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LEGISLATIVE ASSEMBLY ESTIMATES COMMITTEE B

Tuesday, 26 May 1998

Legislative Assembly

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ESTIMATES COMMITTEE B

The meeting commenced at 9.00 am.

The CHAIRMAN (Mrs Holmes): This Estimates Committee will be reported by contractors to Hansard. The daily verbatim proofed *Hansard* will be available during the afternoon of the following day. In that regard, I ask the Minister, members and staff to identify themselves when speaking for the assistance of the contractor.

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, item, program and amount in preface to their question.

As has been the practice of previous Estimates Committees, members should not raise questions regarding matters of general concern which do not have an item of expenditure in the consolidated fund. The Estimates Committee's consideration of the consolidated fund's estimates of expenditure will be restricted to discussion of those items for which a vote of money is proposed. We are dealing with estimates and expenditure and that should be the prime focus of this committee.

Although scope exists for members to examine many matters, they need to clearly relate to the matter 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 greatly assist in the committee's examination if questions and answers can be kept brief without unnecessarily omitting material information. It is the intention of the Chairman to ensure that as many questions as possible 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.

For the purpose of following up the provision of this information, will the Minister clearly indicate to the committee what supplementary information is being provided. Details in relation to supplementary information has been provided to both members and advisors and, accordingly, I ask the Minister to cooperate with those requirements.

Division 28: Agriculture \$100 296 000 -

[Mrs Holmes, Chairman.]

[Mr House, Minister for Primary Industry.]

[Dr G. A. Robertson, Chief Executive Officer, Agriculture WA.]

[Mr M. J. Marsh, Executive Director, Corporate Services, Agriculture WA.]

[Mr R. J. Delane, Executive Director, Industry Resource Protection.]

[Ms K. Lynch, Principal Policy Officer, Agriculture WA.]

Mr HOUSE: We have drawn up a rough outline of a division of time which may assist the committee to consider the Agriculture and Fisheries portfolios. Obviously it is by no means binding, but it may assist the committee to divide the time appropriately. I wish to table that document and provide copies for other members of the committee.

The CHAIRMAN: The paper is tabled.

Mr HOUSE: I draw the committee's attention to the Fisheries division - specifically pages 480-482, which are the performance measures - which contain some inaccuracies. I now table the appropriate corrections to enable members to peruse them.

Point of Order

Mr RIEBELING: Madam Chair, in your opening address you stated that we are not able to ask question unless directed to a line item with a money allocation. With this new format of setting out the Budget, many of what are set down as significant trends and issues do not appear as line items and I hope there will be some leeway to pursue what is not in the Budget on the face of it.

The CHAIRMAN: There will be leeway to pursue questions.

Committee Resumed

Mr GRILL: The estimate for recurrent services for 1998-99 on page 100 appears to be approximately \$5m to \$6m more than last year's estimate on page 87 of that year's budget papers; last year's estimate was \$147 515 000, and this year's figure is \$153 433 000. Are we looking at the same figures here? Why such a big difference?

Mr HOUSE: The \$5m is made up of salary increases of \$1.5m, the salinity action plan of nearly \$1m, \$2m into the re-vegetation scheme, some minor amounts in crop improvement and food and fibre, a few minor amounts to take the total up to \$5m.

Mr GRILL: From where does this money come? Do these figures represent over-budget expenditure?

Mr HOUSE: That is new money out of the consolidated fund.

Mr RIEBELING: There appears to be a projected trend of declining revenue on the same table on page 100 in the "Less Retained Revenue" section. Could you explain the projected reduction up to 2002 of nearly \$4m?

Mr HOUSE: I will get the chief executive officer to answer that question for you. In a budget of this size, we have always tried to have some leeway for contingencies, and that would explain some of the difference. We have always tried to retain a certain amount as things need to be adjusted during the year, as you would be aware.

Mr RIEBELING: One would expect the revenues to increase.

Mr HOUSE: Our revenue is made up of three different areas. Some comes from the state consolidated fund, some from the Federal Government and a large proportion nowadays comes from industry itself with programs like wheat breeding, in the levy. We are never exactly sure what the crop will be, so an estimate is made of some of that and an adjustment is made. Every year we run into this problem; that is, we must adjust the expected figure to the actual. As the member for Eyre would be aware, as a previous Minister, we make that adjustment at the end of each year but we have never been under. In other words, we have always been over the figure at the end of the year - more money has always come out.

Mr RIEBELING: Is that the answer?

Dr ROBERTSON: Yes, that is certainly part of the answer. To add, the retained revenue has four areas. There is revenue from sale of goods and services; namely, fee services, charges and so on. They are quite small compared to the industry and commonwealth funds and the fees-for-service provided to the Agriculture Protection Board and the Rural Adjustment and Finance Corporation.

The main reason for that decline in out years is that the Rural Adjustment and Finance Corporation currently has funds in its trust account which were made available by the Commonwealth in the past, and as the rural adjustment scheme folds up moving towards the year 2000, a rundown in those funds will occur. Therefore, fewer funds will be available in the Rural Adjustment and Finance Corporation budget to be paid to Agriculture WA to compensate for fees and services. That is the majority of that projected rundown in net appropriation.

Mr GRILL: Returning to that question I put before. You always have trouble with these Agriculture Department figures because additional funds always seem to come in during the year which are hard to estimate. Last year, you did not estimate this figures, and I suspect that this year you are probably finding it hard to make that estimate. Is that still the situation?

Mr HOUSE: Yes, it is. We cannot ever be precise about them at this point. However, we have never over-budgeted; in other words, the amount that comes in has always been greater than the amount we budgeted for.

Mr GRILL: Regarding the items to which you referred earlier in relation to the \$5m or \$6m difference between the estimates for last year and this year, how is that money found? Is that found from those other sources, like commonwealth and industry funds coming through?

Mr HOUSE: No, the figures I indicated to the member all come from the consolidated fund.

Mr GRILL: In truth, you are over-budget then, are you? Last year you were estimating that you would spend \$147 781 000, but you estimate you will spend \$153 000 000. That all comes from the consolidated fund. Are they over-budget items? How is it made up? I know it comes from the consolidated fund, but does it represent an over-budget figure?

Mr HOUSE: How do you mean "an over-budget figure"?

Mr GRILL: You are given a certain budget allocation each year, and last year you estimated that the allocation would be \$147 781 000 and you actually spent about \$5m or \$6m more than that. Is the \$5m or \$6m an over-budget figure?

Mr HOUSE: You are talking about what we actually spent last year compared to what we budgeted for, and I answered your question regarding the extra items in this year's budget - maybe I misunderstood your first question. If I did, I apologise. However, I thought you were talking about this year's budget. As I understand your question now, you are comparing last year's expenditure with the budgeted amount.

Mr GRILL: Yes. We might have been at cross-purposes there.

Mr HOUSE: Yes, I am sorry. Dr Robertson, is that the money that came in from commonwealth and industry funding?

Dr ROBERTSON: Yes.

Mr HOUSE: I apologise.

Dr ROBERTSON: Mr Grill is talking about the outcome for this financial year concerning what was predicted at the beginning of -

Mr GRILL: Yes, that is right.

Mr HOUSE: In the context of the way you have just put the question, it is industry and commonwealth funding that was over that for which we initially budgeted.

Mr GRILL: And which was hard to estimate last year.

Mr HOUSE: At budget time.

Mr GRILL: It is always a difficulty, is it not, never quite knowing what that extra funding will be? I notice that you continue these projections. You indicated last year that continued funding up to the 2000-01 financial year will be about \$151m, but you now say it will be \$158m. Does that reflect additional commonwealth and state funds coming through?

Mr HOUSE: It might also indicate additional funding from industry. As the crop has grown in this State over the last few years, additional funding has derived from industry funds, which is calculated on a per tonne basis.

Mr GRILL: This is a fairly basic question: How do the figures on page 100 compare with the figures on page 118? Page 100 refers to "Appropriation and forward estimate", and on page 118 you have "Operating statement". "Recurrent" on page 100 has an expenditure level of around \$153m, yet page 118 contains a figure of \$165.849m. What do those two different figures represent? The one on page 118 appears to represent a much higher expenditure than the figures on page 100. I take it that that is a gross figure, and the other is a net figure. Is that the way it works?

Dr ROBERTSON: The figures on page 118 bring in the accrual issues for the first time in budget presentations for this agency and others. For example, we have depreciation and the superannuation costs added to the figures on page 118. Depreciation is a normal accounting depreciation of our assets. The superannuation figures go in and out. Previously they were not brought to account in our books as they were managed at a central level of government. A number of other quite small differences have come in and out of the budget. For example, I think \$600 000 is for services not charged for, which in an accrual sense must be brought into the budget as an asset. This is in line with the Auditor General's review and some of the central accounting systems that are provided by Treasury. That is in the \$16m difference between those two figures. It comprises accrual accounting items.

Mr GRILL: Is this the first time we have seen those figures? Is the idea that from now on we will have comparable figures?

Mr HOUSE: Except for the differences you highlighted earlier; namely, that we are uncertain about industry funding every year. I do not think we will ever resolve that down to the last dollar. That will still be a variable.

Mr GRILL: I refer on page 118 to the figure of \$55m under the category of "Other". Under "Costs of services", "Operating expenses", the last item there is "Other". That appears to be a very large figure in that context. What does it represent?

Mr HOUSE: Apparently it is all non-salary operating expenses. I guess the detail of that would be -

Mr RIEBELING: Nowhere in this document. That \$55m is not listed anywhere in this document, is it?

Mr GRILL: It is a huge sum to be represented generically. I know you are doing these figures for the first time, but it is an immense sum of money without any accounting for it. We have no indication of what it represents.

Mr HOUSE: It is a fair point you make, actually.

Dr ROBERTSON: The accounting framework for this has been provided to us; that is, basically all the expenditure other than salaries or accrual of items. A number of those are picked up in a way that is difficult to link to elsewhere in the papers. For example, that is normal cost of operating - it is all the things that we do. It is also the grants which come through this item and go to the community from the National Heritage Trust, for example. It is also the funds that come through from the Rural Adjustment and Finance Corporation that are allocated directly to growers in terms of subsidies or grant programs. Basically, it is an aggregation of the activity level within the organisation. Obviously in an annual report context, that will be fleshed out in a lot more detail.

Mr GRILL: I see. However, I make the point again: I know we are in our infancy with this accrual accounting, but it would appear to be quite extraordinary that such a large sum of money is represented in a generic way. Is there any way in which we can begin to link the actual expenditure items to this generic heading of "Other"? Not now, but could that be provided in writing; in the next set of figures, can it be set out in an addendum, a schedule or something similar?

Mr HOUSE: You make a fair point. We need to look at how we might do that to provide the Parliament with a better summary of that money. We will need to work through how much detail you want. You are not looking for a bag of seed for a research centre. Obviously, that is a large amount of money. Are you prepared to leave that matter with us, and we can provide a fair lump of that information. We need to detail it for next year's budget papers too. We will try and provide as much of that information as possible. Perhaps, you and I can then discuss how that might appear in next year's budget papers.

Mr GRILL: That appears fair. We drafted a number of questions on this issue, but you have really covered it - we will let that one go now.

Mr HOUSE: It is a large amount of money; I agree with you. It needs more detail and I will provide as much as I can to the committee.

Mr RIEBELING: I take the Minister back to page 110. The performance measures for output number one has three items to which I draw the Minister's attention and seek his comment. The sixth item from the base of that page refers to "Proportion of businesses within the horticultural industry adopting quality assurance management systems." It appears that 1.2 per cent have adopted such systems, and the target next year is to increase that to a staggering 1.9 per cent, which is virtually non-existent I would have thought.

The next item is "proportion of businesses within the cattle industry adopting quality assurance management systems" which is to increase from 1.7 per cent to 15 per cent. The last one is "Proportion of dairy farmers using the analyses" which is to increase from 16 to 19 per cent. Are these figures acceptable? They appear staggeringly low. Presumably, government funds are directed to these industries to assist them to become more profitable. Is there some sort of compulsion upon the industry to adopt measures which the Government regards as beneficial to them in receipt of any moneys?

Mr HOUSE: When we came to government we began a program of quality assurance which we called SQF2000, which is the program referred to here. I need to break the answer into two. For example, the answer to your question about compulsion with dairy farms is that there is some compulsion with some things. Some health issues are involved, for example, standards with bacteria counts in milk simply must be adhered to. They are national and world standards by which every milk load coming into a dairy is tested; if that milk does not measure up, it is simply disposed of. Dairy farmers are not allowed to deliver milk that does not measure up to those international standards.

Regarding the cattle and horticultural industries, you cannot force people to adopt quality assurance standards. We have tried to put up the benchmarks and encourage people to accept such standards as being what we think is desirable to be able to maintain a market share or increased market share in national or international markets. We have had some spectacular successes.

Mr RIEBELING: You have not had them in those two areas, have you?

Mr HOUSE: I think we have. A number of growers have adopted such practices. I do not know how many horticulturalists we have in Western Australia but -

Mr RIEBELING: We are talking about percentages, not numbers. We are not saying 19 people have; it says that in the industry next year, you hope to have less than 2 per cent involved in these systems.

Mr HOUSE: That is right. You cannot force people to do it; we can only offer the service and that is what we are doing.

Mr RIEBELING: If such a low number of people in the industry are taking it up - less than 2 per cent - is it viable? Why are you doing it if less than 2 per cent want it?

Mr HOUSE: I do not think it is a matter of less than 2 per cent wanting it. You are right in the sense that we have been able to get only that many people to accept those sort of principles.

Mr RIEBELING: What is the cost of that program with that horticultural industry?

Mr HOUSE: To an individual?

Mr RIEBELING: No, the cost to the State of that program to attract less than 2 per cent?

Mr HOUSE: With SQF2000? I cannot do so, but I can find that answer and provide it to you.

Mr RIEBELING: Can you provide us with the costs of those three programs?

Mr HOUSE: Yes.

Mr MASTERS: You mentioned that in the dairy industry the quality assurance program is primarily designed because of the international requirements on the industry.

Mr HOUSE: The health requirements, yes.

Mr MASTERS: Would the same apply to horticulture and cattle; namely, that one is really looking at dairy and beef farmers who are in the export market, more than the ones who are only supplying locally. Therefore, the focus is on those smaller numbers, and hence the low numbers cited?

Mr HOUSE: We have tried to offer the program to anybody who wants to accept it, but it is not possible to force people to do these things. The take up rate is fairly slow. For example, the grape industry has had a large uptake, particularly with red globe growers. That has been very successful and allowed them to penetrate international markets that they might otherwise not have achieved. However, we have not been as successful at convincing other people. When growers complain about the price they get, a lot of that price is about quality of the product. Quality will be increasingly an issue, and we have tried to provide this service - we just cannot force people to do it.

Mr MASTERS: I think you have sort of answered my query. You mentioned red globe grapes, which are an export product. Overseas importers will be far more impressed by a quality assurance tag than Coles, Woolworths or your local butcher.

Mr HOUSE: The apple industry is another example of adopting the program across a large number and consequently being very successful at getting an export market.

Mr CARPENTER: I ask about the statement of financial position on page 119. Under non-current asset, the figures for land and buildings increase from just over \$18m in 1998-99 to \$34m in the following year. In the same period, the figures for other non-current assets decline from \$19m to \$4m - that is about the same size of the increase in the figures two lines above it. Can you explain those changes, and is there a relationship between the two?

Mr HOUSE: Those figures represent our large capital works program, particularly in rural Western Australia. We will have new buildings in Geraldton, Narrogin, Katanning, Northam and Merredin this year. That program has been ongoing in the past few years. That is why those figures show a distinct increase in the asset value of land and buildings.

Mr CARPENTER: Therefore, you almost double the value of land and buildings in a single year. There is quite a substantial increase - another doubling - from last year to this year as well. You have gone from \$8m to \$34m in two years. I take it there was a general increase trend thereafter. However, two lines down from that reference is other non-current assets, which reduce from \$19m this year to \$4m in 1999-2000.

Mr HOUSE: That is reflected by two things: One, we are now leasing our motor vehicles instead of purchasing them as part of the overall government policy of all government departments; therefore, we do not have a capital value of motor vehicles shown in that figure.

Mr CARPENTER: Are you looking at the 1998-99 budget for the upcoming year?

Mr HOUSE: Yes.

Mr CARPENTER: You say we are now leasing the vehicles, not owning them. The figure should be \$4m for this year, if that is the explanation.

Mr HOUSE: That is in the transfer.

Mr CARPENTER: Is that the transfer of ownership from the coming financial year to the one following?

Mr HOUSE: Yes.

Mr CARPENTER: Are the two figures - the land and buildings value increase, and the decline in non-current assets - not related, even though they are similar?

Mr HOUSE: No, my understanding is that they are not. I ask Mr Marsh to explain that figure?

Mr MARSH: A little further down page 119 refers to works in progress as the first item. The WIP is the capital program activities where projects are not completed.

Mr HOUSE: We do not have that reference. You need to work from this version of page 119.

Mr MARSH: Okay. Included in the other non-current assets are works in progress. Works in progress in the current year are \$17m, and in the year 1999-2000 they are expected to be \$2.6m, with a difference between the two years of roundly \$15m. When the project is completed, it is taken out of other non-current assets - the \$15m - and added to the completed assets which is under land and buildings above. So, it moves from 1998-99, other non-current assets, \$15m, and added into non-current asset land and buildings.

Mr CARPENTER: Is the completed value of the asset considered in other non-current assets now, even though it is not completed? Once it is completed, does it become a land and building?

Mr MARSH: Yes.

Mr GRILL: So, there is a direct linkage between those two figures. I suppose then you would appreciate the land and buildings as time goes on?

Mr MARSH: We appreciate the buildings, not the land.

Mr CARPENTER: Line two is the vehicle section. I was going to ask about the decline in that figure from \$13.8m from last year, to the 2001 forward estimate of \$11m. Is that accounted for by the change in the nature of the vehicle fleet or something else? Is it just a run down of depreciation?

Mr HOUSE: It is due to a reduction in the value of the motor vehicles.

Mr RIEBELING: How long does it take to get rid of your motor vehicles? I think the lease plan took over the vehicle fleet three or four years ago, did it not?

Dr ROBERTSON: Yes. Regarding the plant and equipment in vehicles, there is still the residual of purchased vehicles which will be gone this year. That includes tractors and a whole range of other plant. So, the vehicles' figure is only a small part of that now.

Mr RIEBELING: Has the number of sedan vehicles and the like within the department grown? For instance, my understanding is that up to six vehicles might be in the Minister's office.

Mr HOUSE: Are you asking about an increase or decrease in the total number of vehicles that Agriculture WA runs across the State?

Mr RIEBELING: Yes.

Mr MARSH: It has decreased and it is continuing to decrease.

Mr RIEBELING: What about the Minister's office? When you came into office, how many vehicles were in the Minister's office?

Mr HOUSE: I have no idea.

Mr RIEBELING: Do you know how many are there now?

Mr HOUSE: No.

Mr GRILL: While on vehicles, the figures reflected in your accounts concerning your vehicles will be the lease payment that you make to Lease Plan each year. Is that the way it will work from now on?

Mr HOUSE: Except for, as Dr Robertson pointed out, we have trucks and farm vehicles and such vehicles on our research stations as well.

Mr CARPENTER: Still on that page, under current liabilities, employee entitlements is self-explanatory. "Accounts payable" under there outlines a very modest increase from the current financial year to the budget financial year. It seems to rise considerably out to 2001. It increases from \$5m this year to nearly \$10m in three years. To what is that attributable? Accounts payable almost double.

Mr MARSH: The previous method of payment of accounts was on what was called 30 days from date of invoice. Small commercial practice is 30 days net; that is, an invoice raised in one month is paid before the end of the subsequent month. The Treasurer's Instruction was changed in September 1997 to bring in a non-commercial practice; that means that our period of payment extended from 30 days currently to somewhere around 60 days. That would bring in an increased accounts payable figure, which is being reflected in those accounts. It is a cash management strategy.

Mr CARPENTER: I am not an accountant; I cannot follow that. It would seem that if you have an accounts payable provision over a 12-month period, whether you have got 30-day or 60-day payment period, that alters the period in which they can be paid, but would not substantially alter the amount of money to be repaid.

Mr MARSH: You have more waiting for payments.

Mr CARPENTER: It would only be at the end of that financial year, when you would have an extra 30 days for payment.

Mr MARSH: The figure you are quoting from is the state of accounting position, which is a look at a particular point in time. So, at a particular point in time there was -

Mr CARPENTER: The period of time is double.

Mr RIEBELING: I am not an accountant either but at a particular point in time surely the 60 days you earn at that end is a comparable 60 days at the start which makes up for it.

Mr MARSH: We are still spending the same amount of money; however, you have more debts ready to be paid at a particular point of time. So, we have had the previous months, half or so -

Mr RIEBELING: It would balance itself out, would it not?

Mr MARSH: It is not changing the amount of money you are spending over the full life of the process, but more accounts will be waiting to be paid.

Mr CARPENTER: There would be two-month accounts ready to be paid instead of only one. Surely that distorts the budget figures.

Mr HOUSE: A satisfactory answer needs to be provided to the committee as it is not entirely clear. I cannot understand it either. Can we provide an answer in writing? I accept Mr Marsh's way of explaining it, but in practice I do not understand it. In practice, we all need to understand it. I presume it is part of the new accounting system.

The CHAIRMAN: Will the Minister provide that as supplementary information?

Mr HOUSE: Yes.

Mr GRILL: I understood it was government policy to endeavour to pay accounts as expeditiously as possible within 30 days not within 60 days. Has there been a departure from that position?

Mr MARSH: A new instruction was issued in September 1997. It changed from 30 days from the date of invoice to commercial practice, which is 30 days net; that is, it means the accounts of one month are paid before the end of the subsequent month.

Mr GRILL: That was kept quiet. I have never seen any publicity concerning that before.

Mr MARSH: The instruction has been issued by Treasury and we are implementing that now.

Mr CARPENTER: Just on the impact that that has on total liabilities and equity, obviously it increases the current liabilities under the accounts payable section by two-fold over a period of three years. Is that an artificial distortion of the total liabilities and equity?

MR MARSH: It is a consequence of a change in accounting policy and until that policy is changed that will continue to flow through.

Mr GRILL: Does this policy of payment within 60 days apply right across government?

Mr MARSH: It can be up to 60 days but the normal process is that an account of one month which is issued, for

example, between 1 April and 30 April is paid before the end of May. As we have clients throughout the State - and we cannot rely entirely upon the mail system to deliver within a few days - we apply that rule by actually making payments on the twentieth or the twenty-second of the month. In our case, we are dealing with an invoice which is raised in April which will be paid from our system on the twentieth or the twenty-second of the month and delivered on the twenty-fifth. Likewise, an invoice raised on 30 April will also be paid on 22 May.

Mr MASTERS: It means you have an average payment wait of between four and five weeks. It is not the eight weeks that I understood when it was first explained.

Mr RIEBELING: It is definitely not the 30 days either.

Mr MASTERS: It is a little longer, but only a few days.

MR TUBBY: Is the change not the fact that instead of paying on invoices, payment is on accounts which are issued at the end of the month? Therefore, an invoice issued during the course of that month is accounted at the end of the month, and there is then 30 days on which to settle that account. In essence, it could be 60 days from the first invoice that was taken out on the first day of the month before that is actually paid.

Mr MARSH: What we are applying is normal commercial practice.

Mr GRILL: On page 127, under the heading of "Net Appropriation Determination", is an item "Proceeds from sale of intellectual or genetic property." I presume this relates in the main to plant varietal rights. It is estimated that the figure will fall when we would expect the figure to rise over time given plant varietal rights and more farmers and horticulturalists taking up those rights. There is a decrease from \$744 000 down to \$700 000. Is that a reasonable estimate of the ongoing position?

Mr HOUSE: My understanding is that that figure does not include the cereal and pulse crops but it does include things like Pink Lady, which is starting to wind out. In other words, we have transferred those rights across to industry and others, and it is starting to wind out as far as the department is concerned.

Mr GRILL: I presume that the department has ongoing research in developing genetic material and plant varietal rights.

Mr HOUSE: Yes.

Mr GRILL: Surely that has not been wound down to the extent that there will be decreasing amounts of money -

Mr HOUSE: No. I was talking about one specific issue then.

Dr ROBERTSON: The situation with plant variety rights for cereals goes into the plant research and development trust fund which is a trust that was set up many years ago to handle income from cereals and pastures. That appears under "proceeds for services to industry" in the net appropriation. It is estimated this year that approximately \$500 000 will be derived from royalty proceeds from cereals and pastures. It is not included in that line item in that appropriation which is solely the Pink Lady and some of the other trademarks and plant breeders rights were obvious.

Mr GRILL: It might just be another problem with presentation, but it is a very bad reflection on the department when it appears that proceeds from the sale of plant varietal rights is actually falling off. As I said, it might just be a matter of presentation but it may be worthwhile including those figures so we get a true picture.

Mr HOUSE: Are you saying that all of those figures should be put into one figure?

Mr GRILL: Or else make it clear that another source of funding can be looked to in that arrangement. On the face of it, it appears as though the whole research effort is failing and the amount of money coming in will fall off.

Mr HOUSE: No, it does not indicate that at all. The other line item six from the top is "Proceeds from services to industry", which is the cereal and pulse breeding program; this reflects more directly what you are talking about regarding variety rights and so on.

Mr GRILL: Variety rights would be only part of that \$18m.

Mr HOUSE: Yes. Are you saying it should be broken up and presented in detail?

Mr GRILL: It should, because its current presentation does not reflect well on the department. It is a fairly large research institution, is it not?

Mr HOUSE: Yes. That is fair comment, and we need to consider that for next year's budget papers.

Mr RIEBELING: Page 112 contains a program on which I asked some questions in the last Estimates Committee.

The performance management output number two concerning the number of rural leadership courses conducted indicates that at least one item target has reduced in the last 12 months. We have four foundation items, and then two future leadership courses. I am yet to track down the total cost in this budget. The target cost per participant will be \$2 000, with a \$1 000 reduction from this year's figure. However, it fails to tell us how many people will be involved in that program, and the benefits involved. I am after the general community benefit from these courses. Have they been successful; how do we measure their success; and how much did it actually cost us last year?

Mr HOUSE: They have been very successful. I cannot give you the exact numbers that have been through that course, but we have, as you can see, run a number of them. From memory, over 200 young people have been through the foundations for leadership course in total, and the future leaders course had 19 participants last year. That is what would be called a more elite program.

Mr RIEBELING: They are the National Party ones, are they?

Mr HOUSE: Sorry? We will run two of those this year, and we have sent a number of people overseas to look at what is happening in other countries with regard to rural communities and how they are coping with some of the things that are happening, like the closure of banks, for example. I think all of those have been very successful.

Mr RIEBELING: So is the total budget around \$700 000 on those figures you gave us?

Mr HOUSE: No. The actual leadership budget area for that program is about \$330 000.

Mr RIEBELING: You said there were 200 participants.

Mr HOUSE: Two hundred young people have been through.

Mr RIEBELING: Two hundred young people, and your budget tells us that last year per participant was \$3 000; 200 multiplied by 3 000 is \$600 000, on my calculation. So one of those two figures is -

Mr HOUSE: Yes, you are right. One of them is wrong. Sorry. The first figure I gave you was just over 100, which is the correct figure for 1997-98.

Mr RIEBELING: So it was about 120 participants.

Mr HOUSE: Yes.

Mr RIEBELING: Will it be about the same number next year, but with a slightly reduced cost?

Mr HOUSE: We are actually going into the member's area next year, so he should see the benefit of this program. In some cases, we will ask people to provide funding themselves so that we receive a contribution. As the program has proceeded, we shaved off some of the costs as well. Some sponsorship was also involved.

Mr CARPENTER: Reference is made close to the bottom of page 118 to "Total revenues from Government". I notice a modest increase in the forthcoming financial year when compared with that of this year. However, quite a considerable decline is evident next year and again the year after that. In fact, the figure for 2001 is substantially below the equivalent for 1997. Could you explain why that has occurred?

Mr HOUSE: As I am told, it reflects capital works programs, which is the figure we were talking about before. As that building program peaks, we will run down the other side of it.

Mr CARPENTER: On the same page, reference is made under operating expenses to "Costs of service operating expenses, grant subsidies and transfer training". I assume that the figures are \$17m, \$16m and \$15m, which indicate a general decline. That is a reduction in federal grants, is it?

Mr HOUSE: It is all National Heritage Trust funding.

Mr CARPENTER: Is there a National Heritage Trust funding reduction as well somewhere in that item?

Dr ROBERTSON: The original figures for the national Landcare program, which is a part of the National Heritage Trust fund, comes through Agriculture. This was budgeted to decline. That was in the original figures the Commonwealth put out. A lot of negotiation took place. Post putting these budget papers together, we believe that another \$1.5m is likely to come in this year. It is very much in a state of flux. However, we are not able to put in the year-round budget figures money about which we have no certainty to attract, or some possibility of attracting. At the moment, that was quite accountable where the Commonwealth said the money would be.

Mr GRILL: That is part of an ongoing problem with estimating commonwealth revenue. I move to the question of the computers. It was acknowledged earlier this year that significant problems arose with the computer system within the -

Mr HOUSE: Are you working from somewhere in the budget papers?

Mr GRILL: No, I am not. I am just working generally from our discussions earlier this year. During debate, Minister, you conceded then that all of the problems concerning computers may never be fixed. What efforts have been made over the last two or three months to resolve some of those problems? Will we see a return to normalcy with the computers, or does something slightly more drastic need to be done?

Mr HOUSE: You will understand that I am not over the top of the technical detail of what I am about to tell you: However, I met the Auditor General once since that debate, which is now a few weeks ago, to ensure that our people and his people were working together to resolve the problems which were quite evident in his report from 12 months ago. We have put in place all his requests made of us. In fact, I meet with him again today as part of that ongoing process to make sure that we continue to be on track. We have done a trial balance at the end of April for that 10 month period to make sure that we had a benchmark from which to work. He will report to me about that this afternoon. Without pre-empting the outcome, I understand that he still has one or two queries. However, that is normal with an Auditor General, as there are always bound to be some queries.

Our problem will be that the benchmark for this financial year is working off the year that, by his estimation, did not give him an accurate set of figures. That is what he said. Therefore, all auditors work back to the previous financial year, as you well know, and so he will be working back to what he sees as an uncertain benchmark. We have tried to resolve all of those issues for him, and I think largely we have done so. However, at this time, I cannot give you a categorical answer whether we have. He will be the best judge of that. My discussions with him in those couple of meetings indicate that he is satisfied with the progress and satisfied with the effort. We have thrown every resource towards that effort that is necessary from Agriculture WA's point of view, and we have brought in independent people to work with our people to try to resolve any issues raised. As you know, they are multiple and complex matters.

The best I can say is that we are moving as well as we can towards the end of the year and coming up with a satisfactory answer. Members must bear in mind one qualification: I repeat, we are working, as far as the Auditor General is concerned, off that basis that he does not think last year was absolutely and totally accurate. Now, we will not resolve that for another 12 months.

Mr GRILL: In his report he indicated that he was not satisfied that a satisfactory trial balance had been achieved. I think that that is what you refer to.

Mr HOUSE: Yes.

Mr GRILL: I asked him some questions in this room about that matter when he formally presented his report. It was about the time of that debate. He seemed to be very vague then about what resources he was either making available to you or lending to you to overcome the software problems. What sort of a team do you have working on the software now or the computer system as such to endeavour to get it to work accurately?

Mr HOUSE: I will get Dr Robertson to enlarge because he has the detail. However, my instruction to the department was to use whatever resources necessary, and to buy in whatever external resource needed, to resolve the problem. As I said, the indications from the Auditor General to me are that progress is being made at a satisfactory pace. I cannot speak for him - he can only speak for himself - but in those meetings I had with him he has indicated that to me personally. I ask Dr Robertson to enlarge on some of that detail if you need it.

Dr ROBERTSON: The Auditor General had a person involved with the implementation team within the department on the committee that managed that right from the word go. Subsequently back in March-April this year, that person was seconded to the organisation because he has a high level of skills in that area. He is now under my direct control and managing the re-installation of the SmartStream system. In addition, we have a team of people funded by the original suppliers. That team of up to four and five people has in the last several months put in place the replacement upgraded system. I am pleased to say that that system has been online for about a month now, and is working up to all expectations. We are running it in parallel with the limping system, for want of a better description, or SmartStream 3, with which we have had so much trouble.

Mr GRILL: It was one of the problems last time though, was it not? Apparently the old system switched off before you could check it with the new system.

Mr HOUSE: Yes, that is right.

Dr ROBERTSON: Yes. Well, some of the old system was switched off. Some of it is still operating but in some areas it could not do what the new system had to do to meet the accounting requirements. Therefore, it was not possible to run it in parallel because it was not able to do any of the things that the new system had to do. Nevertheless, at the moment, as I indicated, SmartStream 3 is still proving to be an enormous difficulty for us

running that in parallel with SmartStream 4. We are very confident that SmartStream 4 is operating in the way that we would expect it to operate.

Mr GRILL: I presume that considerable additional costs are being incurred on a day by day basis while the team is endeavouring to put the computer program in place. Can you give us any idea of what those additional costs are?

Dr ROBERTSON: Mike Marsh might have the details of the costs. However, as I indicated previously the re-installation and the majority of the work that is required is being funded by the original suppliers at no cost to the agency. They agreed that they were in breach of the contract and they had to restore the situation. Our costs relate to the resources that we have focused internally on managing the difficulties.

Mr MARSH: The original contract price of approximately \$1.2m has been honoured by Geac Computers Pty Ltd and its subcontractors; so they are providing most of that work. We have had to engage extra people and pay overtime. That cost is less than \$1m over three years, because the problem has been ongoing over three years.

Mr GRILL: That is in round terms. Are there any additional costs?

Mr MARSH: I expect that the costs will continue for another six months. However, we are starting to scale down now. As we move toward the end of the financial year, we will get those out of the way and we will start grading out. I expect we will be back into a normal operation by the middle of September.

Mr HOUSE: It really depends on what you mean by extra costs, and the view that you hold. I hold the view that we should have put the funds upfront and got it right at the start. I admitted that in the debate. We have to get it right and whatever resources we need to fund it must be directed towards fixing it.

Mr GRILL: Is the Minister more optimistic now that this system will work effectively and completely?

Mr HOUSE: I am not technically competent to say whether it will or it will not. However, the indication I gave to the member - I hold by that - is that if we do not have full confidence in the system at the end of this financial year we must look at what we will do about that. It would be stupid to say otherwise, because obviously we cannot continue into another financial year with the system that we have if we do not have confidence in it. If we can get it right by the end of the financial year that will be fine, but I do not think we will know before then.

Mr GRILL: I appreciate the Minister's ongoing frankness on the issue. It is probably fairly difficult for him.

Mr RIEBELING: I refer the Minister to pages 114 and 115 on the area of quarantine. The performance measures for output 3 indicate the number of quarantine purpose checks, and estimates that the target next year is 108 000 vehicles, 395 trains and 1.2m airline passengers. Are these eastern States' border checks? Are checks made on international and eastern States' airline passengers through Perth Airport?

Mr HOUSE: The vehicles would obviously be border checks, and the airline passengers would be a mixture of both international and interstate passengers.

Mr RIEBELING: The checks on airline passengers will increase by 30 per cent. From my reading of the newspapers the number of international passengers - at least those from Asia - will reduce, not increase.

Mr HOUSE: The fact is that the number of tourists coming into Western Australia has increased by 4 per cent over the past few months, despite the newspaper report. There has been a considerable increase in passengers from Europe.

Mr RIEBELING: So, the number of checks will increase by 30 per cent in the year?

Mr HOUSE: Yes. We have never checked every passenger that came in here. We are now trying to increase our coverage to make sure that we cover as many people as possible.

Mr RIEBELING: The figures indicate that the maximum delay for persons not requiring quarantine action is five minutes. If it takes five minutes to process one person it will take seven million minutes to process 1.2 million people.

Mr MASTERS: It is the maximum time; it is not an average.

Mr RIEBELING: However, that refers to people who have nothing to declare, so it will take longer if they have something that requires quarantine action, presumably.

Mr MASTERS: Multiplying five minutes by 1.2 million people would imply that the maximum is the average, and it is not. I was caught at Perth Airport with an apple that I should not have brought in. That check probably took 30 seconds. The average is the important number, and not the maximum.

Mr RIEBELING: Is that the Minister's answer?

Mr HOUSE: That will do.

Mr RIEBELING: It would appear that the department expects 51 000 vehicles to contravene the quarantine rules this year. Is that the extent of the program on the borders?

Mr DELANE: That refers to the number of seizures and includes pieces of fruit, jars of honey, plants, and other soil bearing material, etc. It is not the number of vehicles but the number of items which will be seized.

Mr RIEBELING: Do you count each apple?

Mr DELANE: We count all contravening pieces and weigh them, so that is a composite measure as an indicator of the seizures.

Mr RIEBELING: Can you tell us the percentage of offending vehicles that are involved in 108 000 seizures?

