two years?

Mr COWAN: Yes.

Mr TRENORDEN: The sixth dot point on that page refers to telehealth communications infrastructure only, not education, and the next dot point refers to the development of a telecommunications strategy for the promotion of investment in government infrastructure, which I guess means the general global question of government going on line. What is the plan for those two financial years with regard to putting in the infrastructure?

Mr COWAN: My argument with the Cabinet Budget Committee was that we should have an appropriation in the 1998-99 Budget that would ensure that regional Western Australians could access telecommunications facilities and online services that were equal to, as far as was practicable, those services that are made available in urban Western Australia. I do not have the details of those projects, but I invite Mr Collins to tell us how he envisages we will spend that money to set in place that principle.

Mr COLLINS: We are grouping government requirements, which includes Telehealth. The reason that Telehealth is referred to specifically is that it is a well advanced project. We are looking at Health, Police, Justice, Education, Agriculture and Family and Children's Services as six key agencies which have large network requirements. We are in the process of putting together a working group from each of those agencies at both a strategic and operational level, and over the next three months we will be defining the traffic requirements of those agencies. We then intend to say to the public telecommunications carriers in the marketplace, "This is the pipeline of services that we want. Please provide us with a proposal to provide it." The \$10m will then be used to plug gaps where we need to provide services that are not in that pipeline, where it is not economic for carriers to provide it, or where we need to do something quickly.

Mr TRENORDEN: The Telehealth proposal was considerably greater than \$2m. In the introduction of Telehealth regionally, will you or Health decide which services will be provided; and how will you decide what will be the priority?

Mr COWAN: We do not envisage the Department of Commerce and Trade, through the Office of Information and Communications, being solely responsible for moneys that may be allocated for any form of telecommunication system. We expect that that \$10m, or part of it, will be used as leverage for any particular program. We are seeking to coordinate with those government agencies that have prime carriage of Telehealth - such as the Department of Health - and they will be responsible for much of the identification of what system they want to put in place and where they want to put it in place. I do not expect it to be available to the whole of Western Australia in one hit. We do not expect that our agency will have lead carriage for that. We will use those funds to get some leverage and to ensure that it does happen.

Mr COLLINS: We will seek to avoid, to the greatest extent possible, government having to invest in telecommunications infrastructure. We will seek to have the public carriers do that by aggregating government

business. Half of the Telehealth proposal relates to telecommunications networks and half of it relates to technical equipment for Health to connect to those networks. Health will be responsible for that half, in any event, but we hope to create a common pipeline into which Health will fit.

Mr TRENORDEN: The budget papers state that there will be 60 Telecentres. Will they be a major part of this pipeline?

Mr COWAN: They will be part of a telecommunications pipeline, but they are not part of this budget item. They are funded separately.

Mr TRENORDEN: Is that funding identified in the budget papers or is it found elsewhere in the system?

Mr COWAN: I am told that if you looked at page 198 you might get close. The funding for Telecentres can be found under regional development services. We have spent about \$1.5m to provide support to Telecentres this financial year. The target is broadly 100 Telecentres. We will not stop when we get there. The target is what constitutes a worthwhile application for a Telecentre. That is how we make our judgment. We have about 50 at the moment.

Mr TRENORDEN: That may increase dramatically if people can get health services.

Mr COWAN: You are quite right. We see that as an unknown. We have allocated an additional \$1m for that program. This year we will spend \$1.5m. Next year, we estimate that we will spend about \$2.5m on Telecentres.

Mr MARLBOROUGH: I want to ask some questions with regard to my electorate, but they relate, more importantly, to the whole of the State. The three key areas are Jervis Bay, the wool processing precinct in East Rockingham and IP14. These are mentioned in the first dot point on page 191. I think it is understood by everyone around this table that Jervis Bay will probably be your largest single investment this financial year in monetary terms. The Minister should be commended for finally getting agreement from the Federal Government for the money that is required for the project. What is the break-up of the \$160m that will go into the Jervis Bay project? My colleague has just pointed out to me that page 191 states it is \$240m.

Mr COWAN: I understand that should be \$204m.

Mr MARLBOROUGH: What is the break-up of the state and federal funding that comprises that \$204m?

Mr COWAN: The Federal Government's budget papers state that \$80m of the federation fund has been set aside for the development of Jervis Bay; so \$80m will come to us from the Commonwealth Government.

Mr MARLBOROUGH: This financial year?

Mr COWAN: When we are able to spend it. That is the informal agreement that has been reached with the Prime Minister and the Prime Minister's office. I expect the balance to be a combination of funds from the State and the private sector. We have estimated the cost of development of Jervis Bay to be \$204m.

Mr MARLBOROUGH: So both figures are wrong?

Mr COWAN: Yes. It is \$204m.

Mr THOMAS: I have some confusion with the numbers too, because the figure that my colleague the member for Peel quoted earlier of \$160m appears on page 206. How do you account for the difference between \$160m and \$204m?

Mr COWAN: The southern precinct is \$160m.

Mr MARLBOROUGH: You then have Cockburn Road.

Mr COWAN: The realignment of Cockburn Road and the marine industry technology park -

Mr MARLBOROUGH: And the conservation of wildlife -

Mr COWAN: - give you that sum of money. You might want to add the enhancement program, and I would be delighted to find out what that is. That might be for the entire Henderson area and not necessarily restricted to the Jervis Bay development.

Mr MARLBOROUGH: With regard to that \$80m from the Federal Government that will be available when the State is in a position to spend it, I understand that a Bill is likely to come before the Parliament in the next three week session to allow for the removal of the coast road as we now know it - Cockburn Road - as it runs into this offshore precinct. Am I right in reaching the conclusion that you want to create this new hardback berth before the end of

this calendar year; that it is intended to remove that road, including that part of the reserve south of the existing hardback facilities, and that work is due to start before the end of this year?

Mr COWAN: Two requirements must be completed before we can make any start with Jervoise Bay. The first is to get the environmental approvals; and, as you know, that process is well under way. The second is to get the planning approvals. Part of the planning requirement is the realignment of the road network that services that area. The concept we have at the moment is that because Cockburn Road divides both the proposed and the existing industrial precinct, it is appropriate for that to be realigned. Part of the planning proposal was to reroute or divert Cockburn Road into the proposed controlled access highway. We have had discussions with other government agencies - Main Roads Western Australia, the Ministry for Planning, LandCorp and the City of Cockburn - to identify whether the controlled access highway needs to go through the system 6 land when we have a proposed six-lane route at Stock Road.

Mr MARLBOROUGH: That is our preferred position.

Mr COWAN: In those discussions, your preferred position has been echoed by a number of other groups, and we are in the process of identifying, as part of the planning strategy, whether that road can be diverted up to the Stock Road route so that merely a local road services the perimeter of the proposed industrial park. The final part of your question is about the small area of land that is part of the system 6 proposals. We will need to have that use changed to industrial, and we believe that by not having the controlled access highway go through the proposed Beelihar regional park we will provide a much greater area of land for park than will be lost in that system 6 area. As a consequence, although we are asking the conservation estate to give up a certain parcel of land, if we can get agreement on the road realignment, we will contribute a much greater parcel of land and ensure that there is no division of that regional park. It will almost be evenly divided east and west.

Mr MARLBOROUGH: If you need any encouragement, we have attended numerous public meetings, as you know, over a number of years in my electorate about the different developments in that area. The realignment of Cockburn Road onto Russell Road, and then running it through Russell Road and onto the existing Stock Road, is the Opposition's preferred route. We agree that having the road reserve run through Mt Brown would save significantly more land than what you are being asked to give up in system 6 on the coast. If I can handle Cockburn Road as two separate issues, we support that entirely.

With regard to the 30-year plan for that part of Cockburn Sound, what Governments need to look at is the Jervoise Bay offshore facility, some future harbour facility, and the ongoing importance of industry generally in that area. The Bill that will go before the Parliament shortly will see the existing coastal part of Cockburn Road disappear. The Minister talked about this \$80m being available when the State Government is able to spend it. Much of the timing of this offshore facility is based around the industrial window of opportunity for the offshore gas that will be used in this facility to hopefully win major contracts to build the infrastructure there. With regard to that window of opportunity time frame, am I right in assuming that it is necessary to look at levelling Cockburn Road and going into that reserve this year? If so, would the substantial amount of earth that was moved from there be put into the ocean to form part of the landfill for the hardback berth that will be created? Is that what will happen in engineering terms?

Mr COWAN: I am not familiar with the demands, but much of the area that will be reclaimed to provide the hard standing area adjacent to the berth is expected to come from the dredging that will be associated with the channel, and also the basin within the protected water inside the breakwater. I am not aware that any great volume of fill will come from the proposed industrial park, but some may result from the levelling. The predominant volume of fill for the area to be reclaimed to establish that port facility will come from spoil from the dredges.

Mr MARLBOROUGH: We have seen a lot of the artistic drawings for the harbour facility. Is the department locked into a design process?

Mr COWAN: No.

Mr MARLBOROUGH: This year we have already had environmental problems with algal bloom north of the shipbuilding area occupied by Austal Ships Pty Ltd. I understand that reports indicate that part of the problem with that algal bloom was the lack of flushing in that area. The artist's impression of this wharf shows a landfill groyne running out into the ocean. I, and I am sure local environmentalists, would be happier with a construction that allowed the ocean to flow through that area - in other words, a pylon construction along the northern boundary of the proposed harbour that allowed the flushing process to take place. Are you locked into a cost and a design at this stage or are you open to examining that design feature, which I believe will assist in overcoming many of the environmental questions and concerns that are in people's minds?

Mr COWAN: I will deal with the northern protected water area which is occupied by the aluminium shipbuilders

and where that algal bloom was detected last summer. It is wrong to say that the cause of that bloom was a lack of flushing.

Mr MARLBOROUGH: I understand that a report stated that.

Mr COWAN: I have not seen that report, and I would doubt its credibility if there were such a report, because a number of factors need to be taken into account. One of those factors was the extent to which construction work was being undertaken in that harbour area which caused the release of some added nutrients into the water from disturbance of the seabed. In addition, we are not yet aware of whether there was some leeching of additional nutrients into that harbour from a number of on land sites, and the Government will investigate that and make sure that we do not get a repeat. Some construction work was taking place within that harbour area that would have stirred up the seabed and released some added nutrients into the water, and some nutrients may have leaked into the harbour. We regard those as issues that can be corrected, whereas we will not shift a breakwater if we can avoid it.

Mr MARLBOROUGH: No. I am not suggesting you are shifting.

Mr COWAN: The aluminium shipbuilders are in the northern harbour area. We will know the full reasons for that algal bloom before we begin the design work associated with the Jervoise Bay breakwater.

Mr MARLBOROUGH: You are not locked into a design for Jervoise Bay?

Mr COWAN: No, but we are locked into a number of principles, which relate to the area of land that is available for common or public use, the capacity to provide a berth which can handle a load out capability of up to 15 000 tonnes, and to ensuring that there is enough versatility and flexibility within the structure to allow it to meet the needs of industry. One of the great problems with some yards that I inspected last year when I was in the United Kingdom is that they are limited to concrete structures or steel jackets, or have other forms of limitation. We are seeking to provide as much flexibility as we can. My preference is that once we know what are the environmental constraints, and once we have the other planning approvals that are associated with that land, we begin the process of design and construction. If we separate those two, often we get a design for a Rolls Royce, but when the money for that is not around, we end up with a Commodore because that is all we can afford, so we have to go back and adjust the design. We do not want to do that.

Mr BRADSHAW: The last significant issue and trend on page 190 states that "Growth of Aboriginal businesses is required to boost employment opportunities". How many businesses have been set up in Western Australia under this program; how successful has it been, because it is important to get some of these businesses off the ground to help Aborigines to become self sufficient and part of the community; and are there many in the pipeline?

Mr COWAN: When we came into government, there was a body known as the Aboriginal Economic Development Office, which was the operating arm of the Aboriginal Enterprise Corporation. It had few accountability requirements, yet it received \$1m of taxpayers' funds. In order to provide greater accountability, we wound up the Aboriginal Enterprise Corporation and established an Office of Aboriginal Economic Development within the Department of Commerce and Trade. That group is responsible for this program. The executive director is Rick Grounds.

Mr GROUNDS: I can give some statistics of the number of Aboriginal businesses, at least as far as our clients are concerned. You must remember that we do not have contact with many Aboriginal businesses because they do not seek assistance under our programs or services. That is particularly the case in the metropolitan area, where there are many Aboriginal owned small businesses that we never see. In the nine months to the end of March this year, we opened 335 new client files. That means that some follow up work is required by the office. It does not always result in a service being provided. Sometimes those files are closed for various reasons. That is a very high level of activity, more than twice the level of 1996-97. I learnt this morning that between 1 April and last night, we had opened 122 files, which is an even higher rate of activity than in the previous three quarters.

With regard to the financial assistance provided, you must remember that part of our role is to look after the Aboriginal and Torres Strait Islander Commission business programs that provide a range of loans and grants, and we look after that on behalf of ATSIC in Western Australia. To date this financial year, more than 80 grants totalling more than \$10.5m have been provided to clients of the department either from our own programs or by ATSIC from the programs we look after. That is the financial assistance clients.

Mr TRENORDEN: At page 196 the budget is about \$3.5m and you said you have lent about \$10m. Do you get a fairly regular input from the Federal Government?

Mr GROUNDS: Our role is to make a recommendation to the Aboriginal and Torres Strait Islander Commission.

Mr TRENORDEN: Do you not have the funds?

Mr GROUNDS: No. The loans or grants are provided on our recommendation by ATSIC direct to the client. We pay for business planning and so on which we recoup from ATSIC.

Mr COWAN: That is about \$350 000.

Mr GROUNDS: The cost of the business planning and assessment is met by the department and then recouped from ATSIC. However, the grants and loans are provided direct by ATSIC.

Mr TRENORDEN: Is there a ceiling to the size of the projects that can be submitted to you?

MR GROUNDS: The guidelines to the ATSIC programs are included in our own program guidelines so that people can access that information. It varies from program to program but, typically, the largest loan available through ATSIC is \$500 000. Generally our clients seek in the range of \$50 000 to \$100 000 in loans. Occasionally some large ones crop up. We recommended one recently that was in the order of \$2m which had to go to Canberra for consideration. There are exceptional circumstances and provisions. That gives some indication of the level of activity and the amount of assistance being provided.

Mr GRILL: What does that \$3.6m on page 196 represent?

Mr COWAN: In essence, a number of programs are included in that amount. We have set aside just under \$195 000 for the payment, for example, of the development of Karijini National Park. As you know, part of the work involved opening up Karijini Park with the new road. A number of other issues there required us to enter into negotiations with the Aboriginal community. They wanted an interpretive centre built. A temporary interpretive centre has been established there. It has been run for the past four years, but there is a concept of developing a permanent centre.

Mr GRILL: Is that being run commercially?

Mr COWAN: The Aboriginal community is running it commercially. However, I have no idea whether it is being run profitably.

We provide support services for enterprises and contracted services. We are budgeting approximately \$300 000 to provide officers who can have direct contact with Aboriginal communities. In that sense, a number of areas have funds set aside. Salaries to service the office of Aboriginal economic development consumed about 28 per cent.

Mr GRILL: It would be nice in future to have that set out because a round figure of \$3.6m is a bit hard to instil.

Mr COWAN: We are not responsible for the preparation of the budget papers. However, I take on board the member's views and we will in future provide, for circulation among members, supplementary information that gives that breakdown if it is seen as an advantage.

Mr GRILL: This area interests me very much. It is in this area of job creation and enterprise by Aboriginal people that we are going to see some advancement. I have grave reservations about some aspects of the Native Title Act but one aspect forces, through the negotiating process, mining companies to negotiate in a meaningful way contracts and jobs. At last mining companies are putting in place some very substantial contracts which are available to Aboriginal people to take up.

No doubt your people have had some experience of this and some contact with it. I do not know whether I should be putting these questions now but I do want to put some questions about these matters to the Minister and his advisers at some stage.

The CHAIRMAN: There should be an opportunity later this afternoon.

Ms MacTIERNAN: Is the counter trade policy still administered by your department?

Mr COWAN: Yes, it is.

Ms MacTIERNAN: Are some officers dedicated to this? What outcome are you aiming for?

Mr COWAN: I am sure that officers are within the various divisions of the Department of Commerce and Trade who have responsibility for that. However, I am not sure that they are dedicated towards that aspect. It will come within the auspices of their responsibilities.

Mr LONEY: Counter trade has been managed within the department for some years. In April last year we restructured the industry division to a series of industry sectors. Each sector concentrates on counter trade as a vehicle for market access or whatever. One team, called the purchasing team in the corporate services division, has one person. About 50 or 60 per cent of his time is devoted to managing the counter trade options and dealing with companies.

The concept is that we have industry teams, but rather than have all the expertise and all the work on counter trade with one person, each of the industry sectors should manage counter trade as if it were managing investment attraction and trade promotion. They should use counter trade as a vehicle for those things. Each of the industry sectors works very hard on counter trade as a way of getting companies involved in international business.

Ms MacTIERNAN: How many industry sectors are there?

Mr LONEY: We have seven industry teams, six in the industry division and one in the office of information and communications which concentrates on companies in that sector.

Ms MacTIERNAN: Your policy document indicates that public authorities should liaise with your department as soon as it is apparent that the imported content of a proposed purchase exceeds or is likely to exceed A\$1m and that that liaison will commence prior to tenders being called during specification, preparation or procurement stage.

Has your department had any involvement with the decision by the Department of Transport to engage a \$300m class purchase of buses? If so, what was the level of involvement and the expense of that involvement?

Mr COWAN: Mr Loney might answer the question in respect to the contract which has just been let but I can assure the member for Armadale that in the past that has been one of the major sources of counter trade.

Ms MacTIERNAN: What has been one of the major sources?

Mr COWAN: The original contract that existed with, for example, Renault Eurodrive. Some successful counter trade obligations have been met that have proved quite successful for Western Australian industry, not the least of which was the counter trade obligation that Caterpillar of Australia Ltd had in regard to some engines or turbines that it supplied and as a result of that it provided extensive financing for one of our aluminium shipbuilders to get into an overseas market.

With respect to this current contract I am not aware of the level at which there has been any discussion or negotiation on counter trade, but because it is a contract in excess of \$1m I am sure discussions would have taken place. I can provide that as supplementary information.

Mr LONEY: I understand the tender group looking at the tender bids set up a subgroup to examine issues such as the counter trade development. The person I mentioned earlier was a member of the department on that group. It examined the counter trade bids for each tender put forward.

Ms MacTIERNAN: Do you believe that was done prior to the issuing of the contract?

Mr LONEY: It would have examined all the tender bids and the counter trade unit in each of the tender bids.

Ms MacTIERNAN: Does your department examine the counter trade proposals and then make a determination on whether they have been properly assessed?

Mr COWAN: Any bid is considered holistically and if a counter trade obligation is written into that bid our responsibility is to ensure that those counter trade obligations are met. Although we have a place in looking at whether there is a counter trade requirement within a tender we do not have responsibility for the allocation of the tender. If a tender is allocated and a counter trade requirement is put into that, our task is to make sure that those counter trade obligations are met. We provide advice on the counter trade obligations that might be included in the tender. We do not have an involvement in the contracts or the tenders. We can only give advice. Once the tender is let we then deal with the counter trade obligations that are in the successful tenderer's bid.

Ms MacTIERNAN: Do you supervise the implementation of the counter trade component?

Mr COWAN: Yes.

Ms MacTIERNAN: If, concomitant to that counter trade, credits develop as a result of a prior contractual process does your department have any responsibility to ensure that those credits that have been accumulated as part of a prior contract are properly taken into account in a subsequent contract?

Mr COWAN: Yes.

Ms MacTIERNAN: Could we have provided by way of supplementary information the way in which your department ensured that the counter trade credits of Renault, for example, were properly taken into account in the assessment of this next tender?

Mr COWAN: We can certainly provide information about how we discharge our obligations with respect to counter trade. I do not know about the next tender that you are talking about, but we can certainly do it with those tenders

which Renault has won in the past. With respect to the other, as I said, we only provide advice on what counter trade obligations might be offered.

Ms MacTIERNAN: Is it necessary to administer the provision of those once the contract has been entered into?

Mr COWAN: Yes. In that sense we do not have to administer something where a tenderer has not been successful. You are talking about a tender for which Renault bid and did not win. We will provide information on how we have discharged or ensured that a company has discharged its counter trade obligations with respect to its successful bid. We will also provide information on new tenders for which obligations are yet to be discharged. However, we will not provide information about counter trade obligations on unsuccessful bids. I respectfully suggest that you acquire that information from the unsuccessful bidder.

Ms MacTIERNAN: I am saying that part of this policy is the capacity to develop credits under the counter trade policy; that is, a contractual credit that a company acquires. What measures have you taken to ensure that those credits which are part of an earlier contractual arrangement have been given full force and effect?

Mr LONEY: Could I just ask for clarification of the word "credit"? Sorry to be picky but we often use the word "debit" in the sense that if someone incurs an obligation we regard that as a counter trade debit to us. Then once they work off that debit and perhaps do more, they are in credit. Is that what you mean?

Ms MacTIERNAN: Yes.

Mr LONEY: Does your question relate to how we manage the credit once they are in credit?

Ms MacTIERNAN: Yes, and ensure that that is properly taken into account in subsequent tenders.

Mr LONEY: We would not take it into account in subsequent tenders.

Ms MacTIERNAN: So a credit means nothing really?

Mr LONEY: No; they are in credit because they are earning money out of it, or for some reason. However, a tender is looked at in isolation. If a company were to put in a bid we would assess the tender based on its being in credit, but because they are good corporate people who discharge their debits correctly. That is my understanding at present, but I will make 100 per cent sure that is the case.

The CHAIRMAN: Regarding the general application of Division 10 and the year 2000 bug issue as it is known, does your department have a policy or position in relation to the appropriate tax treatment of expenses incurred by a business? If so, have you made a submission to the federal Treasurer or the federal Commissioner of Taxation?

Mr COWAN: I do not have to be reminded about whether we did or did not make a submission to them, but I certainly know I have made it very clear to a number of my federal colleagues that we expected to see some incentive provided by the Federal Government for companies that were required to meet year 2000 compliance. I am very pleased that proposals were in the federal Budget that dealt with that.

Mr COLLINS: The State made a submission to the Australian Taxation Office as part of a collective submission from the national year 2000 task force chaired by Maurice Newman of the Stock Exchange. The Tax Office has come up with a positive ruling. Originally it was felt that it would be a negative ruling following the lead taken by New Zealand. However, it is a positive ruling that allowances are claimable. We are in the process of getting that definitive ruling so that we can incorporate it into our advice to business and industry in Western Australia.

The CHAIRMAN: Is it your view that the allowance should be capable of being claimed at the time it is incurred or must it be stretched, so to speak, over a number of financial years rather than the year in which the expense has occurred?

Mr COWAN: As I understand the situation, it was split into two categories. Any capital investment for equipment was required to be depreciated and I do not have any difficulty with that. You cannot have one rule for capital equipment having a depreciation allowance and then not allow it in other cases, although the rate of the allowance varies. In some instances it is as low as 3.33 per cent, which takes 30 years for the full depreciation value to be claimed. In others it can be as high as 22 or 25 per cent, but in this case I do not know what it is. I think Mr Collins was referring to exactly what the depreciation rate will be. There is also the capacity for deductibility at the time as an expense. I am not sure how broad that is - whether, for example, the employment of a consultant can be a fully deductible expense or the expenses that might be required within a department or a business. However, we will get hold of it and make that information as widely available as possible.

The CHAIRMAN: What is your department's view on whether economic development officers should be employed by groups of that kind or by local government bodies or instrumentalities? This is very much a live issue, for

example, in the City of Wanneroo where a dispute has been on foot for several months over whether the local regional economic development group should employ such a person or whether the City of Wanneroo should. Much buck passing goes on. The RED group's view is that it is in a better position to employ a person of that kind, particularly in view of the contacts on its board; whereas the concern is that if such a person is employed by a local government agency he may get buried in red tape and bureaucracy and have very little impact in the area.

Mr COWAN: I do not know whether the department has a view. Often the view of the department and the view of the Minister are in conflict. Often the view of the Minister does not continue because we have an arrangement within the department that officers are required to tell me what they believe should occur rather than what they think their Minister would like to hear. We have some very animated discussions when at our executive meetings. That is for the good of the department and of Western Australia.

Western Australia, through the Regional Development Commissions Act, has responsibility for only those areas outside the MRS. As a consequence we do not have any jurisdiction within the metropolitan area for regional economic development. That then becomes a local government, federal government or other state government agency responsibility.

In the past, we have offered some in-kind services to different groups, particularly combined local government groups in regional economic development. Two come to mind: The RED group or the south west group and more recently the group associated with the Midland area. However, we do not have any jurisdiction in those areas. I understand that the Federal Government is presently reviewing its policy on regional development because it has a different definition of the regions. It includes all of Perth as a region of Australia, and does not apply to only the regions of Perth. If the Federal Government decides to rekindle the regional economic development policy it may well be that funds will be made available to some of those metropolitan groupings that I am talking about. If that policy is rekindled, the Department of Commerce and Trade, through the regional development division, would assist by helping those groups to access funding from the Commonwealth.

For the very reason I gave earlier, it is rare that we get back our fair share of funds from the Commonwealth in its redistribution of taxpayers' dollars. We would want to identify the probity of any proposal. However, if we believed it to be of value we would provide as much support as we could without providing funding to those groups.

Mr FITZHARDINGE: Regional development is based on community development principles. Those principles allow for tolerating a wide range of methods of achieving economic and community development. We would not advise against action which did not have the support of local government. Local government is a key player within regional development. Nor would we try to impose a formula in how communities assess their needs for achieving their aspirations.

Different models exist throughout the world depending on the strength, commitment and resources of local government. Within Western Australia is a strong framework of regional development, provided in partnership with local government. In your situation, in order to go forward the partnership aspects between the RED group and local government should be examined. We have found that if agreement is not reached between local government and a local development body it is very difficult to achieve progress.

Mr TRENORDEN: Earlier you were talking about Jervoise Bay. I am conscious of at least one native title claim over the metropolitan area. Has the area got clearance from the Native Title Tribunal for works to occur down there?

Mr COWAN: We are seeking a number of clearances. If a claim is lodged, we would not have finalised any clearances. We will work through that as we will with the environmental requirements and with planning.

Mr TRENORDEN: I understand claims have been lodged in relation to Rottneest Island and Garden Island.

Mr COWAN: We would be seeking agreement, as we would with any project. I am not aware that anything has yet been initiated.

Mr MARLBOROUGH: Is the Minister aware of a time frame for building this offshore facility within what is recognised as the window of opportunity? I understand the initial aim was to get it off the ground and have it in place by the year 2000 with the projected demands for offshore resources expected to increase dramatically beyond that period. Does the Minister agree that this development, which should have been handled on its own, is now caught up in what is about to happen in Cockburn Sound; that is, a Fremantle Port Authority proposed wharf and the Minister for Transport proposed private wharf in the main? Has the present EPA study expanded beyond this project to examine those other factors? What time frame will that involve with this development being caught up in that process? Is the Minister concerned that it is caught up in that process?