Mr DELANE: I cannot tell you that off the top of my head. I estimate that we would remove material from 40 per cent of vehicles. That may be a fruit carton which may contain some diseased material, pieces of fruit or vegetable, plant material or a jar of honey; that sort of thing.

Mr RIEBELING: The figures indicate roughly that each vehicle that contravenes will have one item in it?

Mr DELANE: We try to minimise that. We have signs, and a comprehensive communication program involving caravan parks and the like. Signage starts 500km into South Australia encouraging people to use up their material. There is an opportunity for them to stop and have a picnic lunch. We try to minimise the amount of material. However, in some cases, we detect quite a large amount of material.

Mr RIEBELING: I have just driven into Western Australia from South Australia. In South Australia one is urged to buy up as much as possible because it is "your last stop before the Western Australian border" and when one reaches the border one must chuck it all out. I am a little confused about the 15 minutes that it takes to check each vehicle. Does that refer to the 108 000 vehicles checked this year, or the 51 000 seizures? Is that the average maximum time taken to check a vehicle?

Mr DELANE: The 15 minutes refers to the maximum delay. In most cases it is a very quick exercise to interview the driver and to go over the vehicle. However, in some cases all luggage is required to be removed, the radiator needs to be checked and those sorts of things.

Mr RIEBELING: Why would you go to the extent of checking the radiator?

Mr HOUSE: A radiator could contain seeds. If a vehicle has been driven through a paddock or along a road verge, the radiator could contain plant seeds that are foreign to Western Australia that could cause a problem to agriculture. That is one of the most common causes of plant transfer.

Mr GRILL: When were the performance indicators on page 110 drawn up, how long have they been in place and who monitors them?

Dr ROBERTSON: The agencies have had performance indicators for a number of years which were more comprehensive than that which appeared in the budget papers. However, this year Treasury required us to focus on quality and quantity of time, and cost and effectiveness.

Mr GRILL: Is this a new format?

Dr ROBERTSON: This is a totally new format. We probably received a request for this framework in February. This was drawn up between February and the budget papers going to bed immediately after that.

The other issue which has been pointed out is that we are limited to just five indicators per program. Obviously, from a management point of view, we have a lot more. We are in the process of making certain we have adequate processes in place to record the information so it can be audited. The Auditor General has indicated that he will be looking at that in the audit this year. In summary, they are a first effort at a new framework that Treasury has asked us to comply with. We will certainly get better at it over the next two or three years.

Mr GRILL: I am a little suspicious about these sorts of performance indicators. One wonders, at the end of the day, how objective they are and how much time is taken up by your officers in compiling and monitoring them. I suppose they will make some official in Treasury pretty happy, but outside of that, what benefit will come from this? How many people are tied up putting these figures together and on monitoring and checking them and so forth?

Mr HOUSE: That is a fairly valid point. A question was raised about the percentage of people taking on quality

assurance management systems, and that only 2 per cent of people who got to the end were fully qualified. A lot of people have picked up on part of those things or have got benefit from the scheme. I think that applies to a lot of these other things. Not everyone can be a member of a Top-Crop group. However, one can see the results that are published, can read the information and talk to people involved in the department in those groups even though a number of those people are not 100 per cent committed to it. I think the member's statement is correct. It is very difficult to quantify those things, particularly in agriculture.

Mr GRILL: Have we got a handle on how much time is taken up on that?

Mr HOUSE: I do not know. We have a full time coordinator in this area. The Auditor General's requirements are much more comprehensive than what can be seen here, and the program managers across the organisation must spend some time thinking about their areas and come up with appropriate responses. It may be that two people this year have been involved in this process.

Mr GRILL: In the past the department has been pretty proud of its subjective polls - farm polls and other national assessments. The Minister was less than flattering of the past couple of farm polls which might have been less than flattering to the department. Is the department conducting polling of that sort in an endeavour to ascertain what sort of farmer or grower satisfaction it is achieving?

Mr HOUSE: We just started to. That was probably borne out of the fact that we did not really agree with the other polls that were conducted by other people. I guess that depends on how we go about them and who is targeted and whatever.

Dr ROBERTSON: An independent survey has been completed. However, we have yet to see the report. That survey will be used to develop some base line data. It looks at what the industry believes, the services that we are providing to them, how satisfied they are with those services and what services that they would like in the future. That will be an ongoing activity and it will feed back into our performance measures.

Mr GRILL: Is that being done in-house or independently?

Dr ROBERTSON: It is being done independently by the Marketing Centre Pty Ltd.

Mr RIEBELING: The performance indicators on page 111 estimate that the average production improvement at WoolPro sites will increase from 24 per cent last year to 30 per cent in the coming year. What is that referring to? Is it a 30 per cent improvement on top of the 24 per cent improvement last year or is it a 30 per cent improvement from whenever that program commenced?

Mr HOUSE: No, it is the total.

Mr RIEBELING: In other words, we are counting as achievements for next year as well?

Mr HOUSE: We are not adding another 30 per cent onto next year.

Dr ROBERTSON: The figures for the WoolPro sites are based on the premise that the evidence shows that wool producers are not using the best technology in their production systems, and there is room to use existing knowledge and greatly increase their production. A farmer identifies a paddock that he will manage as per the recommendations of the agency and will compare production in that paddock with the rest of his farm.

Mr RIEBELING: Will each individual farmer who takes up this program next year experience an improvement in productivity of 30 per cent?

Dr ROBERTSON: That is correct. It will be an improvement in the paddock that he is managing compared with the average productivity on the rest of the farm. It is very much a group process. If farmers put these things together, and manage their grazing and sheep better they will experience a 30 per cent increase in production.

Mr RIEBELING: The program will involve 380 farms this year?

Dr ROBERTSON: That is correct.

Mr RIEBELING: How many farms would be eligible for WoolPro?

Dr ROBERTSON: All farmers are eligible. It is a matter of farmers putting up their hands.

Mr RIEBELING: What is the percentage?

Dr ROBERTSON: We are probably talking about 6 000 farmers with sheep, which is about 10 per cent of farmers. Farmers around the WoolPro sites are also involved in the process, so it does not just benefit the farmer on whose property the WoolPro site is located. A group of farmers around that site will be involved with that process. They will see the enhanced technologies and hopefully take them back to their own properties.

Mr CARPENTER: The member for Eyre referred to performance indicators. I was under the impression that the requirement for this year was that there be some measure of client satisfaction for the service that he receives. Some of the other departments use that measure and there appears to be a remarkably high level of satisfaction across the board. Here we see the number of people who are taking up a service and not their satisfaction level with that service. Has there been any directive to present that?

Mr HOUSE: No, but it is part of what we are trying to do to establish some of that base data which, I admit, we do not have. We involved the Marketing Centre to try to establish what our clients want. The service delivery in agriculture goes out in a few different ways. For example, we are in very close contact with the Farm Advisory Service in Western Australia. That service packages up a lot of the information that Agriculture Western Australia produces from its experimental and research programs and then passes it on to farmers. For example, a farmer who employs one of Peter Falconer's consultants would be using a lot of information that the consultant obtains from us. If you asked that farmer he might not realise that he is sourcing material that has been produced by Agriculture Western Australia. We are looking at trying to trademark our material. It has never been done in the past, and I admit that is a deficiency. We need to trademark the information that we are putting out, so that we have some ownership over it and people understand where it is coming from in the future. That is part of what we are trying to do now with the Marketing Centre and other systems.

Mr GRILL: Pages 100 and 101 paint a fairly rosy picture of the diversification in crops that has taken place in Western Australia and there are probably good grounds for that. The future for wool is reasonably optimistic, although this will depend on the Asian market, which you dwell upon on page 101. The Australian Bureau of Agricultural and Resource Economics has revised its figures on the demand from Asia, and consequently the price. Is the reasonably optimistic picture set out in the budget papers still reflective of what will happen in the next year or two, given that most economists are now marking down the Asian situation a bit more than they did, say, two months ago?

Mr HOUSE: Is your question specifically about wool or all agricultural products?

Mr GRILL: Wool has been a problem now for quite a while. Even with the guardedly optimistic statements about wool, it is still a problem, is it not? I want some information. How does the department see the situation with wool and agriculture generally with regard to Asia?

Mr HOUSE: I will answer that as best I can. The member should bear in mind that most of these things are a subjective assessment based on my knowledge, and I could be wrong. These papers were completed in March and a number of events have occurred since then, particularly in Indonesia, which is a core market for WA. We will go through a period of quite serious problems in some of those core markets like Indonesia, and the facts speak for themselves. The member may have seen a report in today's newspaper about Japan having written off a lot of debts in its banking system. That indicates that the Japanese economy is still pretty tight.

However, the indications are that places like Taiwan and China are fairly strong, and depending on the product, we can be reasonably optimistic that trade will continue, though at a reduced price. The northern live cattle markets and the wool market indicate that is a fact: Trade is continuing but the prices have dropped off. I am not as optimistic right now as when we put these papers together. I think the wool industry is in its eighth year of low prices. That is not a dip in the market; that is a long term trend indicating a decline in this industry. The wool industry is just starting to wake up and realise that it has got to do things a whole lot different from the past. There will be a continuing market for horticultural products in Asia. Once again, the indications from Asia are that people are buying but they are buying a lesser quality product. They are trying to make their dollar go further. That means that we are facing competition from other markets that are not as quality conscious as we are. In summary, the market will continue. We have worked pretty hard to try to continue our relationship with Asia. Agriculture Western Australia officers have been in Indonesia and other places trying to make sure that we maintain our contacts with companies and we keep the doors open, I suppose, so we can continue to do business. It would be a huge mistake to walk away from them. We have got to shore it up, and that is what we have been trying to do. We have been trying to help different companies in different ways. That is just through contact and maintaining some confidence.

Mr RIEBELING: The Minister informed us that there would be a 30 per cent improvement in productivity on 380 WoolPro sites out of a possible 6 000. How bad is the situation on the other 5 700 farms? We are led to believe that our farming industry is the cutting edge of efficiency, yet the department is telling us that the majority of farms operate 30 per cent below potential productivity.

Mr HOUSE: That is the number of sites, not the number of farmers involved, so for each site a number of farmers would be involved. I cannot tell you how many farmers are involved with each site, but they would have field days and attract people to those sites in those districts.

Mr GRILL: I refer to the ongoing crisis in the pig meat industry. How do you see that situation unfolding and what steps can we take in an endeavour to help our pig breeders?

Mr HOUSE: I attended a meeting in Northam, as did Hon Kim Chance and a number of other politicians and industry leaders. My judgment of that meeting is that it was a pretty responsible and mature meeting that tried to come up with some specific answers. Discussion revolved around the importation of pig meat from other countries. Most producers saw that as only one part of the problem. A key issue was the quality of product. A number of issues were raised about the processors. For example, a dedicated abattoir for the killing of pigs, and the cost of processing to make us more competitive. I talked to a number of producers afterwards, and economies of scale was certainly an issue as far as they were concerned. Some of the smaller producers were beginning to realise that no matter what they did, they would have difficulty with economies of scale. There was discussion about the "exceptional circumstances" that had been triggered by the Federal Minister. I do not believe that is an answer to their problems at all. That is a stop-gap measure, and every producer I spoke to before and after the meeting agreed with that. I cannot recall anybody at that meeting who publicly pursued the fact that we ought to go for that, or that it was the answer to their problems. They did not think that at all. They are the key issues. There is no question that they are affected by a combination of factors. Western Australia at this point is not as badly affected as the eastern States because a lot of our producers, particularly the larger ones, have been on a contract price, which has a bottom line of about \$2.20 a kilogram, whereas the prices in the eastern States have fallen to about \$1.20 to \$1.40 a kilo depending on the market. However, some producers in the west, who have not had contract arrangements, have suffered that fate. In some cases in which contracts have been in place processors have not taken all the product that is provided, so there is a bit of a problem there. It is a combination of those factors, and I thought it was a pretty responsible meeting. There is no simple answer.

Mr GRILL: Do you intend to put in place a task force or a group of people to endeavour to come up with a package for the industry? I was invited to that meeting, but could not be there. Hon Kim Chance represented the Opposition at that meeting, and he will talk about this problem as time goes on. If you were to put together some sort of a package we would certainly cooperate.

Mr HOUSE: We have done a couple of things. We have helped the industry with the preparation of the "exceptional circumstances" application which has now gone to the Federal Minister. The final draft is pretty close to completion, if it has not been completed already. Some months ago we put together the pig industry task force which is chaired by David Smith, the former chairman of the SBS-Independent Agricultural Merchants' Association. It comprises a number of industry representatives, and they have been working through all of those issues, in particular, how we get greater access to the export market and quality and processing problems, etc. That group is due to report in the next couple of weeks. It has been working for some months. I do not think there will be an easy answer, and I appreciate the member's offer of support, help and cooperation. I will ensure that the member for Eyre and Hon Kim Chance are briefed on what David Smith's group is doing and its recommendations. We all agree that we must work together to try to help those guys.

Division 29: Agriculture Protection Board, \$12 043 000 -

[Mrs Holmes, Chairman.]

[Mr House, Minister for Primary Industry.]

[Mr R.J. Delane, Executive Director.]

Mr GRILL: I refer to page 130 which indicates that further releases of the rabbit calicivirus disease will be limited, with increased focus on community management of RCD and use of integrated rabbit control strategies. I know that the Minister and the agricultural industry generally held out great hopes for calicivirus. Does this statement indicate that RCD has only been partially successful?

Mr HOUSE: Yes. It has been partially successful. It does exactly what myxomatosis did. Rabbit numbers build up and then the disease comes back in a wave. I guess that has something to do with the spread of the disease and the quantity of rabbits. Some people would tell you that they have not seen any evidence of it, but it is hard to identify. It can be identified only by dead rabbits, and in some areas of the State it has been very successful indeed. The program has not been followed by the usual control measures like ripping up the burrows, etc. We will try to get farmers more involved in those measures and not just to rely on rabbit calicivirus as the ultimate solution. It is only one of the tools that we can use to control the rabbit population.

Mr GRILL: Just how big will the program be in the forthcoming year, and in what area will it be concentrated?

Mr DELANE: We are involved in a national program of releasing and monitoring the RCD. That is closely linked with research, including the national vertebrate bio-control corporate research centre. To date we have released RCD

at 39 sites. Although its success has been variable it seems that nationally the average success rate is about 85 per cent in the dry areas, pastoral and fringe agricultural areas. That drops away to about 40 per cent in the higher rainfall areas, so it is quite variable. Strict rules are in place before further releases can be made. We conduct antibody tests to ensure there has been no RCD activity, there are sufficient rabbit numbers to warrant it, and there has been a reasonable separation from previous outbreaks. The total investment is about \$190 000, half of which is national program funding and the other half the agency contributes from its recurrent funds.

Mr GRILL: Prior to the release of calicivirus a substantial body of scientific opinion was that we had to be cautious about it, and not release it quite so soon. It was released anyhow, either accidentally or on purpose - we are not sure. Certainly, it was released outside of the normal protocols. Is there any evidence that proves it was released too early?

Mr DELANE: It was out and about as you know. However, we did not release it until the Federal Minister, on advice from his scientific people, gave the authority for it to be released. There was evidence that it was in Western Australia prior to the official release anyway.

Mr GRILL: Your hand was forced, was it not? Is there evidence that it was released too early?

Mr DELANE: A few weeks ago we hosted the national vertebrate pest conference in Bunbury. The consensus on that question was no. Concerns were expressed about its effectiveness, how to distribute it quickly, and how to achieve efficient inoculation. However, I did not detect any concern about the safety of the disease or any issues of that nature.

Mr GRILL: One can still read an article about the mutation of the virus. Is there any indication in Australia or further afield that there has been any mutation, is it attacking other species that we had not thought that it might attack, or is it attacking native species?

Mr HOUSE: Not that I am aware of.

Mr DELANE: No. Nothing was reported at the conference. I am sure that those concerns will continue and the national program will closely monitor any concerns. The program is focused mainly on efficacy and the ecology of the disease, including how it interacts with myxomatosis, other seasonal conditions such as drought and how to achieve efficient inoculation. We are investigating oral inoculation through grain rather than injection and the like.

Mr GRILL: Is the department still using myxomatosis? Are there new strains of myxomatosis and how effective is it in this day and age?

Mr DELANE: Myxomatosis remains very effective but its effect is sporadic. Its interaction with RCD confounds the results. We do not have any significant activity with myxomatosis, although research and monitoring activities are carried out nationally and we keep a close link with that.

Mr HOUSE: I have seen myxomatosis in the past couple of months in rural Western Australia. One can pick out myxomatosis in a rabbit very easily; it is still out and about.

Mr GRILL: Are there any new strains of myxomatosis which might be more effective?

Mr DELANE: Some new strains are being examined. I do not think any results were reported at the conference. That indicates that it is more effective, and more people are looking at it. However, the experience in Western Australia and nationally is that integrated control - that is, using RCD and relying on myxomatosis where it is present to spread it more rapidly, using group baiting schemes and ripping up rabbit warrens seems to be very effective. In fact, there have been outstandingly effective programs nationally. The challenge is to pick up on those programs so that community groups adopt those measures.

Mr GRILL: Rabbits have been a huge problem in the past. My anecdotal information is that in the goldfields there seem to be many more rabbits around than there were, say, 10 years ago. That could be wrong, but certainly there are more rabbits around Kalgoorlie than there were 20 years ago. Do you have any handle on the current rabbit population within Western Australia?

Mr HOUSE: We have not counted them lately.

Mr GRILL: Do you have some way of measuring and assessing the rabbit population and whether these programs have been successful? How is the population fairing - is it increasing or decreasing?

Mr DELANE: We have a field reporting system. Every time one of our officers goes on to a property for an inspection, he provides specific advice on rabbit and weed control, or whatever. We do an audit. That is recorded in our system and is the basis for the performance indicators which are reported in the budget papers. I can say with

some confidence that we have not seen anything to indicate that the rabbit population is increasing in any particular area.

Mr GRILL: Is there a particular performance indicator you could refer us to?

Mr DELANE: The performance measures are outlined on page 132. Unfortunately, as you pointed out earlier, relatively scarce information is available, but a composite indicator exists for the number of detections of donkeys, goats, wild dogs and rabbits. We are incorporating that and trying to focus more on outputs rather than inputs and activity. We are always looking to measure the effectiveness of our programs.

Mr GRILL: The State went through a real horror period for several years with new diseases being introduced and extraordinary measures needed to be taken to eradicate several diseases. In a generic sense how successful are those eradication programs, what are the current problems, and where do you see the APB's front line at present.

Mr HOUSE: We have been relatively successful in eradicating them. The problem is that some diseases like apple scab have reoccurred. That was a new infection.

Mr GRILL: Was it a new outside infection?

Mr HOUSE: We suspect that it was a new infection. We got rid of the original problem and we had a reinfection from an outside source. That indicates that in a State as large as Western Australia with such an extensive border, both coast and land, we will continue to have problems monitoring every site where people can bring things in and trying to educate people about problems that can be created with things like codling moth, apple scab and other issues. That is largely in the horticulture area.

We seem to have the problem in the stock areas somewhat under control, except for Johne's disease. That is a different issue, because no test can give a 100 per cent result of ovine Johne's disease. We have done a reasonably good job. However, it is something that one could lie awake every night worrying about, because one just never knows where the barrier might be broken. We have tried to implement an education process. One can see from the number of people who are picked up with fruit coming in through airports that has failed in some respects. I would have thought that by now that program had got through to all of those people, but it has not or they are trying to run the gauntlet and we pick them up. Try as we might, we still have breakdowns in the system.

Mr RIEBELING: The performance measures for output 1 on page 132 indicates a figure of 5 018 as the trend in the eradication of animal pests. What does that figure mean?

Mr DELANE: We formally record every time we go on to a property. We conduct about 30 000 inspections a year, and that figure is the number of times that we have detected one of those animal pests that we are endeavouring to eradicate.

Mr RIEBELING: That does not relate to feral animals and so forth?

Mr DELANE: No, it is not a count. I apologise for the scarcity of information there. It refers to the area of infestation and the relevant species. The two main contributors to that indicator are rabbits and the Australian plague locust.

Mr RIEBELING: You stated that you carried out 30 000 inspections a year, yet the figure for the number of inspections for animal pests is 15 518?

Mr DELANE: That is the number of inspections specifically for feral pests.

Mr RIEBELING: That is one-third of everything that you test. So you do not conduct random checks, you go there because you think something is wrong?

Mr DELANE: We do conduct random audits and maybe inspect for other measures, but we also visit and provide advice.

Mr RIEBELING: A random selection that results in a detection rate of 30 per cent is relatively high.

Mr DELANE: It is the farmer's and the landowner's responsibility to control pests and diseases, and all we do is follow up on that.

Mr RIEBELING: I presume that the figure of 5 000 relates to diseases that render a product less saleable?

Mr DELANE: No, the 5 000 figure is for animal pests. Out of 15 000 inspections for animal pests we expect to detect one animal pest on 5 000 of those properties.

Mr RIEBELING: Is the impact of that pest on a property that the product is of a lesser value?

Mr DELANE: The impact is on either productivity or the condition of the land resource. Product certification relates mainly to freedom from pests and diseases and tends to relate to weeds, plant diseases and a whole range of animal diseases.

Mr RIEBELING: That is what you are looking for?

Mr DELANE: Yes.

Mr RIEBELING: Will one-third of all the properties that you check have a problem?

Mr DELANE: These are indicators for the APB. It does not pick up animal diseases because that is not within its charter, nor all plant diseases, some of which are funded through the agency.

Mr RIEBELING: Will the figure be higher?

MR DELANE: Yes. The agency's indicators for plant and animal diseases include tuberculosis detection, for example.

Ms ANWYL: The performance measures on page 132 project an increase of approximately 436 inspections for animal pests. How is this calculated in the new budget format?

Mr DELANE: This operates out of our field recording system. You can pick up these figures in the board's annual report. Over a period of years we complete a number of inspections and collect certain information which allows us to make projections. Our resource allocation in that area is used to indicate the number of future inspections.

Ms ANWYL: No information is provided in the budget papers about the number of full time employees who are doing that work. Will there be an increase in resources to enable that or are we seeing an increase in productivity?

Mr HOUSE: There are a number of people in the APB whose specific job is to do that. However, we are also moving to a system - particularly, in pastoral regions - to ensure that we maximise the number of visits to a station. We are trying to ensure they answer all the needs of the pastoralists in that one visit. They may cover a multitude of things including pasture improvement and pest control.

Ms ANWYL: What is the reason there is no information about FTEs in this Budget?

Mr HOUSE: I do not think there is any information about FTEs in any division.

Mr CARPENTER: That information was provided in previous divisions.

Mr HOUSE: It was provided last year, but not this year.

Mr CARPENTER: How many employees in the APB?

Mr HOUSE: There are 1 718.

Ms ANWYL: Is there any change between years?

Mr HOUSE: Not between last year and this year.

Ms ANWYL: What is the reason for the change? Many of the other budgets mention FTEs.

Mr HOUSE: I do not know off the top of my head. My view is that FTEs do not necessarily quantify the sort of service that is being delivered. In fact, they can inhibit changes that can deliver a better service. For example, farmers are becoming more used to computer and fax delivery of information services, so we do not do as many one to one farm visits as we used to do to impart knowledge from Agriculture Western Australia. We do a lot more of our work through phone and fax and group discussions.

Mr CARPENTER: Is the Minister saying that employees in the Agriculture Protection Board are accounted for in Agriculture Western Australia's budget?

Mr HOUSE: Yes. It is one department, not two.

Mr CARPENTER: That figure of 1 718 has been constant over five years. Has there been any outsourcing and privatisation of the activities of the APB, and if so, in which area and what has been the effect?

Mr HOUSE: There has been no outsourcing of any major consequence. We have certainly been looking at that with some shires which want to employ APB officers or similar people on a full or part time basis. I am advised that we also outsource skeleton weed searches. That used to be done totally in-house, and we now outsource some of it.

Mr CARPENTER: What about outsourcing the operational side, not just inspections, eradication and so on?

Mr HOUSE: It is only in the area that I just indicated to you. Some shires want us to make arrangements for part time employment of an officer in a region. We have been looking at that in conjunction with them.

Mr RIEBELING: Does that occur very often? How much money is allocated to support shires for what used to be APB work?

Mr HOUSE: When I was a shire councillor APB officers were partly funded by Government and shires on a needs basis.

Mr RIEBELING: I am advised that some shires are not happy with the resources coming from your department to do that work.

Mr HOUSE: In what way?

Mr RIEBELING: They are expected to do the work, but are not being paid adequately to perform the functions.

Mr HOUSE: I am not sure what you mean. Eradication on private properties has always been the responsibility of the landowner, not the department. In some cases in the past we have provided the service at a cost, but that has always been the case.

Mr RIEBELING: Local government has told the Opposition that this was not the case before the restructure. Some shires have been left without resident industry resource protection officers.

Mr HOUSE: We make that decision based on the need in a region. Some shires have fewer people than others. For example, the August-Margaret River Shire has about 800 registered landowners whereas Mullewa or Morawa would probably have fewer than 200. Our decision is based on the need for the service. We try to make that judgment in conjunction with a regional advisory committee.

Mr RIEBELING: So which one of those two examples will you decide not to fund?

Mr HOUSE: That is not the issue. It is a matter of what service is needed in that area. The shire councils have representatives on the regional advisory committees, and we try to answer that challenge as best we can. A number of shires think that the APB officer should live in the town because he buys his groceries there and sends his kids to school there. We have focused on an outcome for the service that we are providing, not on the input of somebody who might or might not live in the town.

Mr RIEBELING: Everyone would agree with that. It is just that some shires say that there should be an officer, but there is no resources to fund one.

Mr HOUSE: I am sure that some shires think that, but their reasons do not relate to output of the service that we are providing.

Mr GRILL: I have not received any complaints recently, but not long ago I was receiving complaints from pastoralists about the lack of officers in their areas to control pests, including dingoes. I have referred those complaints on. I do not know what has come out of that. Are you still receiving complaints about that?

Mr HOUSE: Yes. In some cases we have received some complaints. On Friday this week, I will meet with some of the Kalgoorlie pastoralists who have been involved in the land conservation district councils running out through Leonora to discuss some of those issues. We have moved to an aerial baiting program for dogs in a lot of areas, which means that they do not have blokes on the ground as much as they used to, but they still have people who move in when there is a need or when it is indicated that there is a need. I think we have been able to answer that challenge whenever it has been thrown to us. In other words, if there is a problem in an area, we have been able to meet it in some way.

Mr GRILL: Yes. As I said, I have not received a complaint recently, but the people in the Goldfields and in the outer reaches of Yilgarn were complaining.

Mr HOUSE: I will meet with some of those people on Friday of this week to discuss some of those issues.

Mr GRILL: It will be interesting to know what comes out of that; no doubt someone will fill me in as time goes on.

Mr MASTERS: I have a question about the review of the status of declared plants, because there is not a huge amount of detail in those few pages of accounts. Is it anticipated that the number of dollars allocated for the control of declared plants from the current year to next year will be reduced, or will it essentially be maintained on an even keel?

Mr DELANE: The review is currently before the board, which means that early next month we will consider it. It

is unlikely to finalise its decision on the review until its August meeting. The budget provision for general declared plant management will be the same for next year at about \$1.4m, and there will be another \$950 000 for specific wheat management projects.

Mr RIEBELING: Page 133 lists the operating expenses of the department as being \$281 000. An amount of \$15.2m has not been explained out of a budget of \$15.5m. My calculation is that about 98 per cent of it is not really listed in this document. You made a commitment previously to give some detail of the department's expenditure. Could a similar commitment be made with regard to the vast majority of the expenditure for the APB in this allocation?

Mr HOUSE: That is a valid question. The chief executive officer advises me that that figure is also appropriated into the total Agriculture budget, which is the figure we were talking about before of \$153m. We will provide all that information for the APB in the same way as we will provide it for Agriculture Western Australia, because it really is a repeat of the figures. We will provide you with as much detail as we have.

Mr DELANE: Yes. It will be separate so we can read it as being for the APB.

Mr CARPENTER: With regard to the presentation of figures, we have now gone through Agriculture Western Australia and the APB. Do you concede that it seems to be more difficult now to trace what is happening in the budget papers than it has been previously?

Mr HOUSE: No. I think the problem is in the comparison from last year.

Mr CARPENTER: I will just check those remarks against the remarks you made earlier. You have agreed with us on just about every occasion that we have said that nothing is explained in the budget papers.

Mr HOUSE: I was trying to help you to understand, which you obviously did not do. My answer was directed at trying to give you some assistance. We will provide the information, as I said we would.

Mr CARPENTER: That is outside the budget papers.

Mr HOUSE: The problem is that we are all coming to grips with the new system, frankly. I think it does provide the information that is necessary. What is needed is a bit more detail to some of that information, and that has certainly been highlighted.

Mr GRILL: The performance indicators as they are currently set out - I know it is early days - are a bit hard to follow, but will you include some client satisfaction performance indicators for the APB as well as for Agriculture Western Australia? Will the polling that you have put in place cover that as well?

Mr HOUSE: Yes.

Mr GRILL: Will it also cover the Rural Adjustment and Finance Corporation?

Mr HOUSE: No.

Mr GRILL: It will be just Agriculture Western Australia rather than the APB?

Mr HOUSE: Yes.

Mr CARPENTER: With regard to those performance indicators, who will compile that information for you? Will it be done in-house?

Mr HOUSE: The Marketing Centre Pty Ltd is doing it for us.

Mr CARPENTER: If a measure is taken of the degree of satisfaction with a service provided by a government agency, in this case the APB, and that information will then be provided to the public, who will provide the information and who will collate it, and will the information that is collated be the same as that which is provided to the public?

Mr HOUSE: The Marketing Centre is doing a survey of our client base to establish whether we are providing the service that people need.

Mr CARPENTER: Their level of satisfaction?

Mr HOUSE: Correct.

Mr CARPENTER: Is that quite the same thing?

Mr HOUSE: You are asking the question. I am providing the answer.

Mr CARPENTER: Are you measuring the service users' level of satisfaction with the service that is provided or are you asking what are the -

Mr HOUSE: Yes, as best we can.

Mr CARPENTER: Will the information that is collated by that entity be provided directly to the public via the Parliament, or will you then present it in some format?

Mr HOUSE: We have not made that decision yet.

Mr RIEBELING: It will depend on the answers!

Mr GRILL: I notice that with the APB, on pages 131 and 132 you produce an estimated actual figure of expenditure, yet on page 128 you do not give an estimated actual figure for 1997-98. Is there any reason for that? It is very helpful to have an estimated actual in place.

Mr HOUSE: I do not know the answer to that, but we can provide it for you.

The CHAIRMAN: The Minister will provide that as supplementary information, with the notes.

Mr RIEBELING: Page 130 outlines the major initiatives for this year. I refer to the first dot point at the top of page 130. I hope that does not mean the department will abrogate its responsibility to the community by giving this work to the industry and the community through some sort of advertising campaign. The last dot point at the same page refers to feral animals; presumably that is donkeys, camels and the like. I am interested in the level of damage done by feral cats and the like. Is that a significant amount?

Mr HOUSE: With regard to the first question, we are just reinforcing the fact that it is the responsibility of landowners to carry out the eradication of declared pests and animals on their land, and it is our responsibility, in some cases, to draw that to their attention, but we will be making sure that people understand that.

Mr RIEBELING: Is that the advertising campaign you are talking about?

Mr HOUSE: It is not just advertising. As I said earlier, a number of groups around rural Western Australia feed advice into the Agriculture Protection Board, which is the main authority. I will be working with those people and their sub-groups, in some cases, to make sure that everybody is aware of that, including shire councils. With regard to the second question, we have had a program with goats, for example, that has been running for some time now. The target date for the end of that program was July 1999. It has been my very strong view, and I think the view held by most pastoralists, that goats are desecrating the rangeland, and if they are to be allowed to remain on the rangeland, it would be only under very controlled and strict supervision, or controlled behind wire, as we use the term, and the stocking rates would be monitored by the Pastoral Lands Board, because that is its responsibility. It is the owner's responsibility to do the main muster, and a helicopter shoot comes in behind that in inaccessible areas, or to mop up little mobs of them; so that is just reinforcing it. Feral cats have not been part of the APB's program. I understand that they are part of CALM's program.

Mr RIEBELING: Does the Minister believe that a statewide feral animal approach is the right way to go?

Mr HOUSE: A statewide feral animal approach?

Mr RIEBELING: Like with the donkeys in the Pilbara and the Kimberley, which was a statewide effort of eradication of feral -

Mr HOUSE: If you are dealing with goats or donkeys in pastoral areas, it is about the only way you can do it, because you are talking about a vast area, and it is beyond the capability of landowners to handle that area. That is why we have tried to assist.

Mr GRILL: You have indicated that CALM is now carrying out quite extensive aerial baiting programs. Is there cooperation between the APB and CALM in respect of those aerial baiting programs, some of which seem to operate in similar areas?

Mr HOUSE: I understand that there is.

Mr ROBERTSON: There is a lot of cooperation. At the fundamental stages, we are responsible for handing the 1080 bait, and the baits are produced in the Agriculture Protection Board's factory. In dealing with foxes and cats, the baiting is generally done on a coordinated basis. CALM will do the baiting on its reserve land, and the APB will organise a baiting program for the adjacent privately owned land in that area. That has happened up and down the forest fringes in the south west, and it has been very successful. There is a lot of both communication and cooperation in that program.

Mr GRILL: CALM has claimed significant success in respect of the eradication of feral animals and the re-introduction of a range of threatened species. Can you confirm that success? Is it being monitored by your organisation as well?

Mr ROBERTSON: We are monitoring the native animals within the CALM reserves and forests. We are involved in ensuring that cats and foxes are killed in the adjacent agricultural land.

Mr GRILL: You cannot make any judgment on that?

Mr ROBERTSON: No.

Mr GRILL: What about your own programs?

Mr ROBERTSON: In that country, we are seeing a significant reduction in foxes, in particular, adjacent to forest land.

Mr GRILL: You have indicated that market equity is the company that is doing the survey.

Mr HOUSE: I think it calls itself the Marketing Centre.

Mr GRILL: Who are the principals of the Marketing Centre?

Mr HOUSE: Mr Michael Smith is certainly the chairman, and I think he is one of the principals. He is the person with whom I am most familiar.

Mr GRILL: Is a Graham Stewart also involved with that company?

Mr HOUSE: I cannot answer that question. That name is not familiar to me with regard to marketing. I know a couple of people by the name of Graham Stewart, one of whom is a farmer. They are not involved in marketing.

Mr GRILL: Is the Marketing Centre in any way connected with any of the corporations or departments that come under your jurisdiction?

Mr HOUSE: Michael Smith sits on the Meat Marketing Corporation and also on the wool strategy group.

Mr GRILL: What is his background?

Mr HOUSE: Apart from marketing, I have no idea. Do you mean did I go to school with him, or something? I have known him only in the last couple of years.

Mr GRILL: As you would appreciate, it is essential that this surveying be done independently and at as arm's length as possible.

Mr HOUSE: I had absolutely nothing to do with the letting of the contract or the knowledge of it. That was done through the agency's chief executive officer.

Mr GRILL: Yes, but the agency has even more reason to be partisan than you have. Can I direct that question to the director?

The CHAIRMAN: You can direct it to the Minister, and the Minister can ask the director to answer it.

Mr GRILL: Does Michael Smith have any connection with any of the agencies that come within your jurisdiction?

Mr ROBERTSON: I know of no connection other than the ones indicated by -

Mr GRILL: That is the Meat Marketing Corporation and the wool strategy group. What credentials does this company have for the work that it is undertaking in terms of making an assessment on behalf of the department?

Mr ROBERTSON: The process was put out to tender. Four companies applied for the tender to undertake that task. They went through a normal assessment process. The company demonstrated that it had a lot of knowledge in polling markets and in getting information on clients' perceptions of products and services, etcetera. As I understand it, that is its bread and butter business.

Mr GRILL: For how long has it been in existence?

Mr ROBERTSON: I do not know.

Mr GRILL: Which other companies tendered?

Mr ROBERTSON: I am aware, off the top of my head, of one or two. We can certainly provide that to you.

Mr GRILL: Was the Marketing Centre the lowest tenderer?

Mr ROBERTSON: I cannot answer that here, but I can certainly provide the details.

Division 30: Rural Adjustment and Finance Corporation of Western Australia, \$176 000 -

[Mr Bloffwitch, Chairman.]

[Mr House, Minister for Primary Industry.]

[Mr Kevin Goss, Chief Executive Officer.]

[Mr Brian Annen, Executive Director, Sustainable Rural Development.]

Mr RIEBELING: Minister, I know the structure of the budget is not necessarily your province, but I have found it exceptionally difficult to locate the divisions within the budget document. I understand that it was decided to make everything alphabetical, except for the division numbers. In your area, we have gone from page 100, to page 128, to page 1041, and then back to page 474. I understand that the Government releases a list of divisions, but it does not say what they are in relation to the budget document. I spent about half an hour going through every one of these trying to work out where they were - not necessarily yours only, but all of them. If we are to have alphabetical order, let us have alphabetical order for the division numbers as well. You might have divisions 3, 10, 72 and 96, but at least we would be able to go to these documents, which are supposed to be easy to read and transparent. It was enormously difficult to find them. That is just a comment.

Mr GRILL: At page 1041, under the heading "Appropriation and Forward Estimates", the recurrent expenditure is \$176 000, and at page 1042, under the heading "Output and Appropriation Summary", the estimate for recurrent expenditure for 1997-98 is \$6.8m. I have a bit of trouble tallying up those two figures. What are we talking about on page 1041?

Mr HOUSE: Is your question what does the \$176 000 relate to vis-a-vis the \$6 834 000?

Mr GRILL: Yes.

Dr ROBERTSON: In previous years, the budget that was identified for the Rural Adjustment and Finance Corporation would just be the \$176 000, because that is all the state moneys that go into operating the business. In addition, the programs delivered by the Rural Adjustment and Finance Corporation make use of two trust accounts that are either in the control of the Minister or in the joint control of the Minister and the federal Minister for Primary Industries and Energy.

Mr GRILL: And which are basically federal funding?

Dr ROBERTSON: The origin of that money was from federal grants to the States to manage rural adjustment programs. The way the Budget is presented this year really does give you the true indication of the amount of money that is being spent in programs under the jurisdiction and responsibility of the Rural Adjustment and Finance Corporation. The output and appropriation summary and the operating statements give you the total amount of moneys that are involved in that program.

Mr GRILL: Thank you. That explains it. I notice under the output and appropriation summary that in the current year, there is a substantial increase from \$6.8m to \$10m in expenditure. What does that reflect?

Dr ROBERTSON: There are two large parts of that. Again, the Commonwealth has agreed to two national programs that will be funded out of the trust fund. One of them is a rural initiative program, of which the Gascoyne-Murchison strategy is a part. The other large part of it is the FarmBis program, which will be funded out of that money. The Commonwealth is requiring us to spend moneys that are in these trust accounts to deliver national programs this year. That is why the expenditure appears to be going up.

Mr GRILL: Can you enlarge on those two programs?

Mr HOUSE: The Gascoyne-Murchison program is part of an overall strategy encompassing that region. The total expenditure is about \$46m, and it has been put in place with the assistance of a range of people there to look at how we might structure the pastoral industries for the future. It involves a number of specific functions, such as the re-organisation of stations into different boundary arrangements.

Mr GRILL: I have heard about that. Hon Kim Chance may have been briefed about that, and I was not there. What was the other one?

Mr HOUSE: The FarmBis program is about trying to improve farmers' business skills.

Ms ANWYL: At page 1043, the output for the FarmBis program for 1998-99 has decreased by \$200 000. What is the reason for that?

Mr HOUSE: I imagine that we have nearly got them all up to running speed.

Ms ANWYL: They have all done it?

Mr HOUSE: I doubt if they have all done it, but like all of these programs, it has been running for a while, and I imagine we are starting to get to the stage where the uptake is not as great at the outer end.

Ms ANWYL: Also at page 1043, under the heading "Quality", 90 per cent of recipients were satisfied with the way schemes are administered. How did you reach that figure?

Mr HOUSE: I am advised that the Australian Institute of Management did a survey for the Rural Adjustment and Finance Corporation, and that was the percentage result of satisfactory recipients.

Ms ANWYL: Can you make that survey available as supplementary information?

Mr HOUSE: I do not know whether that is within my jurisdiction; if it is, yes, I will, but it may not be.

Ms ANWYL: In whose jurisdiction might it be if it is not in yours?

Mr HOUSE: I have no idea. I am just making it clear to the committee that I will if I can.

Ms ANWYL: It is important at this early stage with the new budget methods to look in some detail at how these figures are achieved.

The CHAIRMAN: You can put the question on notice, and then it will need to be answered.

Mr AINSWORTH: At pages 1044 and 1045, a significant tapering off in expenditures is forecast over the five year period that is the subject of the budget papers. Does that indicate that the role of the Rural Adjustment and Finance Corporation is being phased out? Will RAFCOR still have a role in driving programs such as FarmBis, for example, or is some other function envisaged?

Mr HOUSE: The answer to your first question is yes. It does indicate a decision by the Federal Government and Agriculture and Resource Management Council of Australia and New Zealand Ministers to phase out some of the schemes. The answer to your second question is that no replacement program has been put in place, although discussions are taking place about that. I support the FarmBis program, and I think most other state Ministers would also with regard to primary industry, but I do not support the subsidy-type schemes that were in place in the past. I believe they caused a lot of damage to agriculture, but that is not the view held by everyone. Where we are heading is to try to make sure that we get business expertise and information out to farmers, but not by looking at subsidy-type programs.

Mr GRILL: So the huge controversy that occasioned RAFCOR when we were in power has now abated almost completely?

Mr HOUSE: It reflects good management and change of policy.

Mr GRILL: Does it reflect the fact that the agitators are now in government?

Mr HOUSE: There has been a change of attitudes all around, particularly in relation to the scheme.

Mr GRILL: Yes, there has.

Division 31: Fisheries, \$19 988 000 -

[Mr Bloffwitch, Chairman.]

[Mr House, Minister for Fisheries.]

[Mr Peter Rogers, Chief Executive Officer.]

[Mr Mezzatesta, Manager, Financial Services.]

Mr RIEBELING: At the start of the hearing on the Agriculture WA's allocation, it was mentioned that there were some minor alterations to pages 480-482. To say that they were minor alterations is a massive understatement. I can see hardly any figures that were correct. Even though the original figures that were given were limited, we relied upon them, and I did a fair amount of work on them and tried to work them out. We are now faced with a complete set of figures that do not bear any resemblance to what we were originally given.

Mr HOUSE: Once again, I apologise to the committee. It is not an acceptable position for a Minister or a Government to be in. It was our mistake, and I accept that, but there is no way out of it right now. We were faced with correcting it at this late stage. I was only informed of this in the last 24 hours. We took the corrective measure as quickly as we could. The only way that I can see to alleviate the problem is to take on notice any questions that may arise as a consequence. The member for Burrup made the point that he has not had time to look at the figures properly, and I agree with that. I will take any questions that he or any other member raises after this committee meeting and provide him with the information and material necessary on the terms and conditions under which this committee sits.

The CHAIRMAN: Thank you, Minister.

Mr GRILL: As you know, the commercial sector makes a considerable contribution towards the funding of the Fisheries Department. Is that contribution quantified in either of these sets of figures?

Mr HOUSE: Included in \$13.84m.

Mr GRILL: Can you explain that to the committee, please?

Mr MEZZATESTA: The operating statement on page 483 starts off with the expenses relating to our activities. It then lists the operating revenues that we receive as part of the contribution towards that. The access fees that we recover from the commercial fisheries sector are sitting in that \$13.84m.

Mr GRILL: The \$13.84m?

Mr MEZZATESTA: It is part of that figure.

Mr GRILL: You will probably know what I will say, Minister.

Mr HOUSE: Yes, and your question is valid too. Do you know what percentage it is, or what part of that figure it is?

Mr ROGERS: The commercial industry contribution to that figure is \$12.3m, from memory.

Mr HOUSE: I give the committee an undertaking that we will separate that out next year in the budget papers. It is an important figure.

Mr RIEBELING: Can we separate it out in this year's supplementary information?

Mr HOUSE: I am informed that it is \$12.3m.

Mr GRILL: Does some sort of partnership exist between the Fisheries Department and the commercial sector? Do the management advisory committees have a say in setting the budget of the department?

Mr HOUSE: Ministers' advisory committees are exactly that; they are advisory committees to the Minister. I have tried to hold as much as is possible to the advice that they give me, but there will be times when I take advice from the department with regard to the issues that are raised, and there may be some differences of opinion. By and large, they get involved in all of those issues, whether it be cost recovery or fisheries management, or how we proceed with certain issues.

Mr RIEBELING: The member for Eyre asked about the amount of money that is raised through the industry. The second dot point at page 174, under the heading "Significant Issues and Trends", states that the value of the State's fisheries production continued to fall, yet in the financial statements at page 483 it appears that \$12.3m will come from the industry. The next column across seems to indicate that next year, we will have almost exactly a \$3m increase, yet under significant issues and trends, we find that there will be a fall in the value. What is the reason for that difference?

Mr HOUSE: In the first statement, there is a fact and some conjecture. The fact is that in two of the main fisheries - pearling and rock lobster - prices have fallen this year. They are two of our larger industries and produce between them over half of the total output - about \$300m and \$150m respectively. With regard to the second figure at page 483, in conjunction and in consultation with the industry, we have been phasing in cost recovery over a period of time, and that indicates that phase-in period. We came to an arrangement with industry some four years ago that we would phase-in cost recovery over a period of time to give it time to adjust.

Mr RIEBELING: You are continuing with the same process even though the value of the crop is heading backwards?

Mr HOUSE: Yes.

Mr RIEBELING: Your costs are going up?

Mr HOUSE: Not our costs.

Mr RIEBELING: Costs to industry are going up?

Mr HOUSE: Yes, but in consultation and with its agreement.

Mr GRILL: To get back to the situation of the management advisory committees vis-a-vis the budget, do they actually endorse the budget program?

Mr HOUSE: Not endorse, but they have input at the front end of it.

Mr GRILL: Once it is framed, do they get another look at it, or is it just brought forward?

Mr HOUSE: No. Your question is in a formal sense, and my answer is in a formal sense too, so the answer is correct: No. However, obviously a lot of discussion goes on with all of those groups of people, including the Western Australian Fishing Industry Council, about how the budget is put together, particularly from a cost recovery and service delivery point of view.

Mr GRILL: Yes. It is just that, as you would appreciate, they provide a large part of the budget, and I think they are anxious to have a say in how it is expended.

Mr HOUSE: That is true, but fish and fish products are a community resource, and the Government has a responsibility to manage those for all of the community. There are two examples of that. The first is that we have a large recreational fishery that must be taken into account, and a lot of participants. The second is that the environmental issues of the ocean must also be taken into account. With due respect, fishermen might not always focus on those issues. They are, quite rightly, focusing on their part of that industry. We need to take a broader overview, particularly things such as I have mentioned.

Mr RIEBELING: I appreciate what you have said. My question follows on from the significant issues and trends at page 475. The first dot point at the top of that page indicates that there needs to be a reduction in some commercial fisheries. People in my area are indicating that wetlining, for instance, is on the decrease, and that trawling is going ahead at 100 miles an hour. In my area, there is a great deal of concern that trawling is destroying the fishery and will destroy it absolutely in the not too distant future. Conversely, the fishing licences that are reducing the wetlines are seen as very non-interventionist and sustainable. Does the trawling industry, for instance, because of the amount of money that is going in from that industry, have more of a say than perhaps it should if we are looking at sustainability and the long-term future of that industry?

Mr HOUSE: That is an interesting question, and that is why I made the point at the start that the management advisory committees to the Minister are exactly that; they are advisory committees, not the final decision-maker in the process. It is for the very reasons that you have highlighted that that simply must be the case. All Ministers for Fisheries would tell you that they have had to make some tough decisions that have impacted on people because of sustainability of fish stocks, for example, or environmental issues, and they are tough decisions to make because they impact on people's lives and investment. Sometimes if your life and your investment is affected by those decisions, you are not as rational about the decision as you may be otherwise, and that leaves the Minister on the tough end of it. You have highlighted a couple of fisheries where that is exactly the case.

The week before last, I went to Onslow and Point Samson and spoke to some of the fishermen involved in the trap, trawler and line fisheries just to get a better understanding of those issues personally, and we now have some people looking at the issues that were raised by the fishermen at those meetings. I think it is fair to say that the views are almost diametrically opposed, and whatever decision we made, some people would be unhappy about it. I agree with you about the issue of trawling. There is no question that trawling has an effect on the ocean bottom. We are now beginning to understand more about those things, because we have more knowledge available to us, and we can get a better picture of the ocean floor. People are becoming more aware of it, just as they are becoming aware of cutting down forests. We will have some tough decisions to make in some of those fisheries.

Mr RIEBELING: Would the State be able to compensate a whole fishery, such as the trawling industry? Presumably if you made a decision that trawling off Point Samson could no longer occur, compensation would flow from that decision. I think we would be talking of millions rather than hundreds of thousands of dollars.

Mr HOUSE: We have never accepted, and neither have previous Governments, that compensation is a right. The licence to fish is an access to that fishery on certain conditions, and if those conditions are such that they are destroying the environment or it is not sustainable, then that licence, part of that licence or some of the conditions of that licence will automatically be withdrawn without compensation.

Mr RIEBELING: Can the public make submissions to the review that is currently taking place?

Mr HOUSE: It is not so much a review. We are looking at the issues that were raised with us. From time to time we do review fisheries officially, and we put out public notices about that, and people can make -

Mr RIEBELING: If I arranged submissions, would they be considered?

Mr HOUSE: Certainly. We will look at them. I am informed that in that fishery we have reduced their time access by 33 per cent in the past 12 months; so we have already taken restrictive action.

Mr GRILL: Does each MAC have a budget?

Mr HOUSE: An operating budget, yes.

Mr GRILL: To what extent do the MACs have a say in their own budget?

Mr HOUSE: I cannot answer that.

The CHAIRMAN: What is a MAC?

Mr HOUSE: It is a management advisory committee established to advise the Minister about a specific fishery.

Mr ROGERS: If we take, for example, the rock lobster industry advisory committee, which is the largest industry in Western Australia, under its structure it has a finance subcommittee, which works together with our staff to identify the projects and the priorities of those projects. It identifies whether it should be cost recovered, and the prospect of getting funds from the Fisheries Research and Development Corporation. The budget is framed, and having framed the budget, it then provides final comments. It did that recently at a meeting for the rock lobster industry. The nature of those comments I have here, but the central issue is that they do have an input. They certainly do not have the final say, but they certainly have an input into the framing of the budget and the project descriptions, and what they require in terms of delivery. From my judgment of the situation, the majority of the management advisory committees are reasonably happy with the process. They are now seeking additional levels of information, which focus on overhead costs as distinct from operational costs, and that will be dealt with in coming years as we move to full accrual cost recovery.

Mr GRILL: I take it they are pushing the user pays, user saves system. I imagine that the informal dialogue that the Minister talked about is all part of that process.

Mr HOUSE: Yes. I met with all the MAC chairmen recently and discussed a range of issues with them. The issues become a bit of a moving feast, depending on what is happening at the time. Sometimes it is cost recovery, when we are framing the budget, and that then dissipates. It may be management of a fishery. In the pearling industry, it may be the allocation of quota outside of the shell quota; for example, hatchery quota.

Mr CARPENTER: I refer to the performance measures for output 1. The output description at page 479 states that "The Department manages the State's wild stock fish resources for sustainable development on behalf of the community . . .". The first performance measure under the heading "Quality" states that the number of fish stocks identified as being at risk or vulnerable through exploitation is six fish stocks. It states under the heading "Timeliness" that the number of fisheries where the security of the sustainability of fish stocks was considered at risk due to a timely lack of management was zero. Are not those two propositions mutually exclusive? On the one hand, you are the manager of the fish stock, and you report that six fish stocks are at risk or vulnerable through exploitation, and in the next line you say that no fish stocks are at risk due to a lack of management.

Mr ROGERS: At first glance, you appear to be correct. The stocks which are said to be at risk are the whiskery shark, which is on the south-west coast, the estuary cobbler stocks of the Peel and Leschenault Inlets, the black bream stocks of the Peel and Leschenault Inlets, and the pink snapper stock in Shark Bay. In the case of four of those six stocks - I am talking particularly about the estuarine type stocks - it could be argued that environmental changes have probably an equal or more significant impact than fishing. In that context, one would say the issue is not necessarily the timely management of fisheries but might be the timely management of the environment.

Mr CARPENTER: I am sure that if you wanted to defend the position, you could mount that argument, but an alternative argument could also be put.

Mr ROGERS: With regard to the whiskery shark stock, you are talking about a type of fishery which uses nets or long line in its operation, and because it tends to be a much more vulnerable stock relative to the other species, it is a species which, on experience of shark fisheries around Australia, declines first in terms of total harvest or stock. In that sense, if you made an active decision to protect the whiskery shark stock, you would probably reduce the overall yield of the shark fishery. The species itself is not at risk, but in terms of commercial exploitation the answer is it probably does get to a stage where it is low in the fishery itself.

Mr HOUSE: We have cut the effort in that fishery by 50 per cent in the last two years, so we have taken some measures to correct that.

Mr CARPENTER: This would obviously be a factor which has run down through a long period of time - through various Governments and so on. I thought, to be quite honest, that under timeliness you would have had a figure other than zero.

Mr HOUSE: We should have taken our share of the blame?

Mr CARPENTER: That is right.

I turn now to the management advisory committees. I have had some contact with some of the people in the rock lobster industry advisory committee. In the representation on those committees, what weight is given to the fishermen as opposed to the processors and exporters? The view that was put to me was that the views of the rock lobster fishermen were outweighed by the views of processors and exporters, to the detriment of the fishery.

Mr HOUSE: The rock lobster MAC is one of the management advisory committees that is set down in legislation, and that legislation indicates from where the people who sit at the table should come. That committee has two processors, eight fishermen and an independent chair.

Mr CARPENTER: Who is the chair?

Mr HOUSE: John Patterson. He was appointed a few months ago.

Mr CARPENTER: He has a farming background?

Mr HOUSE: Yes. We have a pretty even spread there, if you want to debate that issue. In order to alter the composition of that management advisory committee, we would need a legislative change. Some debate is taking place among rock lobster fishermen about that need. Some of other management advisory committees are not legislated for specifically in the same way as that committee.

Mr CARPENTER: There might be a divergence of view, or of requirement, between the fishermen and some of the processors and exporters, who might have a more short term view of the need for fisheries, and so on. Considerable weight should be given to the fishermen themselves, given that they are generally involved in the industry long term and have a commercial interest in seeing that the fishery is maintained. They are saying that the short term views of exporters and processors are leading to the possible destruction of the industry, because there is no requirement for those people to have a long term commitment to the industry, whereas the fishermen obviously do.

Mr HOUSE: You have been talking to the fishermen at the southern end of the fishery. I suggest that you take a trip to the northern end of the fishery and talk to some of the other fishermen to get a balanced view of the opinions in the fishery. It highlights that there is always a divergence of opinion in fisheries management, and also why the advisory committees are not the final arbiter of the decision.

Mr GRILL: It is an age old problem. I am glad that this Minister has got it, because I certainly had it when I was there!

Mr AINSWORTH: I refer to the abalone industry. It probably comes under page 479, which deals with the management of the State's wild stock fish resources. My question relates to the fee that is paid by the participants in the industry, part of which is put towards the cost of policing the illegal taking of abalone. It has been put to me that that cost is getting very high for those people and that the protection of that fish stock is not only for the benefit of the participants in the industry but also for the community, because of the recreational aspects. What amount of money is required to adequately cover the cost of policing the illegal taking of abalone, and is that taken mainly or exclusively from licence fees, or through some other mechanism? What figures are we looking at?

Mr HOUSE: I cannot quote the figure off the top of my head in actual dollar terms, but I have met just recently with the chairman of that management advisory committee, and he has raised with me those concerns that were raised at the abalone MAC meeting. I think it is fair to say that is an issue that we have not yet resolved satisfactorily, but we are all committed to trying to resolve it. My personal view is that the abalone fishermen do have the responsibility to pay for that sort of service. It is a fairly wealthy industry. You need to look at the costs in the context of the income and the input to that section of the industry. We are trying to work through that. We are committed to trying to find a solution to it. With regard to cost recovery, it is probably the management advisory committee that has the greatest divergence of opinion about the end point result. We are trying to get there as much as we can.

Mr GRILL: I understand that the Fisheries Department is using a software system similar to that being used by Agriculture WA. Has the Fisheries Department experienced the same problems as Agriculture WA?

Mr HOUSE: No, it does not appear to have.

Mr ROGERS: The Smart Stream system in our department is working to expectations. The complexity of our accounting system is certainly less than Agriculture WA's because we do not have anywhere near the same number of programs. We probably do not need to drill down anywhere to the same extent as does Agriculture WA in terms of bringing together a whole set of accounts from all over the State. We effectively have only 17 offices, which include our research and our head office, and so on. The structure of our accounting system in a practical sense is easier to work with. That is where the fundamental difference lies. I am not sure that we had the same service provider. I think that also makes a difference. Nothing is essentially wrong with the mechanics of the Smart Stream system. It is just that in the implementation, if you have a much more complex and difficult task to do, it takes greater resources and often longer in terms of final delivery.

Mr GRILL: How do the 1998 staffing levels compare with staffing levels in, say, 1992-93, when the coalition first took office, and 1995-96, midway through the period?

Mr HOUSE: I will provide that as supplementary information. The staff numbers have increased, but I cannot give you the exact figure.

Mr MASTERS: I refer to the three pages of revised outputs and other items that the minister handed out. The second line on new page 480 indicates that the number of fisheries under formal management arrangements drops by four. Which fisheries have either ceased to exist or ceased to be fished?

Mr HOUSE: We are combining those fisheries; the first is the realignment of the management of the State's three zone based abalone fisheries into two. The second is the amalgamation of the Kimberley trap fishery and the Kimberley line fishery into one fishery, and the third is the combination of the three south coast purse seine fisheries into one fishery.

Mr MASTERS: At new page 481 reference is made to a change in the estimated gross value of WA aquaculture production. The estimated and target figures are the same, even though the line immediately above indicates 13 new aquaculture licences will be granted. Is that a reflection of the reduced prices that you were talking about earlier for pearling and lobster?

Mr ROGERS: The dominant impact on output in terms of these numbers is what happens in the pearling industry. There has been a drop in pearl prices. Some of that may be offset by the aquaculture production. The number of licences granted speak for themselves. However, almost invariably there is a time lag between when licences are issued and when things formally come under production.

Mr MASTERS: At new page 482 reference is made to the number of fish stocks and other marine species at risk or severely depleted as a result of habitat degradation. The estimated and target figure totals 18, which is unchanged. What is the geographic distribution of the majority of those 18?

Mr ROGERS: Essentially they are in the freshwater area, and we have commissioned with other people - you may have noticed an article about it in the newspaper the other day - at Murdoch University to undertake a fairly full survey of what might be the species distribution of many of these fish. It includes things like, for example, the blind cave gudgeon which, to my knowledge, lives within a cave in a national park. It is fairly rare, and certainly nothing that we do or anyone else does is likely to impact on its distribution or its vulnerability.

Mr HOUSE: This list is published in the annual report, I am told, but we can pass it around if members want to have a look at it, or we can provide it as supplementary information to members.

Mr GRILL: I refer to the superannuation and long service liability. In 1995-96 cost recovery was introduced. Some would say that was a bit premature. How do you intend to deal with the superannuation and long service liability, and how do you intend to negotiate with industry to take care of that issue?

Mr HOUSE: The principal intention was to introduce it as part of cost recovery from the time that we made the decision in agreement with the industry to introduce cost recovery. In other words from that date, which was three or four years ago, it would be part of accrual cost recovery, but it would not apply to a time prior to that.

Mr GRILL: Are we talking about 1995-96 or is whatever accrued prior to that not part of the equation?

Mr HOUSE: That is correct.

Mr ROGERS: Basically accruals are not subject to cost recovery at present. It is cash at this stage in terms of cost recovery with 100 per cent cash for 1998-99. We start with accruals for 2000 and 2001. Three types of accruals will dominate: One is superannuation, the other is leave entitlements, which you put your finger on, and the third is depreciation. Clearly we can recover only that which can be attributed to those activities of staff or capital assets

which relate to the management of commercial fisheries which are subject to cost recovery. A set of business rules must be developed in consultation with industry through the funding advisory committee which has been established as a result of the 1995 agreement. The committee will be progressing with that together with some consultancy based information from Coopers & Lybrand to help formulate the framework for those business rules.

Mr GRILL: In summary, does that mean that past liabilities will not be taken into account?

Mr ROGERS: Past liabilities should not be taken into account, but that is a matter for decision.

Mr GRILL: What are the current liabilities in these three areas?

Mr ROGERS: Based on the entire Budget from a macro view, current liabilities are about 21 per cent. So in terms of impact on cost recovery, depending on the nature and the size of the capital bits which impact on that operation, it would be somewhere between 16 and 21 per cent.

Mr GRILL: Will that 1995-96 date be effective in terms of superannuation or long service leave?

Mr ROGERS: No decision has been made on that, but that proposal has not been put in front of anybody at the moment. Logically, if we move through a progression of cash cost recovery and into accrual cost recovery it would not make sense to go back to past years. The accrual recovery should start from when those new business rules would come into place.

Mr CARPENTER: You referred some time ago to a combination of three purse seine fisheries.

Mr HOUSE: That was in Albany and Esperance.

Mr CARPENTER: Is that actually taking place now?

Mr HOUSE: Yes.

Mr CARPENTER: Does it allow the fishermen to fish more?

Mr HOUSE: No. It is a different issue, about where they fish. It is the research effort. All the scientific evidence indicates that it is basically one fishery. It should be managed as one fishery but it was zoned by a previous Minister into three fisheries. You would have to ask him why he made that decision. It has caused a bit of trouble in recent days and we are trying to get out of it.

Mr RIEBELING: At the bottom of new page 480 under performance measures for output 1 reference is made to the actual average cost of managing recreational fishing per head of WA population at, shall we say, \$4 per head. Although the previous figures were wrong, presumably when they were prepared in March they were somewhat accurate. The average cost indicated in the Budget Statements, Volume 1, was \$2.63 up to \$3.11 with some variation. Why has it increased to \$4 a head? We appear to have almost doubled the cost for the previous year.

The member for Vasse referred to \$150m on the next page under output 2 for which he wants an explanation. I would like an explanation of the figure in relation to the level of satisfaction in the State's aquaculture industry with the agency's management and development activities at 28 per cent increasing to a massive 30 per cent. Why is it so low? Why do 70 per cent not like it very much?

Mr HOUSE: That might be the case but we have just appointed a new chairman to the Aquacultural Development Council and I am sure he will make a huge improvement in that figure.

Mr RIEBELING: Do you think he will be worth 2 per cent?

Mr HOUSE: No, he must do better than that; if not I will have to sack him!

Mr RIEBELING: I am referring to the revised target, which is 30 per cent.

Mr HOUSE: That is an improvement on 28 per cent. I will expect him to do even better. I do not know the answer to your question about the \$4 per head.

Mr RIEBELING: Where do we see that figure?

Mr ROGERS: It is in this derivation. I would have to refer to the base derivation figures. I guess it is a compilation of the total dollars spent on recreational fishing divided by some index of population which gives some estimate of the number of recreational fishermen. Without having those numbers in front of me I cannot make a judgment. I will take that on notice and come back to you with a more precise statement.

Mr RIEBELING: My reading of this is that the department is saying that for every person in Western Australia the cost of management of recreational fishing is \$4. Presumably somewhere in here for recreational fishing is an allocation of roughly \$8m.

Mr ROGERS: It depends on the derivation.

Mr HOUSE: I think it is a good question and we will provide that information as supplementary information. It varies markedly from the original budget papers. We will provide that as supplementary information.

The CHAIRMAN: I note that the Minister will provide the reasons for the increase in the cost of managing fisheries from \$2 to \$4 per head as indicated in the new pages.

Mr RIEBELING: I refer to the third last dot point under significant issues and trends at page 475. Presumably that dot point is indicating that certain areas of the State will be locked off for eco-tourism and tourism type activities. Does that mean that areas will be locked off from commercial activities that are currently being commercially fished?

Mr HOUSE: No, it does not say that. It says that we are studying the process of legislation that you agreed to; that is, the marine parks legislation. We have started on the first example of that. It will be a bit of a benchmark test to see where we get it right and wrong. If I remember the debate in the Parliament correctly, there was broad agreement among all members of Parliament that the legislation was not as important as the process we went through in order to establish the various categories of marine parks and what might be allowed in them. You will recall that there are four of those and we have already started that process.

Mr RIEBELING: If you remember rightly I congratulated you on that and hoped that you would put it into my area as quickly as possible.

Ms ANWYL: How were the regional budget summaries for commercial and recreational compliance programs, education and fisheries management calculated? The amount for the goldfields-Esperance is \$353 000-odd. For the wheatbelt it is \$402 000. Where in the budget papers can I match them up, if possible, or indeed from which part of the Budget do they come?

Mr ROGERS: I suspect that that information has come from a breakout of regional services for the department and a regional services budget allocation for the various district offices. I do not think you can relate to the aggregate budget figures because it is a subpart of one of the items in this budget.

Ms ANWYL: Within compliance programs, education and fisheries management where does education fit in?

Mr HOUSE: It covers things like pamphlets. We run a volunteer fisheries officer liaison program that receives some funding and volunteers. We put out a lot of stickers about fish size and fish stocks which is part of what we call the education program.

Ms ANWYL: I do not know that we get too many of those in the goldfields.

Mr HOUSE: I will provide you with as many as you want. I am not being flippant; they are very valuable and you will see them stuck on people's four wheel drive vehicles and tackle boxes.

Ms ANWYL: I have seen them on eskies. It is a good point, because of course Kalgoorlie people do fish, but not as often. So, the education component is perhaps even more important in the more remote places where people have less access to the seashore and therefore have less knowledge of limits, etc.

Mr HOUSE: I will make sure that your electorate office gets a package of those items.

Ms ANWYL: Under the goldfields-Esperance region summary, mention is made of assessment for establishing a southern bluefin tuna farming industry in Esperance. What is being allocated to that? Is it a dollar amount? Could I have some explanation of the project, please?

Mr HOUSE: We were approached by the tuna industry - which is largely located out of Port Lincoln in South Australia - after the tail end of a cyclone went through the area and caused some problems. The industry wanted to split their risk by relocating some of that industry elsewhere. Most of those fish are taken in the Great Australian Bight about halfway between Esperance and Port Lincoln. We identified Esperance as a good place to establish that industry.

We are working through the environmental issues with the shire, the Esperance Goldfields Development Commission and an environmental group, which I think comes under the acronym LEAF, in the Esperance area. Providing all that comes through - and I hope it will - then a small portion of that industry would be located off Esperance somewhere. I do not know that we have identified exactly where it might be but the last one I saw was to the east of the Esperance townsite just along from, I think, the Duke of Orleans Bay Caravan Park?

Ms ANWYL: Along the Cape Le Grand National Park.

Mr HOUSE: I do not think it would be a huge amount of money. We are only assisting.

Mr ROGERS: I think there are two components. I think the SBT for 1998-99 is \$55 000.

Ms ANWYL: There are estimated to be 90 new aquaculture licences granted. Are they new licences? Are they over and above the 77 for the current financial period?

Mr ROGERS: It is the best judgment people can make for three or four months in a 12 month period. It is an 18 month projection on what 12 months might deliver. The only thing that we can take on board, which is fairly important, is that there has been a backlog of applications and we expect that most of those will be cleared in the coming financial year.

Ms ANWYL: Is that why we have such a low level of satisfaction according to the group that has been surveyed?

Mr ROGERS: It certainly is a factor because they align the decision making processes within the agency with decision making processes right across Government. For whatever reason things are delayed, Fisheries are attributed the blame in that process. I guess that is why there has been a level of dissatisfaction.

Most of the satisfaction surveys are based on "high satisfaction", "low satisfaction", "low dissatisfaction", "neutral" and "totally dissatisfied". I am not sure without looking at the data whether they have just recorded the "high satisfaction" as distinct from a general index of "satisfaction".

Mr HOUSE: We have actually injected over \$12m into aquaculture in the past four years. It is an area in which the department was not involved to any great degree prior to that. We had very little expertise in the area and had to start from scratch. As a result we have been learning as fast as some of the people who have been involved in the industry. We have made a few blues and I guess that might indicate that.

We have also had a few problems with licence applications. For example, in an area like Oyster Harbour in Albany, which has competing uses of professional fishermen, recreational fishermen, swimmers, boaters, water skiers and whatever, by the time the consultation process takes place - which is mandatory - the guy that put up the application has grown quite a lot older and a lot angrier. To ignore the proper processes would not be acceptable, so we must streamline them and speed them up. We have been learning a bit as we go. That is not an excuse; I think it is just a fact of life.

Ms ANWYL: I note that you are going to develop some timeliness indicators so perhaps by next year we will see some.

Mr HOUSE: I hope so.

Mr RIEBELING: My area has been severely impacted on by some aquaculture activities primarily with oyster shell production and I think the threats are that the satisfaction level within the industry is higher than among the public. The public in my area at least think that the department did an awful job of expanding aquaculture leases in the area. I am somewhat concerned that we are going to release more aquaculture leases this year than we did last year. What is likely to happen in the southern Pilbara region with aquaculture leases?

Mr HOUSE: First, we have just established a new process in consultation with the industry about how those lease applications might proceed to achieve better community involvement at the front end, so that local authorities and others will be properly consulted.

Secondly, you should not presume from these figures that every one of these applicants needs a lease. Some might be yabby farmers in the wheatbelt, for example.

Mr RIEBELING: I am hoping most of them are.

Mr CARPENTER: At page 479 the cash cost of output is shown. Bearing in mind the exchange we had earlier about the depletion of some of the wild fish stocks, management assistance and so on, I notice that the cash cost of output is projected to decline from \$17m to \$13m. Why is that the case?

Mr HOUSE: The cost per head has increased.

Mr CARPENTER: I am referring to output 1 which indicates a drop of \$4.2m. Is that right?

Mr HOUSE: Yes, \$17.6m to \$13.3m.

Mr ROGERS: The drop of \$4.2m is made up of a number of components. First, it is a drop in the accrual cost applied across two financial years. Second, it was overestimated in the 1997-98 expenditure level based on estimates in the preparation of budget outcomes in November. The third factor is the shift in the pearling value expended from output 1 to output 2 of \$1.7m which results in a figure of \$4.2m difference.

Mr CARPENTER: Pearling?

Mr ROGERS: Yes. From output 1 to output 2.

Mr CARPENTER: So that means the same amount of money has been spent but it has gone across to the aquaculture part of the budget. Are you assuring us that the actual amount of money spent on managing the State's wild fish stock resources is not decreasing?

Mr ROGERS: Yes, basically. We do a complete analysis of the budget expenditure across programs and the pluses and minuses and so on. Total expenditure is in line with last year. In commercial fisheries the same outcomes are occurring.

Mr CARPENTER: I am not sure whether that answers the question. You are talking about the overall Fisheries budget but I am talking about a specific purpose which is managing the State's wild fish stock. An expenditure is shown under that section. We have just heard why the figures are different. However, is more, less or the same amount of money being spent on the management of what is clearly a depleting stock in some areas?

Mr ROGERS: It is essentially the same.

Mr RIEBELING: I refer to output 1 on page 480. A significant issue and trend at page 474 is that the value of the State's fisheries production continued to fall in 1997-98. I asked a question earlier about the fees and so forth. Output 1 indicates that the estimated gross value of the State's commercial catch is remaining constant.

My information on the trawling industry is exactly what is indicated on the first page of this item; that is, the value per kilo is falling. Does that indicate that more product must be caught to maintain the \$400m, or am I misreading it?

Mr HOUSE: No, you are not misreading it. First of all, the \$400m does not include pearling, because that is aquaculture, and that is one of the fisheries identified as having a reduction in value. The other area is rock lobster in which there is an increase in the catch.

Mr RIEBELING: To compensate?

Mr HOUSE: No, not to compensate, we just happen to be in a natural cycle of increased availability of product. We set the input controls according to the projected figures that were given for the availability of stock. Over about 30 years they have been extraordinarily accurate as a result of the very good methods used to determine the figures.

Mr RIEBELING: Is it the department's experience that the value of the trawl fishing crop or the product is remaining constant because the volume is increasing to maintain that level?

Mr HOUSE: As I indicated earlier we have reduced the effort by about 30 per cent, in the trawl fishery. However, the fishermen told me when I was up at Onslow the other day that the value of that product has increased by about 25 per cent.

Mr CARPENTER: I refer to recreational fishing at page 475. Its impact on the fish stock appears pretty bleak. The first, second and third dot points refer to the pressure that exists on the fish stock. RecFishWest has called for a ban on recreational fishing for pink snapper in the eastern gulf. Will a ban be imposed?

Mr HOUSE: We are examining all of those issues at the moment. I will be visiting Shark Bay tomorrow to talk to the professional and recreational fishermen and the shire about those issues.

Mr CARPENTER: Have the stocks of pink snapper in that area been monitored in the past year or two?

Mr HOUSE: Yes. That monitoring shows a reduction in availability of fish stock. In fact, in the eastern gulf to which you are referring, the total biomass is down to somewhere between 5 and 30 tonnes. We estimate that the year before last 100 tonnes was taken out by recreational fishermen. I am being told by the scientists that between 30 and 50 tonnes of biomass is left, and in one recreational season alone in the year before last it was estimated that 100 tonnes was removed. So we are down to a very critical level of fish stock in that eastern gulf.

Mr RIEBELING: What was the level of commercial take in that area?

Mr HOUSE: It is quite small.

Mr ROGERS: About 2 tonnes.

Mr HOUSE: They mostly fish the oceanic stock. There are three snapper stocks in Shark Bay - the western gulf, the eastern gulf and the oceanic stock, which are all different stocks of fish.

Mr RIEBELING: But the same species.

Mr HOUSE: They are all snapper.