Mr COWAN: I have considerable concerns about the fact that after the redevelopment of the aluminium shipbuilding foreshore, Jervoise Bay is the next, dare I say, "wave" of development in that Kwinana region. We have

not got to the third or the fourth wave yet but I am sure we will get there! We have received an indication from the Chairman of the Environmental Protection Authority that it would be prudent for the Government to deal with the whole of Cockburn Sound in respect to environmental aspects. That is something that very few people could argue against. As a consequence, because we are the first cab off the rank in redevelopment or new developments there, it is most likely that we will have an obligation not only to Jervoise Bay but also to ensure that we can bring to the table all those bodies to be involved in any development in Cockburn Sound to ensure whole of area management of the seabed, for example, with regard to sea grass. We do not have any difficulty with trying to act as a catalyst to make sure that we can get whole of government management for the Cockburn Sound area.

Mr MARLBOROUGH: Are you not concerned about the delay it might cause this project?

Mr COWAN: No. I think some significant and rigid environmental conditions will be imposed on Jervoise Bay. We will meet those environmental conditions separately. However, we are now being advised by the Environmental Protection Authority that as well as the conditions that are to be applied for on the Jervoise Bay development, it expects the Government to have a program for management of the whole of Cockburn Sound, bearing in mind there are other proposed developments, from not only the Government but also the private sector. Mangles Bay is an example of that.

Mr MARLBOROUGH: With all of that happening, is the time line to have this project in place by 2000?

Mr COWAN: Yes. We expect to have the conditions applied to Jervoise Bay. That is a direct responsibility of the management team that we are putting in place to manage the Jervoise Bay project. As a Government and because we are going to be responsible for Jervoise Bay, we will accept some responsibility for ensuring that that overall management program is put in place in response to the EPA's requirements. That is not confined to only environmental issues. We are subject to a number of concerns by the community in that area - I am sure you are aware of this - where the Kwinana Industry Council made some recommendations which were published just before we announced the project was funded by the Federal Government and would therefore be in a much better position to proceed. So too was the Fremantle Rockingham Industrial Area Regional Strategy report which came out at roughly the same time.

We have ended up with people telling us it is our responsibility to relocate houses from Wattleup and Hope Valley and to ensure adequate public access is available to beaches and to public open space, all of which were recommendations contained within the FRIARS report or the Kwinana Industry Council recommendations. We must acknowledge that they are not our responsibility; whereas we think there must be a whole of Government approach to those. We will be reminding a few other government agencies that they must deal with those issues. At the same time we will not allow these requirements to delay the project. Even though there is considerable potential in the north west shelf through the Gorgon and other programs, we have only just picked up the tail end of the Laminaria project. We would not want to miss any opportunities with Bayo Undan. We would like to think we can pick up the Gorgon project as it comes on. Therefore, we want to progress this without any great delay.

Mr MARLBOROUGH: What is the situation with the wool scouring operations? It is a project I support, in the heart of my electorate along the Old Mandurah Road.

Mr COWAN: Progress has been slow, but progress is being made. We have considerably varied the original proposals. The present proposal for the wool scour is that it be a fully closed scour. By I that I mean no waste water will be going out for treatment. I think most environmentalists will acknowledge that that is a good thing. Unfortunately, an additional cost will be incurred with that, although I cannot remember what was the original allocation. If my memory serves me correctly it was about \$10.5m and has risen to about \$12m.

Mr MARLBOROUGH: Is that government input?

Mr COWAN: The government responsibility was to ensure that there was adequate land and that a waste water treatment plant would be provided for common use.

Mr MARLBOROUGH: Does the \$12.5m include the value of the land? Are you saying that the Government's input to get those three industries to come together and relocate at that particular point is \$12.5m which is made up of land value and the cost of water treatment?

Mr COWAN: We set a target that we would provide a waste water treatment plant. I am not aware of offsetting land costs. I can provide that as supplementary information unless Mr Marshall can provide it now. In addition, should the proponents go beyond a wool scour and move to top making, they would be eligible for an industry incentive under the usual requirements. I am sure that would be the case, but that would have to be assessed based on their application for an industry incentive.

Mr MARSHALL: The state commitment is for the waste treatment plant and, of course, the land upon which it sits.

Mr MARLBOROUGH: Will the waste treatment plant be part of the wool scouring operation; in other words, on the same piece of land as part of the fenced in area of land that the wool scouring operation will be on?

Mr MARSHALL: Not quite. It will be within the precinct but it will be a common user facility, not dedicated to only the one plant; therefore it will be, if you like, fenced off and will be on its own title of about two hectares. Although it will be stand-alone in a sense, it will be an integrated part of it. The price the Deputy Premier mentioned has increased because the water that was to be recirculated did not quite meet the demands of the scourers, so we had to include an extra step. That put the price up to around about \$12.5m for the plant. If we add the value of the land and so on, the full cost would be about \$14m to \$15m.

The waste water treatment facility contract has been awarded and we hope that the plant will be commissioned some time in June 1999.

Mr COWAN: An allocation has been made under the Agriculture appropriation at page 125.

Mr THOMAS: I refer the Deputy Premier to page 206 in the capital budget where a total of \$20m is shown as being allocated to Jervis Bay, broken down to \$8m for the southern precinct, \$10m for Cockburn Road and \$2m for the marine industry technology park. At page 202 under "Revenues", \$20m is shown under "Other". Am I correct in surmising that is the \$20m from the Commonwealth for the Jervis Bay project?

Mr COWAN: Yes.

Mr THOMAS: Will all of the expenditure on Jervis Bay in the forthcoming financial year be commonwealth money?

Mr COWAN: In the main, yes. I am sure some costs will be associated with the management of this project that will be borne by the State.

Mr THOMAS: I am concerned about the road. The amount of \$10m is allocated for Cockburn Road. What is going to be done to Cockburn Road this financial year, bearing in mind anything that is going to be done will require planning under the metropolitan region scheme and the like?

Mr COWAN: In the first instance, as the member for Cockburn said, we must obtain planning approval before we can spend any money. The first step will be the realignment of Cockburn Road to Russell Road and on to Stock Road, but I must confirm that.

Mr THOMAS: Are you saying that Cockburn Road will be realigned as far as Russell Road or are you saying it will be realigned to follow Russell Road?

Mr COWAN: I am suggesting that the proposal put to us is that Cockburn Road will divert to Russell Road and from Russell Road to Stock Road. It has not yet received planning approval. From the south, Cockburn Road will continue as far as the area of land that is set aside for the industrial park and then it will become a perimeter road around the park. We have not yet defined the boundary of the park. According to the concept, a finger of land comes down on the south eastern corner. To run Cockburn Road up around that would be a nonsense. Some adjustment of that area will be necessary. The idea is to identify the Russell Road route to Stock Road and to do the surveys and to get planning approval. If it is put through Stock Road the controlled access highway may not be necessary.

Mr THOMAS: There is an enormous degree of controversy about that controlled access highway going through Beeliar Regional Park, to the extent that people have threatened to sit in front of bulldozers, of whom I will be one.

Mr COWAN: I must reaffirm that this is subject to environmental and planning approvals. However, it is my understanding - and the general consensus of opinion - that the controlled access highway, as it runs through the reservation set aside for that regional park known as Beeliar Park, is part of the area where we are seeking to effect changes. We are seeking to have the controlled access highway removed from the plan and the main route as the Stock Road route. Cockburn Road would continue as a perimeter road up to the perimeter of the industrial park and then around it as a local road or whatever. I am more used to rural roads than I am to local roads.

That is all part of the planning but we are not seeking to divide Beeliar Park by the continuation of that controlled access route.

Mr TRENORDEN: I refer to regional development services on page 198 and one of the areas for which you have just said you have some feeling. I notice that on the budget estimate the amount of money will increase by some \$900 000. Is that an expansion of existing programs or is a new program being developed?

Mr COWAN: I think those increases will be associated with the Telecentre network, because it is included under the regional development program. An allocation is also likely under the Exmouth Development Trust that will be

associated with the development of the Learmonth Airport. If it is not that, it will be the final stages of the Exmouth boat harbour which also was funded partially from the trust. Outside that, increases will be made in allocations for the operation of the regional development commissions. Increases have been made for some commissions' capital works programs. Although we do not deal in the capital works project itself - it is done by an agent; usually LandCorp - we carry the funds for that. LandCorp acts as the service provider to the regional development commissions. In essence I think the additional money comes from the Telecentres. There will be a couple of other issues.

As you know, we asked the regional development commissions to provide their own strategic economic planning. As a consequence we identified that we needed to have a whole of state regional development policy. We have allocated some \$250 000 to ensure that we have a regional development policy established that has a good degree of community ownership. In other words we will not invite someone to just write something and then say that this is the policy. We will seek community consultation about a regional development policy for the whole of the State of Western Australia. That is where you will see the new programs. It is for additions to Telecentres and new programs such as the development of a regional policy.

Mr TRENORDEN: Although I am most aware of the Wheatbelt Development Commission, all the other commissions have put down their strategies and done their management plans. Many other agencies are doing things of importance in the wheatbelt. For example, the improvement in law and order in Northam is rather outstanding. However, we need to go the next step with some social activities in our community. I am sure you would argue it is the same with Merredin and a number of other communities. Are development commissions reaching a stage where they can start better coordinating with other agencies to have an impact on some of those funds that are in other budgets?

Mr COWAN: That is the case, although it is still very slow. Given that the commissions of three or four years old in the main are recently new, with the exception of the Southwest, Midwest, Great Southern and Goldfields-Esperance Development Commissions, the concept of regional development is now accepted. In Budget Paper No 3, the budget overview, there was an "In the regions" segment in each aspect of the budget. We have continued with our regional budgetary program so the regions are beginning to have a presence. They are now finding that there is greater cooperation with other agencies such as the Ministry of Planning. In that sense we are making progress, albeit slow progress.

You should bear in mind that we will not, in the main, allocate or appropriate funds to the commissions to actually undertake projects. They would always seek to be facilitators or coordinators.

Dr TURNBULL: It appears that only about half the moneys for the regional head works development scheme trust were spent in 1997-98. Is there a reason for that? Obviously you do not expect to spend more than about \$5m in this coming year.

Mr COWAN: There is a very easy explanation for the carryover of funds. A number of organisations have taken some time to pick up on that policy; it is new and it has taken a little bit of time. Recently there has been some acceleration in demand for it. Some of it involves big dollars. I am sure not too many people around this table have recognised Forrestfield as a region. Some funds were allocated to Joe White Maltings through the regional headworks because that is where the funds existed. They were headworks charges that were required by Western Power and the Water Corporation.

Fletcher International Meats has a significant headworks component in the assistance that is being provided to establish the high technology meat processing works at Narrikup. That will take a big slice of funding. I expect that this coming financial year or the following financial year the demand will be beyond our capacity to satisfy. I may be wrong about that, but I do not think so.

Dr TURNBULL: Have you funded any applications which have applied for things such as installation of three phase and cool stores?

Mr COWAN: I have no idea. I might be able to provide that detail by way of supplementary information. A panel assesses the applications, although I retain the right to make the final decision. On occasion I overturn the decision of the panel. In the main I rely upon its advice. The number of applications is growing. We used to have a rigid meeting time for applications to be assessed. Now they are assessed as they come in. That has created a few additional costs and problems because some of the panel members are taken from the regions.

The CHAIRMAN: It is noted that the member requires that information by supplementary information.

Mr BROWN: Can we have a copy by way of supplementary information of all those projects that have been funded under that scheme for the past 12 months?

Mr COWAN: Yes.

The CHAIRMAN: Noted.

Mr BROWN: The Minister will recall that a Public Accounts and Expenditure Review Committee report on financial assistance to industry recommended that government develop an industry policy. The Premier replied to that in the House on 31 October 1996, indicating there was a Cabinet subcommittee on economic and strategic planning and that one of its roles was to develop an industry policy. Where is that at?

Mr COWAN: We are progressing the development of an industry policy. We as a department have only recently decided that we should assume some responsibility for that rather than wait for the Cabinet standing committee on economic and strategic management. We are progressing that. As you would be aware, we have a number of agencies with a series of policies. Our job is to coordinate them. We have set about that particular task. For the benefit of members I can now table the information on the 15 or 16 organisations that have received funding for headworks. The figure is \$3.54m.

The CHAIRMAN: I will arrange for that to be circulated amongst members.

Mr BROWN: Referring to page 195, there is set aside in the budget lower expenditure on industry incentives. The last annual report of Commerce and Trade of 1996-97 predicted that less would be spent on this area due to the Commonwealth's removal of some of its programs and a curtailment. What programs have been removed? What has been the impact of that? Were those programs seen as negligible?

Mr COWAN: I must take advice from the acting CEO or provide in supplementary form the identification of those reduced commonwealth programs. There have been some - the member is quite correct - but I would not be able to give the detail immediately. At a state level we have included the industry incentives program as a part of our total program within the Department of Commerce and Trade to assist industry. There will always be applications from companies bringing new industries into Western Australia or developing existing ones with technological capability much higher than that of the existing industries. Fletcher International Meats is an example of that. As most people would know, we do have a meat processing capability in this State anyway but the ability to meet international competition has been doubtful because we have very few abattoirs that have an export licence and export markets.

My objective has been to add to the capacity of the department to provide services to industry through access to research and development, export development programs and infrastructure which has been developed for that particular purpose. Jervoise Bay, the CSIRO and the establishment of the Food Centre are examples of that, and there are a number of other areas as well. There will always be a requirement for industry incentives to be available to specific companies. I want to see it continue in the downward trend. However, it is no secret that Intel has indicated that it is looking for alternatives to its Kuala Lumpur and Manila operations for the establishment of a facility that will develop microchip processing here. The facility would fabricate those and have a test and assembly plant. If that were the case, we would be talking about a \$2b investment. It is a long way before it reaches finalisation. If you have read an article in *The Australian Financial Review*, it will have told you that it is all over and that the facility will be located in Melbourne. We will maintain the industry incentives scheme. It will vary because we deal with it on a case by case application basis. In one year there might be only \$4m or \$5m applied for; in another year there might be up to \$10m. It will depend entirely on whether Cabinet believes that the industry should be supported and whether it will contribute to the overall economy of the State.

Mr BROWN: Two or three years ago the State assisted Coflexip Stena with about \$8.5m, from memory.

Mr COWAN: Yes.

Mr BROWN: I do not know whether the Minister saw it, but an item in *Western Australian Business News* of 14 May to 27 May quoted Don Merritt, who said that Coflexip Stena was drawn to WA by land prices and deep water ports. Was the assistance that the Government gave it in land prices or deep water ports?

Mr COWAN: No, the assistance was in the form of an interest free loan converting to a grant dependent upon the company spending some \$50m plus on the establishment of its manufacturing plant and also on the employment opportunities that it would provide. It was also conditional upon the company exporting product. It has met those particular requirements. There is also a heavy lift crane provided.

Mr BROWN: I raised that question because there is always some attendant risk when people come along and say they will establish "if". It is the same as Intel which, I understand, is saying to the Australian Government, "We will establish if". The "if" normally means the degree to which the Government of the day is prepared to shell out.

Mr COWAN: The criterion upon which we assess the worth of a business is public information. That information can be made available to the member. In addition to that, we do not enter bidding wars with other States. We

certainly assess and evaluate the worth of the company to the Western Australian economy without being influenced by what other States might offer.

Sitting suspended from 1.00 to 2.00 pm

[Mr Bloffwitch, Chairman.]

Mr GRILL: The total consolidated revenue from the appropriation which is shown at the bottom of page 192 is \$55m. The estimate last year, which is shown on page 146 of last year's budget papers, is \$57 986 000. There appears to be an underspending of a little over \$2m. On page 192 it appears as though this forthcoming year government will be spending something like \$70m, which is a big increase. I presume that most of that is taken up with those infrastructure projects that have been referred to. Will the Minister give some detail of the additional spending in that arena?

Mr COWAN: The additional expenditure is essentially the addition in capital. The appropriation was \$5.2m for capital programs; this year it is \$18m, and that is for infrastructure development. We are a little slower developing the infrastructure development program than we were with science and technology, research and development or the maintenance of the industry incentives scheme. That is one of the reasons that there are some significant increases. You will find that others are spread pretty much across the board, although there is an increase in the science and technology appropriation as well as for infrastructure development services; that is, servicing the need to provide infrastructure and identifying the number of issues that could be raised. There is also a decrease in the funding for the industry sector and for trade development services. That is not for the focus we place on export development or markets overseas but predominantly in funding for industry sector programs. You must acknowledge that much of the capital costs were from CSIRO. With respect to the underspending, you would know from your experience, member for Eyre, that in the main the department operates a fund which has money appropriated to it for different projects which may or may not necessarily get off the ground or commence at the time we would all like them to. There inevitably seem to be delays rather than things coming in on time, and as a consequence of that we do carry funds over. I suggest it is not a matter of underspending as much as it might very well be carrying funds over.

Mr GRILL: Almost every week when one turns on the television set one finds someone lamenting, as did representatives from one of the major hospitals the night before last. They were involved in some basic research into cholesterol and the way in which cholesterol can seep through the intestines and be carried up to the heart. They were lamenting about the fact that there was no basic research money available. If you had unlimited funds to help with basic research and with research and development, could you spend it all or are there only a limited number of projects in Western Australia which could fairly accept that sort of money and expect some sort of dividend at the end of the day?

Mr COWAN: Within reason people can always spend the money that is given to them, but because we set criteria that indicate they must get value for money, the response to your question is probably no, they could not. You referred to health. We have been instrumental in the establishment of the state medical and health research fund. That fund, incidentally, is designed to assist only those research institutions in the health system which are able to win National Health and Medical Research Council funding to assist with infrastructure. The fund is for research only; it does not pay the light bills or the office rent, so we provide some funding to offset those costs. As a consequence of that, we are limited to that extent, but if more money was made available, yes, of course people could spend it. This has been demonstrated to us through cooperative research centres.

Dr Meek mentioned earlier today that two rounds were being brought into one. We expect to see a very sharp increase in demand for funding from that source. One can get quite a level of interest, but when one starts assessing whether those applications will give value for the taxpayers' dollars, that is a different story.

Mr GRILL: Does your department monitor the amount of basic research and research and development funding by the private sector in Western Australia? Are there figures that set that out?

Dr MEEK: The first step towards that was the R and D report that Bill Thomas was referring to earlier on. That is the first time that disaggregated data for Western Australia have been collated to try to give us at least a baseline from which we could then observe trends in the future. So yes, we are doing that.

Division 11: Perth International Centre for Application of Solar Energy, \$600 000 -

[Mr Bloffwitch, Chairman.]

[Mr Cowan, Minister for Commerce and Trade.]

Mr BRADSHAW: On page 848 under major initiatives for 1998-99, I was rather interested to see the statements, starting with the Provincial Electricity Authority of Thailand for the electrification of 20 remote island villages. As

CASE conducts solar energy research, why are we involved in all of these countries; are we or they paying for it; and what do we get out of it?

Mr COWAN: It is not a research body; it is a body which applies solar energy research. It is the International Centre for the Application of Solar Energy research, so it does no research work whatsoever. It is responsible for project management for demonstration projects and for the application of renewable energy programs. In that sense much of its work is done overseas, generally funded by the particular country through aid groups such as the World Bank, the Asia Development Bank or even AusAID.

The project you are talking about in Thailand is - if my memory serves me correctly - World Bank funded. It provides the expertise for a hybrid power system using some distillate but predominantly photovoltaic cells. That is what CASE does; it is not a research body; it is more about project management or demonstration management.

Mr GRILL: There appears to be a 40 per cent cut in funding from last year to the year under consideration. Does that signify that this sort of work is on the back burner, off the boil or that nothing relevant is happening at the moment?

Mr COWAN: There was a significant carryover of funds from last year. Although the level of work that it attracted was still increasing, it was not increasing at the rate we expected. In addition, there was a greater level of funding from alternate sources which offset the costs that we anticipated we would have to meet. Last year we provided funds to compensate for the lack of funding from the Commonwealth. If you recall, this was to be a tripartite operation sponsored by UNIDO, with it giving no financial support, and supported financially on a dollar for dollar basis by the Commonwealth and the State. The Commonwealth withdrew last year. As a consequence, we converted some of the funds that had been set aside for capital expenditure to provide a facility as a permanent home from which CASE could operate into recurrent expenditure in order to ensure that the loss of commonwealth funding was met by an increased contribution from the State. It was to be \$500 000 from each. We met all of the funds but CASE did not expend all of them for those two reasons. The rate of acceleration and the use of CASE was not as great as we expected and the level of funding from alternate sources increased, so there was a significant carryover. That carryover will be used this year to maintain CASE's operations.

Mr TRENORDEN: On page 847 the fourth dot point refers to 2 per cent of electricity from renewable sources which will provide a significant opportunity for industry. Do you agree with Dr Suzuki's much publicised statements of yesterday that Australia does not use solar energy and has a very deficient attitude towards solar energy?

Mr COWAN: I have not seen Dr Suzuki's comments so I cannot remark on them. I agree that we do not use all renewable energy resources to the extent that we should. Some of the difficulties associated with that are not so much in the generation as in the storage of power. A lot of work needs to be done on that. In addition, there must be the capacity to switch from one power source to another without having a major power surge or loss, which of course would impact on quite a lot of electrical equipment. Those two factors must be overcome in order to be able to use hybrid systems, for example. We could do a little more about commercial developments such as tidal power and major wind power generation. In respect of this particular dot point, it will be interesting to see what protocols the Australian Government develops, as it is now a signatory to the Kyoto conference outcome under which it is expected to use 2 per cent of its power generation from renewable energy and trading with carbon credits will be permitted. It will be very interesting indeed.

Mr GRILL: Carbon credits have not yet been formalised, have they?

Mr COWAN: No.

Mr GRILL: Are you hopeful they will be?

Mr COWAN: The Kyoto conference produced the requirement that 2 per cent of energy come from renewable resources and that if energy resource sector companies were to bring new energy into the market, they should acquire equivalents of carbon fixation. This means that they could get credits for carbon fixation and they could sell those credits. Western Australia is very well placed, given the extent to which it can produce forestry plantation. We are very well placed to access that when those protocols are further developed but at the moment this is just a principle.

Mr GRILL: When I say it has not been formalised, it is just agreed in a very loose way, is it?

Mr COWAN: Yes.

Mr WIESE: At the bottom of page 850 a performance measure is the cost of production of a kilo volt amp per 100 units as a dollar value of \$9 000. Is that a 10 kilo volt amp plant, or what are we getting?

Mr COWAN: I must provide that information by way of supplementary advice because I certainly could not give you any information on that.

The CHAIRMAN: The Minister agrees to provide that as supplementary information.

Bearing in mind the question that was asked on solar power generating household electricity, has any thought been given to making a model or display of such a place? I have certainly seen on television shows that in the east some houses run completely off either wind or solar energy. Would it not be an idea if this State did something along those lines so that international people can see exactly what can be done?

Mr COWAN: We would not put a display together. We would certainly expect some of the installations that have been undertaken by CASE to be used for display purposes, subject to the approval of the various groups. The first that comes to mind would be the Aboriginal settlement on the Swan. The Nyoongah people have a hybrid system operating there. My understanding is that part of the agreement was that we could take people to examine that system provided we asked and provided permission was granted. My understanding is that it has been installed for only six weeks or so and is working. We should be able to prove that it is of a fairly robust nature, so it will be a classic example of demonstrating what is available. Most of the work by CASE is done in other overseas countries. CASE certainly applies solar energy to remote and isolated areas of Western Australia.

Division 12: Gascoyne Development Commission, \$2 687 000 -

[Mr Bloffwitch, Chairman.]

[Mr Cowan, Minister for Regional Development.]

[Mr C.B. Fitzhardinge, Executive Director of Regional Development, Department of Commerce and Trade.]

Mr BROWN: On page 493 a significant trend at the fourth dot point is a secure and increased water supply for Carnarvon. What is being done?

Mr COWAN: It is an identification of a water source for agricultural and horticultural purposes in an area known as Rocky Pool. It is quite some distance inland on the Gascoyne River. It is anticipated that it would be used for products such as citrus. That is the issue that dot point refers to. The commission, in conjunction with Agriculture WA and the Water Corporation, has been working to identify the quality and quantity of that resource to see whether it can be used for agricultural purposes.

Mr BROWN: On the same page the second dot point refers to the further development of sustainable nature based tourism. Does the development commission have any discussions with the Tourism Commission about that, insofar as the funds going to local tourist bureaus are reducing? As I understand it, this year the amount provided to Carnarvon by the Tourism Commission will reduce by something in the order of \$4 000 or \$5 000.

Mr COWAN: I am not able to speak on the allocation or appropriation for other departments. I am quite confident that not only the Gascoyne Development Commission but also all of the commissions and indeed the peak advisory body, the Regional Development Council, would enter into quite considerable dialogue with the Tourism Commission. You must appreciate that not only is the Gascoyne region suitable for nature based tourism but also so are Exmouth and Shark Bay, and they all are part of the Gascoyne Development Commission. Nature based tourism is a very significant industry in that region.

Mr FITZHARDINGE: The Gascoyne Development Commission has been active in seeking Federal funds to assist in developing this area, so although there may be changes in funding at one level, other opportunities open up. There are also funds specifically identified for nature based tourism under a nature based tourism advisory committee, which is operated by the WA Tourism Commission, of which the Regional Development Council is a member. I am sure the Gascoyne Development Commission will seek to apply those funds to develop its world class nature based attractions.

Mr BROWN: Some tourists will actively seek out maps and details of an area and will go and look for themselves. Others go in a general direction and are not really interested in doing all that. They want to ask somebody where the information is, how to get there, what the sites are and all the rest of it. If one government department is putting money into opening up and trying to establish new areas and another one is removing money so that bureaux cannot stay open as long as they could previously, it seems that there is a bit of a problem. The departments are opening up new areas but they are not leaving the bureaux open to guide people to those new areas. I raise it in the context of Carnarvon, but it is happening throughout the southwest and the north. These local bureaux are being told, "You have got to be funded by the local authorities." Some of the local authorities are saying, "Sorry, we will not."

Mr COWAN: We are very conscious through the commissions of the value of tourism, whether it be nature based or tourism in its total sense. We do as much as we can to promote it. I cannot speak for other agencies. We do our best with what is available to us. We have, for example, the Exmouth Development Trust Fund, which is confined to promoting Exmouth. Part of its funds will be used for establishing a tourist bureau in the town of Exmouth. We are hoping that that and the Learmonth Airport will completely discharge that fund.

Mr BROWN: I note in the major initiatives for 1998-99 the development of an Exmouth residential resort at the boat harbour and upgrade of the Learmonth Airport. Has the development commission had any discussions with the Water Corporation on water availability in Exmouth? When I was there recently, some questions were asked about the capacity of where it currently draws water. A recent EPA report indicates that it is ground water and it is drawn between various levels. It must be drawn at a particular level. Like all of those resources, if people draw too much, they will - I do not profess to understand how it all operates - muck it up and it will not be there for the future. In the minds of a number of people up there is the question of whether there is sufficient water for the type of expansion that might be planned. Has the commission dealt with that matter?

Mr COWAN: We would certainly alert the Water Corporation to that fact because we will not play God. If people want to live in Exmouth, then we will accommodate that. If people want to visit Exmouth, we will accommodate that. We would consult the Water Corporation but I do not think we would go past the consulting stage; we would not seek to solve its problems.

Mr FITZHARDINGE: Consultation has happened over a long period of time as part of the planning of Exmouth.

Mr BROWN: Has it resolved the matter? There is a finite supply there. What will it take?

Mr FITZHARDINGE: Water supply is always an issue of cost. As in Denham where desalination is taking place to supplement the water supply, there are always options for supplying water. The main constraint there is not necessarily the availability of water or the quality of water; it is the interaction between the ground water and the environment and the impact on the cast system. So it is a very delicate environmental balance. It is quite clear that there is not adequate water supply for horticulture for the area adjacent.

Water has been identified by the Water Corporation as having a priority for urban development and as servicing the townsite, but I am sure that there would be the capacity to match the growth of Exmouth in supplying water from a range of means, which could be upgrading lesser quality potable water through filtration or desalination to augment the supplies.

Mr WIESE: Does the development commission get involved in projects such as the limestone project at Exmouth? Is it able to assist, push or hurry a project like that along. I understand it has gone through all of the environmental management assessments and is basically ready to go but it cannot get the approvals?

Mr COWAN: The commission has been involved. It has sought to expedite that but the final decision is not the commission's.

Mr TRENORDEN: I was in Exmouth a few months ago. There is a question about power. Is that matter being investigated with the development of the resort and the airport?

Mr COWAN: Yes.

Division 13: Goldfields-Esperance Development Commission, \$1 533 000 -

[Mr Bloffwitch, Chairman.]

[Mr Cowan, Minister for Regional Development.]

Mr GRILL: A very large industrial estate is situated between the City of Kalgoorlie-Boulder and the Town of Coolgardie. It has a wonderful entry statement and has been there for several years but it does not look like attracting any industry. What is happening with that?

Mr COWAN: My understanding is that the responsibility for that industrial estate rests with the Department of Resources Development. However, the Goldfields-Esperance Development Commission has an interest in it. I believe it is involved at the moment in seeking to have gas made available to the estate. I do not know how far that has developed. I can provide that information as part of supplementary advice. The responsibility for that estate now rests with the Department of Resources Development.

Mr TRENORDEN: On page 506 reference is made to the Water Corporation, the Waters and Rivers Commission and industry. There are not too many rivers at Kalgoorlie. The water question has been raised quite a few times. The initiative merely refers to securing alternative supplies. What will be happening in the coming year?

Mr COWAN: I am not sure about potable supplies but the industrial quality supply was associated with a survey that was conducted some time ago by the Goldfields-Esperance Development Commission.

Mr TRENORDEN: I was interested in the industrial supply.

Mr COWAN: The survey identified a number of alternative sources for industrial water and made some

recommendations. One was the development of a new source of underground saline water in one of the aquifers there. Another recommendation was the construction of a pipeline to bring less saline sea water to Kalgoorlie. Since the gas has become available at Kalgoorlie, there has been considerable agitation for that gas availability to be extended to a proposed nickel mine, not directly along the route to Esperance but not that far away from it.

There is conjecture that if those proposals ever eventuate, gas could be sent to Esperance. If that were the case, it may even be that the development of a new power station could have some capacity for desalination. The issues being examined were the tapping of underground aquifer for highly saline water not far from Kalgoorlie and the construction of a pipeline to pump sea water from Esperance to Kalgoorlie.

Mr GRILL: Which agency is looking at the feasibility of that?

Mr COWAN: It is in the hands of the Water Corporation. The Goldfields-Esperance Development Commission commissioned the report. The report was handed to the Water Corporation, which is now the lead agency for it. I understand it is examining it and is looking at the option of the pipeline from Esperance.

Mr GRILL: You would be aware that those three or more huge lateritic deposits of nickel will be mined shortly. It has come to my notice fairly recently that it will use absolutely immense amounts of water. There is now some fear that it will deplete some of the aquifers in the northern goldfields and in the area around Kalgoorlie. The question of water availability is becoming more acute with the development of those projects. I would not like to see the Goldfields-Esperance Development Authority allow that to slip. You must really keep your finger on that one.

Mr COWAN: We note that. Even though the responsibility rests with the Water Corporation, in the interest of regional development we will make sure that we keep abreast of it.

Divisions 14 and 15: Great Southern Development Commission, \$1 307 000; Kimberley Development Commission, \$1 573 000.

Division 16: Mid West Development Commission, \$6 973 000 -

[Mr Bloffwitch, Chairman.]

[Mr Cowan, Minister for Regional Development.]

Mr GRILL: Do your agencies have any interest in the Oakajee estate or has that been handed across to the Department of Resource Development?

Mr COWAN: That is with the Department of Resources Development.

Division 17: Peel Development Commission, \$2 720 000 -

[Mr Bloffwitch, Chairman.]

[Mr Cowan, Minister for Regional Development.]

[Mr E.J. Styants, Chief Executive Officer, Peel Development Commission.]

MR BRADSHAW: \$420 000 has been set aside for the next financial year for the WA Rail Heritage Centre in Pinjarra. Is that dependent on the federal funding that has been applied for? If not has the funding from the Federal Government been missed out on or is it in the pipeline?

Mr STYANTS: The \$420 000 in next year's appropriations was directed towards a matching grant that was applied for from the Commonwealth Government. The grant was not approved by the Commonwealth in the end but the State was required to show that it could provide the matching arrangements. We are still seeking clarification from the Commonwealth whether there will be a further round of this national tourism development grant program. If that is so, we would seek to apply again for approximately the same allocation through a grant which would occur in the coming financial year.

In the interim, the commission is pushing on with a detailed structure plan of the program and we have brought alongside a leading consultancy which is developing this plan. This will give us a finer cost structure for the development of this project. In the interim we have had discussions with the federation grants program people and the state committee has endorsed the Rail Heritage Centre fitting within that program and it has encouraged us to prepare an application for that. The grants available under that program are up to about \$5m.

If we could secure that grant and seek some private sponsorship through companies that are tied in with rail, we believe that we would basically achieve a significant resource that could build the total rail heritage program, which

includes also rebuilding the Dwellingup to Boddington railway line and putting some money into the railway workshops at Yarloop to increase their capabilities, particularly in respect of fire which is a problem there.

Mr BRADSHAW: The \$420 000 that was set aside will not be spent in total unless it is matched by the Commonwealth. Is that correct?

Mr COWAN: It is money that has been allocated for that. It was allocated originally to demonstrate that we had the capacity to match the commonwealth funding. Although it would require Cabinet approval to make any variation, the gist of what has been said to you is that we are considering and looking for alternatives that can justify the expenditure of that money, but they would have to be good alternatives.

Mr BROWN: Would the trains, railway carriages and so on be drawn from the heritage stock?

Mr COWAN: I have absolutely no idea but I am sure someone will find them.

Mr STYANTS: Hotham Valley Tourist Railway.

Mr COWAN: There are carriages around. I am sure they will draw them from somewhere.

Mr BROWN: I ask the question because I have some involvement with the Australasian Rail Heritage Society.

Mr COWAN: We would expect the Hotham Valley Tourist Railway to have a fairly significant involvement in this. We do not have an inventory of its stocks.

Mr BRADSHAW: A major initiative is to complete site investigations for a Peel regional zoo. Are you looking at private land as well as government land? Is it stacking up financially to enable it to go ahead?

Mr STYANTS We looked at two sites initially at Boddington and at Preston Beach. They proved to be unsuitable because of problems with the supply of appropriate quantities of potable water. The study was expanded to look at five further sites across the Peel region. Of those five two have now been determined as being suitable and they are currently being looked at in greater detail. One of those sites is in the Shire of Waroona and the other one is in the Amarillo area. The Amarillo site is state land. The site in Waroona is a combination of CALM land and private land.

Division 18: Pilbara Development Commission, \$1 336 000 -

Division 19: South West Development Commission, \$4 748 000 -

[Mr Bloffwitch, Chairman.]

[Mr Cowan, Minister for Regional Development.]

Mr BRADSHAW: How many towns are taking up the challenge of the main street program which the South West Development Commission is promoting? Is there a review of the progress with the funding for people to be employed, which is made available through the Department of Commerce and Trade?

Mr COWAN: The main street program is a Commerce and Trade program. I know from experience that the South West Development Commission has the advantage of having some funds available to provide to different townships for projects, which should not be confused with the main street program.

Mr STYANTS A person from the South West Development Commission is going around promoting the main street program?

Mr COWAN: I have no difficulty with that, but the funding comes from the Department of Commerce and Trade budget. It is not a South West Development Commission program. We are quite happy to provide some detail by way of supplementary information on the main street program, but it would not be confined to the South West Development Commission; it would be the whole of the State.

Division 20: Wheatbelt Development Commission, \$1 321 000 -

[Mr Bloffwitch, Chairman.]

[Mr Cowan, Minister for Regional Development.]

Mr TRENORDEN: When can we expect the review of Meenaar to be in your hands?

Mr COWAN: I have not been given a date but I can assure you that I will get an indication of that for you because I have an interest myself.

Division 21: Small Business Development Corporation, \$8 681 000 -

[Mr Bloffwitch, Chairman.]

[Mr Cowan, Minister for Small Business.]

[Mr G. Etrelezis, Managing Director, Small Business Development Corporation.]

[Mr R.H. Buttsworth, Finance Administrative Officer, Small Business Development Corporation.]

Mr BROWN: Under significant issues and trends is a reference to the growth of the small business sector. The second sentence of that paragraph reads that much of this growth comes from the trend towards subcontracting as opposed to employment. Could I be directed to the statistics for the nature of that small business growth?

Mr ETRELEZIS: The trend statistics referred to come from a combination of sources. The corporation receives in excess of 10 000 inquiries a year from prospective business starters. We see in excess of some 3 000 individual business proponents. When they come to us, we draw from them why they are coming and where they are coming from. It is very evident from the trends that we have looked at over the past two or three years that the aspect of subcontracting is becoming more prevalent. Indeed, with the issue of downsizing in both the public and the private sectors and also the trend towards contracting out in both the public and the private sectors away from non-core activity, we are seeing more small business development coming from those sources. We have not done surveys of existing businesses to determine that outcome but it is drawn from statistics that we gathered through the Small Business Development Corporation and also through contacts with the 36 business enterprise centres throughout Western Australia.

Mr BROWN: You have made that observation from your own experience and knowledge?

Mr ETRELEZIS: Correct.

Mr BROWN: On page 1067, the first dot point talks about a significant growth in competition and I notice over the page under outputs, the second heading reads policy analysis and advocacy for SME issues. A little over \$1m has been allocated for that. What is the Small Business Development Corporation doing about some of the more vexatious competition issues facing small businesses? I will give you two examples of what I mean.

In recent times I have been contacted by a florist in my electorate who is facing difficulties because the local authority has allowed 20 licences to be issued to people to sell flowers on the side of the road. These people have no set up costs, rent or rates to pay. That florist is losing business hand over fist; it simply cannot compete because it has to meet all the overheads of running a business. That is one issue. The other issue is I have recently received representations from a milk vendor who is a small business person. He put up everything that he owned to buy a round. He has now been given a new contract by one of the major dairies. Quite frankly, when I saw the new contract I thought they had reintroduced slavery because that is how biased the contract was. He must either sign the contract or he will not have a round. We are seeing more and more of these so-called independent business people being screwed - I do not know any other word to describe it - by people in a much superior bargaining position. Some action is needed here. What advocacy services are being provided to assist small business people in this circumstance? Is the SBDC recommending anything to deal with these issues which seem to be becoming more rather than less pronounced?

Mr COWAN: If you are suggesting there should be a regulatory process, that is not the role of the SBDC but the services in respect to advocacy which you mentioned are something Mr Etrelezis can comment on.

Mr ETRELEZIS: The advocacy role of the corporation is very much valued, firstly, by its independent board of directors. It has been very important to small business persons. We get numerous requests for assistance of the nature you described. For example, in the case of the florist, we have had some success with local governments in ensuring that there is a fair go for established businesses and that it set guidelines for what are really itinerant vendors in many cases. In fact, some local governments have banned them from existing without permission of council and have been very heavy on that.

In other instances, we link very closely with local government to ensure there is also a fair go for people who do not operate in traditional areas; for example, home occupations. We have been working on model scheme texts and other things to attain some consistency from one local government vicinity to another throughout the State. We are encouraging local government to take this up, so at least the ground rules are there when people start these ventures.

Our advocacy role is to take up cases for individual small businesses and small business groups. We had this difficulty with the milk vendors when there was a rationalisation of the industry some years ago. The word "rationalisation" is the key there because in the end it became one small business interest against another. There was

only so much available in the market place for them to survive and, in this latest instance, we have had representation from both sides. One side is saying that to boost its round to enable it to continue as a viable proposition it needs some of the market share from the smaller players. Whether those smaller players give up their market share is up to the private contractor involved, the major dairies, and how they sort that out. Some compensation was given when the full rationalisation occurred some years ago and we are waiting to see what eventuates in this latest instance. However, with this competition principle, it is market share shifting from one player to another in a lot of cases.

We are finding ourselves more and more in the advocacy role with the issue of competition review. As the committee would be aware numerous Acts are undergoing the competition review process. We play an important role in gathering views on the competition factor from our constituency, the small business sector, and providing submissions on competition review to those agencies which are reviewing the Acts.

Mr BROWN: Competition between two delicatessens in a shopping centre where they are competing for who can be the nicest deli, sell the nicest food and give the best service is one thing. I consider that to be fair competition. Two businesses are competing. They are both trying to attract customers into their shop and whoever can provide the best service and quality might be the survivor and one understands that competition is taking place. However, it seems that the other form of competition is where you have a dominant player and a person who exists simply by virtue of the good graces of that other player. In a number of industries the situation is that there has been a fairly good relationship in the past between the person who exercises considerable power and the person who exercises very little power because it is seen to be in their mutual best interests. In more recent times there has been a turning of that relationship. Everything is much harder for the smaller person and they are not in a position, in many instances, to simply say, "I will pack up and I will go and start up again down the road". If their business ends, then so does their financial capacity. It is all invested and a lot of it is invested in good will.

Mr ETRELEZIS: The purpose of that trend is this competition factor and we try to list it for the benefit of the public. The member is quite right. Traditionally it has been big business who has this power, as you call it. What we have been trying to convince the small business sector to do is adapt to this threat of competition from sources that were not there 10 or 15 years ago, but are there now. As described, they are non traditional areas and one stop shopping purposes. Category killers and others have entered the market place where traditionally big business has not ventured but it is now to improve its market share. It is getting into the small business share of the market place. We have been trying to influence small business to change its ways of doing business and adapt to meet the competition by introducing specialisation and other services to beat the competition from the bigger player and the essence is quoted there. The Internet or electronic commerce is probably a good one. Where small business does not adapt quickly, it will lose market share to the bigger players.

Division 35: Western Australian Tourism Commission, \$29 642 000 -

[Mr Bloffwitch, Chairman.]

[Mr Bradshaw, Parliamentary Secretary to the Minister for Tourism.]

[Mr S.R. Crockett, Chief Executive Officer, Western Australian Tourism Commission.]

[Mr J. Aquino, General Manager, Operations, Western Australian Tourism Commission.]

[Mr B.W. Easton, Chief Executive Officer, Rottnest Island Authority.]

[Mr M.D. Colyer, Senior Finance Analyst, Rottnest Island Authority.]

Mr JOHNSON: On page 1168, the last dot point states that the commission will continue to market heavily in the British marketplace. Is the demise of the Australian dollar, in conjunction with the Asian currency problems, having an effect at the moment? I noticed yesterday the dollar rate was about \$2.65 to the pound, which is good for people coming out here but I believe the airline flights' prices have gone up in the last few months. That is my experience. Do you foresee a major effect on tourism from England to Australia?

Mr BRADSHAW: Fortunately, in the last 12 months there has been a positive increase in the number of visitors coming from the United Kingdom. That has been due to the combined tourism industry push to bring more people out and a very generous air fare agreement between Qantas and British Airways. In fact, that has helped offset some of the downside from the Asian crisis. I will get Mr Crockett to add to this in a moment, but even though the air fares are going up, they were at a very low price for a while as a promotion to get people to come out on that route, and the campaign has been had a positive effect on the number of visitors.

Mr CROCKETT: You are right. The currency exchange has caused us some difficulty in buying media particularly as the cost of media is rising anyway; with the dollar buying fewer pounds it is more difficult. We have been fortunate in the UK in the last 12 months in that we have had a very strong cooperative partnership. In fact, our last

campaign was almost 50 per cent funded by British tourism, the airlines or the travel agents and wholesalers out of Britain. They are still contributing in pounds; that has helped us a lot.

Mr JOHNSON: Was that British Airways?

Mr CROCKETT: Yes, British Airways. A company called Travel Bag is our retail partner there. They have managed to keep us in front of the game because obviously they are working in pounds. We ran the last campaign with the Elle Macpherson advertisement and a designated fare from British Airways of £469 which is the cheapest it has been in 15 years. As we had hoped it sparked a price war, and Singapore, Malaysia and numerous other airlines matched or bettered that price. It is a very competitive market place for air fares at the moment. They are very low which is different to what we are experiencing here. It has never been cheaper to buy a British air fare to Australia.

Mr JOHNSON: Is that the present trend? I thought they had gone up in the last couple of months or so.

Mr CROCKETT: No, they are still very low.

Mr BROWN: I gave some notice of a few questions so hopefully people can have a look at them. I am sorry there was not more notice. In talking about the increase from the UK - and I notice there has been a State increase from the UK as well as an Australian increase from the UK - can you break down those increases over the last 12 months? What statistics do you have about a percentage increase of visitors to Western Australia originating from the United Kingdom for the period May 1997-98? What are the statistics for the increase over 12 months of visitors to Australia originating from the UK? What is the source of the statistics?

Mr BRADSHAW: The data for the rolling 12 months May 1997 to April 1998 is not yet available. The latest data available on a state basis is the year ending February 1998.

Mr BROWN: What is it for that period?

Mr BRADSHAW: For the 12 month period to the end of February 1998, there were 78 765 short term visitor arrivals to Western Australia from the UK-Ireland. This represented an 18.9 per cent increase over the previous 12 month total of 66 271.

Mr BROWN: What was it for Australia as a whole?

Mr BRADSHAW: I cannot give you that.

Mr BROWN: The Treasury issued a paper in March 1998 entitled "Economic Developments in South East Asia" in which it talked about the implications of the lower dollar. The paper said we should get more inbound tourism from the UK and the US and that is something we are seeing. Are you trying to work out what you will receive through the natural movement in dollar and currency fluctuations as opposed to what we are getting in terms of advertising and so on? That is what I am trying to do.

Mr CROCKETT: I can give you a rough guide. We can get the exact figures but certainly the Australian increase of UK visitation is less than the Western Australian increase. Western Australia has done better than the Australian increase.

Mr BROWN: There was some publicity about the Elle campaign a while ago suggesting that the Government was looking at engaging Elle for some more work?

Mr CROCKETT: Yes. The initial proposal was always that the series of commercials would be produced to cover the State. As you would be aware we have produced commercials for the Bungle Bungles, the Kimberley, Ningaloo Reef, and the south west of Perth. We always hoped to create commercials for the eastern goldfields and Perth which we do not have. We have been looking to supplement - not replace - the existing series of commercials with those destinations that have not yet been promoted. Obviously it is not possible to do them all in one hit and we have been exploring the prospect of creating two additional commercials; one for the Perth region and one for the Kalgoorlie region.

Mr BROWN: Is money set aside in the Budget for that? Do you have an idea of what the contract might be worth? I do not think we are not going to get her for \$100 a day again.

Mr CROCKETT: In fact, we did not last time. It is included in the costings and we do have an estimate of production and various associated costs of making those two commercials. I do not have the exact figures here but it would be a total production budget between \$700 000 and \$800 000. That is a very rough figure at this stage but the figures are in the budget.

Mr BROWN: Could you provide those for us by way of supplementary information?

Mr BRADSHAW: That will be provided by supplementary information.

Mr MARSHALL: Page 1167, going on from significant issues and trends, the third dot point is about the Sydney 2000 Olympics and how they present the State with an opportunity to broaden its international image. The final part states that Western Australia is to maximise the opportunities presented by the Olympics to ensure tourism benefits beyond Sydney. Recently with the World Swimming Championships the UK swimming team was training in Perth. On the sports side, a sports international committee has been created to get sporting groups to come to Western Australia. Are you having any success and what strategy do you have in place to ensure that the tourism is maximised by the Olympic Games?

Mr BRADSHAW: The Tourism Commission is putting a strategy in place to maximise the advantages of the 2000 Olympics. It is important to capitalise on the people coming to Australia, to ensure that they do not just sit in Sydney or go only to Sydney. We are hoping to make Perth the gateway to Australia. On the sporting side, we are fortunate at this stage to have two teams, one is a swimming team and the other a diving team, but Mr Crockett will probably be able to tell us exactly who those two teams are. At this stage, two teams will be training in Perth; we are getting some flow on from the Olympics.

Mr CROCKETT: The major exercise we have identified for tourism initiatives is the significant number of people from Europe who will travel to the Games. Our position in Europe is to suggest they use the western gateway of Perth to come into Sydney as opposed to going through Asia into Sydney. We have identified a number of wholesalers in Europe to take that promotion which is being put in place now. We have also, in partnership with the Australian Tourism Commission, identified the opportunity of bringing large numbers of media out to Australia in the lead up to the Olympics and during the Olympics and bringing them into Western Australia so they can get coverage of this State as opposed to just Sydney. You will notice in our budget there is a significant amount of extra money being put aside this year and next year to assist journalists who come to Australia for the Olympics to come to Western Australia so that we do not miss the promotion opportunity that comes from the Olympics.

A number of the big events we have run, as you have rightly pointed out, have encouraged sporting teams to come here for training. We understand a number of cycling teams are looking at conducting their pre-Olympic training here as a result of the World Cycling Championships and a number of triathletes are also looking at doing that. The spin-off from that is not confirmed but we know that we have had good feedback, that they have been pleased with the facilities and the environment and that they will come here for that.

Mr BROWN: I was recently discussing the upcoming Commonwealth Games in Malaysia with a senior person in the sporting world. He had been talking to other sporting people particularly about when the Games will be held. Fears had been raised about the smog question in Malaysia and the impact of that on the Commonwealth Games and some of the major events like the marathon. You could not have a marathon in that sort of smog; it would kill them by the end. There was some suggestion - admittedly this would be quite a delicate political issue - that if the smog will be as bad as it was - we hope it is not going to be - some of those events will have to be shifted from Malaysia. If that happens they can be shifted one way or the other but probably the easiest way is to shift them to Perth. Has any consideration been given to that? I understand it will be quite a delicate political issue but it is one of those things; if you are going to shift them there will not be a lot of time to plan.

Mr BRADSHAW: I think I had better get Mr Crockett to answer that one because I must admit I have not thought about it and I have not been aware of that side of it. I am sure Malaysia is hoping people will not be lighting fires around the place.

Mr BROWN: I am sure they are but they are not the ones starting the fires.

Mr CROCKETT: Certainly it has been something we have thought about in a number of contexts. There is some issue about whether we could export some of our expertise into the Games as well as whether WA would be a suitable venue if some events were in jeopardy because of smog. Other than consider it, we have not approached anyone or put any plans in place to do that. We would probably be waiting for someone to approach us. There is no doubt that many of the events could be hosted in Perth and hosted very well but it has to be a pretty severe exercise for them to decide to move it.

Mr BRADSHAW: Generally at certain times of the year they have problems with the fires and I do not know whether that coincides with the Commonwealth Games. That needs to be looked at.

Mr BROWN: The only thing is you may not get a lot of advance notice. I am aware of seasonal changes, the changes in the climate and the El Nino effect and all sorts of other things. It is one of those things where you may miss a golden opportunity unless you have it in the back of your mind and make some contingency plans.

Mr WIESE: It is interesting that when the traffic stopped moving in Jakarta the smog cleared virtually overnight.

Could the parliamentary secretary give some indication of what increase there has been over the last five years in farm and station holidays? Can you give us information about the percentage of international visitors who avail themselves of this form of tourism?

Mr BRADSHAW: Unfortunately, we do not have those figures available but we will provide them as supplementary information to the committee.

Mr WIESE: If you are going to provide that as supplementary information and do not have knowledge of farm and station holidays, would you be able to also provide as supplementary information, how much of the Tourism Commission's expenditure is allocated to this form of tourism promotion?

Mr BRADSHAW: We will supply you with that supplementary information as well.

Mr BROWN: Has any decision been made as to where the advertising dollars will go next year in terms of countries? Are we advertising in the same countries we advertised in last year?

Mr BRADSHAW: There certainly are plans afoot for where the advertising dollars will be spent. Obviously there will be a change of focus because of the Asian crisis.

Mr CROCKETT: Although it is direct advertising, in essence it is a marketing function. The core markets we have been working in the last two years were the south-east Asian countries of Indonesia, Malaysia, Singapore and Thailand. We also took the decision to go into the UK, Germany and Japan. That formulates the core markets. Given the Asian crisis, we made a quick decision early this year and are bringing forward the plans for this coming financial year which will see us spend less money in Indonesia. We will not be abandoning that market totally but there will be a significant decrease in expenditure on marketing there. We will maintain our strong presence in Malaysia and Singapore. Thailand will now be in our secondary category and referred to as a futures market; that is, we expect it to come back but we will not be spending as much as we have in the past in that market. More funds will be committed to the Japanese market in this coming year, much of those funds will come from the Indonesian market. The principal reason for that is the very good co-operative partnership we have secured with the Australian Tourism Commission. For the first time, its advertising campaign will feature Perth, Western Australia, as a destination in its own right. Previously it had promoted only Sydney, the Gold Coast and Cairns. We will be contributing a small part of that campaign in order to get its spending on that. We will be staying at about equal strength in the UK and Germany. In addition, we will be moving funds into Italy, and some six months ago we decided that the US was a market we wanted to move into, and we will be putting our first exploratory funds into the US in this next financial year. It will not be a major campaign by any means because the US is a very expensive market to go into. We will be looking this year at the use of electronic means such as the Internet, and CRS reservations to enter that market and find out the potential. Airlines are a very critical part of that as well. Of course, in the domestic market there will be a slight decrease of expenditure to what we had last year in that market, which was about half of our marketing budget.

Mr BROWN: Could you provide by way of supplementary information the approximate dollar terms that we are looking at to put in those markets, what we have spent in 1997-98 and what we are looking at to spend in 1998-99?

Mr BRADSHAW: We can give you those figures now.

Mr BROWN: We have only an hour for this, so rather than listing them can you provide us with the information in chart form.

Mr BRADSHAW: We can give you that as supplementary information.

Mr MARSHALL: The bottom dot point on page 1167 has caught my eye regarding the "Best on Earth in Perth". The bottom line says that EventsCorp will continue to strive for a balanced mix of one-off and annual events. We realise that the Hopman Cup and the Heineken Golf Classic are two of the annual events, but I would like to know why you say "a balanced mix" when the annual events are more important to the State. Is there an indicator or a measure to assess what a sporting event means to tourism in WA? Having had such an exceptional year last year which, from memory, was about eight world championships and three or four international events, what is in place this year? How difficult is it for EventsCorp to get those sports events to Perth now that other countries around the world realise the importance of an international event to a State or a country?

Mr BRADSHAW: The "Best on Earth in Perth" has been very successful with EventsCorp bringing various international events and world championships to Western Australia. Last year, 12 events were held. This year there will be six, of which there will be a couple of new ones beside the Heineken Classic and some of the traditional ones like Rally Australia. We also have the Super Eight cricket and one other which Mr Crockett will have at his fingertips. These international events are excellent for Western Australia; they produce a lot of spin-off in tourism dollars which creates employment throughout Western Australia. In addition to the people these events bring to

Western Australia immediately there is added advantage in the sending out of the event to millions and millions of viewers through television and media which puts Western Australia on the map. It has a varied role and is very important. Mr Crockett will let you know which events we have in the coming 12 months.