Mr RIEBELING: Is it correct that they shift from deep water into shallow water?

Mr HOUSE: No, that is not the indication. I will get you a briefing on that if you are interested.

Mr RIEBELING: I am interested in the impact of trawling.

Mr HOUSE: The best fish scientist in Australia is sitting over there so if you can give him some time afterwards he will tell you about it.

Mr CARPENTER: Am I correct in understanding that if there was another season like the one that you mentioned, with 100 tonnes taken out, that could basically eliminate the fish?

Mr HOUSE: If you take the last fish it would be the end of the story.

Mr CARPENTER: How was the monitoring done?

Mr HOUSE: By egg survey counts, from people at the boat ramps talking to recreational fishermen and a trawl survey.

Mr CARPENTER: I take it that some of the fish from trawling are a bycatch.

Mr HOUSE: Yes.

Mr CARPENTER: What is the quantity taken out that way?

Mr HOUSE: No trawling is done in the eastern gulf by professional trawlers. That occurs only out to sea in the oceanic stock. However, the bycatch with trawl fisheries generally is an issue. It is something that we are working on quite hard. There is a bycatch of fish in, say, the prawn fishery. Various methods are being trialled that will let the fish through and keep the prawns.

Mr RIEBELING: Because of the nature of prawn trawling, most of the byproduct is on the sandy bottom, is it not? Is it not the case that the byproduct catch problem is over reefs and the like? That is the problem in my area.

Mr HOUSE: There is still a bycatch issue.

Mr RIEBELING: Very limited, though, is it not?

Mr HOUSE: I am not sure what percentage it is but it is still an issue in a general sense.

Mr CARPENTER: Has the amount of bycatch not been quantified?

Mr HOUSE: It depends on the fishery. The member for Burrup is rightly pointing out that the prawn fishery is a different percentage. I can get you a briefing about that if you like, because it is a serious issue.

Mr CARPENTER: You mentioned that variations of netting arrangements are being trialled. How common is their usage in that area, or have they been trialled elsewhere and talked about? Have they been introduced yet?

Mr HOUSE: Are we talking about Shark Bay now?

Mr CARPENTER: Yes.

Mr HOUSE: No. They are only being trialled; they are not a requirement of the fishery yet because they have not been refined sufficiently.

Mr CARPENTER: Will their use be a solution?

Mr HOUSE: Yes; they are a possibility.

Ms ANWYL: At page 476 the second dot point from the bottom refers to review of recreational fisheries. I notice also in the Gascoyne region budget summary that \$80 000 is to be spent on a recreation catch survey. Are they the same thing we are talking about there?

Mr HOUSE: Yes, they are. In a sense recreational fishing has not been managed. As was highlighted previously a couple of recreational fisheries - for example, Shark Bay - are now under severe pressure. We have managed the professional fisheries very hard but we have not managed some of the recreational fisheries. We have not reached the stage before where they were under threat of over-fishing. We are now reaching that stage, so we have divided the State into regions and we are establishing management plans for recreational fishing in each region. Bag limits and size and whatever will vary depending on the region.

Ms ANWYL: The dot point states that the review is now well under way. What does that mean? Where is it up to and what does it include? You can provide that by supplementary information.

Mr MILLINGTON: The committee has met on about four occasions and has reviewed the data to date. I understand it has already started informally polling the client groups. I understand that the committee is trying to put together a discussion paper. It is always useful to focus discussions rather than proceed in an unstructured way. That should be out in the next couple of months when the committee will analyse it and present a formal set of recommendations to the Minister. The deadline is either the end of this calendar year or early next calendar year. This process will be used as a template for the other four region plans.

Ms ANWYL: Which other four regions are we looking at?

Mr MILLINGTON: The other regions are essentially the Pilbara-Kimberley, the mid west, the metropolitan area and the south west as one region, and the south. They also conform roughly with about five biogeographic zones along the Western Australian coast.

Mr RIEBELING: I hear what the Minister said in relation to the impact of recreational fishing. The average fisherman thinks that the commercial fishing industry has a far greater impact than recreational fishing. One of the measures taken a number of years ago in relation to net fishing has been accepted by the general public. The limits on the size of the fish caught, bag limits and so forth, have been readily accepted by amateurs. However, that is not the case with trawl fishing and therein lies a problem. People see tonnes of fish being brought in and say they are all small and that none of them should have been caught. I just wonder where we are heading by making recreational fishing even more restricted. Are we looking at a licence, for instance, or something along those lines?

Mr HOUSE: No.

Mr RIEBELING: You could be brave.

Mr HOUSE: Sorry to disappoint you but the answer is no.

Mr MASTERS: I refer to page 474 and item 141 which refers to the amount provided for capital services for the year. Why is the amount estimated to jump by approximately \$2m by 2001-02?

Mr HOUSE: A new patrol boat will be purchased.

Mr CARPENTER: I refer to the development in netting, which we spoke about in relation to snapper. On page 474 the last point refers to a ban by the United States on the import of prawns taken with trawl nets not fitted with turtle exclusion devices that highlighted the growing significance of environmental considerations.

Given there is a ban in place in WA now, has there been any move to try to get prawn fishermen to use netting with these exclusion devices, and if so how widespread is their acceptance and use?

Mr ROGERS: My understanding is that in Shark Bay, particularly in the Exmouth Gulf, there is not a huge bycatch associated with turtles. It is not the case in, say, the Gulf of Mexico. Most of the focus on reducing bycatch has been on trialling square mesh and loopholes in the gear itself. I do not believe that there has been much focus on turtle exclusion devices, because it has not been an issue within Western Australia in fishing operations. It must be treated on a case by case basis.

Mr HOUSE: We must not kid ourselves that the United States takes that action to protect its turtles. It is trying to overcome the free trade provisions of the General Agreement on Tariffs and Trade and to make sure it protects its own prawn farmers.

Mr MASTERS: Have any of our prawn exports been impacted upon by that United States directive?

Mr ROGERS: To my knowledge, no, because traditionally the markets have been essentially South East Asian, principally Japanese and, to some extent, European.

Mr CARPENTER: We have dealt with pink snapper and the turtles. Are the population trends with Spanish mackerel stock off the Western Australian coast also in decline?

Mr ROGERS: At this stage the answer is no. We have considered that issue recently and I think exploitation is shown to be increasing if it is measured by the catch. However, some stock discrimination work is necessary to ensure that we are talking about the same groups of fish along the west coast and across the Northern Territory in an overall Australian approach. I believe that Fisheries Research Development Corporation funding has come out of the current round of commonwealth funding programs to further address that issue and to assess whether those mackerel stocks are increasingly at risk.

Mr CARPENTER: You made a reference which made me wonder whether some sort of management plan is on the agenda for the State's fish stocks.

Mr ROGERS: It is something which we must evaluate. It is a question of what is the most effective way of managing a stock like this which potentially crosses jurisdictions.

Mr CARPENTER: Did you mention there was an Australia-wide approach?

Mr ROGERS: Yes.

Mr CARPENTER: Specifically what work is being done by the department to ascertain the population?

Mr RIEBELING: You have mentioned that in the Shark Bay area someone asked the fishermen how many fish they caught last year, so you are relying upon that information. Surely a similar exercise in the Pilbara would show that there has been massive reduction in the mackerel stocks in the Pilbara and similarly in the Kimberley.

Mr ROGERS: You have to measure a number of things to answer these questions. As the member suggests, we must get that type of data and relate it to changes in fishing pressure, not only in terms of the basic rule gained from the individual but also in total population pressure. I am talking about the number of fishes and the number of man days and all those things that go with it. We must also have a good understanding of the biology, such as its total range and species distribution and whether we are dealing with one stock, two stocks or three substocks. It is probably fair to say that as the growth of recreational fishing continues, Spanish mackerel and perhaps dhufish are species to which we must pay greater attention. Research into the risk of stock liquidity problems is required.

Mr RIEBELING: Why do you keep referring to the pressures the recreational people are putting on the fishery and not the commercial?

Mr HOUSE: It is a fact of life and that is exactly what is happening in some areas. Professional fishermen have a licence and a right to fish and that licence is granted by the legislation of this Parliament. We must balance those competing uses. It will always be that way.

Mr AINSWORTH: I refer to the second dot point under fish and habitat protection which refers to areas of principal concern. I have an interest in this area because of the increased shipping trade through the port in my town of Esperance. Is there a budget allocation for research and assessment regarding the change or the increase of imported species or diseases? What impact is being experienced from that importation? What is the likely expenditure on programs to monitor and counteract some of those things in the future?

Mr HOUSE: I understand that \$1.8m in total in the habitat program is allocated for those issues. However, in a general sense it is an area of large concern. We import a lot of fish and rock lobster product into this State from overseas, so there is a need. We must balance the need for that importation with what we want to do with regard to restriction. Equally, many of our pilchard fish go to New Zealand. We must be very careful because if we stop importing there could be reciprocal effects on our trade out.

Mr AINSWORTH: I was referring not so much to the calculated importation of a foreign species as to the inadvertent importation of a foreign species - or more particularly the diseases - and also some of the marine life that is referred to, like the starfish in the Hobart area. I am really questioning what monitoring of the marine environment is undertaken by Fisheries to make sure that these things are not happening and, if they are, to nip them in the bud early rather than wait until a problem arises. What resources might be projected for the application of that program in the future?

Mr HOUSE: An Australia-wide ballast water committee came out of a Fisheries Ministers' meeting some years ago. That has been looking at all those issues with regard to ballast water. A problem lies with ships that fly under flags of convenience, for example, and which are untraceable when we want to take action against them. We have a very strict protocol for the importation of product through AQIS which is applied as much as possible. Like all the other issues with monitoring we are very reliant on feedback from people - particularly fishermen - about what might be happening in an area, apart from our own scientists who are traversing the waters of the State regularly and observing marine life and doing surveys and looking at what is happening in certain areas. It is really an overall program.

Mr RIEBELING: Does the department have any figures on or any indication of the impact of commercial take compared to the recreational take?

Mr HOUSE: Whereabouts?

Mr RIEBELING: Throughout the State.

Mr HOUSE: No.

Mr RIEBELING: Absolutely none?

Mr HOUSE: How could it?

Mr RIEBELING: How can you make the statement you made in relation to the emphasis on -

Mr HOUSE: You are trying to get me to say that professional fishermen do damage and recreational fishermen are okay. I am not going to do that. You can ask as many times as you like. We have rules and regulations that control both recreational and professional fishing and we stick to those in consultation with industry and recreational fishermen as much as is possible. We take action where we can to restrict fishing if it is necessary, for both recreational and professional fishing. We do as much as we can to get the data to make those decisions.

Mr RIEBELING: My point is that in all the problems being created there seems to be an overemphasis on recreational fishing.

Mr HOUSE: No; you are making that assumption. That is not a correct assumption so your question is not based on fact.

Mr RIEBELING: You then jumped in and said that is the case and just left it.

Mr HOUSE: Your question is not based on fact. It is based on an assumption.

Mr RIEBELING: Then your answer was based on erroneous -

Mr HOUSE: That is not true. You cannot ask a conjectural question and then provide your own answer.

The CHAIRMAN: When members ask a question they should wait for an answer and not get into a conversation between themselves.

Mr HOUSE: I am quite happy to answer the questions but if we are to stick to the strict rules of debate we would not be giving the answers that people wanted and that I was prepared to provide. However, I am not prepared to allow conjecture that creates a false impression.

Mr MASTERS: What level of National Heritage Trust dollars have been provided in the past year and what might it be for future years? I was under the impression that the management plan for Shark Bay was going to be jointly funded by State and Federal Governments. How much money is going into that?

The CHAIRMAN: Are you asking if it is a budget item?

Mr MASTERS: Yes, and if so, what is the detail?

Mr HOUSE: The amount we got from the National Heritage Trust last year was \$112 000, so it is fairly small. In fact, I have just asked federal Ministers Anderson and Hill to put somebody with a fisheries background on the committee that administers those funds. No-one with any fisheries knowledge or background has been on the committee and as a result I think that has been a deficiency. Informal discussions indicate they will agree to that and I hope therefore to get a better share of the dollars. My understanding is it has made a small financial contribution to the management at Shark Bay. I will provide the exact figure as supplementary information.

Ms ANWYL: The capital budget statement on page 486 shows that two vessels are being replaced. What evaluation process was gone through and was chartering considered as an option?

Mr ROGERS: The new vessels are for the replacement of *Flinders* and *Baudin*. Any major capital replacement must go through a full capital evaluation process before final decisions are made to spend the money. That is in accordance with Treasury guidelines; so, yes, the full evaluation will be done.

Ms ANWYL: Is chartering an option?

Mr ROGERS: It certainly will be. We will be looking at that realm of options.

Ms ANWYL: So even given that we have a total of \$2.1m set aside, that still might be applied to chartering vessels?

Mr ROGERS: It could still be. That evaluation needs to be done as part of the capital evaluation process.

Mr CARPENTER: You told me how the monitoring of pink snapper stocks was by an egg survey. How many days on the water was research done for the collation of that information?

Dr PENN: The total survey involves about a week of activity on each of the two gulfs. It takes that long to do the survey. It is a one off survey which involves taking samples of eggs at intervals of 2 to 5 kilometres on a grid. The total amount of time required to do the survey is determined by the shape of the two gulfs and the time it takes to get around them.

Ms ANWYL: In the capital budget statement large amounts are set out for the replacement of computers, office fit-outs and furniture. What is the necessity for that level of expenditure, given that in the past couple of years quite significant amounts have been spent on those items? Is that across the State?

Mr ROGERS: Yes. That is across the State; it is across the total agency. We have something like 328 or so positions within the department and broadly, with modern technology, with the year 2000 millennium issues and so on, we need an ongoing program to keep up with changes in technology, changes in machinery and so on. We want normally to be writing off our computer equipment, especially our desktop equipment, about every three years. That is why we have effectively a high level of replacement.

Ms ANWYL: The expenditure on replacement of small boats, trailers and outboards is budgeted at \$400 000. What is the extent of the fleet and how much will have been replaced, given that in the past two financial years \$800 000 was spent on that same item? Does it also have a continuous upgrading?

Mr ROGERS: Yes, it is the same sort of program. The reality of it is that we really fell behind in our maintenance program for our vessels some years earlier. In only the past two to three years have we been in a position to be able to, as it were, reinvest in having the right style of vessels and getting back onto the same level of an ongoing maintenance program. The figure of \$4.59m probably really reflects the end of the catch-up period and moving on an ongoing program of maintenance of small boats.

Mr MASTERS: On page 486 the capital budget statement makes a number of references to expenditure on the Abrolhos Islands. The management plan for the Abrolhos Islands should be in force some time in the coming financial year. Are there operating expenditures associated with the implementation of that management plan? Will a fisheries inspector or some similar person be stationed on the islands during the main tourist season as part of the management plan?

Mr HOUSE: The management plans will be phased in as quickly as possible. The exact time line depends on what part of the plan we are looking at. If it is planning or policing or environment or whatever, we will appropriate whatever is necessary to do that at the time. With regard to a fisheries officer being stationed on the islands, we have people there during the lobster season on a continuing basis. Our people pay visits there at other times of the year when the islands are not inhabited. Under whatever new arrangements are put in place we will need to have a look at how that needs to progress. My view of the Abrolhos is that they are a part of Australia; that they should be managed as part of Australia, not exclusive; and that all of the normal regimes that are in place on the mainland will eventually apply to the Abrolhos. Whether it is policing, planning, environmental standards or whatever else, those standards will apply to the Abrolhos. At the moment the Abrolhos do not fall under any local government jurisdiction. That is the first thing that needs to be corrected in order to bring them under those other procedures.

The CHAIRMAN: What has already been done with the upgrading of the Abrolhos airport? What do you envisage stage 2 doing to the airport?

Mr HOUSE: The first amount of money, as you will agree, was a huge improvement. We needed to do more. Because the airstrips are used to get accident sufferers back to the mainland in an emergency, as well as for every other reason, there is a need to do that. It is just part of the ongoing upgrading of those strips so that there is better access.

Sitting suspended from 1.00 to 2.00 pm

Division 39: Transport, \$745 825 000 -

[Mr Barron-Sullivan, Chairman.]

[Mr Omodei, Minister for Local Government.]

[Mr G.S. Martin, Executive Director, Metropolitan Division.]

[Dr C. Whitaker, Director General.]

[Ms W.J. Payne, Principal Finance Officer, Planning.]

[Mr H. Smith, General Manager Urban Passengers, Westrail.]

Mr OMODEI: As members are aware, I am acting in the lower House for the Minister for Transport. I have been provided with some opening comments. I want to talk briefly about the role, sources of funds and the major initiatives for 1998-99, which will take about two or three minutes. The Department of Transport aims to achieve the best transport system for Western Australians. It strives to ensure that the transport system is integrated, safe, accessible and environmentally sustainable. It does this in six distinct ways. Firstly, through policy development,

Transport determines future direction by developing and implementing policies and strategies for an integrated State transport system. Through planning, Transport develops and monitors integrated service and infrastructure plans which meet the needs of the community and industry. Through securing and coordinating resources, Transport ensures the implementation of the integrated transport system plans by coordinating the public and private sectors to achieve an integrated transport system, by establishing standards through education and regulation where necessary, and by producing transport infrastructure and services, preferably by providing funds to other service deliverers.

Source of funds: The Department of Transport is funded primarily from the consolidated fund. In 1998-99 Transport will receive from the consolidated fund an estimated \$745.825m comprising \$733.916m in recurrent funds and \$11.909m for capital projects. On an accrual basis the total cost of services will be \$422.546m less operating revenues of \$117.376m. The net cost of services is therefore estimated at \$305.170m. Transport's financial responsibility involves expenditure for recurrent and capital items, including the payment of transport subsidies, the collection of revenue and the disbursement of motor vehicle licence fees. Transport also acts as a collection agent for the State Revenue Department by collecting stamp duty, and for the Insurance Commission of Western Australia by the collection of third party insurance premiums.

Major initiatives: For 1998-99 Transport is ready to implement a comprehensive program to improve transport infrastructure and services throughout Western Australia. Some special highlights include the following: In public transport the development of the Mandurah Park 'n' Ride facility to provide parking for 400 cars which is integral to the city link service between Mandurah and Perth; a new bus station to replace the existing facilities at the Booragoon Shopping Centre; three new CATS buses; the upgrade of the Oats Street train station to establish an effective bus-train interchange for the circle route bus service; new late night and weekend train services; a commitment to replace 850 buses with new low floor air-conditioned buses, and an initial 133 new buses will be purchased over the next two years; and the provision of a city link bus service from Perth CBD to Curtin University.

In road safety this year's Budget allocation will allow us to continue the important work of reducing the road toll by improving education, research, coordination and traffic enforcement. These road safety initiatives will contribute to the Government's goal of a 33 per cent reduction in road deaths and serious injuries by the year 2001, or a saving of 271 lives with the prevention of 3 240 serious injuries. Transport's funding allocation also includes provision of a further six people to work in road transport compliance. This allocation will make a significant contribution to ensuring the safety of the State's heavy vehicles. In cycling there will be a \$4.2m allocation to improve the Perth bicycle network, to improve access to transport services. An allocation of \$1m will be made to a new transformation program which will enable the delivery of key services 24 hours a day, seven days a week to all parts of Western Australia via the Internet and the Government is very pleased to be able to deliver such an ambitious program of transport improvements that will make a major contribution to improving the quality of life for all Western Australians.

Ms MacTIERNAN: You said that your income is largely derived from CRF. What are the other sources? For example, do you have a special source of funding for your road safety initiatives?

Dr WHITAKER: I will answer that in part. For the specifics of the road safety initiatives, there is a fund called the Road Trauma Trust Fund. That receives one-third of the total revenue from speed cameras and red light cameras. That is paid directly into the Road Trauma Trust Fund and that money can be spent only on road safety initiatives.

Ms MacTIERNAN: You administer that?

Dr WHITAKER: We do, yes.

Ms MacTIERNAN: Can you tell me how much of that one-third was in last year's budget and what this year's budget is likely to be?

Dr WHITAKER: Yes, I can. For the current year of 1997-98 there was an opening balance of \$1.393m and revenue comprised \$5.4m and interest received was \$100 000. That is to provide for an expenditure of \$5.392m, leaving a closing balance of about \$1.5m. For next year the opening balance, as I have just said, will be \$1.5m, revenue is estimated to be \$12.2m - that is up from the \$5.4m - and interest will be about \$140 000. That will allow us a total expenditure next financial year of \$13.841m, leaving a closing balance of zero.

Ms MacTIERNAN: I gather that this increase then is generated by the doubling of most of the fines?

Dr WHITAKER: That is one of the sources of the increase and another source of the increase is that the cameras are now being deployed for more hours in the day. Previously each camera had been deployed for one eight-hour shift. The use of those cameras is being increased now to two shifts per camera per day. It is also intended to purchase some additional cameras. Those are the three reasons that it is a larger sum in the coming year.

Ms MacTIERNAN: There is obviously \$7m more than last year. Has consideration been given to funding out of this double sum things such as school crossing guards? The funding of school crossing guards, which is currently undertaken by the Police Service, is insufficient. The Police Service cannot cope with the expansion of demand for them. Many schools have qualified for assistance but cannot get it because the Police Service cannot allocate the resources.

Mr OMODEI: I will ask Dr Chris Whitaker to respond to the question specifically about school crossings, but at the same time to give an overview of what is happening as far as the Road Safety Council is concerned and where it is intended to spend some of that money. Recently launched under the Road Trauma Trust Fund is an initiative for medical research for spinal injuries.

Dr WHITAKER: School crossing guards are a matter for the police. The question of funding for that particular initiative should be referred to them. We are spending the additional money on such issues as spinal injuries, to which the Minister has just referred, where what we are really trying to do is to save the trauma that follows from what is often called the second accident: The first accident is the crash; the second accident is when people move somebody with a spinal injury. We have just gone into a partnership with some overseas groups to enable Western Australia to take advantage of state of the art treatment, particularly in remote areas, for treating people with spinal injuries. There will be a significant amount of money going into that.

Ms MacTIERNAN: Approximately how much?

Dr WHITAKER: I will confirm this in supplementary information, if I may, but my recollection is that it is \$500 000 in the coming year. Another area where we are putting a lot of additional effort in is education. We are preparing road safety strategies in the regional areas of Western Australia. In recent weeks we have started that in the Kimberley region. We will be applying it throughout the State. It is important that we have specific strategies for specific parts of the State because the reasons for crashes and the necessary actions differ from one place to another. That is where a lot of the effort will be going in education and community involvement.

Ms MacTIERNAN: Can you tell us how much was spent with advertising agencies, including the amount of booked media time, and whether that will double with the doubling of the budget?

Dr WHITAKER: I will have to provide that by way of supplementary information. I do not have that information with me but just to be sure, you are specifically asking in the context of road safety campaigns?

Ms MacTIERNAN: Yes, the hypothecated sum that you are spending.

Dr WHITAKER: You would like the figure for the current year and forecast for the coming year?

Ms MacTIERNAN: Projected.

Dr WHITAKER: Certainly.

Mr MARSHALL: On page 1204 the first dot point of major initiatives for 1998-99 is the release of a youth road safety strategy. What are your intentions there?

Dr WHITAKER: It is in an embryonic stage. It was launched during Youth Week about six weeks ago, which was a major event on the Esplanade. A number of major initiatives were put in that draft plan. It goes back some considerable time. About a year ago we put in place a curriculum for school from kindergarten right through to year 12, and that is now in place in all schools in Western Australia. What we are now working on in particular is that critical area of youth between about 18 and about 23, which is hugely over-represented in the accident statistics. If the member would like further details on some of the specific initiatives, I will certainly be able to provide that by way of supplementary information.

Mr MARSHALL: I would, thank you.

The CHAIRMAN: Are you happy to provide that as supplementary information?

Mr OMODEI: Yes.

Ms MacTIERNAN: I note in the Premier's budget speech he talks about \$109.1m for a new bus acquisition program. Can you show us where that is listed here?

Mr OMODEI: It is in capital works.

Ms MacTIERNAN: In your introductory piece you talked about a capital works program. Will you refresh my memory on that figure that you quoted?

Mr OMODEI: In my opening comments I talked about the sources of funds. The Department of Transport is funded primarily from the consolidated fund. In 1998-99 Transport will receive from the consolidated fund an estimate of \$745.825m, which comprises - and this is where the member for Armadale will get the answer - \$733.916m in recurrent funds and capital works projects funds of \$11.909m.

Ms MacTIERNAN: I cannot understand that. If you have \$109m for buses, yet the total program is only \$11.9m, how does that work?

Mr OMODEI: I am told that on page 1225 you will see the source of funds; the consolidated fund's capital works moneys of \$11.909m, borrowings of \$65.672m, land and property sales of \$491 000, opening balance of \$644 000 and other of \$600 000, a total of \$79.316m, and the budget for this year for buses is about \$40m.

Ms MacTIERNAN: To get this right, it is not \$109m that we are talking about in the -

Mr OMODEI: First year.

Ms MacTIERNAN: Yes, but the overall program is something like \$290m. Can you explain why the Premier has talked about \$109m for this year?

Mr OMODEI: The Executive Director, Metropolitan Division, advises that it is \$109m over the four years, and this is the first of the four years. The bus acquisition program is shown as \$108.4m about a quarter of the way down page 1223. The expenditure in 1998-99 in the far right column is \$40.1m.

Ms MacTIERNAN: How many buses are you expecting to get for that?

Mr OMODEI: Approximately 328.

Ms MacTIERNAN: You expect 328 buses for \$40m?

Mr OMODEI: No, over the four years.

Ms MacTIERNAN: How many buses will you be getting this year?

Mr OMODEI: Some 133.

Ms MacTIERNAN: What is the total number for the \$109m?

Mr OMODEI: For the four years for the \$108.4m the total is 328.

Mr MARSHALL: In your preamble, Minister, you did say there was a commitment to replace 850 buses with new airconditioned buses, but the initial 133 new buses will be purchased over the next two years. What is the position regarding the gas versus diesel equation?

Mr OMODEI: The total number of buses will be supplied over a 12 year period, with 133 this year, and five of those will be gas buses. It is important to note that only 1 per cent of bus engines across the world are gas powered. We have currently 47 gas buses in the metropolitan transport system. The message that we received from the Fuelling the Future Conference that was conducted by Transport in February 1997 was that diesel is still very clean; that it is the appropriate fuel for an urban public transport system; that it remains a benchmark against which the other fuels are assessed; and that any transition to alternative fuel should be very carefully planned and based on research. A clear whole of cost comparison of natural gas powered vehicles with diesel is not currently available either in Australia or internationally. Such comparisons should consider higher compressed natural gas bus purchase price, cheaper compressed natural gas fuel and higher servicing costs for gas buses, comparative reliability costs and availability of gas filling facilities, relative exhaust emission levels and the impact of the deregulation of the gas industry and potential for future application of a commonwealth excise to CNG.

The recommendation of the tender evaluation panel proposed that the 128 diesel and five gas buses be procured in the first year. That was based on the fact that the majority of the above issues had not yet been resolved satisfactorily in Perth, elsewhere in Australia or overseas and that investigations of whole of life costs and service reliability for CNG buses will form the foundation for the future supply of natural gas buses. So we are not ruling out gas at all; we are saying it is not yet fully tried and we have an evaluation group looking at it.

Mr MARSHALL: How does the 850 buses' replacing the existing buses measure up with statistics of whether passenger public transport is being used increasingly?

Mr OMODEI: We have increased public transport use by two million passengers in the first five years of the Government. People are using public transport significantly more than they have in the past, so many of the initiatives that the Government has put in place are working.

Mr MARSHALL: Is the idea that this quota of buses will keep pace with the usage?

Mr OMODEI: It certainly will but the other aspect is that a lot of our buses are pretty old and it is time that we implemented a replacement program.

Mr MARTIN: The 850 figure is based on replacing the existing fleet. There is provision within the tender to purchase more buses if a growth of the fleet is required, but the primary decision by the Government was to replace the existing buses.

Ms MacTIERNAN: You referred to the conference held in February 1997. There was no resolution of the conference. I presume that the statement you made arose out of a particular paper. Could you tell us what that paper was and who prepared it?

Mr MARTIN: The February 1997 Fuelling the Future Conference involved inviting overseas and interstate specialists to talk about fuel in the city buses. There was an oral transcript kept, in other words, a taped transcript of the proceedings was maintained, and as well presented papers were kept on disk. Participants were able to acquire both of those. The conclusions that were drawn were basically drawn -

Ms MacTIERNAN: Conclusions drawn by whom?

Mr MARTIN: The conclusions that the Minister has just repeated.

Ms MacTIERNAN: It is important to clarify this because I have spoken to a number of people who also attended that conference who were not aware that any conclusions had been drawn by the conference. A series of papers was delivered. If you are saying "the conclusions", I want to know whose conclusions they were.

Mr MARTIN: The summary that the Minister has referred to was developed by Transport on the basis of all of the presentations made at the conference.

Ms MacTIERNAN: Is it correct that the conclusions about the proceedings were drawn by the Department of Transport?

Mr OMODEI: That is correct.

Ms MacTIERNAN: You referred to a tender evaluation panel. Who was on that tender evaluation panel?

Mr MARTIN: The panel had members from Transport and a person from Transport was the Chair of the panel.

Ms MacTIERNAN: May I ask for the names of those persons?

Mr MARTIN: The chairman was Mr Brett Inchley, who is the director of Transport; Mr Jim Fitzgerald, who is the manager of the fleet. I do not know the titles of other members but there was a member from Treasury and a member from Contract and Management Services. There were also advisers to that evaluation panel. I think another person who was on the panel was Mr Rohan Skea from Skea, Nelson and Hager. I would have to check those. Perhaps the best thing I could offer to is provide that detail in supplementary information so it is absolutely correct.

The CHAIRMAN: Are you prepared to provide that by way of supplementary information?

Mr OMODEI: Yes. There was also a probity check done by Price Waterhouse on the evaluation process.

Ms MacTIERNAN: This evaluation panel has been presented in numerous arguments by the Minister responsible as being an independent body outside of government, yet we find that it is chaired by and has membership on it from the department.

Mr OMODEI: The advice I am being given is that there may be some confusion with the recent committee that the Minister has set up that he has referred to as an independent group to advise him.

Ms MacTIERNAN: No.

Mr OMODEI: From what I have been told, I understand the Minister has not referred to this as an independent committee.

Ms MacTIERNAN: If I may, Mr Chairman, seek your indulgence for one minute? Just to see if there is any confusion, if I may quote a transcript?

Mr OMODEI: It has been quite obvious it has always been a government committee. The Treasury, Transport and CAMS have been on it.

Ms MacTIERNAN: That is not generally known. If I may quote the Minister -

The CHAIRMAN: This is leading to a question directly on this, is it not?

Ms MacTIERNAN: Yes, I want to clarify this to make sure we are talking about the same committee. The Minister said that it is not a government decision, as such; it is from a group of professional people who were given the task of getting the best system for Perth. You are saying to us that this committee evaluated it. There is no confusion about this.

Mr MARSHALL: On page 1204 a significant issue and trend at dot point 3 reads -

The transport system needs to be progressively modernised to better accommodate the needs of people with disabilities and to encourage the use of public transport generally.

Some buses are now being built to accommodate disabled people. What research has been done to show that there is an increased usage of transport by disabled people?

Mr OMODEI: The transport system has been progressively modernised to better accommodate the needs of people with disabilities. The fleet will have new easy access vehicles to meet the needs of people with disabilities. Five more accessible rail cars will be delivered and some major stations will be upgraded to meet the needs of people with disabilities and to provide better access for people with disabilities. Improvements to transport services provided by the community providers will be trialled and coordinated. That adds to our 16 Central Area Transit System buses, which we intend to increase by three. They all have low floors and disabled access, so we have come a long way. We still have a way to go for people with disabilities but we are certainly heading in the right direction.

Mr MARTIN: Really important features include the electrified rail system which has that capability. Over the past few years there has been a lot of effort to ensure that stations are truly accessible so people can reach the train and make use of it. As the Minister said, the CAT buses are low floor and accessible. The new buses will be easy access, low floor and accessible. A considerable amount of effort is now going into ensuring that access at bus stops and interchanges will match the accessibility provisions of those buses.

Additionally, quite an amount of attention is being given to making people aware of how they can use those facilities much more safely and comfortably than they have in the past. So, we are making information available through documents, maps and so on, so people know at which stops and at which stations they can have access.

Mr MARSHALL: Do your figures show that it is working; that people feel comfortable using public transport and are getting used to this service?

Mr MARTIN: Yes, we think so. A consumer advisory committee is working with Transport following on from the action plan that led to the conciliated agreement that we are pursuing with most of these activities. I think that the committee is very satisfied with the progress being made. As the Minister said, there is more to be done. We have an ongoing program of implementing those changes but I believe that the committee sees the progress being made as satisfactory and it is particularly delighted with the prospect of new buses.

Mr CARPENTER: On page 1212 under "Outcome: An integrated transport system which is safe, accessible and environmentally sustainable", under the "Performance Measures for Output 3" and under "Quality", it states that the percentage of traffic kilometres accessible to people in wheelchairs on the Transperth system is 15 per cent. I would have thought that is a very low figure. There is no projection for how much that will increase. That is just for the upcoming financial year. What percentage are you looking at over the next few years? Are we in breach of some sort of statutory requirement to provide access to public transport for all people with disabilities?

Mr OMODEI: I understand it means every single bus stop.

Mr MARTIN: That is the traffic kilometres accessible in the system, so that covers trains, ferries and buses. It is at this time limited by the number of accessible buses. As you would be aware, the 850 buses that we are talking about replacing are high floor buses and not accessible by wheelchairs. As that program of bus replacement proceeds that number will increase, so it will be possible over the 12 years in which the replacement fleet will come into service to predict at what rate that percentage will increase. You asked if the 15 per cent access contravenes any statutory requirements. That is not the case. The obligation that we are working to at the present time is to introduce the fleet and make the system accessible by 2015. So there is basically an agreed 20 year time horizon for achieving it. We believe we will achieve it well within that time.

Mr CARPENTER: One hundred per cent?

Mr MARTIN: Yes. The draft disability standards that are being considered across the country incorporate an obligation to make a system accessible by 2015 and our planning is well within that time horizon.

Mr CARPENTER: The entire system?

Mr MARTIN: Yes.

Mr CARPENTER: If you extracted the rail system and the ferry system, what percentage of the transport system do you think would be available now - only the CAT system?

Mr MARTIN: Let me try to answer your question in terms of the vehicles. Approximately five Transperth buses at the present time are low floor or easy access and, of course, the CAT system has 16 such buses. Calculations could be done to establish what the percentage is. Obviously it is considerably lower than that 15 per cent.

Mr OMODEI: For that section.

Mr MARTIN: We are talking basically about the kilometres run. That number could be provided if you wish to have that number.

Mr PENDAL: Jet skis on the Swan River and the Department of Transport are a big issue in my electorate. I understand that the regulations were gazetted on 8 May but they have not been tabled as far as we can ascertain. That is a puzzle. Might one extract from that the hope that the department and the Minister have since changed their minds and might not be proceeding with the tabling? If I cannot have that hope, when will they be tabled and therefore when will they be capable of being disallowed?

Mr OMODEI: Dr Whitaker says that he is not aware that they have not been, but if they have not been, he will do it immediately.

Mr PENDAL: He can be my guest and not do it. I want to place on record that there was some confusion amongst the senior officers at Parliament House, who originally told me they had been tabled on 28 April and therefore I had 14 sitting days in which to act. It was later found that that was inaccurate. Given the amount of material that is to be tabled, I would appreciate knowing at least when they are to be tabled, if they are.

Mr OMODEI: Have you been able to establish whether they have been tabled?

Mr PENDAL: No. I am sure that they have not been tabled.

Mr OMODEI: If they have not, they will be. I will make sure that you are advised when that occurs.

Mr PENDAL: Thank you. At page 1204 the department prides itself on the increased emphasis that it will place on community involvement in transport planning and decision making. Given that laudable objective, to what extent were local people involved in transport planning for jet skis on the Swan River near the Milyu Reserve? What sorts of local organisations were consulted given that the major one amongst them, the South Perth City Council, is stringently opposed to what the department is doing?

Mr OMODEI: Dr Whitaker will take some of the question on notice but will make some comment.

Dr WHITAKER: I would like to be able to provide more details on notice. I am aware that the policy itself and the regulations were developed over a period that seemed to me to be up to two years in length. There were draft discussion papers and there were meetings and so on. I am well aware that there were a number of meetings with the South Perth City Council. I am aware, for example, that the final few months were taken up solely in discussions with the South Perth City Council on access and so on to the river. I would like though to be able to provide you with fuller information of precisely who was consulted, when and over what issues.

The CHAIRMAN: Is it your intention to provide that as supplementary information or do you want the member to ask for it on notice?

Mr OMODEI: We will supply that as supplementary information.

Mr MARSHALL: Mr Chairman, could I just ask that we do one thing? We seem to be jumping around the papers a little bit. If we could do them in a progressive way, it would be much easier.

The CHAIRMAN: Yes, unfortunately I am at the mercy of the committee members as to which questions they ask. I did intimate earlier on that if we can stick with the division, I will try to keep the questioning on the line of each individual topic.