Mr CROCKETT: The annual events are of substantially more value to us in the sense that we can promote them as ongoing. People know them as events on the calendar, more visitors come and we get economies of scale from running them year after year. One-off events are quite consuming in their set-up costs and we do not recoup any of that. In the context of that, EventsCorp's focus is to have a core of six annual events. We supplement those with one-offs as we go along. We need to have a small mix of one-offs as they give a very high profile to the State. The value of events as per performance indicators is measured on economic impact and media exposure. Economic impact is measured as number of visitors who are sample surveyed for their spending patterns and length of stay. That is produced as an economic result by an independent researcher each year for each event. We also have a measure of media exposure world-wide for the State. They are the two performance indicators for events. For example, last year's 12 events produced some \$80m worth of economic impact from visitors. We know exactly what each event is worth to the State.

Mr MARSHALL: The media impact of the World Swimming Championships was fantastic but do you have any idea of the economic impact?

Mr CROCKETT: The impact of the swimming is an estimate at this stage of between \$25m and \$35m. I understand the final result has not yet been published; that is just the estimate, but it will be fairly much in that ball park. Last year will be tough to repeat. Twelve major international events in one year is a remarkable performance for the State let alone in any city anywhere in the world. If we maintain six annual events it will be a good achievement. There is no question that the competition from other countries has lifted enormously and other cities in Australia are probably our greatest competitors. The sports themselves have become far more, shall we say, knowledgeable about the desire of States and cities to have these events and the bidding processes have become much more educated in the sense of playing people off. It has become very difficult to secure those events. However, Western Australia has been in the game for a long time and has a good reputation as an organisation venue. That is holding us in good stead even if we are being outbid in a financial sense.

Mr BRADSHAW: I have some figures here for the world swimming championships. They estimate two billion people were actually watching which is quite phenomenal. The Hopman Cup attracted 100 million viewers and the lowest event was the aerobics with 2.4 million. We are getting to a large number of people throughout the world and Australia.

Mr BROWN: On page 1170 of the budget papers, under the heading of outputs, there is an item there for industry development and the figures are alongside. Are they the figures which make up the amount allocated to the tourism development fund and the investment attraction fund?

Mr BRADSHAW: Is that the \$3.5m?

Mr BROWN: Yes.

Mr CROCKETT: Not in its entirety, no. Approximately \$1m of that is for the tourism development fund. The rest of those moneys are used for a number of activities. The research figures in the tourism industry are produced as that budget line item. It is also the regional offices for the commission which look after product and infrastructure development throughout the regions and it also picks up all our product development issues like the nature based tourism strategy such as the wine tourism. The line item incorporates everything to do with the development of product and infrastructure in Western Australia.

Mr BROWN: Is the tourism development fund \$1m, as allocated for the 1998 financial year?

Mr BRADSHAW: Yes, that is correct.

Mr BROWN: What is the investment attraction fund?

Mr BRADSHAW: It is \$320 000.

Mr BROWN: The tourism development fund is a commitment of \$6m over four years. Is that correct?

Mr BRADSHAW: Yes. One million dollars in each of the first two years and \$2m for each of the next two years.

Mr BROWN: What are the internal processes for the selection of projects for this?

Mr CROCKETT: The prospectus for applications for the tourism development fund is sent out to the broader community including local government, tourism associations and anyone with an interest. They have a set criteria

for application. The fund is a dollar for dollar arrangement so generally local government is the major applicant. Each of the 10 regional areas has established a regional reference group which assesses all the applications for that region and prioritises them. That then comes back to the Tourism Industry Development Advisory Council, which is a group of industry people from the tourism industry within Western Australia, and the priorities across the regions are assessed. That recommendation goes to the tourism commissioners who will make a final decision on those projects.

An overriding criterion for that fund is that it is in sync with the Coopers and Lybrand tourism development strategy which was produced some two years ago and identified the major tourism developments that needed to be taken care of in infrastructure.

Mr BROWN: Does the same process apply with the investment attraction fund?

Mr CROCKETT: At this stage, the investment attraction fund is not designed to be an application fund. It will be a fund utilised for the process of securing approvals of sites or certain product of infrastructure. Its actual expenditure has not yet been set other than it will be used to attract and undertake the necessary processes to bring any infrastructure and new product to the State. It is not an application fund.

Mr BROWN: Are the guidelines yet to be developed?

Mr CROCKETT: Yes.

Mr BROWN: Will this be available for private investment rather than public infrastructure and so on?

Mr CROCKETT: It is more envisaged to be part of the process of trying to identify sites that need to be developed. For example, it would be something like a foreshore development in one of our towns which is important from a tourism perspective. The funds would be utilised to put in place a development strategy, get valuations, developments and consultants to look at what structures could or could not be built and put it through the native title approval process and perhaps through a planning approval process.

It is envisaged to get developments to the point where they are useable by the private sector and then to go to some ultimate expressions of interest process by the private sector. At this stage they are looking at trying to prove up and fast track the laying of the ground works for sites particularly and for projects to be made available.

Mr WIESE: Would you do that in conjunction with an agency like the Regional Development Council or would you do it totally on your own?

Mr CROCKETT: No. Our process - the same as the regional development fund - is always done in conjunction with multiple agencies and in almost all cases with regional development commissions.

Mr WIESE: Does the commission get involved in classifying various standards for accommodation and providing some sort of a guide to users? I ask that question in the light of an experience where a group of international tourists landed at an establishment within a 70 or 80 kilometre radius of our place at night, stayed the night and rang us at seven o'clock in the morning because they were absolutely horrified at the accommodation they found themselves in. Luckily they then came to ours, stayed and had a very good experience. It struck us that if that had been the only accommodation they encountered in their travels around the south west, their opinion of tourist facilities in Western Australia would have been appalling. Will the commission get involved in classifying the various types of tourist establishments in the State?

Mr BRADSHAW: I am not sure whether it does, but I will ask Mr Crockett to answer. One of the problems is that there are myriad bed and breakfast and various other accommodation outlets in Western Australia which vary from very bad to very good. From my experience of travelling around, I have struck the one I would rather not be at. Those places disappear in the end because of lack of business; the word soon gets around. However, it is very important to maintain that standard for international tourists. It would be useful if we could somehow or other classify accommodation outlets but I will leave Mr Crockett to answer the question.

Mr CROCKETT: Generally, we have not been involved in accommodation classification because, in essence, the Royal Automobile Club of Western Australia does that for all properties with the exception of bed and breakfast and station stay-farm stay accommodation. I understand a number of farm stay people are not too happy to be classified, so there is a fairly big gap. We have basically acknowledged the RAC system but we have recognised that the quality of product is becoming more and more important. Last year we introduced, in conjunction with the industry, the tourism accreditation program which is a quality assurance exercise covering the gamut of our industry.

It will take a while for everyone to come into that but the pleasing thing about it is that the national tourism body has taken the idea up as the national standard. In fact, our accreditation program will now be the national standard.

That program places a big emphasis on customer service and the satisfaction of the customer and already we are receiving strong feedback from wholesalers saying they will take only the accredited product. We are hoping that will cut those bad operators out of the market.

Mr JOHNSON: I know we are three years off the next Whitbread Round the World Race but are we guaranteed Fremantle as a stopover? What is the cost to the State in being a stopover facility and what are the benefits in dollar terms? Do we have viewing figures internationally for the Whitbread race in WA? I know it is not covered particularly well in Australia especially in the eastern States, but I was under the impression that internationally there was a terrific viewing number.

Mr BRADSHAW: I will get Mr Crockett to answer what is happening with the next Whitbread race but I remember going to a breakfast with one of the people involved in the race when it was here last time and he indicated that the number of hits on the Internet was incredible which means a lot of people are interested in the Whitbread race. You are right and it is important that we do stay on-line to host its participants in Fremantle.

Mr JOHNSON: I want to know whether we have a guaranteed agreement that they will come here in three years' time.

Mr CROCKETT: Unfortunately, the simple answer to that is no. We do not have a guarantee and, as you may be aware, the next Whitbread race will, in fact, be the Volvo race. With the new management, Volvo has said that it will consider all stopovers. We have spent a lot of time since the last race lobbying and discussing with Volvo the option of returning to Fremantle. The message we have to date is no arguments - we are the best organised and one of the nicest destinations.

Mr JOHNSON: That goes without saying.

Mr CROCKETT: The difficulty for sponsors is our small car market. From a marketing perspective Volvo is concerned about coming to a port like this where regardless of the car there are not a lot of sales. We have obviously mounted the argument that the actual market is irrelevant; the world is the audience. However, Volvo has flagged that it is considering Cape Town to Sydney direct with no stopover in Fremantle. We think that is a pretty brave decision. It is a long trip, with a lot of danger, and will not include one of the ports which everyone says is the best port. We will continue to lobby strongly. It is unfortunate that it is a new management because our good relationship and history does not stand any more.

Mr JOHNSON: The second part of the question was: What was the cost of the last race to the Tourism Commission and what were the estimated dollar benefits?

Mr CROCKETT: I can give you now the economic impact of it. We have that listed, I just cannot give you the exact figure. Rather than give you a guess, we could provide that as supplementary information.

Mr JOHNSON: That would be fine.

The CHAIRMAN: It will go on supplementary.

Mr BROWN: On page 1180, in the first paragraph under output return description there is a reference to the commission being involved in obtaining pre-approvals for selected and identified sites. Are the sites which are referred to there as selected and identified sites currently selected and identified? Is there an actual list of them at the moment?

Mr CROCKETT: Yes, a number of sites are listed in the tourism development strategy.

Mr BROWN: Are they the sites in the strategy?

Mr CROCKETT: They are listed and as other sites are developed they will be added to that list. At this stage, sites other than the ones in that strategy have not been identified.

Mr BROWN: Will funds allocated for that purpose be only for those sites?

Mr CROCKETT: Yes.

Mr BROWN: What is the process for obtaining pre-approvals? It might be a question of the definition of pre-approvals. It can mean two things: One is obtaining approval to do things before there is actually a proposal to do anything; that is, obtaining approval to put a hotel somewhere when there is no definite proposal to put a hotel there. It can also be interpreted differently. Perhaps you can explain what that word means?

Mr CROCKETT: Yes. It is in response to a comment we often receive from developers that the process of obtaining approval, whether it be planning, environmental or land rights, is so lengthy and drawn out that it becomes

difficult to ultimately develop the product because of that long period before you know you can actually go anywhere. What we mean by pre-approval is addressing as many of those issues as we can prior to a developer expressing interest in that site.

A number of sites are in development strategy and, for example, it has been identified that more accommodation is required. The sites are fairly obvious. We can go through the process of making sure it is correctly zoned, that planning approvals are obtained for that sort of development, that dollar issues or native title issues are resolved. A number of those can be pre-resolved. If a developer expresses an interest in that site, the developer could go forward without having a long wait before he could do anything. It is more a question of doing those processes on behalf of anyone who may come along knowing that that sort of development is required.

Mr BROWN: Are the sites to which you have referred crown land at present? It is not private land?

Mr CROCKETT: Yes, it would be. I am not excluding that it might be privately owned land. I cannot think of a situation where that would be the case.

Mr BROWN: There are obviously some costs in obtaining those pre-approvals. Is it envisaged that the commission will meet those costs?

Mr CROCKETT: Yes. The principal cost of that is time and people. It is one of the outputs which our people undertake and the investment attraction fund covers some of the costs of obtaining those issues.

Mr MARSHALL: Do you have a measure of what boating tourism means compared with the ferry tourism to the monetary gains of Rottnest? I wonder whether, when the Mandurah ocean marina is established and operable, Rottnest will feel an impact from the flotilla if the people from the metropolitan area decide that, rather than just go to Rottnest - if they have been doing it forever - they will go to Mandurah as an alternative? Will this affect your strategies of planning and profitability?

Mr BRADSHAW: Mandurah has dramatically improved what it offers to tourists these days with its cultural centre, boardwalks and restaurants, etc. Mandurah will become an alternative to Rottnest. We have an increasing population, so we probably need to start looking at other alternatives to Rottnest, because Rottnest is getting to a point where it is overcrowded at certain times of the year; there are not enough moorings. It will not have a dramatic effect. It will mean that people will choose to go to different venues such as Mandurah as an alternative to Rottnest. However, because of the increase in population and the number of boats, it will not mean a lot of difference.

Mr MARSHALL: Is there a measure of boating involvement compared with general ferry involvement?

Mr EASTON: We estimate that of 400 000 visitors a year, about 70 000 come by private boat. It is a very difficult figure to estimate because we do not know how many boating movements there are and we do not know how many people are on each boat. We do have some indicative figures of that percentage. If anything, the development of Mandurah would enhance the Rottnest boating situation because the rate of increase in boat ownership in Western Australia is remarkable. I am told that something like 35 000-plus boat owners are in the so-called metropolitan area of Perth, many of whom find that there are not enough places to sail or to which to take their boats.

During the very busy times when Rottnest is relatively crowded, it provides another opportunity. The two could run in parallel quite successfully because when people want to take their boats to Mandurah, it would be about the same time as they typically want to go to Rottnest. We have 880 moorings on Rottnest and despite having halved the waiting list since we introduced the new moorings policy this year, we still have a 10 year waiting list on most of the bays. That is some indication of the demand. In addition to that number of mooring opportunities, a lot more people with smaller boats come over and beach on the sand or go to places where they can put down an anchor.

By way of digression, we have had problems in the past attracting boat owners off their boats to spend money on Rottnest. Since the upgrade program, boat owners are now saying that they come off their boats more frequently and have coffee at Dome, take a free shuttle service or whatever they may want to do. When the tea rooms are established that will increase even more. I feel quite comfortable that it will enhance it.

Mr BROWN: Earlier this week the item in *The West Australian* under the heading "Tourism industry seeks new boost" stated that the Asian economic crisis had led the peak industry body, the Tourism Council of Australia, to call on the Western Australian Tourism Commission to branch out to new markets such as the United States, China, Taiwan and India. I notice that the USA is on the list. Has any consideration been given to the other three countries? Presumably whoever reported on it has it right.

Mr CROCKETT: Yes, it is right. The future markets for 1998-99 are the US, Taiwan and Thailand. The only country that is not in that mix is India. In the development of those countries we met with the Tourism Council of Australia some six weeks ago and agreed on those future markets that we would pursue. We had already agreed on

the markets for which we would be going. We will not be pursuing the Indian market in the next 12 months as a future market principally because the air services are inadequate and it is very difficult to generate business without the air service. Air India is in and out on that route and if Air India were to make a firm commitment to the Perth air service from India, we would look more seriously at it. At the moment the connection is quite difficult through Singapore or through Asia generally. The visa application rate is still quite low for Australia, relatively speaking, and is not showing much growth. At this stage, that is the only country we have not put in to those three future markets. We have agreed on those markets with the TCA.

Mr BROWN: What will happen in relation to China and Taiwan in the next financial year?

Mr CROCKETT: We are putting a reasonable amount of effort into media familiarisation in Taiwan; that is, bringing journalists from Taiwan to Western Australia to experience the product and in turn report on the product via editorials, which is quite a cost-effective way of promoting the State. We will work with the trade in Taiwan to put the Western Australian product into the trade so they have product to sell. Perhaps the most important initiative in both of those markets is talking to airlines. We do not have direct air services from either China or Taiwan. We have had some very good discussions with two airlines to date about, if not direct services, at least direct connections via various countries. Our major thrust will be to work with those airlines to increase business out of those two countries.

Mr BROWN: It is doing the ground work over the next 12 months.

Mr CROCKETT: It is very much the ground work and, as with all markets, it is a bit like the chicken and the egg; whether air service comes first or whether you market heavily. Our view is that we need to put ground work in with the airlines, hopefully get some sort of commitment to air services and then go aggressively into the market. The issue, of course, is to open new markets, which requires more funds, or alternatively to close other markets. In entering any new market a decision must be made whether we stop marketing in an existing market, which would be hard given the return we currently receive from those other six markets, or alternatively obtain additional funds from some source to open up new markets.

Mr JOHNSON: Underwater World at Sorrento Quay is a large attraction to not only interstate tourists but also international tourists. Do you have a figure of the number of tourists who visit Underwater World at Sorrento Quay, and do we have any figures or estimated dollar benefits to Western Australia for that tourist attraction? How does it rate on a scale of one to 10 in popularity terms?

Mr BRADSHAW: I doubt if we would have figures. Mr Crockett may give you an idea of where it rates, but it would have a fairly high popularity.

Mr CROCKETT: We do not have the number of visitors to Underwater World or Hillarys. The operators would have the figure and we could perhaps ask them for it, but I am not sure how forthcoming they would be. We have a priority rating of attractions within the Perth metropolitan area for visitors. We could give you the information on where it rates in the order of attractions, but it would be in the top five. Kings Park rates number one most of the time. Adventure World and Fremantle rate in the top five all the time, but they move around a little, along with Underwater World.

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

Mr BROWN: Has the Tourism Commission been involved with the Victoria Quay development and the proposal for the maritime precinct?

Mr BRADSHAW: No. The Tourism Commission is not involved and has not been involved and, as far as I know, will not be involved.

The CHAIRMAN: What does the capital of \$2.3m that will be spent on Rottneest this year entail? Why do we have a recurrent grant of \$1.5m this year and next year we are going back to \$500 000? What is the extra \$1m for this year?

Mr EASTON: The recurrent grant on page 1187 is an aberration of the usual funding. This year \$700 000 in that figure was provided for our outsourcing cost. That meets the need to have a fire fighting service on the island until such time as the new contract is let, and also meets the severance packages of the staff who will be leaving the island on 30 June this year. \$300 000 of that figure is a forward grant. We will effectively receive \$2m this year; \$1.7m is provided during the financial year of 1998-99 and \$300 000 is the planning amount we receive in preparation for the financial year. Being a tourist resort we have to do all our development work in winter and we have to do our planning work and engage architects, etc, before 30 June. Of that figure, \$300 000 is an advance payment on 1998-99. The balance of that figure is not in actual cash; it is an interest subsidy on our outstanding loan with Treasury.

Division 54: Justice, \$308 273 000 -

[Mr Barron-Sullivan, Chairman.]

[Mrs van de Klashorst, Parliamentary Secretary to the Minister for Justice.]

[Mr A. Piper, Acting Director General, Ministry of Justice.]

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

[Mr I.W. Vaughan, Acting Director Prison Operations.]

[Mr P.J. King, Director Financial Management.]

[Mr A. Jamieson, Acting Executive Director, Offender Management.]

[Mr T.P. Keating, Director Juvenile Custodial Services.]

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

[Ms J.M. Roberts, Public Advocate, Office of the Public Advocate.]

[Mr B.J. Rozman, Manager Budget Management, Ministry of Justice.]

[Mr R.J. Foster, Executive Director, Court Services.]

Mr JOHNSON: On page 591, dot point seven and on page 608 under performance measures, reference is made to the cost of keeping an offender in custody. What has the Government done to ensure that offenders make a contribution to the community to offset at least part of the cost of their crimes?

Mrs van de KLASHORST: Over the past two years, Government has increased funding for education programs for adult offenders. This has increased by 69 per cent which is quite significant and the treatment programs for violent offenders have more than doubled over the past two years and have enabled development of intensive treatment programs, especially for serious violent offenders. Edith Cowan University is working in conjunction with this.

Mr RIEBELING: On page 607, the total output costs of managing offenders in custody are \$146m. There has been a significant number of deaths in custody this year. Mr Jamieson indicated, after a series of deaths, that this was a statistical glitch. Does the Minister concur with that, and if so, when will the statistical glitch pass by?

Mr JAMIESON: The reference to the statistical glitch was in relation to a sudden spurt of deaths in custody which we could not explain. However, a significant number of measures have been taken over the past several months and several more are in the stages of implementation.

Mr RIEBELING: After two deaths in custody this year, what action did the ministry take in relation to the two deaths in custody?

Mr JAMIESON: Are you referring to the weekend where there were two deaths?

Mr RIEBELING: No, the first two deaths in custody.

Mr JAMIESON: The first two deaths in custody were in January this year, if I remember rightly. It was probably before my time, but let me explain what has happened.

Mr RIEBELING: In relation to the two deaths in January, can you explain what action took place within the ministry? They were the deaths on 7 and 9 January of a 31 year old Aboriginal in the Greenough Regional Prison and Winnie Michael in Bandyup Women's Prison.

Mrs van de KLASHORST: Mr Jamieson did not take over until the end of January and has set several initiatives in place since then. I do not think any of the other advisers can answer that question.

Mr VAUGHAN: The actions dealing with the problem of deaths in custody has a long history. It commenced in 1995 when a collaborative industry grant was undertaken with Edith Cowan University to research incidents of self harm in our prisons and that research was undertaken over the past year. The total ministry input to that was \$75 000. The Australian Research Council matched a further dollar for dollar grant to the ministry's input. A consultancy was also initiated through Edith Cowan University's forensic psychology unit which was completed in December last year - the Howes Report - and a number of measures have been initiated since that time to attempt to come to grips with the problem of deaths in custody. Although the number of deaths in custody has increased, suicides and incidents of self harm in custody have particularly concerned us. A comprehensive implementation plan is being assembled with a July deadline. A number of initiatives have taken place in the interim, some of which occurred prior to the deaths in custody this year. If I could list some of those?

Mr RIEBELING: Perhaps you could restrict yourself to the question I asked. What actions were taken by the ministry as a result of the deaths on 7 and 9 January?

Mr VAUGHAN: The ministry, in responding to the Howes Report, set up an implementation committee to deal with the research and the Howes Report. It identified immediate initiatives that could be put into effect, one of which has been an initiative to tender for television sets for unsentenced remand prisoners. That has recently been put to tender and I understand the tenders are in. The rationale for that is that unsentenced prisoners, from the research, have been identified as being particularly at risk of self harm. The visits have been examined. Some of the steps we have taken have been to examine those sorts of things which can put pressure on prisoners or act to soften the experience of imprisonment. We have put steps in place to enhance prisoner peer support; the use of prisoners to meet and greet other prisoners as they come into prison so that the prison experience is less traumatic for them, and also the use of prisoner peer support and training of prisoners so that they are more alert to the prisoners who might be at risk. There has also been attention to dealing with staff suffering the trauma of this event. What has happened in our prisons, particularly the major prisons, has happened in something of a hothouse atmosphere.

There has been an observation that there has been a culture of recrimination and blame which has put staff under a lot of pressure. What we call an at risk running sheet or an at risk file has been developed and is being trialled, particularly at Casuarina Prison, so that any prisoner who is regarded as at risk on the day is identified and staff are aware that there may be an at risk situation. It is important to stress that the research has shown that a very large number of prisoners are potentially at risk of, or have a history of, self harm. We need to ensure that our methods, while they deal in depth with those chronic self harmers, are also able to identify the sorts of prisoners who, once in their sentence, or twice in a long sentence, may go through a bad patch. These are the ones who are experiences that come out of the blue. That is where we have formed the view that our staff competencies and our communication skills with prisoners as a longer term process need to be given attention.

One further concrete action that has been taken is the initiation of regular medical emergency drills and getting our act together more efficiently in ensuring that our systems respond immediately once an emergency has been detected. We have initiated increased capacity for flexibility of visits at Canning Vale Prison so that there are some incentives for prisoners to do the right thing and enable us to deal with particular emergency situations as they arise. Although a number of concrete steps are being taken -

Mr RIEBELING: Do these all relate to the two deaths in January?

Mr VAUGHAN: These are in relation to deaths -

Mr RIEBELING: No. The specific question I have asked twice is: In relation to the deaths on 7 and 9 January, what measures were taken by the ministry? If you are telling me that the provision of televisions, visitors' arrangements, communications, softening the impact of bad decisions, staff training and risk file management are all in relation to those two deaths, then what were you doing before those two deaths?

Mrs van de KLASHORST: What exactly are you seeking?

Mr RIEBELING: What actions did the ministry take after the deaths of two inmates on 7 and 9 January?

Mrs van de KLASHORST: Exactly at that time?

Mr RIEBELING: What new initiatives did they take after 7 and 9 January?

Mr WIESE: Mr Chairman, I suggest that we have had a very comprehensive answer.

Mr RIEBELING: I suggest that we have not.

Mr WIESE: Any further information can be provided by way of supplementary information.

The CHAIRMAN: I will allow a bit of latitude. As I have said to previous committees, to an extent I leave the latitude in this case with the Parliamentary Secretary. I remind members to direct their questions to the Parliamentary Secretary. They should not engage in discussion directly with advisers. I will leave it to the Parliamentary Secretary's discretion how she wishes to address the question specifically in relation to items in this Budget.

Mrs van de KLASHORST: Mr Vaughan can explain the standard approach to every death in prison or in custody.

Mr RIEBELING: I do not want that. I want to know what the new initiatives were when you realised that the system failed two people. What new systems or processes has the prison system put in place?

Mr JOHNSON: You have already heard some of those initiatives.

The CHAIRMAN: At this stage, members, rather than have interjection and so on, the question has been asked at least twice. As members are aware, the committee system is different from the proceedings in the Chamber. The nature of the answer is at the discretion of the Parliamentary Secretary in this case. I give the call to the member for Avon. If the member for Burrup wishes to ask new questions along that line I will give him the call later on.

Mr RIEBELING: I will have several questions along the same line.

The CHAIRMAN: At this stage I am giving the call to the member for Avon.

Mr RIEBELING: The answer was wrong.

Mr TRENORDEN: To your point of view.

The CHAIRMAN: Members, this is not a forum for interjection.

Mr RIEBELING: Who interjected on me?

Mr TRENORDEN: On page 619 -

Mr RIEBELING: On a point of order, do I get an answer to that?

Mr JOHNSON: You have had an answer.

The CHAIRMAN: As I have explained, the way that these questions are answered is at the discretion of the Parliamentary Secretary. You are entitled to seek the call later to ask a new question about items within the Budget.

Mr TRENORDEN: Services have been withdrawn from country areas in the deceased estates administration. On page 619 a reduction is due to surplus common fund interest as determined by the public trustee. At the bottom of the page, listed under "Effectiveness" is equity of services to all Western Australians. How is it equitable if it has been withdrawn from country people?

Mrs van de KLASHORST: We are discussing output 17. That particular question referred to Tuesday's output and is not covered today. I will check with the Chairman.

The CHAIRMAN: The Parliamentary Secretary is correct. We are discussing outputs 8 to 14 inclusive, which I mentioned at the beginning.

Mrs van de KLASHORST: Unfortunately, we do not have an adviser here to answer that question because that was covered in the Attorney General's section. If you put the question in writing to the Attorney General, I am sure you will receive a response.

Mr TRENORDEN: The fifth dot point on page 591 refers to an increase in demand for medium security beds due to continued growth in the medium security muster. What is intended at Wooroloo Prison Farm? What is the number of beds?

Mrs van de KLASHORST: The new prison at Wooroloo will be capable of handling 750 medium security beds. The capital works budget is putting \$1.9m in this Budget for the planning and development of this new prison. I visited the prison with the Ministry of Justice about two weeks ago, wandering over the prison and looking at everything. We took the shire and other people with us. An amount of \$1m of that budget is in this Budget, and \$1.9m altogether is allocated for the planning.

Mr RIEBELING: And \$114m to come.

Mrs van de KLASHORST: Yes. That is for the actual building once the site has been looked at and the plans have been drawn.

Mr RIEBELING: As I did not receive an answer to what new initiatives were put in place in relation to deaths on 7 and 9 January, what initiatives were put in place in reference to the death of Neil Anderson on 25 January and the death in Greenough Regional Prison on 3 February? Was any action taken to respond to those two deaths? I would like new initiatives, not a list of what you are doing in general.

Mrs van de KLASHORST: Many new initiatives have been put into place this year. I have a page full of them.

Mr RIEBELING: I am referring to those relating to suicides.

Mrs van de KLASHORST: Mr Vaughan went through most of them, and I do not think he has the information on when each initiative was set in place.