Mr PENDAL: It is fine for members who are able to sit in one committee all day. If one is chasing others, as I am at three o'clock with Attorney General matters, one cannot wait. Therefore, one does not make any apologies for that.

The CHAIRMAN: Member for South Perth, the point is taken. That is why if the member wants to ask a question on something completely away from the previous question, obviously I will allow the question.

Mr MARSHALL: Mr Chairman, following the member for South Perth, I was about to jump around in the estimates book. I have been looking right through it to find out where the item is about the rail link between Kenwick, Rockingham and Mandurah. I am quite prepared to wait until it comes up.

Mr OMODEI: We are doing the master plan for that. We can deal with that when we get to 1223, if you like.

Mr CARPENTER: The problem is that some of the significant trends and issues relate to points further back in the budget. My previous questions on the accessibility of the public transport system for people with a disability flow on logically to the alternative for many of them, which is the taxi user subsidy scheme. I note that only 15 per cent of the public transport network is available to people with a disability. I note then on page 1212 that you have listed as 100 per cent the percentage of taxi user subsidies issued to beneficiaries. I question the worth of that figure.

Mr MARTIN: That performance measure on quality is relating to administration of the taxi user subsidy scheme. It is based on the number of people who apply and the handling and the management of their application. It does not relate to the number of people who might potentially be eligible.

Mr CARPENTER: It seems to relate to the number of certificates that are issued. It does not relate at all to the number of people who apply because numerous people who apply do not get the subsidy. The problem with this figure is that if you want to provide a useful measure, what you need to do is to provide us with a percentage of people who apply, as opposed to the percentage of people who get the taxi user subsidies, and the real numbers as well. That information is not in the budget papers. How many people applied for the taxi user subsidy, what is the comparative figure from last year, and how many got it?

Mr OMODEI: I must take on notice the comparative figure, but if you look at page 1217, you will see the user subsidy scheme is going up from \$2.9m to \$3.2m. I give you a commitment that I will provide the information on comparative statistics for you.

The CHAIRMAN: By way of supplementary information?

Mr OMODEI: Yes.

The CHAIRMAN: Would you be willing to extend that supplementary information to include an explanation of how the guidelines changed over the previous 12 to 18 months? That obviously has a bearing on the total scope of the scheme and on this question.

Mr CARPENTER: Excellent point, Mr Chairman. Along those same lines, I want also to be provided with information which shows us how many people were eligible for the scheme and using the scheme last year, or until the criteria were changed, and how many people have become ineligible since the criteria have changed.

Mr OMODEI: Yes, I am prepared to provide that as supplementary information.

Ms MacTIERNAN: As regards the bus contracts, given that the purchase of the buses over time will cost something in the order of \$390m, it is an important budgetary item. I note at one stage you stated that your adviser said that you were not really able to get established comparative costs for the diesel versus the various gas options. I wonder why that was, given that a fair number of gas buses are already operating. I note you use the figure of 1 per cent of all buses in Australia.

Mr OMODEI: No, 1 per cent of all bus engines in the world.

Ms MacTIERNAN: I am interested in the configuring fact of the number of buses purchased in the past three years. That would be a far more relevant figure.

Mr OMODEI: In Australia?

Ms MacTIERNAN: Yes. Do you have figures like that?

Mr OMODEI: I am not sure whether we have figures but we are seeking at the moment those figures for the gas buses that are in operation in other States.

Ms MacTIERNAN: Presumably you sought those too before you made the decision to buy the 128 buses?

Mr MARTIN: No, I think what we sought to do was obtain the most suitable bus for the public transport system in Perth. It was on that basis that the tender was set and that the evaluation panel made its assessment of the tenders submitted.

Ms MacTIERNAN: Did you do an analysis of the comparative costs of each of those options that were submitted to you?

Mr MARTIN: Yes, the evaluation panel did make an assessment of comparative costs.

Ms MacTIERNAN: Did that include an analysis of the differential in the fuel costing?

Mr MARTIN: Yes, it did.

Ms MacTIERNAN: Was that based on the cost of purchasing city diesel, the low sulphur diesel?

Mr MARTIN: The evaluation was not specifically taking into account city diesel but the differential that arises from that is not significant in the total calculation.

Ms MacTIERNAN: Some \$33m I would have thought. In any event, are we able, Minister, to have a report tabled by way of supplementary information that will show us that cost comparison, so we can see the work of the evaluation committee in that regard?

Mr OMODEI: That is a matter the member should take up with the Minister at this stage. The calculations included the resale cost of the buses as well as the availability of the buses and the known information about the efficiency of diesel fuel emissions at this stage. The fuel emissions of old diesel buses that were used in days gone by were nowhere near as efficient as fuel emissions are today.

The CHAIRMAN: Are you asking for that question to be put on notice?

Mr OMODEI: Yes.

Ms MacTIERNAN: When one looks at an analysis based on published costs of the various fuel sources, it is difficult to see how you could have come to a conclusion other than the fact that over the past 15 years there would be a saving of almost \$147m on fuel if one went down the gas bus option. Were those calculations done?

Mr OMODEI: I am not aware of those numbers and they are unsubstantiated. They should be put on notice. The other part of the answer is - and it has been said on a number of occasions before - that there has not been a total commitment to diesel buses. Of the first 133 buses five will be gas. The remainder will be diesel because of the known emissions and because they comply with world standards. There is no guarantee that all of the rest of the buses being purchased in the 850 will be diesel buses.

Ms MacTIERNAN: Are you prepared to provide us with two charts - one a comparison of costs and the second a comparison of emissions?

Mr OMODEI: We have the data on fuel emissions of Mercedes buses. The others can be supplied as supplementary information.

Ms MacTIERNAN: What can you provide us with for each of these? Presumably you did an assessment of each of the various tender types, did you?

Mr MARTIN: Yes. The tenders gave the option for tenderers to supply any fuel for the buses but did indicate that the expectation was that both diesel and natural gas would be within the tenders submitted. My understanding is that all tenderers supplied tender offers with both fuels incorporated and all of those cases were assessed by the evaluation panel.

Ms MacTIERNAN: Is it correct that this evaluation committee has prepared a comparison of the emission data?

Mr OMODEI: Yes.

Ms MacTIERNAN: That will be provided by way of supplementary information?

Mr OMODEI: I am advised that that is asking for all the tender information.

Ms MacTIERNAN: No. I want the analysis documents that this committee prepared for comparing the various emission performances.

Mr OMODEI: I am advised that the tender information has a lot of confidential information but certainly the emissions data will be made available.

Ms MacTIERNAN: So you are prepared to give us the comparative emission data but not the comparative costs.

Mr OMODEI: The tender information is usually held as confidential information. You can raise that question on notice with the Minister. The important thing to acknowledge is that in the end it was the overall scene that the tender committee looked at. That included the reliability of the current gas buses that are available and also the resale value of the buses in question.

Ms MacTIERNAN: If it is the case that reliability was such a central feature - and I note at one stage it was being alleged that the tender documentation specified the need for a guarantee of reliability but, of course, it had to be admitted in the long run that there was no such specific requirement in the tender document - why did you not require, in the same way that the New South Wales State Transit Authority specified, a guarantee of reliability with financial penalties attached to it if it failed? If reliability was so important why was there not a requirement of this nature included in the tender?

Mr OMODEI: Mr Martin has advised me that I could make a commitment to supply the evaluation criteria in the document, so you can then make a judgment from that evaluation criteria.

Ms MacTIERNAN: I have seen the evaluation criteria. Why did you not specify a requirement for a guarantee of reliability in the tender document, as do other state government authorities when they believe reliability is important?

Mr MARTIN: Our tender document identified what we thought were strategically important requirements but we left it for the industry to make its best offer. The intent was to not try to prescribe exactly everything that might be supplied with the buses but rather have the industry provide what it thought was the best offer. It was then for our evaluation panel to assess how good those offers were. It is an alternative way. You could have prescribed a reliability. The alternative is to say to the industry, "What reliability will you offer?", and that is the route that our tender went.

The CHAIRMAN: A couple of sets of information have been mentioned. The Minister indicated he would be happy to provide some information on emission data. Technically I need to clarify if he is prepared to do that by way of supplementary information.

Mr OMODEI: Yes.

The CHAIRMAN: Member for Armadale, you initially asked for evaluation criteria. The Minister indicated he was happy to provide it. You said you already had it. Are you requesting it and is the Minister -

Ms MacTIERNAN: No.

Mr MARSHALL: I am also interested in taxis. I refer to page 1204 under major initiatives for 1998-99. Could the Minister expand on the second last dot point - which states "Review the Taxi Act 1994" - and explain what is intended?

Mr MARTIN: The Taxi Act has a review requirement five years from 1994 and that is consistent with the need to review the legislation in the context of the national competition policy. The intent is to do both of those activities at the one time. The intent is to commence that review before the end of this calendar year and to try to complete it by the middle of 1999, the end of the next financial year. The aim will be to ensure that we can satisfy the requirements of the national competition policy as well as endeavour to improve customer service and industry viability in the taxi industry.

Mr MARSHALL: Do you foresee any other changes?

Mr MARTIN: Yes, I think the department made some statements to the industry last year and Dr Whitaker has made a presentation to the national conference in the last week identifying our belief that the level of service being provided by the taxi industry could be improved. The number of complaints the taxi unit sees from users should be of concern to the taxi industry. An example is taxi operators choosing to not take short trips if it does not suit them and so on. That is not compatible with a user friendly and high quality taxi service. These are the issues we will be raising with the industry. It is our preference to work with the industry to make changes but the ultimate test is whether it answers the public interest test when the national competition review is conducted.

Ms MacTIERNAN: This prepared document from the Fuelling The Future Conference seems to have been quite crucial. Which Department of Transport prepared that paper?

Mr MARTIN: It was prepared by Mr Jim Fitzgerald.

Ms MacTIERNAN: Can we get a copy of that paper?

Mr OMODEI: I am prepared to supply that as supplementary information.

Ms MacTIERNAN: Did either Mr Inchley or Mr Fitzgerald - or any other person from the Department of Transport - visit Mercedes in Germany in 1997 or 1998?

Mr OMODEI: No.

Ms MacTIERNAN: Neither of them has?

Mr OMODEI: Not in the last year.

Ms MacTIERNAN: The previous year?

Dr WHITAKER: Yes. Mr Martin might add to this answer but the previous year he and I visited a number of European manufacturers, Mercedes, Renault, Scania, MAN and Volvo. I understand that some of our other officers also visited in that year.

Mr MARTIN: I have to check on that detail. Certainly Mr Fitzgerald visited Denmark when the CAT buses were being purchased because they are Scania buses. I am not aware that in that time frame Mr Fitzgerald attended Mercedes but I need to check on that.

Ms MacTIERNAN: If you could. Subsequent to your trip, around all of them, was there a visit by Mr Fitzgerald to Mercedes?

Mr OMODEI: I am prepared to supply that by way of supplementary information.

Ms MacTIERNAN: An issue raised by the Minister as one of the reasons the department cannot go to gas is that it is anticipating moving into a number of new, smaller, decentralised bus depots, and that it would then have to reticulate all those gas depots. Is it not the case that that was understood by AlintaGas when it made its offer to provide all the infrastructure free of charge? Will there not be similar costs in any event because - given that it has now been acknowledged these buses will have to use city diesel - you cannot use the tanking system you already have but will need a parallel underground tanking system? Can you explain why there would be additional costs? One would actually think the additional costs would come from diesel.

Mr MARTIN: Yes, AlintaGas was aware that there may be some changes at depots as a result of new contractors operating the Transperth bus services and it did say that it was prepared to supply the infrastructure and amortise the cost of the gas through the pump. It was not exactly free infrastructure; AlintaGas was supplying this as part of the consumption price of the fuel. Obviously you would not mix two different grades of diesel. The low sulphur diesel we are proposing to use from July would need to be stored.

Mr MARSHALL: Under major initiatives 1998-99, page 1205, how involved and how advanced are you in implementing dot point 3, National Vehicle and Driver Licensing Scheme, and dot point 5, the National Exchange of Vehicle and Driver Information Systems?

Mr OMODEI: I am advised that the implementation of the National Road Transport Commission National Vehicle and Driver Licensing Scheme, the Vehicle Registration Module and the Speeding Heavy Vehicle Management System will be finished within this financial year.

In relation to the implementation of the National Road Transport Commission's National Exchange of Vehicle and Driver Information Systems. I am told that the objective of the proposed graduated driver training and licence system is to provide a more complete approach to driver licensing so that drivers gain the required practical driving skills and experience - including good driving habits and responsible and courteous attitudes - essential to increasing the level of safety on the State's roads. Nearly 700 submissions were received in response to the discussion paper on the system. The majority of respondents agreed with the major aspects of the proposed system. It is a structured learning process that reflects best practice across Australia and around the world. It involves pre-learner, on road phase 1, on road phase 2 and provisional phases. The existing on road learning process has been split into two phases. Phase 1 focuses on the road rules and basic vehicle control skills and phase 2 focuses on attitudes, observation of hazards and experience. The new system will significantly increase the amount of experience drivers have before they drive unsupervised on the road.

Mr MARSHALL: When do you think it will become a reality?

Mr OMODEI: It will start this financial year and be phased in over one or two years.

Ms HODSON-THOMAS: In relation to dot point 1, major educational regulation initiatives on page 1205, could you elaborate on where we are up to with the National Uniform Maritime Safety Regulations?

Mr OMODEI: I know the member has a great interest in maritime issues. The note I have indicates that national uniformity will be achievable through an intergovernmental agreement for a national maritime safety regulatory regime which was signed by heads of government in 1997. The agreement formally establishes improved coordination of arrangements for marine safety regulations aimed at improving safety outcomes and reducing duplication in consistency and costs. Reform initiatives flowing from the National Marine Safety Committee include nationally consistent incident data collection and analysis, mutual recognition arrangements between the States and a framework for model legislation and performance based standards for commercial vessels.

Ms HODSON-THOMAS: Do we know over what period that maritime safety committee will conduct this uniform regulation?

Mr OMODEI: Implementing model legislation nationally takes some time. We will indicate by way of supplementary information how long we think it will take.

Mr McGOWAN: How much have boat registration fees increased over the past year under this Budget?

Mr OMODEI: I understand an increase of 22 per cent is proposed in the coming year.

Mr McGOWAN: It is 22 per cent increase this year?

Mr OMODEI: Fees have increased, or will be increased, by 22 per cent in 1998-99. Cabinet approved the use of the additional funds thus raised to increase boating safety education, promotion of safe operations, maintenance, dredging of channels, navigation aids, survey and charting of key anchorage and compliance monitoring. Cabinet will be asked to also apply these additional fees to improve recreational boating facilities. The submission recommends the establishment of a recreational boating facilities scheme - the RBFS - for the assessment of infrastructure proposals and to provide a forum by which the boating community can have an input into the allocation of funds to particular projects.

Mr McGOWAN: What was the increase in boat registration fees in last year's Budget and how much is this an increase on that? What has been the total increase in the past two years?

Mr OMODEI: I am advised it was 28 per cent last year.

Mr McGOWAN: There has been nearly a 50 per cent increase in the past two years. What has been the total increase in the past five years?

Mr OMODEI: I understand the increases prior to that were quite small; I will provide that information by way of supplementary information.

Mr McGOWAN: What does that equate to in actual dollar terms for this year and last year for the average boat owner?

Mr OMODEI: The estimate for 1997-98 is \$3.548m; for 1998-99 it is \$4.382m.

Mr McGOWAN: Have you extrapolated that to establish the dollar impact on the average boat owner?

Mr OMODEI: The *Government Gazette* recently contained a table indicating the increase in fees by length of boat; I will provide the information by way of supplementary information.

The CHAIRMAN: Is information available which indicates the most common class or size of boat licensed?

Mr OMODEI: I will ensure that that is part of the information provided.

The CHAIRMAN: Could you also indicate whether the department has done any assessment of each category of boat and the extent to which those categories of boats are used in estuary use, offshore use and near shore use?

Mr OMODEI: I am advised that the department very much doubts that that information is available. All the information we have will be provided with the supplementary information.

The CHAIRMAN: Would you be prepared to advise how much money is allocated for infrastructure, safety and recurrent needs for offshore boating as opposed to either near shore or estuary boating? Essentially, I am talking about main maritime infrastructure, such as offshore beacons and things like that, compared to any estuarine or inshore needs

Mr OMODEI: To the extent that we have that information we certainly will provide it.

Ms HODSON-THOMAS: How much is being spent in navigation aids around the Rottneest region?

Mr OMODEI: We will provide that information.

Mr McGOWAN: Will you also provide some information - if not now, by way of supplementary - on the increase or decrease in general appropriations out of the Budget as opposed to the revenue raised from fees in this area?

Ms MacTIERNAN: To what extent are fees exceeding expenditure?

Mr OMODEI: The fees received are net appropriated to the department. Are members asking about how the funds above and beyond that are -

Mr McGOWAN: You said that all this money going into education and so forth came out of fees. I want to do an analysis of whether the total amount received from fees is being spent and if there has been any drop in appropriations in the Budget in the past two years which was made up for by increases in fees?

Mr OMODEI: We certainly will provide that information, but from what I understand we receive only half of what we expend by way of fees.

Ms MacTIERNAN: I understand that the department has entered into a contract with a company called Transcom to provide some fuel injection equipment - gas equipment - into its existing buses, possibly Renault buses. Various statements have been made by the Minister for Transport about this contract and the performance of Transcom which have been hotly contested by the company. Could we have some facts? When was the contract signed by the Minister? At what rate has the department been prepared to release the buses? To date, how many buses has the company released to Transcom for modification, and how many is it releasing at any one time?

Mr MARTIN: I cannot tell you immediately the date of the signing of the agreement or the contract. I can find that out and supply it to you.

Ms MacTIERNAN: Do you have a rough idea?

Mr MARTIN: No, I do not know exactly. It took some considerable time to get to a point where there a contract was agreed sufficiently to sign. I believe it was the middle of 1997, but I am happy to confirm that or give the correct information after referring to the documents.

Ms MacTIERNAN: When would we be able to get that information? It is quite crucial. I understand the company is very upset at the slight on its reputation.

The CHAIRMAN: Do you want the information by way of supplementary information or do you wish the question to be put on notice?

Ms MacTIERNAN: By way of supplementary.

Mr OMODEI: It can be done by way of supplementary and it can be done by tomorrow.

Mr MARTIN: It is purely a matter of referring to the documents. The other questions relate to the rate we were able to supply the buses. We supplied the first bus in August 1996. It was returned to service in March 1997. A second bus was passed to Transcom in January 1997 and returned to service in September 1997. The third and fourth buses were supplied to Transcom on 19 January, 1998. The first of those two was delivered back to MetroBus on 9 April, 1998 and I believe the fourth one was returned to service in the last week or two.

To my knowledge there is no commitment in that contract as to the rate the buses are supplied. However, the undertaking by Transcom was to deliver buses on a six week cycle.

Mr MARSHALL: At page 1205, major initiatives, the fourth dot point from the bottom of the page is to develop master plans for the extension of a suburban rail line to Mandurah and the north west and north east corridors of Perth. I am interested in the initiative of the suburban rail to Mandurah. Where is the master plan at and when it will be finished? When is it anticipated that a rail line will operate to Rockingham and then Mandurah? What will be the cost of this project to the Government?

Mr OMODEI: I will answer as much as I can and then ask Mr Martin to respond to the areas I have not covered.

Stage one comprises the dedicated bus lane facilities and the bus priority treatments in Fremantle, Cockburn, Kwinana and Rockingham with funding of \$25m from Transform WA. Stage two provides for an additional dedicated bus lane and bus priority treatments for yet to be determined locations in the Rockingham to Fremantle corridor. Funding of \$14m will come from Transform WA for that. The Kwinana bus interchange is to be relocated to the Kwinana Hub Shopping Centre.

Ms MacTIERNAN: Are we talking about the rail link?

Mr OMODEI: You asked about the fourth dot point. Sorry, which one are you after?

Mr MARSHALL: I am referring to the proposed extension of the suburban rail to Mandurah.

Ms MacTIERNAN: Member of Dawesville, it is that far in the future they have forgotten about it!

Mr MARSHALL: Well, the member for Rockingham and I intend to see it happen.

Mr MARTIN: The master plan is in preparation and the target is to have it completed by the end of 1998. The process is going well with high involvement of local authorities along the route. In the process we are consulting

with both officers and elected members of those councils on a weekly basis. Every six weeks we have a meeting with mayors and chief executive officers of all the councils along the route to keep them apprised of progress and to establish whether there are any issues we should be addressing.

Mr MARSHALL: Has the department worked out, for instance, what distance the stations will be apart, how many carriages they will be able to take and what average speeds will be achieved? Are these the kinds of things it is investigating?

Mr MARTIN: The purpose of the master plan is really to come up with a solution for the provision of the rail. It is addressing all of those matters of detail. It is addressing the interchanges, their location, their size and their integration with the adjoining properties and communities. That very much involves local government. The planning process is also looking at the operational practices, the time frame and the implications in respect of crossings, frequency of service, the total patronage, the size of interchanges and even the facilities needed to be provided at Perth Central Station to cope with that planned patronage. It is a very thorough consideration of all aspects of building a railway. The purpose is that, when the master plan is presented, the government have answers to the questions that need to be asked and have some confidence in making decisions or giving consideration to making decisions to build a railway.

Mr MARSHALL: If the Government were to approve it, what is the anticipated completion date?

Mr MARTIN: I am unable to respond to that question with any detail. It is a matter for consideration by government.

Mr MARSHALL: It was touted somewhere that figures indicated that by the year 2020 a rail station in Mandurah would be the biggest in the metropolitan area. Is that true or false?

Mr MARTIN: I am unable to confirm that specific detail, but certainly the expectation of growth in the south west region of the metropolitan area is the reason for undertaking the master plan and considering rail to the Rockingham-Fremantle transit way, the bus service along the Kwinana Freeway and the circle route. All of those major trunk services, plus the feeder services, are part of catering for the expected continued high growth in the corridor through to Mandurah.

Mr MARSHALL: There is a perception that this will happen and that the usage of the southern rail link will be far greater than the northern suburban rail link. Is that true or false?

Mr MARTIN: The work done in the master plan to date suggests that the railway will be at least as busy as the northern suburbs rail service and potentially more heavily used.

Mr OMODEI: We have spent \$1m up to the end of this financial year, and another \$1.3m is budgeted in the next financial year, making a total of \$2.3m for the master plan.

Mr McGOWAN: My question also relates to the south rail link. Minister, it looks like you will have been in government for about six years at the time you bring down your plan. It seems to me that by now some specific time frame should be in place for the implementation of the rail line and that you should have some idea when you will have a rail link south to the two major growth centres, Rockingham and Mandurah, and when the people there could expect a service. A number of years ago a Cabinet meeting held in Mandurah came up with a time frame of 2015-2020 to Rockingham-Mandurah. Is that correct? Is that when you will be installing the rail line? There is a great deal of community disquiet in Rockingham about the proposed route through Kenwick. I have had meetings with your advisers about these matters. I am wondering if, as part of your master plan, you are reconsidering that proposal and looking at a route through Fremantle or even, at the outside, a route up the freeway the same as goes to Joondalup?

The CHAIRMAN: Minister, strictly speaking that question does not relate to any specific item of expenditure on the budget papers. I will give you some latitude if you wish to answer it. It seems to be more related to government policy.

Mr OMODEI: The master plan certainly is in the Budget. The Government's commitment is to have the rail to Jandakot by 2005, but the master plan will be completed by the end of this year. It will provide a lot more information to enable the Government to make any definitive decision on time lines as a result of the work done in the master plan. Until the master plan is completed it is unlikely we will have any definitive answers because we do not know the costs and all of the other related issues.

Mr McGOWAN: Mr Chairman, on page 1223, there is a line statement on the Kenwick to Jandakot railway. I thought my question about real time frame was specific to that point. Minister, is your answer that you do not have an answer at the moment in relation to time frame or any change of route at which you might be looking?

Mr OMODEI: It is an appropriate question. The answer is that, beyond the Government's commitment in relation to Jandakot, no decision will be made until the information comes forward as a result of the master plan, and I think that is appropriate.

Ms MacTIERNAN: Has anything happened over the past year to suggest that the time frame to have the rail link to Kenwick has been moved forward from 2005 to 2001?

Mr OMODEI: The advice given to me is that it is a question of government policy as to whether that would occur.

Ms MacTIERNAN: You are a member of the Government, Minister.

Mr OMODEI: I am not aware of the Government making any decisions about those things other than waiting for the master plan to materialise at the end of this year. Then it will have the information necessary should any other decisions be required.

Ms MacTIERNAN: I am asking whether there have been any Cabinet determinations to bring this forward from 2005 to 2001.

Mr OMODEI: Not to my knowledge; not in the Cabinet meetings I have attended.

Ms MacTIERNAN: Are any funds other than the master plan money set aside in the forward estimates to commence construction of this facility? I am talking about construction style activities.

Mr OMODEI: Yes. On page 1223, under Kenwick to Jandakot railway line, the estimated total cost is \$19.5m and the expenditure to 30 June 1998 is \$808 000. Estimated expenditure 1998-99 of \$6.592m and the [inaudible] expenditure of \$12.1m.

Ms MacTIERNAN: What sort of works are involved?

Mr OMODEI: The continuation of the necessary works for the introduction of a suburban rail service between Perth and Jandakot as the first stage of the Perth to Mandurah railway line. The funds allocated in 1998-99 include \$5.6m for the minimum civil works for a tunnel under the Albany Highway and \$1m commencement for the minimum civil works required for a tunnel under the Roe Highway.

Ms MacTIERNAN: Will the construction of the tunnel commence this coming financial year?

Mr OMODEI: Yes.

Mr McGOWAN: It is not just planning; it is, in fact, construction?

Mr OMODEI: Yes.

Dr WHITAKER: The examples that the Minister gave are major construction works involving Main Roads. The works are actually occurring and, as part of those works, we are making provision for the railway to go in.

Mr McGOWAN: I am sure the member for Dawesville would agree that the route is an extremely important point. You have not addressed that as yet. Are you considering a change in the route as part of your 1998 master plan? There is considerable anguish in the City of Rockingham about the proposed route. That route will basically put a spur line into the city and bypass the City of Rockingham completely. Is that correct, or are you looking at constructing a line through the City of Rockingham? Is this another matter being addressed in this master plan? If it is being addressed in this master plan, can you give us some sort of indication of what you are planning to do?

Dr WHITAKER: The master plan is looking at route options in a broad and a detailed scale. For example, the alternatives suggested by people of going down the freeway or going from Fremantle have been looked at as part of the master planning exercise, but the best route without doubt has been concluded to be the one from Kenwick via Jandakot. The reasons for coming to that conclusion will be part of the report. As the member said there are two options for Rockingham: One through the main part of Rockingham, which involves significant civil works and tunnelling, and some very significant expenditure, and another around the eastern boundary of Rockingham. The options will be part of the final report which will give the Government a complete suite of advice of the cost of the various options and the Government can then make its decision.

Mr CARPENTER: The Government has said on a couple of occasions that it is looking at 2015 to 2020 as the proposed time frame for the construction of the line. I preface my question by telling you that in the run up to the 1988 election I was present the day the announcement was made that the northern suburbs rail link would be constructed and I was there when it opened four years later. Is some engineering excuse being offered for the incredibly long time frame for the construction of this southern rail link, or is it purely a financial consideration of government?

Mr OMODEI: I was making a comparison. We are looking at at least a \$1b project as compared to a \$270m project in the case of the northern line. It is a significant project. One billion dollars does not grow on trees and it is a significant decision for the Government to make.

Mr CARPENTER: That answers the question; it is purely a matter of financial consideration.

Mr McGOWAN: From where do you get the figure of \$1b? The costings I saw came out of the studies conducted early this decade. They showed that, at least through to Rockingham, the cost was in the same vicinity as the cost of the railway line to Joondalup; a little bit more because of the extra distance involved, but roughly the same.

Mr MARTIN: The final cost, of course, has not been established because that is part of the master plan which is being developed. However, as I explained a little earlier, we are looking at a comprehensive master plan. That involves the building of quite elaborate interchanges. There are also issues of a railway down the Armadale line and parallelling the freight line across the Kwinana Freeway. The operational requirements look like requiring additional railway lines over and above what was originally intended. In addition, the sort of treatments we are planning in those areas to complement the local communities - fitting with local government - are resulting in the project's approaching \$1b.

Ms MacTIERNAN: Is that to Mandurah or to Rockingham?

Mr MARTIN: To Mandurah. I am not sure of the base of the member's reference to the cost but we are looking at something like \$1b and, as the Minister said, it is important that we highlight to the Government all the elements or the options that might make up, increase or reduce a particular base case in the master plan. It is reasonable to say that we think it will run to about that cost, including the rolling stock. We are talking about almost doubling the rail fleet in order to run this service and we are also taking account of the increased growth in other parts of the network over any time period we might be considering. It is an expensive project.

Mr OMODEI: The master plan will also provide the Government with information on the funding options which could include the Government and/or the private sector.

Mr MARSHALL: The information I received is that at the moment it takes people around 60 minutes to travel by vehicle from Mandurah to Perth and that in the year 2015, due to the population growth, it will take them well and truly over 100 minutes. There is a great need for rail transport.

You estimate that the project will cost \$1b to take the line to Mandurah. Will it go through as one unit or will it go to Rockingham and will people thus be delayed before they depart for Mandurah? I can understand the member for Rockingham wanting a service with suburban links to his area. Is it being considered that Rockingham have a station where there are bus sites and car parks - so that everyone feeds into there - at the expense of the broader vision of getting the link on time to Mandurah? Will we have links into Rockingham slowing down the process? Has the costing and the need to get the line to Mandurah been considered?

Dr WHITAKER: The short answer is that those options are being looked at. You are correct that speed is of the essence; we are looking for a high speed link, with trains going maybe 140 kilometres an hour.

Mr CARPENTER: I assume that this work has been done but I am interested to know how long it would take to build that railway line from Perth to Mandurah once a decision is made? I am not interested in, "Oh, well, if we stop at Rockingham." How long would the engineering take if a decision was made to build the railway line from Perth to Mandurah? I cannot believe this work has not been done in some sort of general terms. In general terms, to the nearest year, how long are you talking about? We know it took four years from the time they banged the first spike in at the Perth Central Railway Station to get to wherever this northern line finished.

Mr OMODEI: I am advised it is probably of the same order, but I prefer to confirm it by way of supplementary information.

Mr CARPENTER: About four years. That is what I thought. Theoretically if we made the decision we could have it there in four years.

Mr OMODEI: If we had the money.

Mr McGOWAN: What you are saying is that the problem is not one of the ability to do it, but one of political will because the answer is that it can be done. It can be done within four years but the problem is one of political will.

Mr OMODEI: It is not a question of political will, but of having all of the information at our fingertips before we make a decision and knowing the impact that decision will have on the taxpayer.

Mr McGOWAN: The South Western Australian Transport Study early this decade examined all these issues at

length. I seem to recall there were folders full of information on these issues. The proposal should not be delayed any more. We should make a decision on what we will do and if we can do it. Four years is a problem of political will.

Mr OMODEI: The SWATS study is now well and truly out of date. There have been a lot of planning changes. A lot of demographic changes have occurred as a result of those planning decisions. You would know that well from Rockingham, just in your time. There has been a terrific change in the population. It is not a question of our having the political will. Governments make decisions based on all of the available information. To make a political statement and say, "We will build the railway line and then make everything else fit" is rather convenient. This Government is more responsible than that.

Mr McGOWAN: You have made that sort of decision about a number of transport issues - the buses, Northbridge tunnel.

Mr OMODEI: That is not correct. The Northbridge tunnel issue has been on the drawing board for 30 years.

Mr McGOWAN: I had no idea that the Transform WA statement was going to be issued before I saw it on the television.

Mr OMODEI: Transform WA has been looked at for at least two years.

The CHAIRMAN: Members, we have not yet finished this division. I know this is a very important issue for members but the questions seem to be veering away from the budget item in relation to preparation of the master plan to some very general government policy questions.

Ms MacTIERNAN: Am I to assume that the \$6m allocated to the grade separation Lord Street level crossing is being transferred to Main Roads to assist in the roadworks associated with the northern city bypass?

Mr OMODEI: Yes. It is a decision about whether to upgrade Lord Street.

Ms MacTIERNAN: I asked that question because it is often said by the Minister for Transport that one of the reasons for the gross blowout on the Northbridge tunnel is the need to sink the rail. It is interesting that the Department of Transport is chipping in \$6m.

Mr OMODEI: The Northbridge tunnel itself is 1.6 kilometres of road system that will create a bypass for the northern suburbs. You know that as much as anybody else.

Ms MacTIERNAN: No, I was interested to know that the \$6m is an additional cost in the overall program.

Mr OMODEI: I am advised that it is nothing to do with the Northbridge tunnel. It is to do with the general circulation of traffic in the city.

Ms MacTIERNAN: Are those funds being directed to Main Roads?

Mr OMODEI: Yes, because it is doing the Lord Street crossing as a separate project.

Mr MARSHALL: On page 1205, where are you at in regard to introducing a code of practice governing management of fatigue for commercial route drivers? I know what is said about it but where you are at?

Mr OMODEI: Driver fatigue is a major preventable cause of heavy vehicle crashes and can be controlled through a fatigue management system. Other States have addressed their fatigue problems through a system of prescribed driving hours, but this system has never applied in Western Australia. The code is part of a total package which includes training, education and driver manuals. It will assist transport operators to provide a safe work system to meet obligations under the Occupational Safety and Health Act and will improve road safety by decreasing fatigue related crashes. A draft code has been released for public comment until the end of May and is currently being trialled by a number of road transport operators until the end of June. The code will be submitted to the Occupational Safety and Health Commission for formal approval by the end of 1998.

Ms MacTIERNAN: I am very concerned about the general nature of the line items on page 1207. I note the item, passenger and freight services, approximately \$242m. I would like a break up of that for the coming year. How much will go to Westrail, how much to MetroBus and how much to each of the private bus service providers?

Dr WHITAKER: The subsidy for ferry services is \$233 000. Westrail receives a subsidy of \$111m for the train services. I do not have the bus services subsidy by provider, but it is \$71.796m in aggregate.

Ms MacTIERNAN: Can we get that by provider?

Mr OMODEI: Yes, I will provide it by supplementary information.

Ms HODSON-THOMAS: On page 1224, the allocation for the line item relating to maritime and vessel replacement for 1998-99 is \$910 000. Could the Minister expand on the benefits to the boating public? Will the vessel being replaced continue to be used for search and rescue? I trust that maritime transport will continue to be involved in search and rescue, given its expertise in the area.

Mr OMODEI: The \$910 000 proposed to be expended in 1998-99 is for the replacement of departmental patrol vessels as part of the ongoing vessel replacement program and it will continue to be part of search and rescue exercises.

Ms HODSON-THOMAS: I wanted to put on the record that the department has the expertise and I would like to see this role continue.

Mr OMODEI: Absolutely, and that is going to happen. I remind members that we are discussing transport. It is up to them how much time they want to spend on Main Roads.

Ms MacTIERNAN: I do not want to diverge into minor items, but this item involves expenditure of \$242m over the year and it is fairly essential to the Department of Transport's operations.

On page 1207, the expenditure on subsidies is \$71m. Can you clarify a few mechanical pieces for me? I gather that each of the operators retains their fare box and claims a subsidy for the difference. Is that correct?

Mr OMODEI: That is correct.

Mr MARTIN: There is a contract amount for each operator and the contract area. They collect the revenue and the balance of the contract amount is paid directly by the Department of Transport to that operator.

Ms MacTIERNAN: As I understand it from the supplementary Auditor General's report, these contracted amounts are not fixed price contracts; every line item in the contracts is renegotiable. Have each of the companies made application for renegotiation of prices in the past financial year and has that applied simply to fuel or has there been a renegotiation of the contract price on the basis of wage agreements?

Mr MARTIN: I am unable to provide that specific detail. I would have to supply it by way of supplementary information.

Ms MacTIERNAN: You are not aware of whether the bus companies are seeking to renegotiate, or have renegotiated their contracts?

Mr MARTIN: They have had variations to their contracts based on the amount of service they provide. Also they have the opportunity of seeking a review of the contract rate. What I cannot tell you today is specifically what has occurred across all of those contracts in the past year, but I can supply a statement as supplementary information.

Ms MacTIERNAN: Could you explain what arrangements are made when a person boards a bus in Fremantle and travels to Armadale across a number of bus operational boundaries? Does the original company retain the entire fare or is there a divvying up process? This is the integrated system for which you are striving.

Mr MARTIN: We enjoy an integrated system. It is a basically integrated system in that it is a common fare and ticketing system across the whole Transperth system and a system to which many other States aspire. The question was, who retains the fare? The fare is retained by the first person who receives it, if they receive a cash fare and, as I said, their payments are on the basis of an amount for the contract and depend on how much money they collect. The balance of their contract amount is paid direct to them by the Department of Transport. There is no divvying up of revenue collected by each operator. There is no need. They all have a fixed contract.