Mr TRENORDEN: Why those particular two?

Mr RIEBELING: These are another two.

Mrs van de KLASHORST: These are a different two.

The CHAIRMAN: Members, I remind you of what I said about interjecting. This is a new question. Again, it is the Parliamentary Secretary's discretion to answer.

Mr RIEBELING: Can the Parliamentary Secretary tell me what new initiatives were put in place, because the previous initiatives obviously failed? We had another two deaths in custody on 25 January and 3 February. How did the department respond to those two deaths?

Mrs van de KLASHORST: That is a better question. Perhaps Mr Vaughan can advise how the department responded to those two deaths, if he has that information.

The CHAIRMAN: I point out to the Parliamentary Secretary and also to the member for Burrup that if this requires specific detail that is not readily apparent in the Budget, the option is either to provide the answer by way of supplementary information or for the member to ask a question on notice.

Mr RIEBELING: Can I comment on that response by the Chairman?

The CHAIRMAN: By all means.

Mr RIEBELING: We were told during the second reading speech that all the finer details of these easy to read, transparent budget documents would be available now. That is what we were told by the Treasurer. I asked for specific details and I am told that, if we cannot read them in the budget papers, they are not available.

The CHAIRMAN: Member for Burrup. I am giving you a lot of latitude. The specific items to which you referred are not mentioned specifically.

Mr RIEBELING: They are.

The CHAIRMAN: They are not mentioned specifically as line items in the Budget.

Mr RIEBELING: Yes, they are.

The CHAIRMAN: They are generalisations.

Mr RIEBELING: No.

The CHAIRMAN: I have given you a great deal of latitude. A way that you might obtain the information you are seeking, because it is so detailed, is for the Parliamentary Secretary, at her discretion, to take this course of action.

Mr RIEBELING: I do not want great detail. All I want is broad brush examples of how you have responded to the deaths on 25 January and 3 February.

Mrs van de KLASHORST: Over the year many initiatives have been taken. At risk assessment forms are used for all prisoners entering the system. As you would have read in the paper the television is for remand prisoners, so the people in remand are not on their own. The visits procedures at Canning Vale Prison have been softened. It has been easier for visitors and prisoners. The television observation cells at Bandyup and the metropolitan prison complex at Canning Vale and the training of peer support for prisoners in communication skills and detecting signs of distress when people first go to Casuarina are working very well.

Prison administrators are meeting on a regular basis to look at the peer support prisoners. A prototype is being developed of at risk files for any prisoners of concern. Each officer who lives in the units is working with those files. The pilot will start at Casuarina in July following this and all at risk files will be standard to all prisoners. If prisoners move around, these at risk files go with them so that the new prison and the prison wardens know about it. Medical emergency drills have been put into place. I do not have the information on exactly when these were established. It is a result of the deaths in custody and gradually these initiatives are being introduced - or were introduced - but I cannot give you any specific dates.

Mr RIEBELING: That list of initiatives you have read out is exactly the same list that you read out in response to the deaths on 7 and 9 January. Within a month two more deaths occurred. What response -

Mr TRENORDEN: You should ask those questions in the House. They have nothing to do with the Budget and should not be debated here.

Mr RIEBELING: Well, surely if there is -

The CHAIRMAN: No, member for Burrup. I do not want this discussion between members.

Mr RIEBELING: I would like an answer from the Parliamentary Secretary.

The CHAIRMAN: The member for Burrup must take the answer that the Parliamentary Secretary gives him. Under the proceedings of this committee, I cannot require the Parliamentary Secretary to give him the answer he wants.

Mrs van de KLASHORST: We do not have that information at this time and Mr Vaughan is unable to give you exact details of what happened at that particular time. Mr Vaughan and I have given you a list of initiatives taken this year.

Mr RIEBELING: These are not initiatives taken this year.

Mrs van de KLASHORST: I suggest you put the question on notice to the Attorney General and he will respond to your query by providing you with the information.

Mr WIESE: Cameras have been installed in all of the new police lock ups that we started building three or four years ago. Are we now doing this in the prison system; that is, putting cameras into all of those cells or at least into a substantial proportion of them where you have people who may be identified as being at risk?

Mr JAMIESON: We have a prison upgrade program which includes a safe cell program and we are spending approximately \$800 000 a year on that safe cell program. That includes the facilities that you described which was police initiated.

Mr WIESE: How many cameras are there? How many cells are we talking about?

Mr JAMIESON: Every prison has safe cells with camera facilities. The major metropolitan prisons are expanding those facilities gradually as the funds are available.

Mr WIESE: I suggest we put on notice a question requesting the number of cameras and the number of safe cells in each of the major metropolitan prisons, so we can identify how many are in each of the major prisons.

Mrs van de KLASHORST: We will provide supplementary information on how many cells and how many cameras are in each prison.

Mr TRENORDEN: Can you comment on the figures for capital investment; that is, asset replacement and maintenance and asset expansion indicated on page 597?

Mrs van de KLASHORST: Are we meant to be answering questions about capital in this?

Mr TRENORDEN: In the format, yes.

Mrs van de KLASHORST: I had not caught up with that. The Minister's capital works program for 1998-99 was \$49.8m and comprises \$23.7m for new works and \$26.1m for works in progress. The program is \$20.4m higher than the expected outturn for 1997-98 and is financed by consolidated fund appropriation and cash balances carried over.

Mr TRENORDEN: The argument has been about a new precinct or updating of the current precinct. Are any funds in this Budget allocated for any movement of courts or amalgamation or moving of those courts that are currently in the Supreme Court Gardens?

The CHAIRMAN: It is a little difficult when dealing with part of a division. Do the capital works for courts relate to any of the outputs 8 to 14?

Mrs van de KLASHORST: No.

The CHAIRMAN: Unfortunately, that question must go on notice.

Mrs van de KLASHORST: I have information on Wooroloo Prison fire damage. An amount of \$3m is allocated for the Canning Vale assessment centre and \$5.4m for additional accommodation within the adult prison system. This is the capital that I have because I am handling only offender management.

Mr RIEBELING: Returning to deaths in custody, can supplementary information be provided on the new initiatives that have been implemented as a response to the two deaths on 7 and 9 January to which I have referred? Can the Parliamentary Secretary supply supplementary information on the two deaths on 25 January and 3 February about what new - not existing - initiatives -

Mrs van de KLASHORST: Can you clarify the dates for me?

Mr RIEBELING: They were the first four of the year.

The CHAIRMAN: Although the dates have been mentioned before, because you are asking for supplementary information, it is important the clerk gets the exact detail.

Mr RIEBELING: The deaths on 7 and 9 January and the deaths on 25 January and 3 February. Do you commit to providing that information?

Mrs van de KLASHORST: That information will be made available; that is, what new initiatives were made after the deaths on 7 and 9 January and 25 January and 3 February.

Mr RIEBELING: In relation to the deaths on 15 and 16 February, being that of a Mr Le and an allegation of the death of Mr Dawson, after the initiatives put in place on 7 and 9 January and 25 January and 3 February, what new initiatives were put in place as a response to the two deaths within two days, on 15 and 16 February?

Mrs van de KLASHORST: Rather than our going through each of these with possibly the same answers, as we have the same information, we will give you a full schedule after each pair of deaths and any new initiatives from the beginning of the year until now. We will provide that as supplementary information.

Mr RIEBELING: I would like the ministry official to respond. Surely they are the ones who administer it. They would remember - it is not that far back to February - what new initiatives were put in place after the two deaths on 15 and 16 February.

The CHAIRMAN: If the Parliamentary Secretary deems it is appropriate to answer this question by way of supplementary information, it is at her discretion to do so.

Mrs van de KLASHORST: For the specifics of that question, my advisers would have to check the records and discuss it with people. They do not have the specifics for which you have asked. They can provide an overall picture of initiatives for this year which are being put in place, and have been put in place, but they must check on specific dates. I can only supply that to you as supplementary information for the whole year.

The CHAIRMAN: Bearing in mind that the amount of information is beginning to accumulate, I remind the Parliamentary Secretary that supplementary information must be provided within one working week.

Mrs van de KLASHORST: Yes, one week.

The CHAIRMAN: If that is achievable, all well and good.

Mrs van de KLASHORST: Yes, we are aware of that.

Mr RIEBELING: Sitting next to the Parliamentary Secretary on her right is the officer who said it was a statistical glitch that these people were dying in custody. Presumably he knows what he is talking about, and surely it is not a difficult task for that officer to tell us what actions were taken after 11 people - 12 people now, I believe - died in custody.

Mrs van de KLASHORST: I have already said that we will provide that as supplementary information for the beginning of the year until now, and that is the only way we will answer that question.

Mr JOHNSON: On page 593 one of the major initiatives listed for 1998-99 is the implementation of a risk assessment program for juvenile offenders on a statewide basis. What is the purpose of this program?

Mrs van de KLASHORST: This relates to and is consistent with international research, by which we can better identify the persistent repeat offenders and those young people very likely to be chronic offenders. We know from major research being carried out all over the world that the earlier the intervention in some of these programs, the better. Once we can identify them, we can start to work with them. Once these young offenders are identified, they will be targeted for very high levels of supervision. There will be very strong intervention and support, in conjunction with this high level of supervision. The intervention will focus on addressing factors that contribute to their offending behaviour, because we all know that once somebody is in the justice system there can be a buildup of offending behaviour. We need to change behaviour and the person's thoughts and ideas.

The risk assessment instrument has been piloted at a metropolitan office, and the pilot scheme is now being evaluated. Everything done is being evaluated to make sure that we can produce an outcome. It is also being refined all the way through. When it is under way and we start to get results, it is anticipated that a statewide implementation program will be put in place. I believe the statewide implementation is planned for 1999. One of the things we must do is intervene. It is the same with any dysfunctional behaviour. Without a definite program of intervention, the person does not change. It happens in domestic violence situations, and elsewhere.

Mr JOHNSON: Did you say that this assessment program has been used internationally and has proved successful?

Mrs van de KLASHORST: It is based on international research. There is a lot of empirical evidence. Mr Daley can provide the actual specifics of the program.

Mr JOHNSON: I want to know whether this is being used in other countries and whether it is deemed successful.

Mr DALEY: The program in Western Australia will take us beyond the point reached by any risk assessment project anywhere in the world. The difficulty with risk assessment programs in most parts of the world is that they have borrowed from models developed either in the United Kingdom or North America to meet the conditions and the demographics of those communities. That means that in Australia all other States, and even Western Australia to this time, have borrowed internationally accepted models for risk assessment and adapted them. However, they have not been designed from the ground up using the statistics and the demographics of our State, where the social characteristics of people may be somewhat different. In conjunction with the University of WA Crime Research Centre, we have been going through the statistics for both adults and children, looking at the things which best appear to be good predictors of who is likely to reoffend. By doing that, we will build risk assessment profiles which will be more accurate than those social case workers can provide based on professional judgment alone.

The problem is that there are far more cases to be managed than we can manage to the same degree of intensity. The facts are that many of the kids or other people coming through the system may or may not need high levels of intervention, and the kind of offence they have committed that got them into trouble might of itself not be a good predictor. We want to make sure we can identify more scientifically and accurately who the risk kids are, and target those for high levels of intervention. This is linked through a database, and it will help us to develop much better quality performance measures down the track. The current records show how many kids went through a program and how many kids reoffended during the course of the order, but people might want to know what happened two years out or five years out. By the longitudinal process provided through the computer data linked to this program, in five years' time we could say we have probably the best performance measures on whether the risk interventions with these kids worked. We would be able to track them back to predictions made this year, outcomes achieved while under supervision, post supervision outcomes, and whether they lasted longer after their supervision order ended.

The CHAIRMAN: I refer to output 12 for advocacy, on page 613, and would like some specific and some general explanations. There have obviously been some changes. There is a comment about full year workload increases as a result of the commonwealth Aged Care Act. I would appreciate an explanation of exactly what that entails. From the performance measures it can be seen that the cost of providing advocacy services on an individual basis has gone from \$2 700 to \$1 500. Also, the proportion of customers in need of service relative to the number of people provided with advocacy has increased from 70 per cent to 100 per cent. Can you explain what is happening in that whole area of the department's operations? Clearly there are some significant changes.

Mrs van de KLASHORST: Yes. We have had quite a number of discussions on this over the last few months.

Ms ROBERTS: Certainly, there will be some major changes, and already have been, in the amount of work produced by the Office of Public Advocate with regard to advocacy. This has been brought about certainly by an injection of resources that is enabling us to meet the demand for advocacy, particularly at hearings of the Guardianship and Administration Board, where a decision needs to be made about the appointment of a guardian or an administrator. For some time since our establishment, we have been unable to fully meet the needs of advocacy before the Guardianship and Administration Board.

Subsequent to the proclamation of the commonwealth Aged Care Act, it also became quite obvious that there would be, albeit unintended, quite a considerable increase in the workload of not just the Office of Public Advocate, but also the Guardianship and Administration Board and the system as a whole. Subsequent to that, based on projections, we anticipated the workload could increase as much as 100 per cent, basically due to the financial arrangements and legal arrangements around the need for people to enter into the residence agreements associated with the Aged Care Act.

Members may be quite familiar with this, given the publicity in the media and the subsequent outcry. Certainly this State was quite convinced of the need to prepare the guardianship and administration system to manage the increase in workload, because the families of people with disabilities such as Alzheimers - many of whom will be going into nursing homes and associated hostels - will be going through an incredibly difficult time as it is. Obviously, the decision to place a person into a nursing home or a hostel is not an easy one for family members to make. It is certainly acknowledged that, on top of that, they now need to fairly quickly enter into financial arrangements to pay the associated charges and to enter into the legal agreements necessary. The role for our office in this respect is to ensure that the person with the disability is properly represented in the processes and, in particular, that there is no exploitation or abuse of the person as a result of the need to consider alternative accommodation or their particular disability.

The additional resources will also assist us to work together with the Commonwealth, to some extent, to reduce the effects on people with decision making disabilities by encouraging them, in particular, to plan and to put in place

enduring powers of attorney. By that means, they can appoint someone in advance of their incapacity and certainly avoid the need, hopefully, to even use the guardianship and administration system.

The CHAIRMAN: An item in this table states that 93 per cent of customers are satisfied with the service provided by the Office of Public Advocate. We would all like to have a 93 per cent approval rating, but is that figure based simply on interviews after the event? How do you provide such an indicator?

Ms ROBERTS: That particular indicator is the result of a customer survey distributed on an annual basis at the same time each year. It is distributed to a range of different stakeholders and people who have had dealings with the Office of Public Advocate directly, either as a carer for a person with a decision making disability or as a stakeholder, such as a director of nursing of a nursing home. In some cases, other professionals, such as doctors, have been involved and they are surveyed as part of our requirement to report on customer satisfaction. We use additional means to survey our customers. As you can imagine, our primary customers are often unable to express their views about the process and the customer service and, consequently, we rely very much on their family members and carers and survey that particular group. That is done on an annual basis.

The CHAIRMAN: Did the seven per cent, who in some way were not totally satisfied with the service, have individual concerns or was that a reflection of some difficulty with the process involved?

Ms ROBERTS: I am not able to answer that in detail. I would be happy to provide some detail but I do not have that detail with me.

The CHAIRMAN: If necessary, I will ask that as a question on notice.

Mr RIEBELING: I go back to the deaths in custody issue. I would like a commitment that you will provide supplementary information in relation to deaths that occurred on 15 and 16 February.

Mrs van de KLASHORST: I said we would provide information for all deaths from the beginning of the year until now.

Mr RIEBELING: On every two deaths grouped together?

Mrs van de KLASHORST: That is exactly what we said we would provide.

Mr RIEBELING: Thank you for that. I turn to the refurbishment of existing prisons which is, no doubt, involved in the daily average muster figure in output 8 on page 607, and the line item on page 595 in relation to an extra 100 beds. How much is being spent on the refurbishment of Riverbank? When is it expected to take prisoners? When will it be completed? How many will be located there? My understanding is that it is 50, and I would like that confirmed.

Mr KING: Yes, the Riverbank funding is captured within the capital program item for additional prison accommodation. For 1998-99, the estimated cost is \$1.4m. The total cost of the Riverbank upgrade includes expenditure of \$90 000 in 1997-98. The total cost is \$1.5m.

Mr RIEBELING: When will Riverbank accommodate prisoners?

Mrs van de KLASHORST: Late this calendar year, and it will have 50 beds.

Mr RIEBELING: For males or females?

Mrs van de KLASHORST: Medium security male.

Mr RIEBELING: Will it be operated by the private sector?

Mrs van de KLASHORST: No.

Mr RIEBELING: Was the community or shire consulted before the decision was taken?

Mrs van de KLASHORST: Yes.

Mr WIESE: My question follows on from comments by Mr Daley about the department better identifying the youths who are likely to offend or perhaps to reoffend. My question relates to my experience in a previous life. I refer specifically to a visit to Riverbank where I learnt that between 70 per cent and 80 per cent of the inmates lacked any ability to read or write. They were virtually illiterate, and a great deal of their time in that prison environment was spent in almost going back to school. They were in a classroom situation and they were learning, basically, to read and write. I do not have a problem with that and I think it is probably very sensible.

What disturbed me, in relation to those kids and Riverbank, was the minimal equipment and capacity to give them

the sort of training they desperately need, which is skills training. Basic skills in mechanics, welding and carpentry potentially will give them a chance when they go into the outside world to become meaningful citizens and perhaps to get employment. What is being done to address that situation? Will the activities at Riverbank and other juvenile prisons give those kids proper skills training and send them out with a skill?

Mrs van de KLASHORST: I am sure Mr Keating, who works in juvenile custody, will be able to answer that, because I know some exciting programs are happening.

Mr KEATING: As you are aware, the ministry commissioned a new detention centre at Banksia Hill late last year. It represents an icon in juvenile detention management in Australia, and probably is equal to those in most parts of the world. One of the major emphases placed on building Banksia Hill was an endeavour to make a difference, along the lines that you have just raised. There is little point holding young people in a secure environment and then releasing them without having made some difference while they are in the detention centre. At Banksia Hill a major emphasis has been placed upon the areas of education and vocation and just straight out employment. Because of the nature of the building and the construction and style, we were able to transfer a significant number of staff, who had purely supervisory roles, into the programmatic areas. We have a very well resourced compulsory schooling area, which ensures that such things as numeracy and literacy are dealt with. That is available not only to young people of 15 years of age and younger; all detainees at some time or other are involved in an educational program. That is coupled with quite a complex vocational program which has a range of opportunities and TAFE accredited skills that relate to the real world.

There is a general view that we should not teach anything at Banksia Hill that is not represented in job advertisements in Saturday morning's paper for a young person of that age and expectation. Rather than, say, in the motor mechanics area trying to teach someone to be a fully-fledged mechanic, we would look at ancillary areas such as radiator repairs or servicing of vehicles, tyres, brakes or whatever. We look at jobs they can get in the ancillary industries, which are not looking for a fully-fledged tradesman but are looking for someone who has a particular range of skills and who can, under supervision, undertake those sorts of activities. That also applies in the woodwork, metalwork, and plastic areas. Every program we are running must meet the criterion: When young people come out it must be realistic to expect them to use that accredited certificate in real work they can aspire to. A tremendous amount of emphasis is being placed upon that, and it is really quite exciting in terms of what we hope those outcomes might be.

Mrs van de KLASHORST: If the member has not been out there, it is well worth his visiting it because it is really innovative and young people are actually responding to the initiatives provided.

Mr TRENORDEN: What is planned for the minimum security wing at Wooroloo Prison which was burnt down?

Mrs van de KLASHORST: I was there recently and people were repairing the roof, but I can give you some specifics.

Mr TRENORDEN: I think I saw an allocation of \$2.7m.

Mrs van de KLASHORST: The allocation to repair the Wooroloo Prison fire damage is \$3.9m.

Mr JAMIESON: A number of buildings were badly damaged in the Wooroloo fire and they are being gradually replaced, along with the conversion of some existing buildings to single cell and buddy cell systems and an upgrade of the remainder of the facility. There is also on plan a range of floor spaces, which the facility has never had before, for program and small light industry activity. Those initiatives are now under way.

MR TRENORDEN: With TAFE or similar organisations?

Mr JAMIESON: Everything the prisoners do will be related to TAFE accreditation.

Mrs van de KLASHORST: I have seen the way they are refurbishing the rooms. Previously the prison had dormitories and all the prisoners were accommodated side by side. The dormitories are being divided. Some tradesmen showed the prisoners how to refurbish a room, and then they did it with minimum supervision. I was taken from one room to another and asked to guess which one had been refurbished by the tradesmen, and I just could not tell the difference. The work the prisoners are doing is absolutely fabulous. It is also giving them skills they can use when they leave the prison. In some of the other programs the prisoners are building brick walls, and doing brick paving. The prisoners are being used to beautify the prison and to make it really work. They take pride in being able to do this and, at the same time, each is learning a skill which is accredited under TAFE. For 1998-99 the planned expenditure is \$2.7m, and from 1999 onwards the expenditure will be \$1.27m.

Mr TRENORDEN: Will that be done under a number of contracts? You have already explained a fair bit of what will be done but, from memory when I was there last year, I think two wings were pretty well destroyed.

Mrs van de KLASHORST: When I was there the roofing was being done by contractors and I believe other contractors will be involved.

Mr TRENORDEN: Will they be up for tender?

Mrs van de KLASHORST: Yes.

Mr RIEBELING: I understand there is an endeavour to upgrade the skills of prisoners.

Mrs van de KLASHORST: Yes.

Mr RIEBELING: I have been told that an increasing number of the prisoners who leave prison do not have a driver's licence, due to the fines enforcement procedure. What action has been taken with reference to that?

Mr JAMIESON: There was a period when extensive driver training was provided, which has since wound back considerably as a result of economies. It is a fact that we do not driver train every prisoner leaving.

Mr RIEBELING: I am asking about drivers' licences suspended under the fines enforcement procedure.

Mr TRENORDEN: Do you assist them to get their licences back?

Mr JAMIESON: Not that I am aware of, no.

Mrs van de KLASHORST: Is there no means by which you collect the fines on their behalf while they are in the prison system?

Mr JAMIESON: Not in the prisons, no.

Mr TRENORDEN: Once people have served their time, they are entitled to have their licences back.

Mr RIEBELING: Not under the new system.

Mr TRENORDEN: I presume you are saying some assistance with their licences should be provided when they leave prison.

Mrs van de KLASHORST: That would be for prisoners who have gone to prison for non-payment of fines.

Mr JOHNSON: No. I think it is an accumulation of things. The member for Burrup is saying that if a prisoner has lost his licence because of non-payment of fines, then goes to prison for some other offence, perhaps he should be given his licence back when he comes out of prison so that he has a chance of earning a living.

Mr RIEBELING: Most of the new skills prisoners are learning in prison are of a semi-skilled nature, and when they leave prison they will need to travel to and from work. I understand that because of the fines enforcement procedure the Government has put in place, the driving licences of a large number of those people are under suspension, due to non-payment of fines, when they are released. How is the prison system responding and enabling them to find this kind of work?

Mrs van de KLASHORST: The prison system does not actively handle that situation.

Mr MCGINTY: My questions relate to the issue of drugs in prisons, and I refer to the total cost of output of \$146m at page 607. I understand the last death in custody was the result of a heroin overdose. Is that correct?

Mr VAUGHAN: You are referring to the last coronial inquiry but one, if you are referring to the Mazalan death. That was a heroin overdose.

Mr MCGINTY: I do not want a description of what happens in prisons. Since November of last year have the following things been done or is money allocated in this year's budget to do them: Firstly, has a statewide process been instituted for the mandatory and anonymous monitoring of drug use by offenders when they first enter the criminal justice system?

Mr VAUGHAN: There is no system in place for free testing of prisoners for drug use in prison or testing on entry at this stage.

Mr MCGINTY: Have the Prisons Act regulations been amended in respect of bringing drugs into prisons? You would be aware of the recommendation of the parliamentary committee into drug abuse in November last year, that the regulations be amended to provide for X-ray screening; sniffer dogs; wearing of overalls by prisoners during contact visits; an incentive based visitor contact system; additional powers for prison officers to stop, detain and search all persons and property entering or about to enter a prison; power to exclude those visitors suspected of being involved and proved to have been involved in dealing in illicit drugs; and that all these measures be properly funded

and resourced. Has any change been made to the regulations or practices since November last year or is money provided for those changes in the procedures?

The CHAIRMAN: By way of clarification for the committee, there was a formal government response to that report but the Parliamentary Secretary might want to add to any of those points.

Mr VAUGHAN: A number of those initiatives or recommendations have been enacted or are on foot.

Mr McGINTY: Which ones?

Mr VAUGHAN: Perhaps I can pick up some of those matters. Firstly, there has been increased use of the powers to search visitors' vehicles which, I understand, was reliant on the passage of appropriate amendment to the regulations. That is in place.

Mr McGINTY: What change in the regulations?

Mr VAUGHAN: That was in relation to the use of drug dogs to search the vehicles of prisoners' visitors, which I understand required some tidying up.

Mr McGINTY: When were the regulations amended to clarify the powers to search vehicles?

Mr VAUGHAN: I do not have an exact date, I am sorry.

Mr McGINTY: This year?

Mr VAUGHAN: I understand it was earlier this year. That certainly allowed for increased searching of the vehicles of prisoners' visitors as a key strategy. The use of X-ray detection is currently being costed - in particular for use with female visitors at Bandyup. It is not an ideal solution, unfortunately, as we discovered recently in a case involving a drug offender at Bandyup. She was believed to be carrying drugs on her person and, when she was being referred to the hospital for X-ray, she volunteered some drugs and a syringe from a bodily orifice. She was X-rayed in hospital, and it was believed that she might have been carrying drugs not only vaginally but also rectally. Unfortunately, it was not absolutely certain from the X-ray that the anomaly being detected was a syringe or drugs carried in that way, although it appears from her behaviour later on, when she was observed on a surveillance camera, that she succeeded in carrying those drugs and retrieving the material rectally.

As the committee will appreciate, all these initiatives are one step which will reduce the possibility of drugs coming in, and certainly there are a number of initiatives. I will address those. The incentive based visitors' contact system is being actively investigated at Canning Vale Prison, and will be progressed most vigorously with the re-jigging of the Canning Vale complex to an assessment and remand facility. The power for prison officers or prison superintendents to ban prisoners' visitors who are found to be trafficking drugs into prison requires an amendment of the Act. I understand it is under consideration for inclusion in a new Prisons Act, but it would require passage of that particular legislation dealing with the power to exclude those visitors suspected of being, or proven to have been, involved in dealing in illicit drugs.

Other matters which are subject to trial are the use of sweat patches in community based corrections - the community based services.

Mr McGINTY: My question was simply in relation to drugs going into prisons.

Mr VAUGHAN: This is a matter we would wish to use in tandem, for incentive visits for prisoners. Sweat patches cannot be tampered with. If they are evaluated as foolproof, this would allow us to provide incentive visits to prisoners with some confidence that they are being rewarded for drug free behaviour.

Mr McGINTY: I asked what had been done since November and we have been told one thing; that is, the regulations have been changed in respect of powers to search vehicles. My question is not intended to allow for a general discussion about drugs in prisons. Has anything else been done to implement this recommendation in the specific areas I outlined or is money set aside to do any of those things? I am not overly interested in a discussion about community based orders and sweat patches. That was not the question.

Mrs van de KLASHORST: As far as I am aware the greater use of dogs was one of the -

Mr VAUGHAN: If I may clarify the circumstances in respect of sweat patches.

Mr McGINTY: It is wasting our time, with respect.

Mrs van de KLASHORST: No.

Mr VAUGHAN: In progressing the initiative for incentive visits it is important to have the technology which is

currently being trialled. It is being trialled in the community but it is being trialled on offenders. When we have the results of that, it will allow us to go forward with that sort of initiative. I submit that information we are gathering on offenders and their behaviour will assist that progress. The X-ray screening is being evaluated and costed. If it is regarded as capable of giving a particularly good result, consideration would certainly be given to including it in the coming budget, particularly for use with female prisoners who can secrete drugs on their person with ease.

Mr MCGINTY: Are you talking about next year's budget?

Mr VAUGHAN: The 1998-99 budget.

Mr MCGINTY: Is it included in this budget or is it not?

Mr VAUGHAN: Funding would certainly be considered for that if it is evaluated as a successful methodology.

The CHAIRMAN: There are 12 recommendations that relate to prisons in that report and some of those have multiple recommendations within them. I am quite happy to give the member for Fremantle the call later on if he wishes to ask another question about other recommendations.

Mr JOHNSON: The officer's response told us mainly of the actions being taken to try to stop visitors bringing drugs into prisons. No mention has been made of any corrupt prison officers who may bring drugs into prison. What actions are being taken to ensure that there are no corrupt prison officers who take drugs into prison?

Mr VAUGHAN: We have an active intelligence network which provides us with information of various grades on whether officers are trafficking drugs. If we have information of sufficient quality, our policy is to search individually nominated officers as they enter the prison system. This is backed up by the police, interfaced with the police, and surveillance of any officer who may be suspected of corruptly dealing with drugs.

Mr JOHNSON: You do not actually do random spot checks on prison officers unless they are identified as suspects?

Mr VAUGHAN: That is not our current practice. It is not directly embargoed and we would take that on a case by case basis. If we believed we had very strong information that drugs were coming in, and we did not have the name of an officer, we might well make that call to conduct some kind of random process. Our intelligence and investigations advice is that if officers are absolutely set on getting drugs into prison, they have means and methods whereby this could happen and the random testing or searching of officers would be unlikely to give a positive result. We find that even the strip searching of visitors yields only about a 1 per cent positive result, and we conduct thousands of searches of visitors per annum.

Mr JAMIESON: We do not drug test prison staff and we do not strip search them. Every allegation made about a prison officer along the drugs line is fully investigated, and any sense of wrongdoing is referred to the police.

Mr WIESE: When were the regulations in relation to searching of visitors' vehicles gazetted? Could you provide that by way of supplementary information?

Mrs van de KLASHORST: Yes, we will provide that by way of supplementary information.

Mr TRENORDEN: Is the active unit just referred to, the internal investigation unit? If so, who heads it and is consideration given to outsourcing that to the police?

Mrs van de KLASHORST: Yes, it is. Mr Jock McNaughton heads it and a review is currently under way.

The CHAIRMAN: The member for Burrup.

Mr RIEBELING: I will give my question to the member for Fremantle so he can continue his line of questioning.

The CHAIRMAN: No, I am sorry; that cannot be done. The call is given to individual members.

Mr RIPPER: Mr Chairman, you have given three questions to government members. An opposition member wants to pursue a line of questioning and in every other committee I have sat in on when an opposition member wants to pursue a line of questioning, he gets a go. I think you have just made a very inappropriate decision. It is on the same issue as the last three questions, and you are denying him a chance to ask a question.

The CHAIRMAN: Can I explain to the member for Belmont that these committees are not about the Opposition asking questions or the Government asking questions.

Mr RIPPER: They are when you chair them.

The CHAIRMAN: They are about individual members getting an equal opportunity. I will come back to this in a moment, but the next person I call on is the member for Avon.

Mr RIEBELING: Do I get a question?

The CHAIRMAN: I am sorry, I clearly got the impression you did not wish to ask a question. Member for Avon.

Mr TRENORDEN: On page -

Point of Order

Mr RIEBELING: Mr Chairman, I would like a chance to ask a question.

The CHAIRMAN: I am quite happy to listen to the member for Burrup. You have a question?

Mr RIEBELING: I would like a point of order.

The CHAIRMAN: Please ask your question. We are trying to be reasonable but if you say you do not wish to ask a question I will move on to the next person on the list.

Committee Resumed

Mr RIEBELING: I do wish to ask a question. I asked whether I could give one of my colleagues on this side my call, but I have a number of questions which I can pursue.

The CHAIRMAN: Please ask one.

Mr RIEBELING: Unfortunately, I will move off that subject. Presumably Mr Jamieson was in a position within the department on 25 March?

Mrs van de KLASHORST: Yes, he was.

Mr RIEBELING: My question relates to major policy decisions listed on page 595 of the Budget Statements. The second line item refers to 100 additional beds. On 25 March the Minister for Justice issued a press release in relation to an increase in bed capacity in the prison system. In the press release the Attorney General said that the current population is 2 140 and that each year we could expect an increase of 100 adult male prisoners. I presume the reference on page 595 relates to that 100 bed increase. I now refer the Parliamentary Secretary to the section which deals with prison population on page 607. It indicates that last year, which is within the year to which the press release referred, there was a daily average muster of 2 250, some 110 more than the figure in the press release dated 25 March. According to the Minister's press release next year's projected target should be 100 more, but the figure given is 2 302. We have now been given three figures in relation to the prison population: The figure of 2 140 on 25 March; the figure of 2 250 in the release of this budget document; and another projected figure of 2 302. From where does the 250 increase come? How can we have any confidence in the figures the ministry is putting out when we are dealing with such diversely different figures? What is happening in relation to the prison population?

Mrs van de KLASHORST: First of all, the muster of prisons in this State changes daily so the Ministry of Justice must look at long term averaging. The member asked about the extra 250 - Casuarina has an additional 150.

Mr RIEBELING: Where is that budgeted for in this document?

Mrs van de KLASHORST: I will give you the information while we are finding out where it is in the budget document. Casuarina has an additional 150, Karnet-Wooroloo 50 and Riverbank 50, which makes 250.

Mr RIEBELING: I can read the press release.

Mr PIPER: With reference to the daily muster predictions, or the predicted number of prisoners within the prison system, clearly that fluctuates and three studies have been conducted over the last two years. The first of those was conducted by Data Analysis Australia, a Western Australian firm; another was conducted by Australian Correctional Services; and a third by the Ministry of Justice. Those predictions run through to the year 2005. Based on those numbers, the ministry has averaged back the predicted average increase of prison population for male prisoners within the State. As indicated, that is an average of about 100.

Mr RIEBELING: I am more interested in the difference between the 2 140 in the press release and the 2 250 as the daily average muster in this easy to read, transparent budget document.

Mrs van de KLASHORST: Can you give me the date of the press release again?

Mr RIEBELING: It is 25 March. Two months difference, maybe even a month.

Mrs van de KLASHORST: The figure could well include females, whereas that press release is possibly referring only to males.

Mr RIEBELING: The press release refers to the male population.

Mrs van de KLASHORST: The 2 250 figure includes the female prison population, because some females in this State are in prison. It is a very minor population compared with males. Does that satisfy your question?

Mr RIEBELING: No. The next step is referred to in this press release. 350 beds were promised, 100 for natural growth and 250 for emergencies, as you stated, for upgrades to Riverbank, Karnet and Wooroloo.

Mr KING: I will answer the question in its three parts. The first is the 100 bed addition to Karnet, Wooroloo and Riverbank. The capital program for 1998-99 provides funding to all three. Karnet has a capital funding provision of \$1.2m in 1998-99.

Mr RIEBELING: Whereabouts is that?

Mr KING: At the top of page 631, in the capital works program on existing works, under the headings "Offender management: physical infrastructure". Indented is the heading "Additional prisoner accommodation: existing prisons" and the sum of \$8.1m. Of that \$8.1m, \$5.3m is expected expenditure in 1998-99. Within that \$5.3m, \$1.2m is allocated to Karnet for 36 minimum security beds; \$1.4m to Riverbank for 50 medium security beds; and \$2.7m to Wooroloo for 14 additional minimum security bed spaces to be provided from refurbishment costs for fire damage replacement and upgrade. That is contained under the separate heading of "New works: offender management: physical infrastructure" in the capital works program on page 633. That totals 100: 36 at Karnet, 14 at Wooroloo - 50 minimum security - and 50 beds at Riverbank.

Mr RIEBELING: So what happened to the other 100?

Mr KING: That is the first 100.

Mr RIEBELING: Is that the 100 referred to on page 595?

Mr KING: Yes.

Mr RIEBELING: That is budgeted for, I understand that one. I am looking now for the other 250 beds.

Mr KING: Part of the prisoner accommodation strategy was announced and formed part of that press release. Apart from dealing with the new 750 bed medium security Wooroloo Prison - as it is now known - there is a timing issue for infill between the construction of these 100 beds and the new 750 bed prison coming on stream. It is anticipated that 150 places will be required in addition to the 100 we have just dealt with.

Mr RIEBELING: The press release says 250 beds.

Mrs van de KLASHORST: That is the total.

Mr RIEBELING: The sum of 100 and 250 is 350. The front page of the release says that there is an urgent need in relation to our prison population, which is 2140, increasing by 100 each year. To respond to this emergency there will be an increase of 250 emergency beds this year. That does not include - according to the press release - the 100 beds mentioned as a natural increase. Therefore, we are looking at 350 beds.

Mrs van de KLASHORST: The figure of 250 includes the 100 emergency beds?

Mr RIEBELING: Does it? The temporary ones include the 100 permanent beds?

Mr KING: It is my understanding that the figure of 250 includes the 100 beds referred to for Riverbank, Karnet and Wooroloo -

Mr RIEBELING: Have you read the press release?

Mr KING: - plus an additional 150 beds, which is not included in the budget at this time. Some infrastructure costing is provided in that. It is intended at this stage to place those 150 beds in temporary accommodation in one of the secure institutions until a 750 bed prison becomes available.

Mr RIEBELING: That is your understanding of it? Where is the budget provision for those 150 beds? I understand that page 595 outlines the 100 beds.

Mr KING: Yes.

Mr RIEBELING: Even on your assessment, there should be another 150 beds in this budget. Where is the line item referring to that increase of 150 beds?

Mrs van de KLASHORST: I have some information. The 100 beds are in the budget. However, the ministry and

Treasury will be finalising the 1998-99 and out year funding requirements over the next few months for the extra 150 beds.

Mr RIEBELING: So, is it not here?

Mrs van de KLASHORST: That is right.

Mr JAMIESON: Part of the reason for the confusion over this is the timing of the accommodation strategy announced by the Attorney General. The timing of that strategy was running right across the closure of the Budget. Consequently, in discussions with Treasury, the decision was made that the final costing of the interim accommodation between now and the opening of a new, large prison is something to be negotiated with them. Therefore, we could not finalise those numbers because of the Budget close down and publication of the papers.

Mr RIEBELING: Why did you not say that at the start?

Mr JAMIESON: We were giving you the details of the 100 beds at Wooroloo, Karnet and Riverbank.

Mr RIEBELING: So this budget is short by \$5m.

Mrs van de KLASHORST: No. The ministry and Treasury will finalise this 1998-99 and out year funding requirements over the next few months.

Mr RIEBELING: Therefore, this budget that you are asking us to vote on is incomplete by \$5m? Is it \$5m short?

The CHAIRMAN: What they are saying is some more will be added to it later on.

Mr RIEBELING: Let us vote for half of it, is that right?

Mr PIPER: On page 631, under the item referred to previously as "Additional prisoner accommodation" there is provision for about \$1m of planning moneys to progress the detailed design of the temporary accommodation.

Mr RIEBELING: What line item is that?

Mr PIPER: The first line item.

Mr RIEBELING: Regional prisons.

Mr PIPER: No, I am referring to the first line item on page 631, "Physical infrastructure: additional prisoner accommodation".

Mr RIEBELING: The sum of \$8.1m.

Mr PIPER: Yes. The estimated expenditure is \$5.360. Within that sum, there is an allocation of about \$1m to enable the planning phase for the temporary accommodation to be undertaken. As has already been indicated, Treasury support for the final budgeted amount is contingent on that planning. However, there is Cabinet approval to proceed with the full strategy. The amount is not included in the Budget because the planning was not advanced to the point where we could give Treasury a reliable estimate, although we have some indicative amounts. However, there is support for the program; it is endorsed. Once we have done that preliminary work, which is a normal process with capital projects, Treasury will fund sufficient planning money to complete a design. We will then, with the agreement of Treasury, submit a full proposal for those additional 150 beds in a secure institution. That will then progress, if required, within this Budget time frame, by way of supplementary funding and we expect it to be supported.

Mr RIEBELING: This coming financial year?

Mr PIPER: In the coming financial year, that is correct.

Mr RIEBELING: It is not in here. Therefore, it is a fair enough question, is it not?

Mr PIPER: The sum of about \$1m for planning has been budgeted to support the proposal.

Mr RIEBELING: I agree with that. Can you just point out the easy to read and understand budget process we now have where it tells me that?

Mr PIPER: As Mr Jamieson has indicated and as you would also understand from the timing of the Minister's press release, we were finalising the detail of the proposal at about the same time the Budget was being finalised. Adequate provision has been made to progress all the initiatives included within that release. However, Treasury appropriately requires us to do the planning associated with it and if we had had more lead time we could have made it clearer.

Mr RIEBELING: Therefore, it is not in here?

Mr PIPER: It does not have a separate item but the funding is included.

Mr RIEBELING: How much supplementary funding is going to be requested - about \$30m?

Mr PIPER: No, we are talking about the final -

Mr RIEBELING: For the whole of the department?

Mrs van de KLASHORST: Would you allow him to answer the question, please.

Mr PIPER: In the context of the interim accommodation for the financial year we have been referring to, we expect about \$5m.

Mr RIEBELING: Is there any other amount that we do not know about that is not in here? It is a fair enough question. There is a sum of \$5m we do not know about.

The CHAIRMAN: Members, please.

Mrs van de KLASHORST: We certainly cannot answer what we do not know.

Mr RIEBELING: You do not know how much you are going to ask for?

Mrs van de KLASHORST: They have said they have just got the money for the planning.

The CHAIRMAN: Before we move on to the member for Avon who has the call next, a short while ago the member for Belmont raised some questions on how this Committee is being chaired. As the member for Belmont was late, that is probably the reason why he does not appreciate how even handed the distribution of questions has been.

However, I point out that the member for Belmont, who arrived late, has not sought the call and consequently has not asked any questions. The member for Fremantle has sought the call once and has received it. The Chair the same. The members for Hillarys, Avon and Wagin have sought and received the call three times. The member for Burrup has sought and received the call six times, including at least one quarter of an hour session. *Hansard* will demonstrate that the member for Burrup has had numerous opportunities for supplementary questions. Therefore, in order not to hold up proceedings any more, I call the member for Avon.

Point of Order

Mr McGINTY: The issue that you ruled on which provoked a response was the unprecedented statement from yourself, as Chairman, that you would not allow one member who had the call to give up his call to someone else to enable him to continue to pursue a theme, which was the issue of drugs in prisons before the committee.

You, as well as other Chairmen, would know from other committees that you have chaired that the members in every other committee have been allowed to defer to someone else to enable them to continue with the theme. The reaction that you provoked occurred after I had asked a number of questions on drugs in prisons because you then allowed each of the members Opposite out of turn to ask a number of supplementary questions on that theme. That was an appropriate thing to do to facilitate the smooth operation of the committee.

What we are faced with now is your taking the unprecedented action of denying me - not the member for Burrup - the opportunity to pursue a line of questioning consistent with the practice applied in this Parliament over the past three days. For the life of me, I do not know why you suddenly took it upon yourself to do something unprecedented and - if I can appeal to the members opposite - something which they would not support because in other committees we want to get to the facts; we want to get answers to a range of questions. We have done that at times by deferring to other members. I even deferred to the member for Collie on Tuesday, and I am sorry I did!

However, if we want to get answers to questions there are three things that must happen. There must be goodwill between the members of the committee, and there has been goodwill in this committee with no uncalled for behaviour. Both the Minister - or the Parliamentary Secretary - and the advisers in particular, have to be to a point in answering the questions. Some of the answers given today have been very close to an abuse of process by some of the advisers occupying the crease.

The CHAIRMAN: Can you wind up your point of order, member for Fremantle?

Mr McGINTY: I am coming to you; you are the third point in this equation; we have gone around the table and I have saved you for last for a very particular reason. It requires also a chairman who will be fair and use commonsense. In my view, you did not use commonsense when the member for Burrup - who, as you said a minute ago, had six questions - wanted to defer to someone on his side. While the committee is a committee, it is not

ostensibly as partisan as debate in Parliament, nonetheless the endeavour should be to ensure a fair distribution of questions between both sides. If someone on the same side wishes to defer, for the life of me I cannot understand why you will not allow that.

I ask you to explain to the committee why you have taken this unprecedented action which no other chairman of committees has taken and in fact, inconsistent with what every other chairman of committees has done, including yourself when you have been in the chair in other committees.

The CHAIRMAN: Member for Fremantle, first of all, obviously there is no point of order. You are aware how these committees operate and you are welcome to have a browse through the Sessional Orders and so on.

Mr McGINTY: I am asking you to explain your actions.

The CHAIRMAN: I would be delighted if you could indicate where it demonstrates that the committee chairmen must govern the activity of these committees in a particular way, as you have described.

Mr McGINTY: Beyond commonsense, probably there is not any.

The CHAIRMAN: I do not want to waste other members' time because we should be spending this time asking questions and hearing the Parliamentary Secretary's response, not debating Claytons points of order. However, I make the point, member for Fremantle that I just read out some statistics that show that I really believe this Chair has been very fair in the distribution of questions. I have deferred questions.

For example, I was sitting here yesterday when one of your colleagues decided not to ask a question so the next person on the list could do so. That happened to be one of your colleagues. If the next person on the list happens to be someone sitting on the other side, I will defer the question to that person; otherwise I am being unfair on people who have sought the call previously. Therefore, I am running this committee in a particular way and the member for Fremantle will be pleased to know that, as he sought the call earlier on, he is on this list. He will find that the system works fairly and he will have every opportunity to ask questions as the time arises. The member for Avon.

Committee Resumed

Mr TRENORDEN: I refer to page 597 under output No 1: judiciary and judicial support.

Mrs van de KLASHORST: Member for Avon, we are not handling that. That was dealt with on Tuesday. We are dealing with Nos 8 to 14. That was handled by the Minister representing the Attorney General on Tuesday.

Mr McGINTY: This question relates to recommendation 63 from the drugs committee? What changes have taken place since November of last year to the reception in the State's prisons of people with alcohol and drug related issues?

Mr JAMIESON: Since that time, new comprehensive risk assessment processes have been implemented under the guidance of Dr Ananth Pullala. Individuals under the influence of substance are detoxified and enter special care during that period.

Mr McGINTY: Could the Parliamentary Secretary, by way of supplementary information, provide a more detailed explanation of the changes introduced into the reception process in the prisons along the lines that Mr Jamieson has just outlined?

Mrs van de KLASHORST: Perhaps Mr Jamieson can answer now?

Mr McGINTY: I would prefer to have it as a breakdown of what pre-existed and what exists now.

Mrs van de KLASHORST: Yes, that will be provided.

Mr McGINTY: What appropriate pharmacotherapies have been established in the prison system to address the rehabilitative and treatment needs of prisoners with established drug histories since November of last year.

Mr VAUGHAN: Can I clarify the use of the terminology pharmacotherapeutic?

Mr McGINTY: The recommendation from the drugs committee was that you establish appropriate pharmacotherapies.

Mr VAUGHAN: There has been no final decision on the introduction of alternative pharmacotherapies. However, consideration is being given to the use of naltrexone within the prison system, which would be dependent on the trial currently occurring in the community.

Mr McGINTY: My next question is in relation to the publication of information on the incidence of drug use in

prisons, particularly urinalysis. The recommendation was that you routinely collate and publish results of urinalysis testing. I have not seen any figures published on that since November of last year when the committee reported. What have you done on that question?

Mrs van de KLASHORST: The advisers say that has not been -

The CHAIRMAN: Member for Fremantle, I am following your questions directly from the committee's interim report and looking at the response by the Government to those recommendations. Out of courtesy to the Parliamentary Secretary, it may make it easier for her and her advisers to follow through your points if they are able to refer specifically to the recommendations that you have there as well. I am happy to give up my copies to them.

As a commonsense initiative, which I am sure you will support, could you refer to the recommendation number which will make it easier for everyone to follow through as some of these are very detailed matters.

Mr McGINTY: I have been doing that when asking the questions. Recommendation 67 of the drugs committee is that the Ministry of Justice, in association with external independent researchers, publish on at least a biennial basis analyses of prevalence and trends in indices of drug use or abuse in prisons. What does the Ministry of Justice do, or intend to do in the future, in properly researching and publishing the figures on drug abuse in prisons?

Mrs van de KLASHORST: Currently, the government supports the recommendation in principle. The data issues preclude implementation at this time and the member will understand that the data has to be gathered. Standardisation of collection and analysis of data, which enables legitimate comparisons between state and territory jurisdictions, is a necessary precursor to gathering such data. Therefore, we must consider comparisons to ensure that they are not erroneous. A select committee from Victoria visited recently to look at some of our upgraded equipment for data collection and computer technology in the justice system. We are way ahead of the game in that we are considered the leaders in the field in Australia. Obviously, this new technology will be used to gather some of that information.

Mr McGINTY: Recommendation 69 refers to publishing, in association with external independent researchers, on a quarterly basis analyses of prevalence and trends in indices of drug abuse and other outcomes of offenders under community based orders. Again, I am unaware of anything that the department is doing there. The reason I ask these two questions, in particular, is that sound policy making must be based on sound data.

Mrs van de KLASHORST: Always.

Mr McGINTY: It is frustrating looking at prisons and drugs because there is no current sound data on which to base appropriate policies. That is the frustration underlying those two recommendations from the committee and my question to you today.

Mrs van de KLASHORST: The publication on a quarterly basis of prevalence of trends and the indices of drug abuse and other outcomes of offenders under community based orders is not supported in this response by the Government. However, the Minister's requirement is to determine the success of its interventions in terms of performance indicators. The select committee's definition of an intervention varies from that of the ministry. For example, the select committee appears to suggest that urine testing is an intervention that requires measurement outcomes. The Minister considers urine testing is a monitoring tool - and I would agree - and not an intervention designed to change behaviour. Therefore, it should not be considered a strong indicator in determining the success of the ministry in supervising offenders.

The implementation of a total offender management system will improve the capacity of the ministry to provide comprehensive measures of outcomes and these will be published annually. Publication of such data on a quarterly basis, as recommended by the committee, is unnecessary and expensive. Publication of quarterly analyses of prevalence trends in indices of drug abuse is, likewise, not supported. That was the official response.

Mr PIPER: On the general point of information on management of prisons, the Budget contains a substantial allocation for the implementation of a total offender management system. It is a prudent computer system for the management of custodial facilities that has been implemented in New Zealand. As has been indicated, we believe that adequate data should inform policy. The ministry's current system was implemented in the mid 1980s. There are limitations to our capacity to undertake effective case management as well as provide the performance indicators and statistics that we might in some areas. Therefore, as indicated, the Budget does support a significant improvement in the ways in which information will be managed within the prison system to allow not only better management but also better policy decisions based on the implementation of that system.

Mr McGINTY: I appreciate that dimension to it. I ask the Parliamentary Secretary whether the notion of mandatory - even if anonymous - testing for drugs in prisons, at the point of entry and subsequently, is something

you would endorse to provide the necessary basis upon which you can then use the TOM system to collate that information. There seems to be significant flaws in the way the data is collected, or the testing is done, in the first place in order to process the matter.

Mrs van de KLASHORST: I am advised that the ministry is looking at mandatory testing but at this stage no definite decision has been made.

Sitting suspended from 6.00 to 7.00 pm

Mr RIEBELING: My question is in relation to page 607, output 8, which I mentioned in my contribution to the second reading debate. Can the Parliamentary Secretary comment on No 2, the projected target of 55 escapes for 1998-99? Can the Parliamentary Secretary advise on the estimation of 60 escapes this year, how many have escaped up until 27 May?

Mr JAMIESON: Is the first part of your question, why is there a reduction?

Mr RIEBELING: No, why have you estimated the target of 55 people escaping?

Mr JAMIESON: We project a reduction in the level of escapes next year as a result of a tightening up at the minimum security facility at Wooroloo under a new superintendent, in particular, and also closer evening supervision at Karnet. Consequently, we anticipate the rate of escape next financial year will be lower. How do we arrive at a number? It is a professional estimate of the impact of those measures?

Mr RIEBELING: How many of the estimate of 60 had escaped as at yesterday?

Mr VAUGHAN: I do not have the exact number to hand. I am aware that we are on track for - I hesitate to say - that target, however the rate reflects that particular figure.

Mr RIEBELING: Can the Parliamentary Secretary provide, through supplementary information, that exact figure of escapes to yesterday's date?

The CHAIRMAN: Noted.

Mrs van de KLASHORST: We will provide supplementary information on escapes to yesterday's date.

Mr RIEBELING: Why is the target not zero?

Mrs van de KLASHORST: An escape rate of zero was targeted. However, as an inevitable reality of life, there will be escapes. The whole organisation wants to keep people in prison and they do not want them to escape. However, when one budgets one must budget for costs.

Mr RIEBELING: I understand that. However, presumably the two functions of a prison system are basically to try to keep people behind bars and provide rehabilitation. Whether the target of 55 failures per year is achievable, should not the projected target of a prison system be zero?

Mrs van de KLASHORST: Of course it should.

Mr PIPER: Clearly, one of the main functions of the prison system is to keep people in custody who are intended to be in custody. You will note from the estimates that the projections are made for minimum security institutions. Minimum security institutions contain prisoners who are normally close to release. Because of their minimum security status, those prisons do not have the same external perimeter security as a maximum security facility. Therefore, there is the regime and supervision of a prison but not an extensive implementation of infrastructure to keep people in.

Within a short period of time, many of these people will be mixing in the community and the minimum security facilities form part of the normalisation program to try to return people to the community. It is unfortunate that people within that arrangement leave the premises. Most of them return to the minimum security institution. It is not that we plan to have people leave or escape. As was indicated, the reason that we predict a reduction - not that we are targeting that number - is a change of management regime within the minimum security facilities.

Mr RIEBELING: It is not going to have a great impact, according to your assessment, is it?

Mr PIPER: A change of culture and practice within the prison system takes time and that is a conservative estimate. We would like, obviously, to do better than the predicted number. We have tried honestly to reflect a number that conservatively assesses the change of management regime. However, it is a difficult balancing act, certainly within minimum security facilities.

Mr RIEBELING: I understand that. As a supplementary question to that response, I remember in the last 12 months

police releasing information on people who escaped who they consider dangerous. You also must remember that occurred over the last 12 months. On these figures, no-one has escaped from maximum security prisons; they are predominantly from minimum security prisons. How do these people, whom the police consider to be dangerous, end up in minimum security where there is no system that keeps violent people behind bars?

Mr PIPER: Clearly, we have a situation where a number of these people are very close to release anyway. The courts determine a length of sentence and, no matter what the crime, -

Mr RIEBELING: The prison system determines their security level.

Mr PIPER: - these people will be, after a certain period of time, returned to the community. The prison system tries to provide a staged return. We understand the issue of severity of offences, however, we are also trying to manage that release.