Ms MacTIERNAN: Can you explain how who operates a bus service is determined where a bus route transverses various areas? For example, how is the crossing of the boundary determined in the Fremantle to Armadale service? Does one company operate when it goes one way and another company when it goes the other way?

Mr MARTIN: The basis of the contracts is that routes were tendered for and hence contracted. The operator for each route was determined at that time and any subsequent new routes or variations to the routes are either tendered for or negotiated with operators. There is no restriction on an operator crossing another's boundary. The routes are the basis of the contract.

Ms MacTIERNAN: To date, what amount of money has been paid out in redundancies to MetroBus drivers and what is anticipated will be paid in the coming year?

MR OMODEI: I understand that MetroBus is a separate entity and therefore it should answer those questions. That issue is not yet finalised. It is suggested that that be a parliamentary question to the Minister because it is a different agency.

Ms MacTIERNAN: Do you not make payments to MetroBus? Is the Department of Transport billed by MetroBus for the cost of those redundancies? If not, how is MetroBus funded?

MR OMODEI: I understand that the Department of Transport provides funds to MetroBus but MetroBus organises its redundancy and, therefore, it makes that decision.

Ms MacTIERNAN: Given that sums of money are provided to contract specific routes, how does that agency provide redundancy moneys when it does not have an independent source of income other than the income it receives from the Department of Transport?

Mr OMODEI: That question is best addressed to the Minister. I have tried to explain that Transport actually provides funds to MetroBus and it organises -

Ms MacTIERNAN: Does the Department of Transport provide funds to MetroBus specifically to pay redundancies?

Mr OMODEI: No, not specifically. It is part of the total budget that MetroBus seeks from the Department of Transport.

Ms MacTIERNAN: Was there provision for redundancy payments within the budget submitted by MetroBus to the Department of Transport?

Mr OMODEI: There would be a component, but we would need to supply that separately.

Ms MacTIERNAN: Could that be provided as supplementary information?

Mr OMODEI: I prefer that question be on notice to the Minister.

Ms MacTIERNAN: Is it part of the Department of Transport's payments?

Mr OMODEI: Yes. It is part of the component of that allocation.

Ms MacTIERNAN: It is extraordinary that you are refusing to let it be known.

Mr OMODEI: I presume you would receive the answer. MetroBus is a separate entity.

Ms MacTIERNAN: It is a separate entity, but it is funded by the Department of Transport. If a bill comes in to the Department of Transport for the redundancy payments, we should be able to find out what those redundancy payments are for. We should be able to find out what you are paying out of it. If we asked you how much you were paying on pot plants, would you be able to find it?

Mr OMODEI: I am told it would be part of the funding submission by MetroBus to the Department of Transport. It would be more appropriate for the Minister to answer that question.

Ms MacTIERNAN: You have said that you surveyed passengers. Who undertakes those surveys?

Mr MARTIN: The last passenger satisfaction monitor, which is the passenger satisfaction survey, was conducted in May 1997. The 1998 survey is currently under way and I think Donovan Research conducts that survey. Donovan Research uses a methodology that has been consistent for quite a number of years, so we have the opportunity to track changes in that satisfaction level across the various dimensions that are observed.

Mr OMODEI: It is interesting to note the 78 per cent approval rating for buses and 92 per cent approval rating for trains and ferries which is expressed by people who actually use the system.

Ms MacTIERNAN: Are you concerned that this appears to be contrary to other government surveys that have been commissioned? I refer to the attitude monitoring study of Western Australia that was prepared for the Office of the Premier by West Coast Field Services which was released in the same month as your study. It showed that only 13 per cent of those surveyed thought that the transport system was excellent or very good and that 9 per cent thought it was poor or very poor. Have you done anything to reconcile these conflicting reports?

Mr OMODEI: I understand that this is a survey of people who actually use the system. I am not sure what the other survey is. If it is a survey of the general public then so be it, but certainly people who use the system like the system.

Ms MacTIERNAN: Is that not a bit like the question raised earlier by the member for Willagee about the taxi subsidies? We should not be polling those people who use it. One of the aims is to encourage more people to use public transport, and those people who have chosen not to use the system should be taken into account in our performance appraisal.

Mr OMODEI: Two million more people are using the transport system now -

Ms MacTIERNAN: We could spend hours debating that.

Mr OMODEI: You always choose to adopt a negative approach to this and I suppose that is your right.

Ms MacTIERNAN: No, these are government studies.

Mr OMODEI: . I am aware from certain debates we have had in the past over other issues that you are not afraid to use misinformation.

Mr MARTIN: The mode share of people using public transport versus other modes is about 6 per cent. A relatively low number of people use public transport. Of that 6 per cent, the users who were polled gave those satisfaction figures that the Minister recorded. One of our challenges is to tackle those people who do not use public transport who have an alternative perception. That is the reason that there is a fairly extensive program. The 10 year public transport plan that was released by the Minister recently aims to address increasing the patronage on public transport, by both current and prospective users. We are concerned that we reach people who are not currently public transport users, but a number of those people have negative sentiments which we need to turn around. We believe that some of the investments that are proposed will achieve that.

Mr MARSHALL: A suburban bus service has started in Mandurah for two days a week, which is something for which we have been waiting six years. This morning an old lady came into my electorate office in Mandurah congratulating me because her neighbour will want to use it. I said, "Are you going to use it?" She said, "Oh, when I can't drive my car." It is an education program.

Ms MacTIERNAN: Would mode share not be one of the important performance criteria that should be included here? Have you considered using mode share as one of the performance indicators?

Mr MARTIN: The member is correct. It is, in fact, a performance measure. The long term aim of the metropolitan transport strategy launched in December 1995 was to raise that mode share by a factor of two over the next 35 years. It is a measure that we regard as very important.

Ms MacTIERNAN: Is it in the Budget?

Mr MARTIN: No, it is not in the Budget. The metropolitan transport strategy has a 35 year time horizon, so we are talking about shifting the mode share from about 6 per cent to 12 per cent over 35 years, which means that the number of people using public transport will treble over that time.

Ms MacTIERNAN: Although it is very important, it is not here as a performance indicator.

Mr MARTIN: It is difficult in a one year time span to determine that shift. We recognise it as an objective which we have to achieve over a long term and the variations from year to year may not provide meaningful information. Monitoring that on a five yearly basis, which accords with census collections, would be a better way of judging how we are going towards achieving that role.

Mr MARSHALL: Can you enlarge on the new site selection for Broome Airport which is the bottom dot point on page 1205? A tremendous number of people from the southern region go to Broome, whether they fly or drive and tow their caravans. Why must there be a new site selection and will it cater for intrastate and international travellers? Is there a proposed opening date? Will there be a disruption to tourism while they change sites?

Mr OMODEI: The current location of the airport is inhibiting the town and tourism development. A task force chaired by Transport is determining the potential relocation sites. Preliminary site selection is proposed to be completed by the latter half of 1998 and Cabinet has agreed that the existing owners, Wallace Emery and Associates Pty Ltd, will own the new airport.

Dr WHITAKER: A number of sites are being looked at and, as the Minister indicated, we will come to a recommendation by the end of this calendar year. I can give the assurance that there will be no disruption to tourism as we move from one site to the other. They will be geographically separated by a few kilometres depending on the site that is chosen and there is no reason why it should not be an absolutely smooth transition.

Mr MARSHALL: What will happen to the old airport when the transition occurs? Will it become a commercial airport, a small airport, or be sold as real estate?

Mr OMODEI: It is earmarked for the expansion of the town and tourism. I presume it will be developed over a period.

Mr McGOWAN: What is the current situation in relation to the Busselton Airport? As you will be aware, there was a bit of a saga a while ago because the airport was constructed without a specific operator in place. What is the current annual cost of the government subsidy of this airport? How many services are operated there per day, who operates the service and, in general terms, how successful is it?

Mr OMODEI: I think most of those questions have been asked on notice in the House. If I recall, the contract has been re-let to Maroomba Air Service.

Dr WHITAKER: You are seeking information on the number of flights and so on. If the Minister agrees, I would rather provide as supplementary information the timetable information together with the information on the total subsidy that we are putting in over the next 12 months.

Mr OMODEI: I think they run on Thursdays. I am sure questions have been asked in the House, but I will provide an answer by way of supplementary information.

Ms MacTIERNAN: How detailed are the accounts that are submitted by Westrail to the Department of Transport to attract the subsidy?

Mr SMITH: There is a four weekly payment from the Department of Transport to Westrail, excluding the revenue which we collect at the cash box. In other words, the figure of about \$91.7m for next year is actually paid in full.

Ms MacTIERNAN: What is the remaining money for? You have budgeted for \$111m.

Mr OMODEI: An amount of \$17.741m is for fares collected and \$1.5m is for lease revenue.

Ms MacTIERNAN: I do not understand the fares. Are the fares retained by Westrail?

Mr SMITH: We collect \$17.5m in fares out of the cash box. On top of that \$1.5m is from advertising and leasing, and then \$91.7m brings it up to \$111m.

Ms MacTIERNAN: A different approach is used in the costing of the private bus operators. From what I understand, they keep their cash box and the \$71m is on top of the fares. Is that correct?

Mr MARTIN: The arrangements are basically the same. The operator, be it of rail or bus, who collects the revenue banks the revenue, and the balance of their contract is topped up by payments from the Department of Transport.

Ms MacTIERNAN: I am trying to work out how it is accounted for in the records. You have said that the \$71m is part of that allocation. Is that actually \$71m or is it \$71m less what they retain in their fares?

Mr MARTIN: I am unable to answer your question accurately right off the bat. I understand what you are asking. In the bus situation, the revenue is accounted in and the payments are accounted out, but the transfer of cash is the net amount of the balance for the contract. Mr Smith might know what the split is for Westrail.

Mr SMITH: Westrail collects fares of \$17.5m and receives \$91.7m from the Department of Transport.

Ms MacTIERNAN: It appears from the earlier statements that the subsidies to the bus companies are dealt with in a different way.

Mr MARTIN: No, it is consistent. The budget figures reflect the total cost of the contract, if you like, and the revenue is the total of revenue obtained. The treatment is the same in both cases. The full cost is seen through the subsidy line and the revenue is the fare revenue that is collected.

Ms MacTIERNAN: Can we obtain a statement of the fares collected by each of the private operators and each of the public operators of the urban passenger service?

Mr OMODEI: I am prepared to provide that by way of supplementary information.

Ms MacTIERNAN: Is there a component within the Westrail budget for track maintenance of the passenger freight service and what is the extent of that?

Mr SMITH: I have only an overall structure for infrastructure maintenance of \$7.6m. I do not have it broken down into track maintenance itself.

Ms MacTIERNAN: Is it possible for us to obtain that information?

Mr OMODEI: We will supply that by way of supplementary information.

Ms MacTIERNAN: We would be interested to see what has been spent on track maintenance over a three year period.

Mr OMODEI: I will take that on notice.

Ms MacTIERNAN: Can you not provide an answer by way of supplementary information?

Mr OMODEI: I prefer to take it on notice.

Ms MacTIERNAN: Surely, for administrative convenience, it would be easier to do it by way of supplementary information.

Mr OMODEI: My officer informs me that he prefers to take that question on notice.

Ms MacTIERNAN: At least we can see what you are trying to hide. I suppose that is one advantage. Is the cost of security guards employed by Westrail charged to the Department of Transport?

Mr MARTIN: The cost of security is included by Westrail in the total payments made to them for running the urban passenger rail system.

Ms MacTIERNAN: You probably do not have the information off hand, but could we obtain a breakdown of the cost of Westrail's own internal security guard operation for the passenger service and the cost of the security guards who have been contracted out to Chubb Security? We would like those two separate line items, any analysis of the number of man hours provided by Westrail and the number of man hours provided by Chubb.

Mr OMODEI: It will take some time.

Ms MacTIERNAN: I understand that Westrail pays about \$10 000 per security guard. Can you confirm that Westrail is still picking up the cost for the training of the Chubb security guards, and how much has been spent on training by Westrail and Chubb?

Mr SMITH: Westrail is still providing the cost of the training of the Chubb special constables. We recently awarded a contract of training costs, so we will have to obtain that as additional to the actual training costs.

Mr OMODEI: We will provide the rest of the information. Currently we have 87 security guards and another 11 will be put on. We are putting in place a centrally controlled security camera system at Transperth bus stations, we are installing hidden security cameras on 50 buses used for late night services and all of the new buses purchased will be fitted with security cameras.

We have increased the frequency of high profile security patrols at the bus station and contracted a security firm to monitor the system and provide assistance to patrons in danger. A figure of \$350 000 has been allocated in the 1998-99 Budget. These funds will be used to install surveillance cameras at Kwinana Hub, Rockingham, Murdoch Park 'n' Ride or the Booragoon bus stations. It is one of those very successful programs that the Government has put in place and it is making the rail a lot safer than it has been in the past.

Mr MARSHALL: Are any of the 87 security personnel Aborigines?

Mr OMODEI: Yes. We are employing an extra three.

Mr SMITH: In addition to the 87, we now have three Aboriginal liaison officers, and there will be four next year.

Mr MARSHALL: What happens to people who are apprehended for fare evasion?

Mr SMITH: If someone does not have a ticket, has an invalid concession card or is overriding a station, that person will be issued with an infringement notice which carries a \$50 penalty.

Mr MARSHALL: Are they in a position to pay the penalty?

Mr SMITH: That is not an on the spot penalty, it is a follow up. They must come in and pay it. Obviously, some do not pay it.

Mr MARSHALL: What is to stop them not paying it and still catching trains? They are not prevented from using the transport until they pay their fine.

Mr SMITH: No, we do not have that ability.

Mr OMODEI: We will provide more supplementary information about that.

The CHAIRMAN: We will receive supplementary information on the remainder of the information required by the member for Dawesville and the member for Armadale.

Division 40: Main Roads, \$43 527 000 -

[Mrs Holmes, Chairman.]

[Mr Omodei, Minister for Transport.]

[Mr R. Drabble, Commissioner of Main Roads.]

[Mr D. Warner, Executive Director of Corporate Services, Main Roads.]

Ms HODSON-THOMAS: My question relates to an area that affects my electorate. Given that the member for Armadale has had a lot of time for questions, I thought I might interrupt her and go straight to my question first.

Ms MacTIERNAN: We do not have the same access to the Ministers out of budget time.

Ms HODSON-THOMAS: On page 729 of the budget papers is the item "Reid Highway (Marmion Ave to Roe Hwy)". Why does Marmion Avenue feature in this item, given that the work on the freeway to Marmion Avenue is not continuing or has not started? What funding has been allocated out of this figure to the freeway west to Marmion Avenue? Marmion Avenue to the freeway is not proposed to occur for the next 10 years. Is an amount being allocated to that section of the road and for what will that funding be used?

Mr WARNER: A preliminary amount has been allocated for investigation works on design and planning. We are negotiating with the council about funding. At this stage, we have not reached agreement and the construction timetable is outside the 10 years.

Ms HODSON-THOMAS: Can you enlarge on that figure for this investigation?

Mr WARNER: It is a very small amount. I do not have it in my head, but I can provide it if necessary.

Ms HODSON-THOMAS: Does Main Roads have a requirement to obtain further land to develop that area at some further time?

Mr WARNER: My understanding is no, the alignment has been sorted out. There may be some acquisition of land, but my understanding is that it is a funding issue and a question of priorities as to when construction can start.

Ms MacTIERNAN: Can you explain a few basics about how your accounting has been done this year? We are a bit puzzled by it. If I go to last year's budget papers, quite clearly your expenditure was \$189m on recurrent, which is largely salaries, and \$365m on capital works. We have a lump of money that is recurrent and we have a lump of money that is capital. What are those relevant figures, those two key items; what is recurrent and what is capital?

The CHAIRMAN: To which page is the member referring?

Ms MacTIERNAN: That may be dotted throughout the entire entry. In last year's budget papers it appeared on a single page.

Mr OMODEI: Where are you trying to get to with that?

Ms MacTIERNAN: I am trying to establish how much money has been spent this year on recurrent and how much has been spent on capital, so we can compare that with the recurrent capital expenditure last year.

Mr WARNER: The budget papers contain only the capital expenditure details. Basically, we are looking at an expenditure from the consolidated fund of \$43m. That is the amount seeking appropriation.

Ms MacTIERNAN: The rest is coming from other sources. What is the total? Total capital expenditure is \$442.8m; is that correct?

Mr WARNER: Page 723 indicates the total cost is \$468m. That is for the projects that are in the budget papers. That does not include -

Ms MacTIERNAN: Is that the cost of estimates?

Mr DRABBLE: Will the member for Armadale identify where the item is so that we can respond, if necessary, by way of supplementary information?

Ms MacTIERNAN: This is crucial to the whole analysis. We are trying to compare last year's recurrent and capital with this year's recurrent and capital - a fairly simple, straightforward procedure. In last year's budget papers, \$189m was recurrent and \$365m was capital. What are the equivalent figures for this year?

Mr OMODEI: If you can make that information available -

Ms MacTIERNAN: The whole analysis of this budget depends on knowing what those figures are.

Mr OMODEI: What last year's were?

Ms MacTIERNAN: No, we know what last year's were. We are asking what is this year's equivalent of those figures; that is, what is the total capital expenditure?

Mr WARNER: The difficulty we have in responding to the question is that data sets are referred to in relation to last year's budget estimates and this year's budget estimates. We do not have both sets of data. We would be pleased to respond to the question, but our not having the information to which you have referred makes it extremely difficult.

Ms MacTIERNAN: With respect, this is a basic question.

Mr WARNER: We would be happy to receive the information the member has and respond to it as a supplementary answer.

Ms MacTIERNAN: This is the two basic items of expenditure - your recurrent and your capital. Are you unable to tell us how these figures have changed over the past year?

Mr OMODEI: No, we are saying that we will be able to provide it to you by way of supplementary information. The accounting systems have changed since last year, therefore the program papers have changed in accordance with the Government's proceeding to full accrual accounting.

Ms MacTIERNAN: How much has been spent on salaries this year in the budget?

Mr OMODEI: Our accounts are not structured on a line item by salaries or expense codes. They are constructed on the basis of projects, but approximate salary and wages expenditure is in the order of about \$72m.

Ms MacTIERNAN: Is there no separate analysis? Are all of your salary figures calculated against a particular project?

Mr OMODEI: Yes.

Ms MacTIERNAN: Is the total cost of running the departmental staff now separated out and put into each of the capital items?

Mr WARNER: Yes, both into the capital items and the recurrent expenditure. The recurrent expenditure consists of maintenance and the capital items are improvements to roads and major new roads. The total expenditure for salaries and other similar types of expenses are charged against those respective projects.

Mr MARSHALL: I refer to page 711 regarding costs of road preservation. In the third dot point it states that there is increasing concern in the community over roadside conservation, air pollution and traffic noise. This has a significant cost effect, as road works are more costly when those concerns are better catered for during road construction. I assume that part is when they try to stop the noise pollution going into the suburban area off highways and build buffer areas. Some areas with kangaroos have tunnels going underneath the roads to let the animals get through, and so on. Are a number of these "hot spots" identified as requiring extra road preservations? Have any areas been completed and what extra cost does such a project or issue demand from the Government?

Mr DRABBLE: This situation arises in a number of areas. The first obvious one of which people in the metropolitan area would be aware is St Brigid's Church at the entrance to the Graham Farmer Freeway tunnel. Initially, there was no intention to install noise protection around the church area. The people from the church approached Main Roads and other parts of government and sought some immunity from the noise that they believed would generate from the traffic going along the Graham Farmer Freeway. We undertook some studies. We believed it would be detrimental to the operation of the church and therefore we increased the scope of the Graham Farmer Freeway study to accommodate noise funds to quarantine the church from the noise of the freeway. Another good example is the Mitchell Freeway around the Lake Monger area in Leederville where, because of the convergence of traffic, there is a degree of noise that is not evident on other parts of the Mitchell Freeway. We are looking at trialling new systems of noise prevention in that area. A number of areas can be predetermined as part of our planning process and others will become evident once the road structure becomes operational.

Mr MARSHALL: Is there a budgeted amount to cater for something like this as you find it?

Mr WARNER: Where it is evident at the beginning of the process - that is, in the original scoping of a job - it is understood that a provision is needed to eliminate noise. It is then budgeted for. In other instances where it becomes apparent, either through community consultation throughout the progress of the project or once the project becomes operational, typically it is not budgeted for, therefore moneys must be made available.

Ms MacTIERNAN: On page 723 under operating expenses is the line "Other" which includes salary and staff costs. That sum is increasing from \$177m to \$238m while staff is estimated to drop by one-third from 1 200 to 800. Can you explain that?

Mr WARNER: That expenditure does not include only salaries; it includes superannuation liability, leave liability,

etc. All those are funded from the trust fund. There is no drain on the consolidated fund for those costs. There is an allowance in the Budget for redundancy payments for people who will be leaving Main Roads during the course of the year. Basically, that is in the order of \$42m, and that is a most significant change in that item.

Ms MacTIERNAN: You have \$42m but, presumably, superannuation and leave liabilities were there all the time.

Mr WARNER: That is correct.

Ms MacTIERNAN: You add on \$42m for redundancy but you will be saving wages. It still does not add up. The difference is considerably greater than \$42m without even taking into account the fact that you will have only two-thirds of the wage costs.

Mr OMODEI: I am prepared to give a breakdown of all of the costs by way of supplementary information.

Ms MacTIERNAN: On page 726 of the budget papers it states that capital expenditure is for \$442.8m. That compares with last year's figure of \$365m. Is the difference the cost of salaries? You list as your capital expenditure a sum of \$442.8m and you then itemise the capital items. Is that correct?

Mr OMODEI: That is correct.

Ms MacTIERNAN: For the first time this year has a portion of Main Roads' operating costs been added to each of these items of capital expenditure?

Mr OMODEI: Yes, that is correct.

Ms MacTIERNAN: Is that the first time that that has happened?

Mr OMODEI: No.

Ms MacTIERNAN: Was it the case last year?

Mr WARNER: Yes. We have had an evolutionary change to our accounting procedures. We are now allocating the total non-operating costs, as it were, to projects. In previous years we had not quite refined the process, so some of the costs were going there, but not as accurately as they are now.

Mr MARSHALL: The Kwinana Freeway extension to Safety Bay is acclaimed by nearly everyone in the Rockingham-Mandurah electorates. The fifth dash point on page 713 states that an amount of \$397.6m will be spent on widening the Narrows Bridge and bus transit way as well as extending the freeway to Safety Bay. Should that not include the removal of the stop lights on that freeway on Thomas Road and the building of overpasses instead? On what part of the project will the figure of \$22.4m for 1998-99 be spent?

Mr WARNER: The Kwinana Freeway proposal envisages taking out the traffic control signals and replacing them with interchanges. The initial contract negotiations have started. We have requested expressions of interest from proponents to undertake the work. The work that starts this year will probably be design and planning and perhaps some initial activity. It will be preparing for activity starting towards the end of the financial year and it will be completed by 2000.

Mr MARSHALL: Will the design and planning cost \$22m?

Mr WARNER: No. However, there will be a start on the activity.

Mr DRABBLE: In relation to some of the key elements of the Kwinana Freeway extension, all we are looking to do is award contracts towards the end of this calendar year or early next calendar year, in which case we expect that the contractors will start incurring costs throughout the back half of the financial year; the \$22.4m is our best estimate of our required draw downs to meet those plans.

Mr MARSHALL: What sections of the contractual agreements will you begin first? Will you start on the Narrows Bridge, extend the freeway to Safety Bay Road or take out the lights first?

Mr DRABBLE: We have not prescribed a plan of attack by the contractors. All we are hoping is that when they submit their design and construction propositions it will take account of early benefits being delivered to the community and they will outline those early benefits in their proposals. Until such time as we have received the submissions and properly assessed them and awarded contracts, I am not prescribing, nor do we know, whether it will be the bridge, the interchanges or the extension of the freeway that will be affected first or, in fact, whether they will run simultaneously.

The CHAIRMAN: Will that take into account the fact that we must have a tunnel under the freeway if we are to have the railway from Kenwick to Jandakot and across the freeway?

Mr OMODEI: We covered that under the previous section, but I am sure the commissioner will be happy to respond.

The CHAIRMAN: I was relating that to dot point six on page 713 that we were just discussing.

Mr DRABBLE: Main Roads is represented on the hearing committee examining the rail link between Kenwick and Mandurah. In relation to the grade separated interchanges to which the member for Dawesville referred, we will make sure that the design proposals that come forward from the contractors will accommodate the railway when it runs further south. There is a clear understanding from Main Roads about the overall objective of having the railway running south. We will make sure that there are no physical impediments put in place that prevent that railway's construction.

Mr McGOWAN: What is the date of completion of the entire package?

Mr OMODEI: It is 2000.

Mr McGOWAN: At the end of 2000 or the beginning of 2000?

Mr OMODEI: At the end of 2000.

Mr McGOWAN: What is the date of the next election?

Mr OMODEI: We are not going to have one. We are just going to keep going!

Ms MacTIERNAN: What percentage of the costs of salaries and other staff costs, which you have estimated on page 723 as \$238m, is also included in these capital works projects?

Mr OMODEI: All of it except that portion going towards the preservation projects.

Ms MacTIERNAN: How much would that be, approximately?

Mr OMODEI: About two-thirds.

Ms MacTIERNAN: We are trying to calculate to what extent you have included the recurrent expenditure in your capital figures. If we were to try to calculate Main Roads' total expenditure, we could not add this cost to the \$442.8m. You have a separation of each when recurrent and you are now moving away from that. However, you have included approximately two-thirds of the recurrent item of \$238m in the \$442m.

Mr OMODEI: If you give those questions as direct questions, we will provide the answer by way of supplementary information. I am advised that recurrent is not capital, it is maintenance. There are three different programs.

Ms MacTIERNAN: We have the costs of the staff of Main Roads; that is, the salaries component which in the previous Budget was separated from the capital works. Now you have allocated staff time to particular projects. For example, if we look at the Northbridge tunnel, something in the order of \$30m has been allocated for the first time as a staff component, an overhead cost, and as corporate services to the tunnel project, and that accounts for a substantial part of the cost blow out. Is that correct, Minister?

Mr OMODEI: We would not say that there is a cost blow-out.

Ms MacTIERNAN: The cost has increased by some \$38m.

Mr WARNER: First, we are dealing with the capital program in the budget papers; that is, capital works, which consists of two Main Roads programs, the expansion program and the road improvement programs. The recurrent expenditure is the preservation program. Now, they are the three programs on which Main Roads works. There is the preservation, or maintenance, of the network, which is a recurrent cost; capital works, which is the improvements; and the road expansion. Salaries and all other overhead costs cannot be directly attributed to a job. For instance, my salary would be very complex to cost to a project. Those moneys, together with the building costs of the Main Roads building, the head office expenditure on lighting and electricity and those sorts of things plus finance costs, are what we call corporate overheads. Those corporate overheads are managed separately to the projects and are budgeted for and accounted for separately, and people must justify that expenditure.

The actual costing of the job is a real cost to the community for having that expenditure and we transfer that expenditure against the jobs in relation to the cost of the jobs. One job costs X and another job costs XX, and proportionally part of the administrative costs, corporate overheads, go to each job. That is the general philosophy. We could try to cost things down to detail for each person's salary, but the cost of doing so would be prohibitive. If you are a direct manager of a project, the costs of the engineer in charge or the workers on the job doing the work, because they are staying on that job for quite a while, are charged direct to the job. The original cost estimate for the Graham Farmer Freeway of \$335m did not include corporate overheads.

Ms MacTIERNAN: Why was that?

Mr WARNER: At the time it was announced, that was the construction cost of this project and did not include corporate overheads. A number of other things also were not included. It did not include rise and fall because at the time of signing of the contract we did not know whether the contract would go up or down.

Ms MacTIERNAN: If we could focus on the corporate services part, are you saying that two years on you have allocated \$30m?

Mr WARNER: We have allocated \$37.567m.

Ms MacTIERNAN: That was always a cost, it just was not accounted for in this part of the Budget. Is that correct?

Mr OMODEI: That is correct.

Ms MacTIERNAN: In which part of the Budget did it appear?

Mr WARNER: In previous formats it appeared under the heading "Administrative Costs" or "Salaries" or "Administrative Costs". If you go back a couple of years you will see various line items which would have explained that. It would have been salaries, building costs, computing costs, plant and equipment and various line items like that.

Ms MacTIERNAN: Is money that was previously recorded under salaries now being recorded under capital?

Mr WARNER: Yes, that is right.

Ms MacTIERNAN: If we wanted to assess the change in the amount of money that was being expended on capital works, we would need to be able to work out how much of this, that used to appear as a salary, now appears in the capital?

Mr WARNER: That would be a very difficult exercise.

Ms MacTIERNAN: Presumably you have done this for each item. You are able to tell me with considerable precision how much you have done that in relation to the Northbridge tunnel.

Mr WARNER: That \$37m is the actuals to date plus the estimate to the end of the project.

Ms MacTIERNAN: In relation to that project, roughly how much has been taken out of the old salaries budget and popped into the capital budget? Do you have those figures? Presumably the Northbridge tunnel is not the only item that has found itself subject to this increase, and this process of accounting has also applied to a number of other projects? Is that correct?

Mr WARNER: The project we are talking about is the Graham Farmer Freeway, which is taking the link from the Mitchell Freeway to Great Eastern Highway, not only the tunnel.

Ms MacTIERNAN: We are trying to get to the bottom of the accounting procedures.

Mr WARNER: Yes, it is applied proportionately to each project.

Ms MacTIERNAN: If we say that of the \$406m for the Graham Farmer Freeway project, between \$30m and \$37m is for the introduction of the corporate services, how much of the increase in the total program is the result of changes to the corporate services?

Mr WARNER: Each project has had the appropriate percentage applied to it. An amount of \$37m is a lot of money but it is about 10 per cent of the project cost. Each project has had that proportion applied to it.

Ms MacTIERNAN: Do you reckon it is probably about 10 per cent across most of the projects? Would that be a rough ballpark figure?

Mr WARNER: Yes. In that case it is \$37m on \$369m.

Mr OMODEI: Madam Chair, I cannot see where the member for Armadale is heading. If she is trying to understand the accounting process then maybe the department can give her a briefing. I know we are putting \$120m more into Main Roads this year.

Ms MacTIERNAN: How do we determine that?

Mr OMODEI: We have gone from \$350m when we started in government to \$550m plus another \$121m. Whether it is in salaries or corporate services or whatever, who cares?

Ms MacTIERNAN: Minister, you are saying to us you are putting in this amount of money, but it turns out from looking at your capital budget that it is not what it seems; to a certain extent it is just shifting costs from one source to another source. When we look at the budget and we see an increase in costs, but the Government says it is not an increase in costs because it has just moved the figures around in the budget, I think that is a very relevant factor.

Mr OMODEI: Do you want a briefing on the accounting practice?

Ms MacTIERNAN: This is what the budget analysis is about.

Mr OMODEI: This is not a forum to give you a briefing on accounting practices. It is a forum for you to ask questions about the budget items. I will just reiterate that we have gone from \$350m to \$670m in allocations for Main Roads since we have been in government. I think that is significant. If you want to talk about the accounting practices and accounting methods, we will give you a briefing on that so that you can understand it for next year.

Ms MacTIERNAN: We want to see how much you are actually spending and how much is just moving money around.

Mr MARSHALL: I refer to a budget item on page 731. We have mentioned the changes to the Kwinana Freeway and you have said they are in the study period at the moment. I acknowledge the previous answer that the building priorities are still to be decided, but the sixth item on this page is to construct and seal the Kwinana Freeway from Thomas Road to Safety Bay Road. The estimated cost is \$1.3m, the estimated expenditure to June 1998 is \$1.3m, and \$636 000 was spent in last year's budget. Can I get some clarification on those figures? Although those figures are quoted, the construction work has not started from Thomas Road to Safety Bay Road. If that amount of \$636 000 has been spent, I am not sure where the money has gone. Although we have established that no priority has been set on which parts of the Kwinana Freeway will proceed first, when a decision is made to construct and seal that area from Thomas Road to Safety Bay Road how long will the work take?

Mr OMODEI: First, the \$636 000 has been spent on primary design work and some possible land. The work will be done by December 2000.

Mr MARSHALL: Will it take 18 months or a year to construct that strip?

Mr OMODEI: Two years. That is the entire freeway.

Mr MARSHALL: I know that, but how long will it take to extend the freeway from Thomas Road to Safety Bay Road?

Mr OMODEI: Probably about that time.

Mr McGOWAN: What will you call it? It will no longer be the Kwinana Freeway.

Mr OMODEI: We do not have a name for it yet.

Mr McGOWAN: At page 712 it is stated that a need exists to review current expenditure on the national highway network, and other state highways of national importance, including the Kwinana Freeway extension to Mandurah. What is the Government's intention in relation to national highway funds? Is it applying for highway of national importance status for the extension to Mandurah and, if so, does it expect to receive it?

Mr WARNER: Both the Minister for Transport and the Premier approached the Commonwealth Government, in writing to the federal Minister for Transport and the Prime Minister respectively, with regard to the Kwinana Freeway and the Roe Highway. We have not had any official answer yet and we are expecting an answer shortly. The federal Minister for Transport was over here last week and made some inspections of the area. He went to Northam in relation to the Northam bypass, and we are hopeful that there will be some commitment from the Commonwealth, in regard to either or both of those projects, from the roads of national importance fund.

Mr McGOWAN: When do you expect that?

Mr WARNER: There was nothing in the current Budget from the Commonwealth. It will be when the Commonwealth makes up its mind to make further allocations from probably the centenary or federation fund.

Ms MacTIERNAN: Minister, you quoted a total expenditure figure. I wonder if you could just point us to where that figure is? There is no total expenditure figure.

Mr WARNER: The total budget for Main Roads expenditure this year is \$681m.

Ms MacTIERNAN: Where do we find that? Where would a person reading the budget papers find that?

Mr WARNER: The budget papers deal only with appropriation of \$43m from the consolidated fund. In relation

to the capital works, which are included for information, the amount is not available in consolidated form or in the revised form.

Ms MacTIERNAN: Was it in previous budget papers?

Mr WARNER: There is a revised format which Treasury has made standard across all agencies. That is the format that has been adopted by Treasury and which we are complying with.

Ms MacTIERNAN: The revised format precludes you from setting out the total expenditure of the Main Roads?

Mr WARNER: The appropriation process that the committee is going through relates to \$43m from the consolidated fund. In fact, the additional information being provided is by way of information. It is not being appropriated by Parliament. The money comes from the Main Roads trust account. The vehicle licence fees are appropriated direct to that account. The Commissioner of Main Roads and the Minister publish a document "The Road Investment Plan" which sets out the whole program. This is the 1997 program, and the 1998 one will be available shortly.

Mr OMODEI: Also, the annual report is provided every year.

Ms MacTIERNAN: Is that where we will find the \$681m?

Mr OMODEI: All that information would be in the annual report.

Ms MacTIERNAN: Which will come after the year has gone, not before?

Mr OMODEI: Yes.

Mr WARNER: The annual report will, but the 1998 plan is just being tidied up for printing and will be available shortly.

Ms MacTIERNAN: Will that have details of the full \$681m?

Mr WARNER: Yes.

Ms MacTIERNAN: It will provide us with all that information?

Mr WARNER: Yes.

Ms MacTIERNAN: I refer to page 727 with regard to the Northbridge tunnel. Can you explain how the budget allocation has gone up from \$370m, I think, last year to \$406m? How did you calculate the additional \$30m?

Mr WARNER: The price originally advanced was \$335m, which did not include the corporate overheads I have mentioned previously.

Ms MacTIERNAN: That is the question I am asking.

Mr WARNER: That is \$37m, which is the estimated cost to the end of the project when it is completed. There is also an allowance in that price for rise and fall, which is allowed for under the contract.

Ms MacTIERNAN: Yes. I understand that. I am just interested in the corporate services part of that.

Mr WARNER: It is \$37.567m.

Ms MacTIERNAN: How did you calculate that? Does that include designers and engineers?

Mr WARNER: It is a percentage of the total money spent on those corporate activities in relation to the proportion of the total budget for this project.

Ms MacTIERNAN: So it is not done on the basis of actual cost. It is purely a proportion?

Mr WARNER: The \$37m is actual cost in relation to what has gone to date, and for the future it is the anticipated corporate overheads against the anticipated final cost of the project.

Ms MacTIERNAN: Can we get information on how you arrived at that estimation?

Mr WARNER: Yes.

Ms MacTIERNAN: You did not actually go through and work out how much time has actually been spent on this project. It was just done purely as a percentage.

Mr WARNER: No. It is too costly to do it on actual time. Let us say the corporate overheads were 100 units. Those 100 units were spread in proportion to the cost of each project. So, if one project was two units it would get

two parts of that. In relation to another project it was one. The same ratio was spread over each project in relation to its cost. That calculates to approximately 10 per cent. It is the construction costs plus 10 per cent.

Mr MARSHALL: I am sure Main Roads is well aware that the Old Coast Road, particularly the Dawesville strip, is used by 17 000 vehicles daily. Because of this, there has been a plan to move traffic more quickly and safely by either a Dawesville deviation or a Peel deviation. What stage are you at in the research of this project? Do you have any idea which one will be built first and has any money been budgeted in these estimates?

Mr OMODEI: That issue is contained in the Transform WA strategy.

Mr WARNER: Basically the four lanes from Bunbury north will be at the point where the Peel deviation would start by the target of December 2000. In addition, from Mandurah there are four lanes down to where it is now just past the tavern, and there is a proposal to have the Dawesville deviation completed by 2001. That will leave a section south of that area down to where the Peel deviation may come back in if it is built. The Minister recently announced the intention to undertake a study of both those route options to see whether we should concentrate our resources on completing the four lanes, filling in that small gap, bearing in mind that the road to Mandurah has four lanes.

We have almost completed the four lanes to Bunbury but there is discussion on whether we should put our resources into that remaining coast route, which is gradually becoming urbanised, or put the resources into the Peel deviation. That announcement was made recently and Main Roads is in the course of getting a consultancy together, and consulting with the community and the people involved to see what the desirable options are. A decision will then be made, I assume, to either proceed with the Peel deviation and perhaps not advance the coastal route or the other way around.

Mr MARSHALL: If it was the Old Coast Road option, is widening or the creation of a new bridge under consideration?

Mr WARNER: Do you mean the part right on the foreshore of the estuary?

Mr MARSHALL: Yes, when travelling over the new bridge heading south on the Old Coast Road to Bunbury there is a bottleneck which is a huge problem. Is widening the bridge or perhaps building a new bridge being considered?

Mr WARNER: At what point?

Mr DRABBLE: That consideration comes into the evaluation of either the Peel deviation, which skirts around that bridge, or alternatively spending the money on the coastal road. In terms of the analysis of the two options, the analysis of the coastal road does comprehend expansion of the bridge capacity.

Ms MacTIERNAN: I have some questions about expenditure items appearing on page 732 associated with the Northbridge tunnel, including \$6.486m for the Lord Street bridge over the railway. I gather this is in addition to the \$6m that appeared on the Department of Transport budget?

Mr OMODEI: Yes.

Mr WARNER: Yes, that is in addition to the money in the Transport budget.

Ms MacTIERNAN: The \$20m shown on page 728 for constructing a bridge over the Mitchell Freeway at Loftus Street, I gather is for providing the interchange for the Graham Farmer Freeway.

Mr WARNER: That is a separate project to the Graham Farmer Freeway.

Ms MacTIERNAN: Is it interlinked? Is it a project that is made necessary by the Graham Farmer Freeway?

Mr WARNER: Not necessarily.

Ms MacTIERNAN: How does it link in with it?

Mr WARNER: It is improving the capacity on Loftus Street but it is being done at the same time as the Graham Farmer Freeway, or in conjunction with that activity, so that disruption does not occur. It was an option that could have been included or could have been excluded. The Graham Farmer Freeway would work better with it in, and Loftus Street will obviously work a lot better with it in.

Mr McGOWAN: With reference to page 713, I have some questions regarding the intersection of Safety Bay Road, Mandurah Road and Ennis Avenue in Rockingham. At the moment that is a heavily used intersection. There was a commitment a number of months ago by the Commonwealth and the State Governments to use black spot funding there for some traffic lights. With the extension of the freeway, which you said will be completed in December 2000, an overpass type interchange will be put in, but in the meantime following the TransformWA announcement the

black spot money has been withdrawn. Three weeks ago a man was killed on that intersection while crossing the line of traffic and, in light of that, will you reconsider your decision to withdraw the black spot funding and put in some traffic lights in the interim period?

Mr DRABBLE: Because the intersection attracted black spot funding money then quite clearly there is a propensity for accidents. I think the issue for us is to assess what is the most useful set of traffic measures to control the vehicles coming along Safety Bay Road west and Safety Bay east on to Ennis Avenue. Traffic lights may not be the best solution. Quite clearly we need to put something in which is workable and safe as an interim till we work out the new arrangement of Safety Bay and Ennis Avenue. So we will certainly pursue some measures to make the intersection safe.

Mr McGOWAN: I would appreciate that, as would the people down that way, but I think that a set of traffic lights which are moveable would probably be the best option. That was the one you came up with when you allocated the black spot funding.

Mr DRABBLE: Then there may be traffic lights. That may be a solution.

Mr OMODEI: That may be the solution. We need some flexibility until we decide exactly what we are going to do. Once the study has been completed, a decision will be made on whether a Peel slipway will be built or the coast road will be upgraded.

Mr McGOWAN: For about a year now you have used the intelligent management system whereby there are signs above the freeway. I see them every time I drive to Perth.

Mr OMODEI: Do you read them?

Mr McGOWAN: I do read them but they are not a great deal of assistance. As an ordinary commuter, I ask, first, what was the cost of that system and, second, was it value for money? The reason I am asking this is that the sign tells people what the speed limit is going through the city and whether it is better to turn onto Canning Highway. However, mostly, using Canning Highway to get into the city would take longer than staying on the freeway. Therefore, it is redundant at that point, and when you actually get into the city it is redundant because it tells you that the speed of the traffic is 40 kmh when you are already caught in traffic. I see very little point in the whole system being in place, and I think that is the view of the majority of people who use the freeway south.

Mr OMODEI: I will provide supplementary information as to the costs and the rationale for those facilities being in place.

Mr McGOWAN: You do not have that information available?

Mr OMODEI: I do not have all the information, but the commissioner can comment.

Mr DRABBLE: Main Roads is very keen to establish the value, if any, that comes out of that information system. Some research is being undertaken at the moment to assess whether we should expand it, contract it, or walk away from that sort of advice to motorists. I guess your view and the views of many others will be taken on board in our assessment. Quite clearly, if there is no value for money in that sort of advice to motorists, then we will not be spending any more.

Mr McGOWAN: You will give me the information on how much it actually cost?

Mr DRABBLE: Yes.

The CHAIRMAN: Supplementary information will be provided.

Mr McGOWAN: Under the Transform WA project there was the idea of a northern highway from Western Australia across to the Northern Territory and Queensland. I am not quite sure where it intersects with the Northern Territory. Can you tell me where that point is?

Mr WARNER: You are talking about the outback highway. When you go to Laverton basically you run out of sealed road, and when you get to Winton in Queensland coming west you do the same thing, so there is a link there. Some of it is sealed but some is unsealed, and the concept is to join those two points so we have a diagonal route across Australia that will basically take off from Laverton, go through Warburton and Uluru, up the Stuart Highway and across to Tobermore and Winton.

Mr McGOWAN: I remember reading some media reports at the time you announced the Transform WA project, in which it was said that the Northern Territory Government was aware of what you were going to do and did not have any money committed to upgrading its section of that road. Are you saying that is not true?

Mr WARNER: Not correct.

Mr McGOWAN: Can you explain the situation to us?

Mr WARNER: The three Ministers for Transport for Queensland, Northern Territory and WA set up a working party which arranged for the study to be completed. Basically a lot of the link road in the Northern Territory is substantially sealed. The road out to the Olgas was built with commonwealth rural arterial money; the Stuart Highway between Alice and going north, is sealed. So, the area to concentrate on to complete the link is the Queensland end and the WA end. The understanding we have with the Queensland Road Authority, and this has been agreed by the Minister, is that once the Queensland and WA links come up together it will do its part to make sure there is continuity. We have established a council consisting of local government authorities along the route, and including the state road authority representatives, to ensure that coordination takes place along the whole route and it comes into operation as a route. Because it crosses two boundaries into three jurisdictions, it is necessary to make sure that two authorities do not do one thing and the other one does something else. Queensland is very supportive and the Northern Territory also. It is just that they are further advanced in a sense on the parts of the route in their jurisdictions.

Ms McTIERNAN: I note on page 712 the reference to Transform WA. You indicate that this will be funded largely out of the vehicle registration increase, and you say that some additional funding will be from borrowings and transfer of existing resources. I am surprised at this because when the Premier put out his media statement announcing this, he said it would be fully funded. Is it correct that some of it is actually borrowings?

Mr WARNER: Yes, it is fully funded. The total program will be paid for from revenue going into the Main Roads trust account, as part of getting the contracts operating in an efficient time frame and with an efficient delivery frame. It is desirable to have some flexibility in relation to the funding so that we can let the contracts in the most efficient way. We have an agreement with Treasury whereby up to \$300m can be borrowed so we can manage the cashflow of projects in the most efficient manner. However, the interest on that money will be funded from the Main Roads trust account.

Ms McTIERNAN: Where does that Main Roads trust account come from?

Mr WARNER: The revenue going into that account is vehicle licence fees, plus the fuel levy that comes from the Commonwealth, or the replacement money for the fuel levy that comes from the Commonwealth. All the money that comes into Main Roads goes into the Main Roads trust account, be it from the sale of property, or any revenue or income.

Ms McTIERNAN: You make a number of statements on pages 709 and 710 about a major problem in the rural areas of Western Australia, which is the increasing average age of the road network tied to increasing road freight transport dependency. You say that the state rural roads have a typical life expectancy of about 40 years, and point to a number of factors that show basically the deteriorating quality of the road. However, I notice that funding for routine and periodic maintenance has actually been cut by the sum of \$6m. Why is that?

Mr OMODEI: I think the important thing is that 25 per cent of funds raised by Main Roads go into country roads and local government roads. Local government looks after, I think, 80 per cent of our road asset in the State and, yes, it is an ongoing issue with local governments. The nature and age of those roads are of concern, but I think if you talk to local governments and compare what goes into local government roads in this State with other States, WA is far above any of the other States in Australia.

Because of our geographic size, roads are always going to be an important issue but from this Government's point of view, one of its major achievements has been that its road programs, Transform WA, are all fully funded and not built on any borrowings. I think that is certainly something the State and Main Roads can be proud of.

Ms MacTIERNAN: Can I just ask a follow up question, because I did not actually get an answer to that question? Given all the statements about the state of the roads, why is there a decrease of \$6m for maintenance and \$9m for road reconstruction?

Mr WARNER: The comments that you draw attention to on page 709 are the long term concerns and issues. The information on page 717 relating to performance measures indicates we are concerned about the design speed of that network. Vehicles travelling on probably 21 per cent of the roads have been travelling at speeds which are not the design standard. Thirty seven per cent of the roads -

Ms MacTIERNAN: Madam Chair, I am asking why the Government has cut the funding by \$6m on maintenance and by \$9m on recent road reconstruction of failed roads.

Mr WARNER: I was trying to give you the broad picture over a 40 year span. Obviously a risk assessment is made

every year and you are looking at one year's change in activity. There are balances. Judgments have to be made and a reduction in the maintenance is always a level of concern, nevertheless, it is a judgment that has to be made. It is a one year judgment. The long term trend is what we are drawing attention to but, at any point in time, Main Roads has to decide on a year to year basis where the actual money goes in that year. We are giving you both the long term view, which we see as an issue that needs to be before the community and members, and also what we are doing in a particular year.

Mr DRABBLE: I think it is useful in looking at the performance of the asset, to look at not only the maintenance or preservation cost but also the capital costs. That is essentially a renewal of the asset, and although the member for Armadale observes a reduction of \$6m in the maintenance costs or the maintenance allocation, the capital investment that Main Roads is looking at in the same year increases in excess of \$100m. By spending more on capital and, in fact, constructing a better road surface, you can wind back on maintenance without detriment to the road surface or the safety of the motorist. It is a matter of looking at, in combination, the investments in operating costs and in capital and then drawing conclusions from that.

Mr MARSHALL: Minister, I refer you to the following statement on page 711 of the Budget Statements -

Greater accessibility is being sought by road hauliers for large combination vehicles because of their improved efficiency of operation. These trends have to be weighed against the environmental and social concerns being expressed about their impact.

What decision has been made as to the efficiency of these large combination vehicles as against the safety of small vehicles?

Mr OMODEI: Good question. I dare say you have more smaller vehicles or fewer larger vehicles. I travel the road between here and Pemberton on a regular basis and the road system we are constructing, once we have finished the dualling of the Mandurah/Bunbury facility and some of the work being done on the south west, certainly will assist. I ask the commissioner to make some comments.

Mr DRABBLE: I think it is hard to look at broad statistics and necessarily draw firm conclusions, but the commercial freight charges in Western Australia are certainly Australia's best. In many instances they meet world best practice, so freight charges are being contained and they are being reduced in real terms. In many senses that is due to the introduction of heavier vehicles.

On the safety dimension, I guess the broad indicator is the number of fatalities recorded on metropolitan and country roads. We noted last year a significant decline in that so we are seeing, on the one hand, increases in efficiency through the introduction of larger road vehicles and a reduction in fatalities and serious injuries on roads. As I say, they are broad indicators and I would not draw too much from that.

Mr MARSHALL: When you drive in the north west the large road hauliers, with two or three extensions, are everywhere. I do not think they are operable in the south west. It seems to me that they have their share of accidents. Am I right or wrong?

Mr DRABBLE: Statistics do not show that those vehicles are involved in accidents to an abnormal extent. The incidence of those vehicles in accidents is not any higher. In fact, it has been lower than other vehicles types.

Mr OMODEI: When it comes to local roads, local government authorities, as I understand, have the ability to govern what size vehicles actually travel on those roads. There is not a lot of difference between a semitrailer and a B-train on the South West Highway. If it is a wet night, it is dangerous at the best of times usually because of the conditions. Whilst there is a perception in the community that people would like to see everything go back to rail, the community itself does not bear that out in practice. If you are dealing with a perishable commodity - whether it be a horticultural product or even a timber product - you cannot afford to have timber loaded and unloaded two or three times before it gets to its final destination. The demand is for that product to get to its final destination in the best possible state. That is why everything is tending to go to road. Of course, the bulk commodities are staying with rail and that appears to be the trend.

Mr MARSHALL: With that in mind then, how do you work out the equation with haulage versus road preservation?

Mr OMODEI: You mean making the comparison between rail and road?

Mr MARSHALL: If you have extra haulage on the road, how do you work out the budgetary needs to provide a service to the timber industry as against the extra costs for a road?

Mr OMODEI: I dare say the benefit of road transport is that it directs the product from the point of its source to the point of its exact destination. If you use rail, it does not service every destination around the metropolitan area or

at the end of its transport route. Therefore, it means you have to double handle it, and then it still creates traffic at either end. I think the trend towards transporting bulk commodities by rail has happened because that is the best way to deal with those products, whether they be mineral sands, chips, bauxite or whatever. Likewise with road transport, the size of the vehicle means that the product freight price is kept to a minimum and we still get the product from point A to point B in the best possible state. In the last 10 years the level of sophistication in road transport has increased dramatically. A whole lot of taut liners are now used where the load is covered, and perishable products, whether they be in taut liners or containers, are very much more secure than they have been in the past. That has just increased activity, and I think it is part of the reason for the road deterioration.

Mr MARSHALL: There is an important point here, perhaps in licensing. If there are more trucks than cars on the roads, do the trucks cause more deterioration than the cars would?

Mr OMODEI: That is a moot point. I suppose nowadays we construct roads to suit the traffic that uses that road. There is still an argument about axle loadings, and that is a little bit beyond me as the acting Minister. A 10 tonne truck with multi axles, as opposed to one with a single axle, spreads the weight. There is an argument both ways. There is an argument that bigger trucks cause more damage. There is also an argument that smaller trucks with certain axle loadings cause just as much damage. Multiples of those vehicles with a heavier axle loading cause just as much damage. I do not know whether that is accurate information, but that is information I have received along the way.

Ms MacTIERNAN: I have a list of some works in progress taken from pages 726 to 731 of the Budget Statements. These relate to roads that are subject to very substantial cost increases over the estimates of last year. In fact, they increase from about \$932m by about another \$402m. I will ask about just some of these. I would like answers on all of them, but perhaps you can give us some idea of what is going on. For example, the Albany ring road on Albany Highway, which in 1997-98 was said to cost \$8m, is now set down as costing \$18m.

Mr WARNER: There is a significant change in scope for that project. When it was originally conceived it was a much shorter distance; when it got into public consultation and discussion with the community the scope of the project was changed significantly and hence the cost.

Ms MacTIERNAN: Another example is Marble Bar Road, from Marble Bar to Shaw River. Is the justification for that one the same? That has increased by \$13m.

Mr WARNER: Some of that increase relates to the issue we discussed previously about overheads and some of it relates to a change in scope.

Ms MacTIERNAN: What about just cost variations? To what degree is that cost variation?

Mr WARNER: On that particular project the expenditure in 1997-98 was \$1m, so the project was basically just starting.

Ms MacTIERNAN: Has this one been contracted out?

Mr WARNER: Yes. That is a contract job.

Ms MacTIERNAN: Had a contract actually been signed on that one?

Mr WARNER: I need to check that.

Ms MacTIERNAN: Another one that seems to be very significant is Albany Highway from Kojonup to Mt Barker. It was originally estimated at \$4m, then went up to \$37m.

Mr WARNER: I have to check that one. I do not have that in my memory bank at the moment.

Mr OMODEI: We can provide that by way of supplementary information.

Ms MacTIERNAN: Can I perhaps provide a copy of the sheet and ask for information in relation to each of these?

Mr OMODEI: I am happy to provide supplementary information. How many are there?

Ms MacTIERNAN: There are 30 of those.

The CHAIRMAN: Member for Armadale you have two choices with regard to that. You can either read them all out so that they are on the record and then supplementary information will be provided, or you can put them on notice, whichever you prefer.

Ms MacTIERNAN: I will put them on notice, except for those ones I have already raised relating to Albany Highway and Marble Bar. I am just a bit concerned about some of the information.

Mr OMODEI: We will answer those by way of supplementary information.

Ms MacTIERNAN: I seek supplementary information also on the estimates for the Reid Highway, from Marmion Avenue to Roe Highway, which have gone from \$74m to \$103m.

Mr OMODEI: We will provide supplementary information.

Ms MacTIERNAN: In relation to these, could you also provide the details of the contractors involved?

Mr OMODEI: Yes. Any contracts that have been let on those for which you require supplementary information or the whole lot?

Ms MacTIERNAN: The whole lot, thank you.

Mr OMODEI: That will be supplied.

Ms MacTIERNAN: I refer to the publication *Western Roads*. I am puzzled by some of the statements. For example, it was stated in the January 1998 edition that the final investment for Burkett Road in the Gascoyne region was \$23.6m, yet in the budget papers the cost is now listed as \$27.3m. Does this include the corporate services costs?

Mr OMODEI: It probably does but we will check that for you. I am prepared to provide the information on Burkett Road - construct and seal - by way of supplementary information.

Ms MacTIERNAN: Thank you. What level of federal funding was allocated for state works in 1996-97? I presume you have the figures for 1997-98 and 1998-99.

Mr WARNER: In 1998-99 the program we put together includes \$118.9m, in anticipation of federal funding.

Ms MacTIERNAN: Has this been agreed to under the federal Budget? What is the federal Budget?

Mr WARNER: In the state road program we have put together \$118.9m. The Commonwealth has advised us of \$79.9m, so there is a gap.

Ms MacTIERNAN: So in this budget you have made provision for \$118.9m with federal funding, but in fact you have only \$79.9m?

Mr WARNER: Promised, yes. We think there may be some more money coming but there is no guarantee of that. That is why we have marked those projects under capital works with a star indicating that they are subject to commonwealth funding. If we do not receive the commonwealth funding, some of those projects, equivalent to the amount of funding not received, will have to be delayed or carried over.

Ms MacTIERNAN: What did you actually receive in 1997-98?

Mr WARNER: An amount of \$73.4m.

Ms MacTIERNAN: What made you think that you would get \$118.9m this year?

Mr WARNER: It is a question of putting forward the projects that we think are needed on the national highway system. For example, the national highway system is telling us we need to spend about \$30m a year on preservation. This year we are getting about \$19m. We tell the Commonwealth what the needs and essential works are, and it is up to the Commonwealth to decide whether to fund them. If we do not tell it what the works are, it is unlikely that we will get funding.

Ms MacTIERNAN: What was the figure in 1996-97?

Mr WARNER: An amount of \$79.6m.

Ms MacTIERNAN: How much was it in 1992-93?

Mr WARNER: It was \$162.2m. There has been a continual and significant reduction in commonwealth funding over a long period in Western Australia.

Ms MacTIERNAN: Does this figure of \$681m that you quoted earlier, which does not appear in the Budget but might be revealed in another document, include the \$118.9m you were hoping to get from the Commonwealth?

Mr WARNER: That is correct.

Ms MacTIERNAN: Therefore, that figure really has to be revised down.

Mr WARNER: Yes, if the Commonwealth does not provide the money.

Ms MacTIERNAN: Where are you with negotiations? What has been the indication from the Federal Government about it?

Mr WARNER: The Federal Minister was over here last week and had extensive discussions with the State Minister, and inspected a number of projects that we thought were very significant, including the Kwinana Freeway, the Roe Highway, the Northam bypass and the Sawyers Valley to the Lakes projects. He also looked at the Swan Valley bypass and the outback highway. They are all key projects we asking the Commonwealth to support. It will depend on the Commonwealth's decision on WA's submissions in relation to the projects from the other States.

Ms MacTIERNAN: Projected redundancies are envisaged. How much was spent on redundancies since this latest program started in the past couple of years?

Mr WARNER: A very small amount this year. Some people have already taken redundancy this year but most have indicated that they will take it at the end of this financial year or early next year because it is preferable to take a redundancy payment after the financial year. Therefore, most of those going from this current group will probably be paid out in 1998-99 financial year.

Ms MacTIERNAN: What is your estimate of the cost of those redundancies?

Mr WARNER: \$42m; that is redundancy payments plus leave entitlements for accrued service.

Ms MacTIERNAN: I return to an issue I touched on briefly. You estimated income of \$79m a year from the vehicle registration tax, which is how Transform WA was budgeted. That amounts to \$790m over a 10 year period. You then say that this is a \$1.3b program. Obviously, there is a shortfall of \$0.5b to be made up. Where will that \$0.5b come from?

Mr WARNER: In two ways; from the \$300m loan facility which will be paid off in years 11, 12 and maybe 13, depending on interest rates; and from normal funds as available to Main Roads.

Ms MacTIERNAN: Which normal funds are they?

Mr WARNER: The Main Roads trust account.

Ms MacTIERNAN: From what source does money come into the trust account?

Mr WARNER: From normal revenue: vehicle licence fees, commonwealth grants, fuel franchise replacement.

Ms MacTIERNAN: This is not money you have already, this is money you will receive hopefully in the future?

Mr OMODEI: We do not leave money lying around in the bank.

Mr WARNER: We will receive it. Unless there is a significant change in vehicle registration, we can confidently predict the revenue from that source. These are accurate predictions about our income.

Ms MacTIERNAN: What will that be?

Mr WARNER: That will continue at the current rate unless the Government reduces licence fees or people do not have cars any more. The current revenue will progress based on the increase in the vehicle fleet. We can anticipate that from past experience of revenue over time.

Ms MacTIERNAN: Is that predicated on the anticipation that it will be more than \$79m a year?

Mr WARNER: Vehicle licence fees grow if the Government increases the rates and for any change in the vehicle fleet. Therefore, if vehicle fleet ownership in the State increases by another 100 or 1000 vehicles, licence fees must be paid.

Ms MacTIERNAN: Can you supply an analysis of how the \$1.3b will be funded, by way of supplementary information

Mr WARNER: As I said, it will be funded from money available currently to Main Roads from those sources and additional funds from the recent increases in vehicle licence fees.

Ms MacTIERNAN: What about the \$1b?

Mr OMODEI: Does the member for Armadale want a breakdown of how the Transform WA funding will occur?

Ms MacTIERNAN: Yes, if I may.

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

Sitting suspended from 6.00 to 7.00 pm

Division 67: Local Government, \$7 236 000 -

[Mr Baker, Chairman.]

[Mr Omodei, Minister for Local Government.]

[Mr J. Lynch, Executive Director, Department of Local Government.]

[Mr R.G. Earnshaw, Manager Corporate Services, Department of Local Government.]

[Mr L. Nagy, Finance and Administration Officer, Department of Local Government.]

Mr OMODEI: I want to record where the department and the Ministry for Local Government is going in this State. I appreciate the opportunity to outline some of the ongoing programs from previous years as well as highlighting major policy initiatives proposed during 1998 and 1999. During this financial year and the forthcoming one, structural reform will continue to be part of my aim to ensure the efficient and effective delivery of services by accountable and responsive councils.

In 1997 I submitted proposals to the Local Government Advisory Board to divide the City of Wanneroo into the City of Joondalup and the Shire of Wanneroo; and to transfer the suburb of Maylands from the City of Stirling to the City of Bayswater. The Maylands transfer with minor modification was supported by the board and Governor's orders are being prepared to that effect for 1 July 1998. For many Maylands residents and ratepayers, this will mark the culmination of years of lobbying to be part of a council which is clearly identified within the area.

The Wanneroo proposal was considered by the board in parallel with a panel of inquiry established as a consequence of the Royal Commission into the City of Wanneroo to determine whether the suspended councillors should be dismissed or reinstated. I have more to say about this later.

With the board's recommendation that the division proceed, the commissioners and the executive staff of the council have worked closely with the Department of Local Government to prepare Governor's orders. The operative date for the division is 1 July 1998. The five current commissioners will be appointed to administer both new councils until inaugural elections are held. Both new councils will be viable, efficient and effective entities capable of being more accountable and responsive than their predecessors, which had more than 220 000 residents with a projected increase to 300 000 early next century.

Late in 1997 the Shire and Town of Albany submitted a formal proposal to the board for a complete merger of the two councils. To facilitate implementation of the amalgamation, a majority of councillors of each council resigned to enable the appointment of commissioners. A poll of electors of the shire did not veto the merger and on 1 July 1998 the City of Albany will be proclaimed. Although the path to merger was not easy, the councils faced difficult decisions. Both councils have made the right decisions for the right reasons. The urban and rural people of Albany will have a true regional centre with great potential. Inaugural elections will be held on 1 May 1999 in conjunction with the usual council elections.

It is an open secret that I have considered also the boundaries of the councils in Geraldton, Narrogin, Northam and Bunbury and the western suburbs areas. Although no final decisions have yet been made on what, if any, proposals are to be made, I expect the Government to arrive at a decision within the next few weeks. I am an advocate of boundary change where appropriate but I do not see it as dogma. If the Government does not advance proposals, it is open for councils and their electors to do so. Also, I have subtly reminded my federal counterpart that any federal government driven agenda from Canberra for local government boundary change will be strongly resisted. The application of national competition policy to councils continues to have ramifications though I suspect some have spent far more than necessary to determine compliance.

I was pleased to secure \$830 000 for the 1998-99 budget and \$1.8m over the next two years as a fund to assist local governments on competition and related matters. I acknowledge also the lobbying efforts of the Western Australian Municipal Association and its members to the same end. Currently the Department of Local Government, Treasury, the Institute of Municipal Management and WAMA are drawing up guidelines for expenditure of these funds to be known as the local government development fund.

1998-99 also marks the second year of the local government communities facilities grants program with \$1m earmarked for small scale tourist and visitor facilities predominantly in small country towns. I have been delighted with the demand for these funds and also by the strong community input into their development. From the Department of Local Government's perspective, next year is likely to be quieter in legislative terms than previous years. A local government amendment Bill will be introduced into the spring session to address legislative matters arising from the report of the Royal Commission into the City of Wanneroo. The Bill will amend also some of the electoral provisions in time for the 1999 council elections.

On another front, the long awaited and highly complex review of the Prevention of Cruelty to Animals Act is now complete. As a result, within the next few weeks I will release the animal welfare Bill as a Green Bill with a view to securing its passage in the spring session. At the same time, the development of an integrated building Bill is well developed and will be available as an exposure draft. Again, I hope to introduce it into the spring session though it may not be dealt with until the autumn session of 1999.

When I introduced the new Local Government Act, I indicated there would be a very high priority on monitoring councils and ensuring statutory compliance. That remains a very firm tenet. A reorganisation of priorities and resources within the Department of Local Government has freed staff for these important roles. In addition, new FTEs have been budgeted to further heighten supervision.

The use of the council advice program and the CEO support scheme continues to be well received by councils. A recent innovation was a tailored support program for the Shire of Wiluna which may have wider application. Complementary to these initiatives was the launch of 13 training modules for local government elected members. These were developed by municipal training, a joint Department of Local Government, WAMA and IMM organisation. I continue to emphasise the importance of newly elected and long serving councillors continually updating their knowledge.

Earlier, I indicated that I would like to recap on Wanneroo and the way it unfolded. In the first instance, I emphasise that, where appropriate, I took advice from the Solicitor General or the Crown Solicitor and that every action was in accord with the provisions of the Local Government Act. The royal commission report contained serious and adverse findings and some people called for the summary dismissal of the council. No such provision exists in the Local Government Act. However, after careful consideration of the royal commissioner's report and after taking advice, I suspended the council and appointed commissioners. In doing so, I was required to appoint three persons to a panel of inquiry to determine whether the councillors should be reinstated or dismissed.

At the same time, the proposal to divide the council was under consideration and it was obvious both events would coincide sooner or later. When the panel reported recommending reinstatement, the decision by the board recommending division had been made already. As 1 July 1998 was the obvious date for division, it was clear that, although I had no discretion other than to reinstate, the period until 1 July was too short to contemplate practical reinstatement. I have since announced that the councillors will be reinstated simultaneously with the abolition of the City of Wanneroo and its division.

I mention several other agencies which do not put significant demands on government funds but are quiet achievers. The Keep Australia Beautiful Council continues to deliver well targeted, effective campaigns aimed at reducing the litter stream in WA. Its Tidy Towns competition, Perth Action and Best Beaches awards engender strong community support and obvious results. Undoubtedly, the highlight of the year was the recent announcement that Denmark had won the National Tidy Town award - the first for WA - which was a great credit to all concerned. The Premier, Hon Monty House and I will be visiting Denmark on Thursday to join in the community celebrations.

All cemetery boards, particularly the two major ones - the Metropolitan Cemetery Board and the Fremantle Cemetery Board - continue to function well. As self funded statutory authorities, those boards continue to provide quality services. The redevelopment of part of Karrakatta Cemetery will continue following a wide consultation process and will ensure a long operative life for the cemetery. At the same time, there is a mounting urgency to identify and secure a site for a further metropolitan cemetery, particularly in the south eastern corridor. The Fremantle Cemetery Board celebrates its centenary this year and is commended on its excellent level of service.

Local Government continues to be a busy and challenging portfolio dealing with councils, dogs, cats, dividing fences, cemeteries, overhanging trees and animal welfare.

The CHAIRMAN: Members, are there any questions dealing with division 67?

Mr McGOWAN: There appears to be a major increase this year over last year in local government expenditure by the department? Why is that so? What was the output of this increase in expenditure?

Mr OMODEI: The department's contribution from the consolidated fund has increased from \$4.976m in 1997-98 to \$7.236m for 1998-99. This increase is due mainly to the private security services grant program - \$1m a year until the year 2001-02 - and national competition policy considerations through a local government development fund of \$0.83m in 1998-99 and \$1.8m each year until the year 2000-01. Other increases which have impacted on the department's budget in 1998-99 are increased funding of \$150 000 to the Keep Australia Beautiful Council and funding of \$110 000 for two level five positions within the monitoring and investigation section to address concerns contained in the Wanneroo royal commission report.

Mr MacLEAN: I draw attention to significant issues and trends. In part the first dot point says that the department

has been and will continue to monitor local government's performance. Has the peer review group for local government that the Minister instigated shown any results yet? What is its future?

Mr OMODEI: The member for Wanneroo is referring to the council advice program. Nearly 20 councils either have requested or been requested to commence a council advice program. The CAP committee usually consists of an ex-local government administrative person, a local government departmental person and an elected person from within local government from around the State. The programs that I have seen operating are very successful. The feedback from local governments around the State indicates that the council advice program is working very well and will continue to be part of the monitoring service of the Department of Local Government.

Mr JOHNSON: At the bottom of page 694, there is a figure of \$110 000 under funding for issues arising from the Wanneroo royal commission report which is carried forward for the next four years. On what will that money be spent?

Mr OMODEI: I refer to page 692. As I mentioned previously, the sum of \$110 000 represents funding for two level five positions within the monitoring and investigation section to revamp the department's ability to monitor local governments. The executive director will indicate how that has changed since we came into government in 1993.

Mr LYNCH: It means, effectively, that the resources in that area have doubled from four to eight in the last 12 months.

Mr JOHNSON: It does not concern Wanneroo? Is it the commission's recommendation to the Minister for Local Government to add extra staff to monitor things generally through local government?

Mr OMODEI: Yes, that is exactly right. We have been aware for some time of the need to monitor local governments. We identify local governments that are under stress or under some kind of decay, firstly by letters to both the Minister and the department; by local media comment; by comment from Members of Parliament to the department or the Minister. We monitor local governments and report on whether further action should be taken through the council advice program facility; the executive director's inquiry facility; and, the ultimate facility, a royal commission.

Mr JOHNSON: How do you envisage the monitoring of local governments, by attending council committee meetings after a complaint?

Mr OMODEI: Councils are visited randomly around the State. However, councils are required to respond to a statutory compliance audit. Whilst it is not compulsory, councils that do not respond draw the attention of the department immediately. We have also budget awards. Therefore, there is a budget monitoring arrangement.

Mr LYNCH: The department receives annually a range of information from councils: Budgets, financial statements, audit reports, statutory compliance returns, annual reports. A range of material is forwarded to the department. The additional resources that have been allocated to this area will enable us hopefully to identify at an early stage signs that a council is experiencing difficulties. In that case they will be paid a visit and investigations undertaken. The outcome will be a more proactive role by the department in overseeing the operations of local government.

Mr MARSHALL: A significant issue and trend on page 693 states that the issue of local government boundary change and amalgamations is also topical. It concludes by referring to the number of proposals currently before the Local Government Advisory Board for boundary adjustments. What local governments are you looking at to amalgamate? How do you determine why these local governments need a change? Is Murray-Mandurah involved in that area? When do you propose to initiate these boundary adjustments?

Mr OMODEI: Significant scope for growth is envisaged for the town of Mandurah as it has a good growth rate. The Government does not propose any boundary change for Mandurah. As to the other areas, as mentioned in my opening comments, Albany town and Albany shire submitted a formal proposal to the advisory board which in turn recommended amalgamation. Currently, commissioners are running the two councils and there will be a new City of Albany created on 1 July. As to the other changes, the Government has proposed the change to the City of Stirling where Maylands was excised from Stirling and amalgamated with Bayswater. That is proceeding and Governor's orders are currently pending.

Also, there are minor changes to local government boundaries that the advisory board recommends to me. However, the advisory board is assessing a number of other formal proposals from local governments and the community. One proposal is that Swanbourne be excised from Nedlands. Another proposal, by the Town of Cambridge, is that part of Churchlands be excised from Stirling to amalgamate with Cambridge. The Town of Vincent submitted a formal proposal to the board to excise Joondanna from Stirling to amalgamate with Vincent. The advisory board assesses those proposals then makes recommendations to the Minister.

There are other proposals on the books. One of them in particular that is currently under consideration is a formal proposal from Augusta residents to split from the Shire of Augusta-Margaret River. I understand that the advisory board has almost completed its assessment of that proposal and a recommendation will be made to me. I can only accept or reject that recommendation, I cannot amend it. There are many ways in which a community can request boundary changes. Firstly, that community's local government can make a formal proposal - as did the town and shire of Albany - alternatively the Minister or somebody within the community, like the Swanbourne residents, can request it.

Mr MARSHALL: Is there a formula to determine that the need is justified?

Mr OMODEI: If two local governments decide that they want to merge, that proposal will be sent to the advisory board. There is a statutory time period in which the advisory board must consult with the community. They then assess the financial viability of the proposal and make a recommendation to the Minister. Therefore, there is no set criteria on the ideal size of councils. It does not follow that just because a council is either big or small, it is run efficiently or effectively. Therefore, any proposal must be considered by an independent body, that is, the Local Government Advisory Board. The advisory board committee membership comprises people nominated by various organisations, WAMA, the IMM and the Minister; and they make recommendations to the Minister that the Minister can accept or reject.

Mr MacLEAN: My question relates to page 694, dot point six, which states that a building Bill will be finalised. What will be the effect of this Bill? Why did it come about? What triggered it?

Mr OMODEI: It is envisaged that this Bill will be introduced into Parliament in early 1999. The building section provisions under part 15 of the old Act were carried over into the new Local Government Act pending the proposal of a separate Bill. Therefore, the integrated building Act refers to the application of the Australian building code of 1996. The main provisions for consideration in this Bill are the private certification of building surveyors and insurance indemnities. We are consulting with the building industry and local government. It is time to have a separate integrated building Act; other States have such an Act already. We have considered the legislation in other States and have learnt from their successes. At the moment the Act is almost complete. We will consult with WAMA and the local government sector to ensure that we get it right before we bring it into the Parliament.

Mr MacLEAN: Does that mean local government still will have responsibility for building approvals, etc, but there will be a more concise method of evaluation for the building instead of the vagaries of some officer's opinions?