Mr RIEBELING: For instance, how does a person go from a minimum security low risk prison, from which 54 of the 60 people you say escaped? I remember three people escaping from Greenough last year. I do not remember whether they had medium security status. However, the police went ballistic and said that these people were murderers and rapists and so on. If murderers and rapists are in a minimum security prison and can walk out - I do not say that flippantly as 54 this year and 52 next year will escape from the system, according to projected figures - should they, in fact, be there?

My concern is that overcrowding of our prison system creates a situation where the management of prisons becomes harder, therefore prisoners must be allocated to minimum security when there should be a higher degree of security.

Mr PIPER: Referring to page 630, you will notice there are funds provided within the works in progress budget for security upgrades at Canning Vale and regional prisons.

Mr RIEBELING: Canning Vale is maximum, is it not?

Mr PIPER: Yes. The regional prison upgrade is, in fact, for Greenough which is the response, in part, to the security reassessment.

Mr RIEBELING: Greenough is minimum security, is it?

Mr PIPER: No, medium. It is in response, in part, to the escape of the three persons that you spoke of who did not have minimum security status; they were medium.

Mr RIEBELING: That would explain the reduction in the estimates for next year from six to three, would it, because you do not think anyone is going to escape from Greenough because of that upgrade?

Mr PIPER: In small numbers like that it is hardly meaningful. As to the issue you raised of prisoner classification and placement on who gets sent to what prison, I defer to Mr Jamieson for a more detailed answer.

Mr JAMIESON: If someone stupid enough to undertake a robbery with violence eight years ago has progressed through the prison system, is about to be released as a minimum security prisoner, and weeks, days or hours prior to release chooses to escape from a minimum security prison - and I remind the member we do not even have fences around a couple of these prisons - the police issue a warning to the community based on the category of the individual when they committed the offence. Therefore, in the case of someone who has completed a prison sentence, been graded minimum security, undergone all the program attention required and is ready for release into the community, the police continue to give them that initial tag of eight years ago. That is an alarming thing for the community to hear and, in most instances, quite inappropriate.

Mr RIEBELING: What is occurring to alleviate that?

Mr JAMIESON: We are negotiating with the Police Service to review the labelling of those prisoners with those earlier charges.

Mr RIEBELING: When the police categorise them, is that a response to the violent nature of the crime or is that what the police determine?

Mr JAMIESON: They revert to the offence that the person was originally apprehended for and take the flavour of that as though nothing has happened in the meantime.

Mr RIEBELING: If they say they are dangerous individuals, they would not be if they were involved in a robbery but they would be if violence was involved.

Mrs van de KLASHORST: Possibly, yes.

Mr JOHNSON: The first paragraph on page 608 under "Effectiveness" refers to -

Managing convicted and remanded prisoners in a humane and just manner through safe and secure custodial systems . . .

What is being done to combat the spread of blood-borne infectious diseases in the prison population, such as hepatitis C and AIDS?

Mrs van de KLASHORST: A range of strategies was developed by the blood-borne infectious diseases steering group. This is a group convened by the ministry's Director of Health Services which has representatives from different community groups, the Hepatitis C Council of WA, the AIDS Council of WA, the Health Department, and Ministry of Justice officers. Mr Vaughan could give us more details of exactly what they do.

Mr VAUGHAN: A comprehensive strategy has been implemented to deal with blood-borne infectious diseases in prison. The main standpoint of that is an education campaign effectively treating every prisoner as if they are potentially hepatitis C, hepatitis B or HIV positive. Officers are trained in dealing with any spill of bodily fluid. Any prisoner engaging in risk behaviours such as sexual activity, needle exchange or even tattooing - home-made tattooing is not infrequent in prison - is counselled and, where very high-risk behaviours are involved, subject to a higher supervision regime. Therefore, if a prisoner were to engage in anal sexual activity, a general process is followed whereby they are moved out of minimum security and into higher security where they can be subject to a higher level of supervision.

Specific strategies which are being developed have been included this year. A keeping safe educational program is being delivered now at 10 out of 13 adult prisons and it is intended to include detainees in juvenile justice institutions from July 1998. Prisoners are encouraged to have blood tests as part of the reception process. It is policy not to forcibly take blood samples because the medical services feel it is inappropriate to hold prisoners down and extract blood samples from them. However, a refusal is not simply the end of the matter. With counselling, there is a very high take-up rate. Prisoners and prison staff are encouraged to have hepatitis B vaccinations. All prison officers are trained now in standard precautions on managing the risk of hepatitis C, hepatitis B and HIV. Exit kits are being issued to prisoners; that includes condoms and public health information. A condom supply to prisoners is being trialled.

Mr RIEBELING: I thought that had been stopped.

Mr VAUGHAN: A revised condom trial has been implemented at Canning Vale Prison and on current reports that is proceeding successfully. All prisoners positive to blood-borne infectious diseases are offered treatment and counselling.

Mr JOHNSON: If you find a prisoner who, through a blood test, is diagnosed HIV or hepatitis C positive and they are having anal activity with another male prisoner - I am talking of males now obviously - you are not allowed to put them on their own, are you?

Mrs van de KLASHORST: You are not allowed to discriminate.

Mr JOHNSON: No. Even though they have been sexually active when they should not be, especially when they have a blood-borne disease, you say they are more supervised. In what way are they more supervised?

Mr VAUGHAN: If a prisoner fails to respond to the appropriate counselling and wilfully and persistently engages in anal sexual activity, whether they have hepatitis C or a blood-borne infection, they are subject to progressively increased grades of supervision which could ultimately include isolation. It is important that we do not pick on those prisoners who have tested positive because of the window period before some of these diseases can be detected.

Mr RIEBELING: On my understanding of hepatitis C, infection rates are as high as 80 per cent in one of our prisons. What realistic programs are being considered to stop the infection rate from spreading? I understood that the condom program had been stopped. I hope you will say there is a syringe program because hepatitis C is spread by intravenous injections. Is it true that most homosexual activity in male prisons is not necessarily perpetrated by homosexuals?

Mr VAUGHAN: The condom trial is proceeding and has a take up rate by prisoners in the Canning Vale trial, so that is a positive development.

Mr RIEBELING: How are they dispensed?

Mr VAUGHAN: The condoms are dispensed through vending machines in a couple of toilets; in the medical centre and the recreational library facility.

Mr RIEBELING: How are the used condoms disposed of?

Mr VAUGHAN: Some of them are disposed of in containers provided.

Mr RIEBELING: Is that in the public area or in a private area?

Mr VAUGHAN: That is in a private area. A needle exchange is not contemplated under policy on the grounds that this would provide potential weapons and materials as well as condoning unlawful acts. Assessment has been made of the problem of management of prison behaviours. Needles can be dangerous in prisons and can provide a ready made weapon for anyone who does have a blood-borne infectious disease.

Mr RIEBELING: Has any thought been given to a system of minimising the threat of using a needle as a weapon? I presume when you say, for example, a syringe can be used as a weapon, the danger is not to fellow prisoners but to prison officers; I agree that you must minimise that. However, has any thought been given to a safer system? If so, how far has that progressed?

Mr VAUGHAN: The question of dangerousness has been determined by our policy which is to provide, through the condom trial, some opportunity for reduction of risk. Also, a very heavy emphasis has been placed on education and responsible behaviours of prisoners. It is our view that, ultimately, some onus should return to prisoners to control their own behaviour.

Mr RIEBELING: The answer is: Nothing has occurred in relation to a safe syringe program?

Mrs van de KLASHORST: I believe that question was answered.

Mr RIEBELING: Was it? What was the answer? Perhaps the Parliamentary Secretary can answer it. If you heard the answer, can you tell me what the answer was?

Mrs van de KLASHORST: If you are having difficulty hearing, we will ask Mr Jamieson to give a succinct answer. Mr Jamieson will add to it so that the member receives the information he thinks he is seeking.

Mr JAMIESON: Syringes are contraband.

Mr RIEBELING: The question was: Has any thought been given to providing a safe program which would alleviate the danger to prison officers?

Mrs van de KLASHORST: I think we have answered the question.

The CHAIRMAN: I have a question regarding output 8 on page 607 relating to the prison officer-inmate ratio and all prisons in Western Australia involving prisoners of either sex. What is the prison officer-inmate ratio for minimum security, medium security and maximum security prisons?

Mr VAUGHAN: We will take that on notice for detailed figures to be provided.

Mrs van de KLASHORST: It would vary according to the inmates and the prisoners. We will provide that as supplementary information.

Mr JOHNSON: I refer to page 609. Why is the cost of keeping a juvenile in detention \$300 a day more costly than keeping an adult?

Mrs van de KLASHORST: There are many more educational programs and, the younger the person, the more intense the work. Higher supervision ratios are required. One of the great advantages of Banksia Hill is that it works with the whole family. The program involves family visits and family involvement. The younger the prisoner the more intervention is required.

Mr JOHNSON: What is the difference in supervision ratio between juveniles and adults?

Mr KEATING: I cannot provide a firm figure on the ratio of adults to juveniles. The supervision rate for juveniles is approximately one group worker to eight juveniles. Those workers are particularly trained not simply to stand and watch but to be interactive. Most people would agree that managing eight boisterous teenagers effectively in a productive way is a task in itself.

Mr JOHNSON: Does that ratio include the educators?

Mr KEATING: No, that is supervisory staff or group workers. In addition, we have a range of other staff including health, education, vocational and project staff. We also have psychologists and social workers to deal with case management. Approximately one-third of our staff at Banksia Hill would fall into the support category; that is, they provide support and programs for the rehabilitation of young people.

Mr JOHNSON: How does that compare with the rest of Australia?

Mr KEATING: Now that we have moved to the new detention centre, the ratios here are lower than anywhere else in Australia.

Mr JOHNSON: Somewhere else the ratio could be 1:10; that is, is our ratio better?

Mr KEATING: Our ratios are competitive, but because of the nature of our centres we are far more efficient. In fact, we have a lower bed cost than other States but still provide higher quality services and higher input, in both supervision and program support.

Mrs van de KLASHORST: Banksia Hill was planned and built to allow much more independence for the prisoners and to teach them the consequences of their own actions. The idea is to guide them through this.

Mr KEATING: Traditionally juvenile centres have been smaller, which leads to a very poor cost benefit relationship. Being larger, Banksia Hill can be much more efficient and still have better resources and better programs. The design has supported that whole concept.

Mr OSBORNE: I refer to page 591, dot point 10. It is stated that inadequate remand reception and assessment facilities are a significant issue and trend that the ministry must address this year. What will the ministry do about these inadequate facilities?

Mr PIPER: The issue of remand reception and assessment has been identified throughout the system as a major management change. We referred earlier to the Howes report. One of the critical recommendations of that report dealt with the importance of the reception and assessment phase to determine the classification in management terms and also in at risk terms for prisoners within the system. There has been commentary on the issue of remand facilities. Remand prisoners, who have not been sentenced, have been housed with sentenced prisoners. The measures announced earlier this year involve the Canning Vale complex being converted. It will have new reception facilities to enable assessment to be more adequately and consistently carried out and it will become a remand reception prison. That is the effective difference which I believe the community expects but which is also a component of better management processes. A number of people within the remand facility are there for a shorter period - they are awaiting bail and so on.

The Canning Vale Assessment Centre is referred to on page 633 with a cost allocation of just over \$3m. This is part of the package of measures that referred to earlier, which includes new bed capacity. It also includes a change in management structure within the prison system to deal with both the issue of at risk prisoners on reception into the prison system and the ways in which we manage remand prisoners separately from sentenced prisoners.

Mr OSBORNE: What is the timing for the completion of those facilities? Does that allocation include planning and design, or is it ready for construction to commence now? Is it considered appropriate that new remand facilities be developed in other prisons such as the Bunbury Regional Prison?

Mr PIPER: The main change relates to management. Therefore, initially we are talking about changing the nature and function of the Casuarina Prison and the Canning Vale Prison. The Casuarina Prison will become a secure, sentenced maximum and medium security prison, which is what it was designed for, and the Canning Vale complex will become a remand reception prison. That management change is being worked through, because clearly we do not make knee jerk or instantaneous changes within the system. The various superintendents are looking at the operational impact of that. The funds allocated are primarily for the assessment facility. It is anticipated that they will be fully expended within the following year. We expect modified assessment facilities to be available in that time frame; that is how we are planning it. Therefore, that figure represents other funds allocated for achieving that facility and the complete management change.

Mr RIEBELING: Is it still true that sex offenders are being transferred to Bunbury for their sex offender program? When those sex offenders complete their program are they then transferred back to Perth or are they released into the community through Bunbury?

Mr JAMIESON: Yes to both.

Mr RIEBELING: I refer to the privatisation or proposed privatisation of prisoner transfer within the State. Is that process now occurring and has Colin McPhail being placed in charge of that operation as the sheriff? If so, are private industry representatives currently being flown from prison to prison throughout the State to look at the privatisation of the transfer system? The question relates to page 607 and the expenditure of \$146.499m.

Mr PIPER: Colin McPhail is from the Sheriff's Office and a member of a project team examining the potential contracting out of a number of services, including prisoner transfer or transport. The requests for proposals for that

service have been issued and close on 3 June. It is appropriate that the potential contractors are able to see all the locations at which the service might be provided. Given that we live in a very large State, it was decided that a combined transport arrangement would be provided to enable them to view those facilities so they can make an adequate assessment prior submitting a tender.

Mr RIEBELING: How much has that cost?

Mr PIPER: I will provide that as supplementary information if the Parliamentary Secretary agrees.

Mrs van de KLASHORST: That is acceptable.

Mr PIPER: It is clearly in our interests to have tenderers visit the sites so that we get a viable proposal. That is particularly relevant in respect of remote relocations, because the quality of service in those areas is important and the tenderers should understand that.

Mr RIEBELING: I agree that the service to country areas is vital. Those involved in the prison system would also agree. Given that, what is the relevant experience of the two current heads of the department?

Mrs van de KLASHORST: In relation to the entire prison system?

Mr RIEBELING: Yes. What is the experience of these two gentlemen in the prison system of Western Australia?

Mrs van de KLASHORST: They both work in it. It is a most peculiar question.

Mr RIEBELING: It is. I am interested in how many years' experience the two men have.

Mrs van de KLASHORST: You did not ask that; you have just changed your question.

The CHAIRMAN: The question was very general in nature and did not relate to a specific outcome or an item of expenditure, but I will allow it.

Mrs van de KLASHORST: What has that got to do with the budget? There is no item mentioning these two gentlemen.

Mr RIEBELING: Is there no item applying to administration?

Point of Order

The CHAIRMAN: Is the Parliamentary Secretary raising a point of order as to relevance?

Mrs van de KLASHORST: I could.

The CHAIRMAN: I uphold the point of order; the question is not relevant.

Mr RIEBELING: Can I speak to that point of order?

The CHAIRMAN: No, that is my decision. The objection was raised that the question did not relate to an item of expenditure or to an outcome.

Mr RIEBELING: So the administration is not in this budget?

The CHAIRMAN: That is a very general question.

Mr OSBORNE: It was a personal question relating to the capabilities of two officers who are assisting the Parliamentary Secretary.

Committee Resumed

Mr JOHNSON: I refer to page 612, the description of output 11, juvenile offenders managed in the community and the management of at risk and offending juveniles. What has the Government done about the management of high risk young offenders in the community since the closure of the Kurli Murri work camp?

Mr DALEY: The Kurli Murri work camp was closed in late 1995. In September 1996 we were requested to establish a high intensity intervention centre for at risk young offenders at the Warminda Centre at Welshpool. That centre opened in March of last year. During its operations, about 38 young people went through the Kurli Murri work camp, but none was a juvenile - they were all young adults. That underlined a number of critical issues: First, the amalgamation of juvenile justice and adult community corrections allowed us to give a much closer focus to 16 to 21 year olds as a high risk but high needs group - a very vulnerable group. We could put them together to provide a range of services that recognised both the issues that 16 to 21 year olds have in common as young adults and those that they maintain in difference because of their differential rates of growth, maturity and so on.

In the past 12 months the Warminda Centre has had about 240 referrals of which about 45 per cent - close to 80 or 90 individuals - have been received into the program. A substantial number have not been received into the program because they have refused to go there and have been referred back to the courts. In some cases they have been facing other charges and the courts have made other decisions about them. That group now receives an intensive program, which includes vocational, remedial, educational and community work activity where work is part of the sentence, and programs dealing with social skills development largely based on cognitive skill theory.

In November last year the Australian Crime Prevention Council met in Perth and the manager of the centre presented a paper. That has attracted international attention and the manager has been invited to attend and present a paper at an international conference later this year on the basis that the Asian audience is experiencing increasing juvenile delinquency and kids in trouble and it could learn from that centre. We do not yet know the results for the centre because we let a contract last month for an independent evaluation, which should be completed by July. We are not boasting too much about the results as yet. However, an enormous range of services is now available that was not previously to a larger number of people in the centre where most of these kids live.

Mr JOHNSON: Obviously you are hopeful that it will be a positive response.

Mr DALEY: We have done some homework on this. A professor visited from the United Kingdom last year. We asked her to review the program in an observational sense rather than a strictly scientific sense, and she reported very positively on it. Participants at the Crime Prevention Council conference last year who visited the centre reported very positively on it, but we will be able to provide more comprehensive information in the next couple of months.

Mr RIEBELING: I refer to page 607, output 8, adult offender management in custody involving expenditure of \$146.499m. How many months' experience do the head of the department and the head of offender management have within the Justice Department?

Mr OSBORNE: This is canvassing a previous ruling.

The CHAIRMAN: That is correct.

Mr RIEBELING: Why is that out of order?

The CHAIRMAN: I have previously ruled on a question that covered the same subject matter.

Mr RIEBELING: What is the problem with answering that?

The CHAIRMAN: The point of order that has been raised and dealt with.

Mr RIEBELING: I want to know the experience of the people administering \$146m. Whether or not the previous ruling was correct, that question is legitimate. We are talking about \$146m and I want to know what is the experience of the current administration.

The CHAIRMAN: I uphold the point of order once again. The question is out of order.

Mr RIEBELING: I am staggered by that.

The CHAIRMAN: There are other ways of seeking information.

Mr RIEBELING: It would appear not. I refer again to page 607. Are five vehicles currently allocated to staff in the Minister's office?

Mrs van de KLASHORST: As far as I am aware the Minister's office is serviced through the Ministry of the Premier and Cabinet. I do not have that information, nor would any of the officers from the Ministry of Justice. However, the Minister can provide the figure as supplementary information.

Mr RIEBELING: How many Bankcards are allocated to departmental officers?

The CHAIRMAN: For use in relation to what - prison related matters only or justice functions in general?

Mr RIEBELING: For use in relation to this item only.

Mr PIPER: We are happy to provide the detailed number of credit cards that have been issued within the ministry as supplementary information.

Mr RIEBELING: Why have about 140 credit cards been issued?

Mr PIPER: The arrangements for travel and small purchases sometimes necessitate the use of a credit card. Those payments are better able to be authenticated through the credit card system because the credit issuing company keeps original records and there are obligations on the merchant to keep adequate records. Therefore, for both audit and

accountability purposes, a properly monitored use of credit cards within the ministry is an efficient management practice.

The CHAIRMAN: Is the Parliamentary Secretary aware of the Auditor General's views regarding the use of credit cards in that it is a very good internal accounting method to ensure accountability and authenticity?

Mrs van de KLASHORST: Yes. The Auditor General has stated that the use of credit cards is appropriate because it is much easier to keep track of expenditure.

Mr JOHNSON: I refer to page 610, performance measures for output 10. Reference is made to the number of orders for adult offenders in the community that are successfully completed. What is being done to improve the completion rates for Aboriginal offenders under the community service supervision orders?

Mrs van de KLASHORST: An Aboriginal family supervision program has been established. Importantly, it uses Aboriginal mentors and extended family networks to assist in delivering culturally appropriate programs.

Mr DALEY: Historically there has been a significant differential in the completion rates of orders between Aboriginal and non-Aboriginal offenders. It took until recent years for people to wake up to some pretty obvious reasons for that; that is, completely inappropriate methods of supervising people who were not capable of responding to a system about which they had no knowledge or understanding, through no fault of their own. We imposed a system on them; we made the rules; they could not abide by the rules; and then we said they deserved to be punished for that.

In the past three or four years we have moved dramatically towards much greater involvement of Aboriginal communities in decision-making about their offenders. One model involves our Aboriginal community supervision agreement program. In country areas, about 50 Aboriginal communities across the State - primarily in the Kimberley - now contract to manage their own offenders under standards administered and monitored by the ministry. There is a payment for that, although it is not large. That program has been well received. It has not yet been formally evaluated, but it is on the list for formal evaluation and we hope that will happen next year. A substantial number of Aboriginal communities is interested in being added to that process. In some areas it does seem to have reduced the differential in breaching rates between Aboriginal and non-Aboriginal people.

The metropolitan area has been much more difficult because of mobility and different acculturation factors associated with Aboriginality in an urban setting. We have struggled much harder to deal with that. However, two years ago, through my colleague, the Director of Juvenile Justice (Custodial) and others, a process was set up involving a survey of 200 Aboriginal families in the metropolitan area. That provided startling but perhaps obvious messages that we should be dealing directly with extended family networks and not necessarily peak Aboriginal organisations that are regionally based and not family based. It prompted us to set up a family supervision program for 16 to 21 year olds that taps into Aboriginal role models and Aboriginal extended family mentors. An internal review conducted last July-September showed astonishingly low breach rates for those who had completed the program. However, because they had not long completed the program, we do not know the relapse rate. We have once again let a tender for an overall evaluation of the family supervision program and the results will be available by July or August. That is another key plank in what we are doing.

We are also dealing with critical regional Aboriginal issues in the Central Desert and volatile substance abuse. The program to establish facilities within the tribal lands has been evaluated and it has been given a tick. Next month there will be a major meeting of all community agencies - government, voluntary and Aboriginal - in the east Kimberley to develop a strategy for addressing incipient problems with young people and volatile substance abuse in the Balgo and related community area. That is the third major part of the strategy. We have had a number of visits from other States asking for information about that because the Aboriginal community supervision model exists only in Western Australia. Queensland has inquired about it and South Australia is looking at its adoption.

Mr RIEBELING: I refer to page 607, output 8 and the success of the programming. Last year there was an average of 2 250 inmates in our prison system. Dot point 4 refers to 1 750 offenders returning to the corrective services system within two years. It is also stated that the reoffending rate is 30.3 per cent. Clearly, the 30.3 per cent does not relate to the number of prisoners in our prison system, because, given the figure of 1 750, that would be all but 500 of our current crop of inmates.

Mrs van de KLASHORST: That is not raw data. The number of prisoners changes constantly and the reoffenders may be the same people.

The CHAIRMAN: It is not a test of recidivism in itself.

Mrs van de KLASHORST: The member is comparing two different figures - like apples and oranges.

Mr RIEBELING: These are the Minister's figures, not mine. The 30.3 per cent reoffending rate in relation to 1 750 inmates over two years is much higher when one takes into account the overall prison population. The Minister has done exactly the opposite. He is saying that the 1 750 is 30.3 per cent of the 5 780 who have been released. I am saying that the number of people who reoffend is a much higher percentage of those who are currently in prison.

Mr JAMIESON: The 1 750 expected result for this year and the 1 725 expected result for next year relate to reoffending across prisons and community based services. So the percentage falls out of whack if one relates it only to prisoners. One must deal with item 3, which provides an indication of the number of offenders going through community based services.

Division 36: Recreation Camps and Reserves Board, \$446 000 -

[Mr Baker, Chairman.]

[Mr Marshall, Parliamentary Secretary to the Minister for Sport and Recreation.]

[Mr J.G. Busch, Executive Director, Ministry of Sport and Recreation and President, Recreation Camps and Reserves Board.]

[Mr K. Watson, Manager Administration Recreation, Recreation Camps and Reserves Board.]

[Mr J.H. Dowling, Director, Corporate Development and Services.]

[Mr G. Moss, Chief Executive Officer, WA Sports Centre Trust.]

[Mr D. Smith, Finance Manager, WA Sports Centre Trust.]

Mr MARSHALL: The board is responsible for seven camps and two reserves and the net budget for 1998-99 will be smaller than that of 1996-97. The budget for 1996-97 was a deficit of \$637 000, whereas the projected deficit for this year is \$446 000. The decrease is in the infrastructure costs for the year.

Mr JOHNSON: I refer to page 998, major initiatives for 1998-99. Because one of these camps falls in my electorate, I have always shown a keen interest in this, as Mr Busch knows. Reference is made to continuing to increase occupancy rates at the Ern Halliday, Point Walter and Bickley camps through recreational programs. How big an increase is anticipated, in particular in respect of the Ern Halliday camp? What other recreational programs will be put in place?

Mr MARSHALL: As the person who established the first tennis camp and football camp in Australia, I believe that running camps for youth is a wonderful thing. The youngsters learn more than the skills of the sport involved.

Mr WATSON: The Ern Halliday camp has several types of accommodation - dormitories and tents. In 1996-97, the occupancy rate was 31 per cent. We are looking at about 31 to 32 per cent this year and probably aiming at about 33 per cent next year. It is one of our strongest performing camps.

Mr OSBORNE: I refer to pages 996 and 997. I have pursued this theme in previous estimates committees. As the Parliamentary Secretary might remember, I worked in the tourism industry. I have always had some difficulty with the Ministry of Sport and Recreation's running recreation camps, because they are direct competitors in the budget area of the tourism industry. I have always wondered about the propriety of the government sector's competing with the private sector in this way. It is stated that the ministry wishes to provide opportunities based on low cost accommodation and that the board is mindful of the need for camps to be operationally cost efficient and shall endeavour to improve the financial viability of the entire camp zone. Are these not irreconcilable? I believe it is impossible to provide good low cost accommodation that is operationally cost efficient without affecting the financial viability of tourism operators, especially at the budget end of the tourism market.

Mr CARPENTER: The member is asking for an opinion that has nothing to do with the budget item. I want a ruling.

Mr OSBORNE: I do not accept that this is a point of order. I believe that if the Government and the Ministry of Sport and Recreation were not running recreation camps there would be money available for other needs and we would not be impacting negatively on an important tourism industry.

The CHAIRMAN: I understands the concerns raised by the member for Willagee, but the question is relevant. It does relate to expenditure.

Mr MARSHALL: The member should know that the camp's mission has remained unchanged in that it is the board's aim to assist the Ministry of Sport and Recreation to achieve its objective of enhancing the lifestyle of Western Australians through increased participation in sport and recreation. Therefore, low cost camps are important to youngsters in schools in all areas to facilitate that participation.

Mr BUSCH: The question is addressed regularly. When it was examined by the board and recommendations were put to Government in 1994-95, the issue was paramount. As a result of that, the board relinquished the lease on three Department of Conservation and Land Management cottage camps. It was expected that they would be leased in the commercial marketplace, and that is what transpired.

We have also endeavoured - to date unsuccessfully - to put the Woodman Point camp into the marketplace. It is a balance of ensuring that that sort of accommodation is available to those members of the community who need it at an affordable rate and providing unique sport and recreation experiences. That is the reason a number of the camps' managerial staff now have recreation programming skills to run the programs on the ground for those people. That has proved very popular in the last couple of years since we have moved in that direction. That distinguishes us in the marketplace compared with many other camps.

The CHAIRMAN: Was there a supplementary question?

Mr OSBORNE: No. I accept the answer. It is an answer that has been given to the same question in previous years. As the future stretches ahead of us, I will continue to put the same point of view.

Mr CARPENTER: How many full time staff are employed by the Recreation Camps and Reserves Board?

Mr WATSON: The 1997-98 approved staffing level is 21, but the current level is 23 because the Woodman Point facility is still being operated. In 1998-99, it reverts to 21 because it is envisaged that Woodman Point will not be operating.

Mr CARPENTER: I understand that, of those 23, 13 have access to corporate credit cards. Do board members also have access to government issued corporate credit cards?

Mr WATSON: Yes.

Mr CARPENTER: How many are there?

Mr WATSON: It is complex in that the Ministry of Sport and Recreation handles the administration of the Recreation Camp and Reserves Board. The officers involved are the Director of Corporate Services, the Director of Recreation, and Mr Busch as the Executive Director and the President. They all have access to corporate credit cards. The manager of camps also has a credit card. That is a total of four.

The CHAIRMAN: Is the Parliamentary Secretary aware of the Auditor General's view about the merits of using credit cards in view of the need to ensure proper accountability?

Mr MARSHALL: Yes, I am aware of it.

Mr CARPENTER: I understand a policy exists to guide staff in the use of these credit cards. Can that policy be provided as supplementary information?

Mr MARSHALL: Yes.

Division 37: Sport and Recreation, \$33 460 000 -

[Mr Baker, Chairman.]

[Mr Marshall, Parliamentary Secretary to the Minister for Sport and Recreation.]

[Mr J.G. Busch, Executive Director, Ministry of Sport and Recreation and President, Recreation Camps and Reserves Board.]

[Mr K. Watson, Manager Administration Recreation, Recreation Camps and Reserves Board.]

[Mr J.H. Dowling, Director, Corporate Development and Services.]

[Mr G. Moss, Chief Executive Officer, WA Sports Centre Trust.]

[Mr D. Smith, Finance Manager, WA Sports Centre Trust.]

Mr MARSHALL: An additional \$10m is to be injected into the community sporting and recreation facilities fund, which will support the overflow of submissions, and will be added to the \$8m annually that is allocated to this fund. The Lotteries Commission also continues to perform well and it is expected that \$7.8m will be allocated to sport. This is the 2 per cent of the Lotteries Commission revenue allocated to the sports lottery account. The Government's election commitments to sport and recreation have been maintained. I highlight the sports club development scheme, which has been a winner; TrailsWest; WA Sport and Recreation Council, a top advisory group, has been created; Sports International WA, about to be on the move; and only two weeks ago the North-West Academy of Sport was

launched - the Pundulmurra College in Port Hedland. This has an allocation of \$200 000 for four years for elite athletes to be identified and given the opportunity to have their talents recognised and developed. Provision has been made in this budget to support the financing of the new international motor sport facility - subject to satisfactory negotiations with the promoters - and the development of a major sports stadium facility, again subject to the appropriate planning and feasibility studies.

Last year was an extraordinary year for Perth with 12 international events, eight of which were world championships. That was good not only for the sporting fraternity of Western Australia but also for the tourism overflow. This year's calendar includes three extra championships: The rugby union match against South Africa in July; a world Super Eights cricket tournament in October; and the Australia Cup yachting match race in February. These events are in addition to the annual API Rally, the Perth Cup, the Hopman Cup, and the Heineken Classic. Sport is in a very healthy position in Western Australia.

Ms WARNOCK: I refer to page 1088, significant issues and trends. Reference is made to the continued importance of fostering the adoption by young people of a healthy sport and recreational lifestyle. I keep reading articles telling me that the generation at school now is a generation of couch potatoes and that it seems to be almost impossible to keep them exercising after they leave school. Is the State having any luck in encouraging young people to keep exercising after they have left school? On the other hand, is it true, as many commentators say, that young people are not keeping up a healthy lifestyle?

Mr MARSHALL: The WA Sports and Recreation Council was formed a year ago as a think-tank to deal with issues such as this. It has released a strategic directions document for Western Australian sport and recreation over the next three years. That includes looking at the areas of concern in sport and recreation in Western Australia. It refers to changes in the family structure. If a family has a single parent there is no after school sport and no-one to take the children to sport on weekends and so on. Changes in administration also have an effect. Many clubs now have professional administrators as opposed to volunteers. Those changes are not encouraging youngsters to be involved in junior sports clubs. Changes in work practices have meant that people are now working 12-hour shifts. That does not encourage youngsters to be involved because they go home and go straight to bed to sleep.

Declining fitness is being addressed by this council. It has consulted with members of the community to see what they want. The traditional sports might not be what parents want their youngsters to play. For instance, football might be too vigorous and too tough. Parents do not want their children to be knocked around so they send them to play hockey. However, there might not be a hockey facility in the area.

The council is also identifying required major outcomes. It wants all teenagers to have a knowledge of sport and improved management in state associations and clubs. The administration of some state associations has not kept up with the times. This Sports and Recreation Council has produced a program, which has then gone to the Ministry of Sport and Recreation, which will ensure that all the recognised issues are addressed.

Mr CARPENTER: Parliamentary Secretary, in your opening remarks, you referred to provision made for a world motor sport facility. Could you direct me to that location in the budget papers?

Mr MARSHALL: It is a concern to all of us that we do not have that venue yet, but it has gone to the planning section. Weekly meetings are held with the Minister for Planning to determine how they will organise this venue.

Mr CARPENTER: You are talking about a relocation.

Mr MARSHALL: Yes. Relocating the speedway at Ravenswood drag racing.

Mr DOWLING: On page 1087, "Item 53 Administered Transactions", it shows that the budget is increased from \$1.370m in 1998-99 to \$3.205m in 1999-2000. That increase is substantially the initial amount of funds for that purpose.

Mr CARPENTER: I take it no allocation is made for 1998-99?

Mr DOWLING: Correct.

Mr CARPENTER: A \$2m allocation is made for the 1999-2000 budget to develop that facility?

Mr DOWLING: It is \$1.8m in 1999-2000 and \$2.3m in subsequent years.

Mr CARPENTER: Bearing in mind that that allocation would not click in until the beginning of the 1999-2000 financial year, when would you anticipate that such a facility would be constructed?

Mr BUSCH: At this stage we do not have an anticipated start date. It is very much dependent on the work that is currently taking place to identify a site, and that is seen as a matter of priority. As has already been mentioned, that is being pursued by the Minister for Planning with a committee that he is chairing.

Mr CARPENTER: Even though that allocation is allowed for that year, no guarantee is given that construction would start in that financial year either. It will certainly not start in the upcoming financial year if no money is allocated for it, and from what you are saying, no guarantee will be given that even though the money is set aside, it would start in that financial year to 2000.

Mr MARSHALL: It is dependent, firstly, on finding a site, and secondly, on the priority that will be given at that stage.

Mr OSBORNE: I noted your remarks about children not being able to play football, and then going on to play hockey. Australia is the current gold medallist in women's hockey and the bronze medallist in men's hockey. Jeff Ovens, a hockey man, is the chief executive officer of the WA Football Commission, so it takes a man with hockey brains to run football. However, my question in a sense relates to hockey. I am a great fan of the community sporting and recreation facilities fund program, and a CSRFF grant to Bunbury for the construction of a wet hockey pitch proves the theory of that scheme. We saw two international hockey matches conducted in Bunbury between the men's and women's teams of Australia and the Netherlands, and I thought it was a full vindication of the aims and objectives of that scheme. I therefore noted with delight that the CSRFF has a significant increase in money for this year. Will changes be made to the administration of the scheme or will it continue as before? I am interested in the backlog of applications currently in the system. Will they be the first to benefit from the increase or will an opportunity be available for a vast number of new applications to be processed?

Mr MARSHALL: No, because of the \$8m that has been allocated annually for the past four years. The format has been a tremendous uplift to enable sporting facilities in Western Australia to be built; the format being a third local government, a third community, and a third Government. It is interesting that once people do not get things free, they have a belonging to it. All of the sports facilities built over this past period are very well looked after because people feel as if they have put their money into it as well and by making it one-third, one-third, one-third, - a combination - it means that the money has been spread out more over Western Australia. More sporting facilities have been built here in the past five years than in any period in the history of Western Australia. People have recognised that if they approach their councils and can get the appropriate priority ticks of an A class or B class categorisation, and they can raise the money, then they have a chance to get international sporting venues to their towns, whether they be regional or metropolitan. The regions are the areas which have really scored in this format. Further to your question, such is the popularity of it that in the last budget not enough money catered for some very deserving cases, and so this year the Government has allocated an extra \$10m to the budget to cater for them. They will be looked at as a backlog. They will be taken on their merit again. For instance, submissions are graded A, B and C. The As have the priority and it appears that at least 50 of the backlog will be catered for almost immediately, providing that the community and the local government have the money. It is all very well to say that an organisation such as Rushton Football Park, for instance, needs seating desperately. If the council cannot come up with the money, they will miss out. In reply to your question about hockey, a hockey centre with the latest astroturf water based surface has been built in the Mandurah area and I venture to say that because of that, in 10 years' time not only will state hockey players come from Mandurah, but also international Australian hockey players.

Mr OSBORNE: So to recap, the \$10m extra will address the backlog in the system in the first instance?

Mr MARSHALL: It will address the backlog.

Mr OSBORNE: They will all be assessed first and then go on to the -

Mr MARSHALL: Absolutely. They are being assessed right now.

The CHAIRMAN: When you refer to the backlog, do you mean the backlog of A and B rankings?

Mr MARSHALL: The backlog of the submissions that missed out on the last budget of \$8m.

The CHAIRMAN: Can they be of any ranking?

Mr MARSHALL: A, B and C.

The CHAIRMAN: I have an ongoing dispute with the City of Wanneroo concerning the CSRFF application for a local rugby league team in Joondalup in which they were given a B ranking by the City of Wanneroo. They were advised by the former council of the City of Wanneroo that that would therefore result in their being granted something or approved, and that was not the case. Are you saying that because that application was knocked back in the current financial year, that would therefore necessarily form part of the backlog for this concessional funding?

Mr MARSHALL: It will be reconsidered in the backlog.

The CHAIRMAN: What is involved in lobbying, so to speak, to ensure that the application is dealt with in a favourable manner?

Mr MARSHALL: The backlogs are being reassessed according to their priority listed by their local governments and by the panel that sits and assesses them. I have been informed that at least 50 will be acknowledged immediately, but it is subject to the councils having the money to fund their one-third contribution.

Mr CARPENTER: That \$10m is budgeted to be expended in this financial year. One would assume that the decision has already been made about where that money will be spent, along with the \$8m for this year. As happens every year, can you provide supplementary information to advise us where that \$10m has been allocated and where the other \$8m, the normal allocation, has been allocated? Can you advise the breakdown of everybody who is receiving threepence or whatever they receive from this fund, and also the criteria that the Government uses to determine how that money will be spent?

Mr BUSCH: The \$8m budgeted for 1998-99 was announced in late February or early March, and if the information has not been provided, it can be.

Mr CARPENTER: Do you mean the figure has been announced, or who is getting the money?

Mr BUSCH: The timetable for the CSRFF always ties in with local government, so the application and announcement dates are timed to enable local government to deliver within their budget timetables.

Mr CARPENTER: You gave a list to me last year which detailed who received all the money.

Mr BUSCH: That relates to this financial year, 1998-99.

Mr CARPENTER: Yes.

Mr BUSCH: So that is the \$8m, and the \$10m will be announced shortly and that information will then be available.

Mr CARPENTER: When you say "it will be announced", do you mean who will receive the money?

Mr BUSCH: Yes.

Mr CARPENTER: Could we have that provided and also the criteria under which those decisions are made?

Mr MARSHALL: Yes.

The CHAIRMAN: Do you seek information regarding how the moneys have been expended, for which projects, and the criteria?

Mr CARPENTER: Yes.

The CHAIRMAN: Is that in relation to the \$8m or the \$10m?

Mr CARPENTER: Mr Busch is says that the \$8m will be provided immediately, and the \$10m when it becomes available.

Mr OSBORNE: Parliamentary Secretary, you talked about the sports development scheme in your opening remarks. Can you tell us why that scheme was introduced and the outcomes of it to date?

Mr MARSHALL: It ties in with the first question that the member for Perth asked regarding her concern about where the children are going, their obesity and lack of fitness, and why they are not joining junior clubs. This funding was set up to see the junior clubs better managed - although we specialise in sporting club development, we also started the junior development. There should be better volunteer training, better junior coaching programs, and development programs. As you would well know, some youngsters go into a club to join their sporting club, and unfortunately the coach is sometimes an aggressive coach who only wants to win, and so the two mates who are not so talented get left behind. In doing that, they lose a possible masseur when he grows up, or a timekeeper, a treasurer or an administrator of a sporting club. We must ensure that youngsters who go into a club are made to feel welcome. There must be a training area in that, and also in junior club and club administration. A lot of clubs do not have computers, photocopiers, or answering machines for their phones, so the people who ring the club for an inquiry ring and ring. These clubs have an amateur administration, and no one is there unless it is the weekend. Someone who is keen to join loses heart and falls away. It was one of the Sports Council's ideas that was given to the Ministry of Sport and Recreation to administer. They created the sports club development scheme of \$250 000 a year, \$1m over four years, and since it started in May 1997, 505 clubs have received some form of contribution, whether it be money to start training junior development officers or whatever.

Some clubs are going into the schools, meeting the physical education teachers, and arranging with a bus to pick the kids up - whether they are swimmers, hockey players, tennis players or athletes - and taking them to their various ovals. The changeover is more tender, delicate and intimate and thus ensures that the children stay in the game.

They also distribute computers so that their membership lists can be organised. Sometimes when a tremendous promotion is done in sporting clubs, many people join up to become members this year, and then the secretary leaves and they lose the membership list. However, now that they have computers, they can do all this business, and sport will be in a healthier position because of this sports club development scheme. I think it is one of the innovations that has come out of it and it is an excellent thing.

Mr CARPENTER: In your opening remarks, as well as referring to the motor sport centre, you also referred to the development of a major sporting facility which I assume is the stadium that we hear so much about.

Mr MARSHALL: That is right.

Mr CARPENTER: Could you direct me to where I can find the allocation for the stadium in the budget papers?

Mr DOWLING: I refer to page 1087, item 146. The initial planning and development for that stadium is part of that \$650 000. Out of this amount, an amount of \$500 000 is provided for in 1999-2000, \$500 000 in the following year and \$2m in the year following that.

Mr CARPENTER: I would just like to make the point that a press release followed up earlier government statements. It was issued in the last quarter of last year and stated that \$40m had been set aside in the forward estimates for the development of a major sporting facility for soccer, which everybody knows is desperately required. If the best that you can come up with after more than a year is \$150 000 in this next financial year, another \$500 000 in the following year, and only \$2m for 2001, then I think your government has badly misled people; no allocation is given.

Mr MARSHALL: As a person who has been involved in sport all your life, you should know the sensitivity of selecting the most modern, up to date stadium of its time that will stand up to future needs. You need only look at the Midvale cycling track that was established at a wrong venue. It cost the State money. Although we put the tennis centre in, I was always against the current location of the tennis centre because it gets tremendous wind, and although it is a nice area for a tennis centre, it will not produce champions.

Mr CARPENTER: It is a different issue.

Mr MARSHALL: We must spend a lot of time ensuring that this venue is correct.

Mr CARPENTER: How long?

Mr MARSHALL: Cox Howlett & Bailey have been commissioned as consultants who are looking at the feasibility. The recommendation is nearly finished. As you know, it was originally to be for soccer, rugby and athletics. It was determined that athletics - with proper consultation and proper research, rather than just go into it because it looks good -

Mr CARPENTER: I did not make the announcement.

Mr MARSHALL: Initially it looked good, but sometimes it pays -

Mr CARPENTER: It looked good when it was announced.

Mr MARSHALL: - to have a bit of money to invest to ensure the right answer is obtained, and not have a debacle such as the cycling track at Midland and so on. Athletics West and Curtin University will now have a joint exercise with the Government on the athletics track. If the consultant's report indicates appropriately - and it looks good at the moment - it will go to Curtin University for athletics, and the revision now is on soccer and rugby.

Mr CARPENTER: I accept what you say about the necessity for good planning; no argument about it. Everybody saw the press release last year of a \$40m allocation in the forward estimates, and it is not there. It may be somewhere else in the budget, but it is certainly not here. No money is allocated at all in the forward estimates.

Mr MARSHALL: No. I must ask Mr Busch if he knows anything about that. I do not recall it.

Mr BUSCH: I am aware of the press release that you refer to. My recollection is that the wording was not quite categorically to the \$40m or as to how that was worded, but my understanding is that clearly any decisions, including the opportunity to put money in when it is needed, can be made once the feasibility study recommendations are considered and firm decisions are made.

Mr OSBORNE: It would generally be accepted that we have gone a little bit off the boil on the artificial reef, and I know that you have been asked to pick it up and get it back onto the front burner. I have an interest in this too because, like a lot of members with coastal electorates, I know it is a very popular thing for communities to ask members if a surf reef could be built in their area. It has coastal and environmental preservation benefits, in addition to tourism and recreation benefits. I am also being approached by members of the local community for an artificial

surf reef off our back beach. In order for us to proceed sensibly with a request from my community, we need to see how successful it can be in other parts of the State. Therefore I have an interest in seeing the artificial surf reef project brought to a successful completion. I know that you have the carriage of that project. I wonder if you could tell us the present position of it? When will it become a reality?

Mr MARSHALL: The Government of the day in 1993 had the initiative to investigate whether an artificial reef could become a reality, but it was shelved at the time. It has been one of those projects that looks good, and a lot of people then start to think it might be too hard to achieve and might not work. Michael Board, member for Jandakot, who was one of the backbenchers of the new Government in 1996, took it on. He did such a good job with his report that the Cabinet approved the go ahead for it. Then with the changes of ministerial portfolios, it seemed to slip a little. Last November I was asked if I could put the pieces together and get the steering committee going to resurrect it, if that is the correct word. It has taken a lot of time. Many issues need to be addressed to get this reef right. As it will be the first of its kind in the world, it will be a credit to Western Australia. Once it is in, copies will be made all over the world. I repeat: It was the 1993 Government's initiative. Local government is involved, because the site has been determined. It is the cable station site which is between Mosman Park and Cottesloe. Mosman Park are 101 per cent for it. They are willing to provide parking and all the necessary shoreline activities that are needed. Cottesloe have a group who feel that it will be detrimental due to the type of people that go surfing, and vandalism will be more widespread in the area, and a small action group is opposing it. Their initial appeal was to the EPA and it was cleared environmentally. So that section so far is all right. In the meantime, the gentleman in charge of all the research that was done through the Department of Transport had a very bad heart attack last Christmas and is in a bad way, so we had to get all the material together -

Mr CARPENTER: Are you about to tell us that it is not happening? The Government promised to build a reef. Will it happen?

Mr MARSHALL: We must have a review of the modelling that was done at the university and we have employed a consultant, Port & Harbour. It is two weeks off completion and they are very confident of the wave and the swell - it will be a double break wave - and the initial planning is right. It can now be better than imagined because the computerised tidal checks are better than they thought. We enlisted CNPS as consultants who are employed to do the costing.

Mr CARPENTER: You should have done all that before you promised it.

Mr MARSHALL: Why do you need a promise? Will this year be all right for you?

Mr CARPENTER: You are the Government, you promised to build it. It is going to be up and surfing on last year.

Mr MARSHALL: It was promised in 1993, but I promise you it will be completed in December. Is that good enough? You have never heard me promise anything before like that.

Mr CARPENTER: You are promising it will be there by December? That will do; finished.

Mr MARSHALL: It is a very delicate situation when you will be the first in the world to achieve something. The original costings had to take into account whether it would be built with granite, tyres, or limestone. These consultants have now determined that granite is the way to go. Two to four tonnes down to one to two tonnes of the size of the granite. They will barge it from Fremantle, rather than build a groyne, and the whole setting of the reef has changed a little so it will produce improved swell and better surfing. The Ministries of Transport and Planning are involved. The EPA and the Dumping Act are involved in it. The tender due date is 1 July, the start will be 24 September hopefully, and it is expected to be finished by 20 December, and the member for Willagee will owe me two lotto tickets!

Mr CARPENTER: You mentioned in passing the future of Perry Lakes and the athletics. Other things come into play in relation to Perry Lakes; namely, the future of the Basketball Association Centre. Has any request been made from the Basketball Association for provision of a new centre once Perry Lakes closes? If so, what has happened along those lines and is any planning being done to develop a new centre for the Basketball Association? This is their last year, is it not? The lease runs out?

Mr BUSCH: The basketball lease? I am not sure when the basketball lease expires, but I can say we have always been aware that three sports are potentially affected: Athletics, which we discussed earlier, rugby union and basketball. I had discussions with basketball at least a year ago and they started to look at the possibilities. No specific plans have been made at this stage, but it is on notice as a need to be addressed and discussions have started, but they have not been pursued to any specific result at this point.

Mr CARPENTER: So they have come to you and asked for something?

Mr BUSCH: Yes. We had a meeting at least a year ago.

Division 38: Western Australian Sports Centre Trust, \$2 621 000 -

[Mr Baker, Chairman.]

[Mr Marshall, Parliamentary Secretary to the Minister for Sport and Recreation.]

[Mr G. Moss, Chief Executive Officer, WA Sports Centre Trust.]

[Mr D. Smith, Finance Manager, WA Sports Centre Trust.]

Mr MARSHALL: The WA Sports Centre Trust has gone from strength to strength and now manages three venues. Instead of managing just the Challenge Stadium, it now manages the Challenge Stadium, the Arena Joondalup and the Midvale Speed Dome. A new format of financial accounting was introduced because of this and some changes have been made to administrative CEO staff, and Mr Graham Moss is the overall chief of the three groups.

Mr CARPENTER: I understand that 41 staff members at the Western Australian Institute of Sport have been issued with corporate credit cards. Could you tell us how many employees it has? The budget papers no longer advise the number of employees.

The CHAIRMAN: So the question relates to number of employees and credit cards?

Mr CARPENTER: No. That was provided in a question on notice. How many employees in total are at the WA Institute of Sport?

Mr MOSS: I am involved in the WA Sports Centre Trust. The WA Institute of Sport is a separate organisation.

Mr MARSHALL: I believe Mr Smith could give you those figures.

Mr CARPENTER: Parliamentary Secretary, can you give me that information?

Mr MARSHALL: Can you make a note to give that?

Mr CARPENTER: Yes. I understand that six staff members in the Western Australian Sports Centre Trust have been allocated corporate credit cards, so could you tell us its staffing numbers?

Mr MOSS: The staffing numbers at the WA Sports Centre Trust approximate 100 FTEs over all the venues that we manage.

Mr CARPENTER: Would it be possible to give a copy of the internal memorandum which has been issued to cardholders as a guide to the use of the credit cards?

Mr MARSHALL: Yes.

The CHAIRMAN: Concerning that last question, as far as you are aware, does the memorandum to which the member for Willagee referred comply in all respects with the Auditor General's requirements concerning the use of credit cards?

Mr MARSHALL: Yes.

Mr OSBORNE: On page 1106, under "Significant issues and trends" at dot point 3, it discusses the opportunities for international sporting teams to train and compete in Australia in the build up to the year 2000 Olympics. Can you tell us what those opportunities are and if any detail is available on them? I am, as a country member, obviously interested if any possibilities exist, no matter how remote, that some of these opportunities might be available to regional centres in Western Australia.

Mr MARSHALL: With regard to the opportunities for international sporting teams to train by having the World Championships in Perth last year, the cyclists of a couple of nations have declared that they would like to do their pre-Olympic training in Western Australia. Similarly, quite a number of nations have indicated they would like to do the same for the World Championships for swimming at Challenge Stadium. In the last month, the British swimming side has been training at Challenge Stadium. That is an indication that by getting these major events to Perth, we get some of the top athletes to train in WA, and it is refreshing for WA competitors to see them, copy them, talk with them and gain confidence. I see no reason why, if you had the equivalent international standard in the country regional areas, you should not keep in touch with the manager at Challenge Stadium, and find out who is coming through, and see what their training program is. You might even get them down for some exhibition swimming and things such as that.

Mr OSBORNE: Is that saying that none has been provisionally identified as yet?

Mr MARSHALL: Sports International has been formed for that very reason. John Longley is the chairman of that

and that is their main aim. EventsCorp is also looking to get nations to use Western Australia as a training venue. I ask Mr Moss to speak to you further on that.

Mr MOSS: It is one of Sports International WA's key objectives in the short term to attract international teams to train in Perth in the build up to the Olympic Games, and I would imagine that would have a flow on effect to regional areas.

The CHAIRMAN: Is any plan on foot at the moment, even if it is in its infant stages, to construct a train station platform as opposed to a train station proper to the west of Joondalup along the northern suburbs rail line?

Mr MOSS: No firm plans have been made to construct an event station. It was always part of the master plan that LandCorp develop it when they built the Arena, but now that the trust is managing the venue, it will become an item on a future capital improvement program for the Arena.

The CHAIRMAN: Would you see the platform as being advantageous for the ongoing development and utilisation of the Arena?

Mr MOSS: My personal opinion is, probably not in the short term. The major events that are currently staged there are Western Australian Westar Rules football games which attract about 2 000 people. It has adequate parking and bus transport is available for those games. The viability of the cost in terms of constructing a platform for that level of spectator attendance would be hard to justify. The construction of an aquatic centre may impact on the need to provide a platform.

The CHAIRMAN: Regarding the possible alternative uses for the oval itself, it has often been put to me that that would make a very good venue for rock concerts in the northern suburbs. Does the trust have a view on the use of that oval for that purpose?

Mr MOSS: It has been used for a number of cultural events, not necessarily rock concerts. We had approaches from promoters to use it for rock concerts and it could well be a venue for such an event.

Mr CARPENTER: In relation to the same area, can you tell us how far advanced the construction of the aquatic centre as foreshadowed in last year's budget is?

Mr MARSHALL: A 10 lane aquatic centre is envisaged.

Mr CARPENTER: No, I am not interested in "envisaged". Has it started?

Mr MARSHALL: A 10 lane aquatic centre is on the drawing board and negotiations are under way to ensure that it becomes a reality very soon.

Mr CARPENTER: Is there an allocation in the budget?

Mr MARSHALL: Yes.

Mr MOSS: The architectural consultants for the project have been appointed and have been working to have the complete design and documentation finished by about the end of July. Funding arrangements are currently being looked at. Funding is provided in the capital works program in the forward estimates of \$4.5m. We are negotiating with Treasury to bring that forward so that the project can continue uninterrupted. The City of Wanneroo committed \$3m to the project. We have been back to them and have asked them for another \$1m contribution as the original estimate, which was \$9m, has increased to \$11.5m. If the funding can be brought together over the next two financial years, the project will commence this year and be completed by November next year.

Mr CARPENTER: With regard to the management of the Challenge Stadium, could you provide a list of the number of events that have been staged at Challenge Stadium other than what you would categorise as sporting events, and give us a summary of the impact that has had on the use of the facility by sporting groups and associations? I am thinking of exhibitions, car shows and that sort of thing.

Mr MOSS: I can provide you with that as supplementary information.

The CHAIRMAN: Returning to the Arena at Joondalup and looking at the use of the oval, is it the case that the West Perth Football Club would have the right to sub-let the oval for rock concerts, or would it be the trust's decision? I suppose it depends on the terms of their licence to occupy.

Mr MOSS: The West Perth Football Club has a priority period which is about six months of the year. In that six months, which is the duration of the football season, if the club were able to attract other sorts of events, it would have the right to use the oval for that purpose. Outside of that, the trust would.

Mr CARPENTER: I neglected to ask one thing in relation to the credit cards. You agreed to give me some of the information. You provided the information by way of question on notice but, by way of supplementary information, can I have the names of those people who have been provided with the credit cards?

Mr MOSS: Yes.

Committee adjourned at 9.03 pm