Mr OMODEI: Currently, it is the responsibility of local government to consider building applications and apply the building code. It is envisaged that private certification will open up the industry in relation to building applications. A final decision on that has not yet been made. However, in other States, where private certification is in place, competition was introduced into the market and that led to improved turnover times. Some local governments in Western Australia can turn over a building application for a residential house in a matter of two days; in others it takes up to 30 days. It varies between local governments depending on their efficiency. This Bill will create competition and if the local government is not efficient at delivering that service, the private sector will take it over. It is envisaged that the department will have a monitoring role as to building certification.

Mr McGOWAN: On the point of building applications and the proposed new Bill, is the Minister's intent that it will be open to competition not only between local governments but also with outside building surveyors.

Mr OMODEI: That is correct.

Mr McGOWAN: Is the Minister concerned at all about the potential for building inspectors and surveyors to become known as people who, because they offer a paid service, will approve anything otherwise they will get no more business. Those people will not be subject to the same guidelines on appropriateness of conduct that a local authority would. Is the Minister aware that a number of people in the building industry also share this concern? They are happy to see competition in building application approvals between local governments rather than between local governments and outside providers?

Mr OMODEI: A final decision on competition has not yet been made. However, the two examples given by the member are accurate. The proposal at this stage, bearing in mind that we will have public consultation, is to introduce a new integrated building Bill. Its final form is not yet decided. We will listen to what the private sector says and monitor what happens in other states before we introduce the Bill. At this early stage it is proposed to open up the process to competition between local governments, and between local governments and the private sector. The member's comment as to whether the standards would be maintained is under consideration.

The Department of Local Government may need to implement a monitoring section to randomly check that the applications are properly dealt with. However, issues in relation to single residential buildings are not very

complicated. Most of the buildings have plans that are replicated elsewhere. At the same time, local government still must have control of the planning approval process relating to residential codes, setbacks, amenities and so on.

Mr McGOWAN: As the Minister is aware, most local authorities are able to process a building application. For instance, the City of Rockingham can process a building application in about two days or even one day. The delay often arises where applicant builders do not return to collect them for four weeks. Is the Minister not concerned that if it is handed over to operators who compete with each other to win these applications, there will be a drop in standards because if people running their own business do not offer a service which approves virtually any application, they will not get any more business. If someone has a reputation for being stringent when approving building applications, who will engage them? No one will, because they may pick up aspects that the applicant does not want picked up.

Mr OMODEI: A committee was created - composed of the Ministers for Planning, Local Government and Housing, members of the Master Builders Association, the Housing Industry Authority and WAMA - because complaints about turnarounds were received from the building industry. The member is correct that in some cases it was not the fault of the local government but rather the builder who was not collecting the plans at the appropriate time. However, in many cases the building turnaround times by local governments have been too long. Therefore, the specific complaints were taken back to the committee members' councils and for the first time this highlighted how many complaints there were. Also, it placed the building industry on notice by asking it to identify each case; and they were traced back to the local government in question. The fact that we are introducing this Bill might cause local governments to consider their turnaround times.

Mr McGOWAN: Is the Minister implying that the Government will introduce this Bill but may not pass it? The Bill may just hang over their heads like the Sword of Damocles.

Mr OMODEI: No, not at all. We will introduce an integrated building Bill which will remove the old part 15 from the new Local Government Act and create a separate Bill. It is just a question of whether within that Bill we will have private certification.

Mr JOHNSON: I do not just want to see the standards maintained, I want to see them improved because I am disgusted with what the City of Wanneroo has done recently. It does not even have a policy on height restrictions for residential dwellings, which is causing enormous problems in my electorate; there must be other electorates that have that problem. There are people who want to build three-storey houses. That is not a problem if they cut into a block and build an undercroft garage. However, there is one building in my electorate where one drives up a hill to enter the garage and there are two storeys above that. The other problem is that the City of Wanneroo does not seem to bother employing building inspectors. When anything more than a single storey dwelling is built, there should be regular inspections by a building inspector as the building progresses.

Another problem in my electorate was when a three-storey building deviated from the council approved plans. This would not have been noticed had the neighbours not complained about the deviation getting too near their boundary fence, and also balconies and opened up windows and doors that were built but not on the plan. I asked the commissioners at Wanneroo to create a policy. However we need more than that. The Minister should direct all local authorities to consider building applications carefully to ensure that other residents are not adversely affected in this way.

Mr OMODEI: Building is not the highest issue on the local government agenda.

Mr JOHNSON: It is to my electorate.

Mr OMODEI: Some of the issues raised by the member for Hillarys concern planning rather than building. I ask the executive director of the Department of Local Government to comment. He is a member of the Australian Building Codes Board.

Mr MARLBOROUGH: Is that not really where the problem lies? The Australian Building Codes Board now sets standards which, if applied as the building industry would like them, affects not only materials and design of buildings but also setbacks.

Mr OMODEI: No, not necessarily.

Mr LYNCH: As to the issue of height raised by the member, I am aware of that particular property. A friend of mine lives next door to it, much to his chagrin.

Mr JOHNSON: Which one? There are three.

Mr LYNCH: Height is a planning issue. I have spoken to the commissioners about this issue also and they are

determined to introduce some rigour to the planning situation in the City of Wanneroo. It is extraordinary that a council so heavily involved in building and planning, as it was for so long, does not have a policy in relation to height. It is almost beyond belief.

Mr JOHNSON: I asked the previous council, and the one before that, to at least implement a policy on height restrictions so that any building over a certain height must have special permission from council and must be advertised so that the local residents can see what they are up against.

Mr MARLBOROUGH: You cannot look after your mates if you are going to put those sorts of restrictions in place!

The CHAIRMAN: Order, please. The Minister.

Mr MARLBOROUGH: It is called payola!

Mr LYNCH: Building inspection is a contentious issue. Under the current legislation, inspections are optional. In current proposals on the new building Act, consideration will be given to mandatory inspections of properties as they are built. If private certification legislation is passed, that will certainly be a feature of the new requirement.

Mr OMODEI: The member for Peel mentioned the issue of Australian building code standards creating a need for setbacks.

Mr MARLBOROUGH: Those standards apply to setbacks. It is a code that not only applies to materials and -

Mr OMODEI: No, it is only materials and building. The executive director can state what the Building Codes Board is about and the Australian Building Codes Standard.

Mr LYNCH: The Australian Building Codes Board was set up four years ago to bring uniformity in approach to the building regulatory area around Australia and was very successful in doing that. It was a rare success story where the States, the Commonwealth and the private sector have got together to address the issue of uniformity of application in particular. This is more an issue on the east coast than here as there is much interstate activity occurring on the east coast. Nevertheless, the board was successful in bringing about a more uniform approach to the regulatory environment. The Building Code of Australia - the BCA - relates to the standards and specifications required to construct a dwelling. The latest version of that code introduced a performance element to allow flexibility for builders and designers to seek an alternative solution to the specifications in the BCA. The BCA details the manner of erecting a building and the specifications for products to use.

Mr OMODEI: Nothing to do with setbacks. That is planning, R Codes.

Mr MacLEAN: Setbacks are controlled by the council in the R Codes.

Mr MARLBOROUGH: The member for Wanneroo should look at the new building codes because I differ with him.

Mr MacLEAN: What is the current process if a council building inspector does not perform inspections and a building is erected? In one case, on the border of my area, the wrong pad was laid and the bricklayers built the house anyway. Two walls were built on the sand. A fee was charged for building inspection which was, obviously, not carried out by the local authority. In the new Act, will there be a change so that these inspections become mandatory. Also, will there be recourse to the owner on such matters, because in this case all they did was jack up the wall and put a pad underneath it?

Mr OMODEI: In the end owners have recourse to the Builders Registration Board, as far as the builder is concerned; and the courts as far as compensation for the work that was not properly carried out. Under the new legislation, we intend to introduce a closer scrutiny of buildings to ensure more certain monitoring of buildings when they are being erected. In Wanneroo with thousands of houses of the same size being built, one would expect at least a random check to be made.

Mr MARSHALL: I refer to page 694, which is a carry-on of the major initiatives for 1998-99. The first two dot points relate to the community facilities and the private security grants programs. Is the format for the community facilities grants program similar to that of the community sport and recreation facilities grant, where it is a third, a third, a third? Have these grants commenced? If they have, who has taken advantage of the program? I am particularly interested in the private security services section.

Mr OMODEI: With the first one, the community facilities grants program was a great success. The maximum grant in the first year was \$20 000 per local government or per community group.

Mr MARSHALL: Fifty-fifty, is it?

Mr OMODEI: There is a contribution from the local community or the local council but not necessarily 50:50. An

independent group of people assess the grants. The first year there were applications totalling \$3m; and we allocated \$1m. One of the conditions that I have applied - with my other Ministerial hat on - is that applicants must be cognisant of the need for disabled people to have access to public facilities, whether they be playgrounds, community facilities, toilets or whatever. That was successful. This year the level of grant was increased to \$25 000 per application. Again, there is great demand for them; so it is successful. Many very small communities in country WA that cannot find money - or can find only a small amount of money - are being assisted, particularly people that provide, for example, a disabled playground or disabled access to toilets or just updated antiquated facilities; that is going very well. That is one of the major success stories of the Local Government portfolio.

The other grant program - for private security grants - has an allocation of \$1m to local governments to develop pilot projects for private security services in suburbs and towns around the State. The formula for that facility is being currently put together. It is envisaged that the allocation of \$4m over four years will create safer communities. The establishment of a community security liaison group to be chaired by an officer from the WA Police Service is being considered. Part of the criteria will encompass the use of community security funds; some funds will go to research. Guidelines are being prepared so that every local government does not have to re-invent the wheel as far as knowing how to deal with the funds.

We are considering security assessment audits; we will tap into the police service statistics on hot spots in suburbs or towns. We will also consider development of security plans and strategies, implementation of security initiatives and then we will trial some security schemes.

Bearing in mind that both Homeswest and the Education Department have funds allocated to securing their assets - Homeswest assets and schools - it is envisaged that when a security service is trialled there will be an arrangement whereby they can be combined so that the best value for money is obtained. We will finalise that grant system in the next few weeks and an announcement will be made.

It is not envisaged to provide large amounts of money to local governments until we have a strategy finalised. We are developing the allocation criteria then allocation decisions will be made on where we will trial some, bearing in mind that already we have a few examples to monitor. The Bayswater City Council used its tax exempt status to replace five security cars. The City of Stirling has a mix where it used its ranger system as well as a security proposal.

The CHAIRMAN: Minister, could you provide a brief description of the Indian Ocean territories program referred to on page 708.

Mr OMODEI: In the Indian Ocean territories agreement we recoup \$189 000 in 1997-98 and \$179 000 to the year 2001-02. I ask the executive director to comment in regard to the delivery of service to the Indian Ocean territories. We deliver the services to the Christmas and Cocos Islands. Members of the Christmas Island Council are in Perth today and tomorrow to talk to local governments and the department.

Mr LYNCH: This allocation relates to an agreement between the department and the Commonwealth Government. Although Christmas and Cocos Islands are Australian territories, about three years ago they chose to adopt Western Australian local government statute. Therefore, it is an unusual arrangement whereby they operate under the provisions of the Local Government Act but they are actually Australian territories.

The CHAIRMAN: The whole of the WA statute law applies to those territories as well, for example, the Road Traffic Act, does it not?

Mr LYNCH: They adopted a number of Western Australian Statutes. However, the fundamental issue for those territories is a system of government. Cocos Island is somewhat less sophisticated than Christmas Island and the department spends much time in visiting, training, and educating them on the Western Australian Local Government system. There remains still some work to do. Hence, we have an ongoing agreement with the Commonwealth to help them to introduce local government.

The CHAIRMAN: In relation to that agreement, I understand that those territories form part of the Northern Territory's federal electorate. I am not sure which state or territory electorate has jurisdiction over them. However, what is the nature and extent of the Commonwealth's contribution towards the cost of implementing local government provisions in these islands?

Mr LYNCH: I think this allocation is one of many made to various government agencies to assist them to come into line with the Australian system. However, each of the territories is allocated an amount through the Grants Commission. It does not come out of Western Australia's allocation of grants. However, the Western Australian Grants Commission undertakes an assessment of need for both of those territories, as it does for the 142 councils in Western Australia. The two territories had a significant victory this year as, for the first time, the Commonwealth

did not factor back the grant allocation. In Western Australia, because the Commonwealth allocation does not meet the need that is determined, it is factored back by about 50 per cent. Therefore, although the idea is to achieve fiscal equalisation, it never will be achieved because the bucket of funds is not large enough. For the first time the two territories this year will receive a full assessed need. That will help them to address some of the severe infrastructure problems that have occurred.

Mr MacLEAN: On page 699 there is reference to the output for the Local Government Advisory Board which considers and inquires into all proposals for change. Is there a base requirement that people need? For instance, you would not consider a proposal if one letter is received asking for the sacking of the Wanneroo Council. There must be a base requirement?

Mr OMODEI: There are a number of wheatbelt councils where various farming groups within that community may prefer to be in the Shire of Carnamah instead of being in the shire next door. A fairly clear process enables them to submit a formal proposal to the advisory board.

In many cases, again, say in rural areas where an owner might have property in two different local governments and wants to consolidate them into one local government, by agreement the councils may submit a formal proposal to the board. Alternatively they may submit a proposal and the board will make recommendations. In the end I make the decision. Therefore, the advisory board considers a number of aspects including district ward boundaries, changes to council and numbers, various disputes. It is an independent body that considers the issue then recommends to the minister a course of action, which I can only accept or reject, I cannot vary.

Mr McGOWAN: I return to the issue of the community security patrols. I missed part of what the minister had to say. Having looked at the Budget and the expectations that the Government announced before it reached this sum, there is basically \$1m for 144 councils around Western Australia. If that is averaged out, that comes to between \$6 000 and \$7 000 for each council to implement this scheme. A number of months ago the Premier raised this issue.

Mr OMODEI: Is that dividing \$1m by 142 councils? It is actually \$4m over four years?

Mr McGOWAN: It is \$1m a year. A number of months ago, the Premier raised expectations that this would be a major government program. The sum of \$1m is not much. However this money is distributed, there will be winners and losers, favourites and non-favourites. Which areas of Perth or Western Australia will receive this money? How will they receive it? In the light of that, how will all the other areas of Perth deal with the fact they do not receive any money?

Mr OMODEI: The City of Bayswater levies its constituent ratepayers \$15 per household. It implemented a system that reduced the level of crime in the commercial sector by 30 per cent and, I understand, the residential area by 20 per cent. It is not anticipated that the Government will allow local government to take over policing of communities. It is intended to provide seed capital based on a formula that will assist local governments in making communities more secure.

Already in local governments we have neighbourhood commercial watch which is a very small, token effort to keep down the level of burglaries and breaking and entering offences. The member will be surprised about the outcome when we finalise the formula. I give a commitment to provide a briefing as to how that formula will be applied. It is not intended that this initiative will usurp the role of the police; rather, to complement the roles of, and work with, local government, the community and the Police Service. In the end, the Police Service will have the overall say as to what occurs; and so they should. I would not support any kind of process that would reduce the level of control the police have over this sort of thing. Therefore, it is envisaged that the community consultation committee will be chaired by a member of the Police Service.

Mr MARLBOROUGH: We are here to discuss the Budget and how you are going to spend this money. I was in the Shire of Mullewa recently. They told me that they have a crime problem and they would like funds for this type of scheme. There are councils all over the State who want funds. If it is allocated on a per capita basis, what the Minister is saying is the Shire of Mullewa will receive \$100; the Shire of Wanneroo will receive \$50 000. There are gross inequities in the way the allocation of this money will be applied. Secondly, it will not achieve much because to put two security guards in a car to patrol the streets for a year would cost at least \$100 000. The sum of \$1m will provide 10 security cars across Western Australia.

In terms of seed capital, how far does a sum of between \$100 and \$6 000 go on average? How far does that get your average council? It does not get them very far at all. There are some areas - for instance the Shire of Peppermint Grove - which have a great ability to levy their ratepayers to make up any shortfall whereas other shires do not have much capacity because their ratepayers cannot afford to pay. The funds being injected into this really are minuscule in terms of the expectations announced.

Mr OMODEI: The member might want the community to think that crime is rife all over the State. I can tell the member it is not. In my locality people leave their keys in their car even though it is an offence to do so. People do not lock their doors at night because there are a lot of country towns in WA where, although there may be minor crime committed with some vandalism and limited breaking and entry, crime is not rife.

Mr MARLBOROUGH: The number of home burglaries, car thefts and armed robberies in this State exceeds the number in any other State.

Mr OMODEI: That is why we are putting in place a package to assist the community in countering that.

Mr MARLBOROUGH: Yes; I simply said that it is not right.

Mr OMODEI: You must make up your mind what you want. Do you want to support this? If you do, you should come out publicly and say so. This is a \$4m package covering four years. It will not all be implemented in the first year. It will be implemented according to the formula devised with all stakeholders having a say.

Mr MARLBOROUGH: The Minister says that crime is a minor matter; it is not as big a problem as we believe.

Mr OMODEI: It is not as rife as you would like to have people in Western Australia believe.

Mr MARLBOROUGH: This budget document tells us that Western Australia leads the country in armed robberies, break and entries -

Mr OMODEI: I am talking about in country Western Australia.

Mr MARLBOROUGH: Support for these programs is not the question, but it is very naive to think that the implementation of private security services will not affect police activities. In Kwinana there has been some downturn in certain crimes because private security services have been put in place as part of the redevelopment of Kwinana for nearly three years. I was told four months ago by the police that four police officers had been removed from Kwinana because of the decline in the rate of crime. To think the two are not linked is very naive. There will be a direct link between police officers in the community and the level of crime that may or may not be altered by this. Is the Minister aware of any ongoing inquiries into matters that were before the Wanneroo Inc. royal commission?

Mr OMODEI: Do you mean police inquiries?

Mr MARLBOROUGH: Yes, either police inquiries or DPP inquiries?

Mr OMODEI: I am not aware of any.

Mr MARLBOROUGH: Are you saying there are no inquiries going on at this stage?

Mr OMODEI: No, I am not aware of any. There certainly are not any inquiries from the local government -

The CHAIRMAN: The Minister can answer only those questions that relate to local government.

Mr MARLBOROUGH: It is a local government matter.

Mr OMODEI: With reference to Wanneroo, the report of the royal commission was referred to the ACC. There may be some inquiry, but I am not aware of any.

Mr MARLBOROUGH: The Wanneroo royal commission made some quite strong recommendations based on individual matters that had occurred in the council and clearly indicated that a number of them should be inquired into on the basis of some further criminal procedures. Are those matters before the ACC and the DPP at the moment?

Mr OMODEI: I can only repeat the answer that I gave just a minute ago; that is, the report was referred to the ACC. I am not aware of what it has done. As far as the royal commission report is concerned, my office and the department are preparing responses to all of the recommendations that refer to the activities of local government. They will all be dealt with either by legislation or by training of councillors. The other matters are either ACC matters or police matters and I am not aware of those issues.

Mr MARLBOROUGH: I am not able to find in the budget papers the final cost of the Wanneroo Inc. royal commission inquiries. Can the Minister advise me whether those costs have been finalised and what they are?

Mr OMODEI: The Wanneroo royal commission budget would be in the budget of Premier and Cabinet.

Mr MARLBOROUGH: Is that the third Kyle inquiry?

Mr OMODEI: No, that is the Lawrence inquiry into the council's activities between the time of the royal commission and now.

Mr MARLBOROUGH: Is there a budget amount for that?

Mr OMODEI: Approximately \$180 000.

Mr MARLBOROUGH: Is that within your budget or Premier and Cabinet?

Mr JOHNSON: That would be under this year's budget, not next year's.

Mr MARLBOROUGH: The expenditure has taken place this year.

Mr OMODEI: That is for this last financial year, not the one that we are considering.

Mr MARLBOROUGH: I understand that. Are any inquiries currently being conducted in any other areas of local government at this time, not including inquiries about boundary changes?

Mr OMODEI: It would be best if that question were put on notice. There are various levels of inquiry. An allegation could be made to the department about a pecuniary interest. For example, we have just had a departmental inquiry into the Shire of York.

Mr MARLBOROUGH: Do you have any idea of how many local councils are being inquired into at the moment?

Mr OMODEI: We will supply that as supplementary information. A monitoring panel has been introduced into the Shire of Wiluna. The CEO has just resigned and there is some breakdown of local government. However, there are no inquiries into significant issues such as corruption and similar serious matters in local government. A large number of letters containing accusations or allegations are sent to the department, but in the main the complaints are unfounded. We will provide supplementary information about the number of councils that are being inquired into and the levels.

The CHAIRMAN: The earlier question can be asked on notice.

Mr MARLBOROUGH: It is indicated on page 172 of Budget Paper No 3 that over the past five years local government has lost a staggering \$778m from the Commonwealth through the Grants Commission. It states -

The \$27 million loss from updating and relativities follows successive losses in the previous four Updates totalling \$208 million, most of which resulted from Western Australia's growing capacity to raise revenues (particularly mining royalties) compared with other States. The total reduction over five years greatly exceeds that of any other State . . . As a result of these losses, Western Australia's financial assistance grant in 1998-99 will be \$235 million less than if the funding shares from 5 years previously had been maintained. The accumulated losses to Western Australia over the five years will total \$778 million.

Mr OMODEI: That is correct. That is the Grant Commission's allocation to the State, not to local government.

Mr MARLBOROUGH: What portion of that goes to local government and how has that figure been reduced over the past five years?

Mr OMODEI: I will ask the executive director to comment further. However, that allocation is purely the financial assistance grants funds to the State. The allocation to local government is a separate amount of some \$150m-odd, which was reduced last year but most of it has been reinstated this year.

Mr LYNCH: My understanding is that this is not related to the local government pool of grants, which is separate from those which come to the State. The local government pool of grants differs from state funds in that they are allocated to each State on a per capita basis and Western Australia suffers as a consequence of that anomaly. Funds to the State are allocated on a fiscal equalisation basis, which takes account of particular needs. Local government is not so fortunate, but until last year - I note it has been reinstated this year - the allocation of grant funds to councils has grown by the CPI. The Commonwealth has a system whereby the grant is increased each year by CPI. Last year it did not do that. It took a portion of the funding contributed by local governments to the so-called Commonwealth Budget black hole. However, it has been reinstated this year.

Mr MARLBOROUGH: How much did the Commonwealth take last year?

Mr LYNCH: For Western Australia it was slightly less than \$1m out of a total allocation of \$140m.

Mr MARLBOROUGH: Has that been reinstated from the base?

Mr LYNCH: Yes, that is right. Local government was keen to have the base re-established. However, although

this Budget reintroduced CPI adjustments, they will be calculated on the lower base last year. Local government is not very impressed.

Mr McGOWAN: Page 694 refers to funding issues arising from the royal commission report. Your steering committee handed down some recommendations resulting from that royal commission report and you accepted a range of them. You also rejected three major areas relating to gifts, conflicts of interest and donations - three areas in respect of which you modified the recommendations of the royal commission report. Why has the Premier said that the recommendations have been totally implemented?

Mr OMODEI: As far as they can be, they have been.

Mr McGOWAN: They have not. You could have implemented the recommendations in the royal commission report, but that has not been done; the Government has elected not to do that.

Mr OMODEI: Perhaps we can provide the member with more information. However, in one area relating to the liabilities of directors, some recommendations were just not practical to implement; for example, verbatim transcripts of council discussions. Perhaps the executive director can comment.

Mr LYNCH: The great bulk of the recommendations of the Wanneroo royal commission report will be implemented. However, a small handful were seen not to be practical and alternative methods of addressing them were considered, for example, the verbatim transcripts. The group that I chaired found that that would not be practical to introduce across Western Australia's 142 councils. Another departmental program in relation to agendas and minutes of councils would bring about an improvement in the recording of both the agenda and the minutes. While one could argue that that recommendation was not implemented, it was seen to be addressed in another way.

Mr McGOWAN: You did not recommend that it be compulsory to record how councillors vote and so on in your response to the royal commission, did you?

Mr LYNCH: No. There are plenty of provisions in the current legislation to require people to declare and to register their vote. On any contentious issue before the council one of the parties merely has to move that the votes be recorded and that will happen. To make it a uniform requirement that votes be recorded on every occasion was seen to be something of an overkill. The facility is there for any member of the council to require that to happen.

Mr McGOWAN: We have divisions in this place and the record of the vote is in *Hansard*.

Mr OMODEI: I can provide as supplementary information the rationale for how we have dealt with those two or three issues about which we did not agree.

Mr McGOWAN: They were the three principal recommendations in the report.

Mr OMODEI: They were dealt with by the committee chaired by the executive director comprising membership from WAMA and the IMM. We can provide that information but, where it was practical to respond, we have.

Mr McGOWAN: Why has the Premier claimed at page 945 of the budget papers that the recommendations have been totally implemented?

Mr OMODEI: That is a flimsy argument. As the executive director said, those that have not been directly dealt with are being addressed in a slightly different way.

Mr McGOWAN: One line item relates to the Wanneroo royal commission report.

Mr JOHNSON: Do you mean the \$110 000?

Mr McGOWAN: Yes.

Mr OMODEI: My opening comment explained the extra inspectorial staff.

The CHAIRMAN: Is the member referring to another division in respect of which he purports to quote from the Premier?

Mr McGOWAN: I have asked the question of the Premier, but he has not answered it. It is relevant to the Minister for Local Government because it is his area, his report, the biggest thing to happen in local government in the last five years and we should have an answer on why the Government is claiming that it has completely implemented these recommendations when it obviously has not.

The CHAIRMAN: I refer to page 699. Has the Local Government Advisory Board come up with any recommendations concerning ward boundaries and any possible changes to council numbers and the new entities within the current City of Wanneroo but in terms of the new split bodies?

Mr OMODEI: No, the Local Government Advisory Board will consider the views of the commissioners when they set up the two municipalities. Of course, they will set up Joondalup and the Shire of Wanneroo and will suggest ward boundaries as part of that. The commissioners will be independent and have no vested interest. Their recommendations will go to the Advisory Board, which will deliberate on them and make a recommendation to me as to whether they should be accepted.

THE CHAIRMAN: What factors are taken into account in making that determination?

Mr OMODEI: The demography and communities of interest.

Mr MARLBOROUGH: The same principles that will apply to other shires?

Mr OMODEI: The same principles as have applied to other ward boundaries.

Mr McGOWAN: I refer to the operations of the Local Government Advisory Board, the investigations it has been conducting and the general investigations that you have been undertaking in relation to boundaries of councils over the last five years. Can you provide a breakdown of the actual cost this financial year and what it has been since you have been in office?

Mr OMODEI: I will supply that as supplementary information.

Mr McGOWAN: I refer to animal welfare. The last budget contained no allocation to the RSPCA, either as recurrent expenditure or agreeing to assist with a capital grant for the establishment of a facility. Why was no such grant made?

Mr OMODEI: We allocate funds to the Ruby Benjamin Foundation. However, the RSPCA did not complete its proposal. I understand that it was to put that proposal to Treasury rather than to the Minister for Local Government. The RSPCA is not responsible to the Minister for Local Government - it helps police the Prevention of Cruelty to Animals Act - so I have no direct control over it. I know that it has been looking for some land, and I have offered assistance in that regard. It has also been seeking sponsorship from various animal welfare groups and animal service groups to put together a package so that they can have a matching arrangement. I am not aware of the final package, but I understand it was working on that.

Mr McGOWAN: The RSPCA approached you about a grant for capital assistance and you approached the Premier on its behalf. Why has the Government rejected that request? Are you aware that in virtually every other State in Australia grants are regularly made to the RSPCA because it performs a number of the roles that the Government would have take on if the RSPCA did not in the area of animal welfare legislation prosecutions and so on?

Mr OMODEI: I have supported the application. It had not completed the package when I last spoke to the group, which was more than 12 months ago. However, now that you have raised the matter I will make contact with the RSPCA to see where that application is and again to offer my support.

Mr JOHNSON: I have been made aware that the RSPCA is looking forward very much to the new Animal Welfare Act being introduced because it feels that it does not have sufficient powers to deal with dangerous or stray dogs, and dogs that are being ill-treated. It does not have the legal power to retrieve those animals and to hang on to them. Are you saying that if the RSPCA approaches you again you will give it a favourable response perhaps and some assistance, because it desperately needs some help? I would also support that.

Mr OMODEI: I understand the RSPCA is well funded by a number of foundations and the general public, but I am more than happy to listen to any proposition put forward by what is a very well regarded community organisation. Dangerous dogs are dealt with by local governments; local government rangers are responsible for the policing of dogs under the Dog Act, which is the responsibility of the Minister. The RSPCA has some input in relation to cruelty to dogs, and the Government is considering allowing members of the RSPCA, inspectors of scientific establishments and so on to be appointed as inspectors under the legislation. All will be revealed when the Act hits the Parliament.

Mr JOHNSON: I look forward to it.

Mr McGOWAN: The Minister announced a couple of months ago that he was not going to proceed with a cat Act and that the issue would be handed over to local councils. I know that that is not actually your personal view. Why did you do that? Were you rolled in the Cabinet? I know you have said before that you think that that is a good idea, as I and most other people do. I know the member for Peel thinks it is a great idea. It is important, both in the interests of cats and native fauna, that we have appropriate statewide regulation of these issues because there is so much loss of fauna and also some cruelty to cats in this area. Why have you not introduced this Act?

Mr OMODEI: In the early stages we put in place a task force to look at the issue of cats. My solution to fixing the

cat problem would be well illustrated on the front page of *The West Australian* with a picture of someone holding one dead cat in each hand. However, the number of submissions on that topic exceeded the number in relation to the Local Government Act; we had more than 500 submissions. The solution to the cat problem is not simply dealing with feral cats and getting rid of unwanted cats. The humble cat is a member of the extended family and part of people's everyday living; they are companion animals. Local governments in other States have brought in companion animal legislation. Members would have seen in the press recently that Minister Ernie Page in New South Wales is in all kinds of trouble about cats. He wanted to allow people to shoot cats that came on to their property, but that did not go down very well. If one looks at the application of the Dog Act in Western Australia, one sees that there is some flexibility when it comes to Aboriginal communities in remote areas. The domestic cat issue in the metropolitan area differs to that of the outer metropolitan area or to some of the rural or regional towns. There does need to be some flexibility. Once a few local governments take up the model laws - they seem to be a little bit reluctant - then other local governments will follow suit. They will then have a local law that suits their local district. That is why we have not introduced it.

Division 68: Disability Services Commission, \$139 945 000 -

[Mr C. Baker, Chairman.]

[Mr Omodei, Minister for Disability Services.]

[Mr P. Bartholomew, Director, Service Development.]

[Mr J. Knowles, Director, Corporate Services.]

[Ms A. Ellis-Young, Policy Adviser.]

Mr OMODEI: The forward estimates build on the foundation laid in 1995-96, when this Government launched the count us in campaign in order to address the backlog of unmet demand for disability services which accumulated in the past. This Government has already committed additional funds of \$40.4m to the year 1999-2000 to ensure the delivery of urgently needed services in accommodation for those homeless or in risk of homelessness; respite to families and carers; direct funding to families and individuals to purchase a range of services and supports; skills development programs for school leavers; therapy and professional services; relocation of young people inappropriately placed in nursing homes; and the provision of aids and equipment. The Government continues to demonstrate its commitment to people with disabilities in the forward estimates. It has increased its growth funds by another \$6.9m to 2001-02, bringing the total to \$47.3m recurrent. In addition to the commitments made in the count us in campaign, the coalition pledged to assist those who care for people with disabilities. To that end, a total of \$3.1m has been added to the forward estimates, bringing total growth funds to \$50.4m in the two terms of this Government. To maintain the integrity of growth funds and avert erosion by cost movements the estimates provide for indexation of costs and enterprise bargaining. What the forward estimates mean to people with disabilities and their families and carers is a significant improvement in the quality of their life through improved access to services designed for their specific needs.

The CHAIRMAN: How does the commission define the term "disability"?

Mr OMODEI: There is a whole range of disabilities.

The CHAIRMAN: Is it defined in an Act for example?

Mr BARTHOLOMEW: It is defined in the Disability Services Act 1993. It is defined as a person who suffers from an intellectual, physical, sensory, neurological, cognitive or psychiatric impairment and who has a need for continuing support services and that that disability manifests itself in a significant deficit in their everyday life.

The CHAIRMAN: For example, would attention deficit disorder be considered to be a disability under that definition?

Mr OMODEI: No, it is not regarded as a disability.

Mr CARPENTER: Where is the Commonwealth's contribution mentioned?

Mr OMODEI: It is on page 323, under operating revenue and "other".

Mr CARPENTER: How does that relate to the figures that you brought back from your discussion with the federal Minister? An extra \$2m per year was granted over what you anticipated. Those figures do not show much increase at all.

Mr OMODEI: The extra funds from the Commonwealth amount to \$24.249m and it has removed the efficiency dividend in applying those funds over the next five years. The \$10.2m is not included in those funds. That is why

I made great capital about those being above and beyond what was agreed to by the Federal Government in our initial CSDA negotiations or discussions.

Mr CARPENTER: Did you say the original figure was \$24.2m?

Mr OMODEI: It is on page 323; it is \$24.249m.

Mr CARPENTER: Is that for the year 2001?

Mr OMODEI: That is the total. It amounts to \$4.812m per year. It actually builds up. In year one - 1998-99 - the figure is \$1.679m.

Mr CARPENTER: Is that growth funding?

Mr OMODEI: No, growth funding is \$1.042m, aged carer funding is \$300 000, service improvement funding is \$330 000, giving a total of \$1.675m in 1998-99. In 1999-2000, it amounts to \$2.861m. The growth is \$2.128m, with \$400 000 for aged carers and \$333 000 for service improvement. In 2000-01, it goes up to \$3.251m for growth, \$400 000 for aged carers, \$333 000 making a total of \$3.984m. In 2001-02, the growth funds are \$4.412m, with \$400 000 for aged carers giving a total of \$4.812m.

Mr CARPENTER: I take it you are using figures that are not shown in these budget papers. We have agreed that on page 323 the section under operating revenues refers to the amount of money that comes from the Commonwealth. From last year to this year I detect a decrease not an increase in the funding and virtually no increase in funding. According to the overall figures - not the breakdowns that you are using - there is virtually no increase for the next three years. Can you explain the comment about the efficiency dividends still being taken out? Are we being given a figure and then an efficiency figure deleted from that?

Mr KNOWLES: The figures in the forward estimates on page 323 were the CSDA as agreed prior to the Minister's recent negotiations. So, the CSDA was due to expire and the amount of funds that we were only able to project until agreement was reached were those in the base agreement.

Mr CARPENTER: The CSDA expired last year.

Mr KNOWLES: That is correct, but there was a number of extensions. In terms of the forward estimates, we had to make a projection for the commonwealth-state disability agreement. The negotiations were not finalised when these were framed and we tend to take the most conservative approach with our estimates. Therefore, we dealt with the agreement as we understood it at the time pending the Minister's negotiations with the commonwealth Minister.

Mr CARPENTER: These figures are the figures that were estimated before the agreement?

Mr KNOWLES: That is correct.

Mr MacLEAN: I refer to page 310, major initiatives for 1998-99 and the implementation in the fourth year of the business plan. Could you expand on that and give a background of the budget allocation? What has been the growth in the output in the four years?

Mr OMODEI: In the first year, 1995-96, the subtotal is \$5.35m; 1996-97 it goes to \$11.4m; in 1997-98 to \$11.43m; and, in 1998-99 it is \$6.6m. That is the subtotal and then caring for carers is on top of that, giving \$7.10m.

Mr MacLEAN: I am not so concerned about the actual dollars because we had a plateau effect where we had to catch up in a short time, so the dollars do not actually reflect the growth of the service delivery. I would like more detail about the growth of the service delivery.

Mr BARTHOLOMEW: The business plan money is allocated to particular target areas. I will answer that question in relation to each of those programs. By the end of this year we will have provided accommodation and support as a result of the money under the business plan for an additional 380 people. They are people whose basic family support networks have broken down and we are now providing support to these people and their families. We have provided a respite service to 220 people, and the Minister mentioned the additional funding that has been provided through the caring for carers package and a further 60 families have been supported through that program. We have moved 38 people out of the old Pyrton institution at Eden Hill into more appropriate homes in the community. We have expanded our local area coordination program and another 2 500 people are able to access that program than was the case at the start of the business program. By the end of this year, 208 young people who are leaving school will have been funded for what we call a post school option. That is a program for people who are unable to access employment. They have been funded to access a range of recreation, leisure, vocational and training programs. We will also increase the number of people in receipt of our therapy and professional services by the end of year 3 to just over 3 000 people.

Mr CARPENTER: I refer to page 310 and the amount of money that is provided for community organisations. It is stated that \$57m is allocated to community organisations.

Mr OMODEI: That is correct.

Mr CARPENTER: There is not, and I do not think there was last year, a breakdown given of who gets that money and for what purpose.

Mr OMODEI: No, it is not detailed here but we can provide that information. We fund 137 organisations, 31 of which will be funded exclusively under the aids and equipment program. We will provide that as supplementary information.

Mr CARPENTER: The other large component that I wonder about is the amount of money that is now provided in direct funding to individuals.

Mr OMODEI: It is about \$9m or \$10m a year. Those packages vary from a small amount to \$100 000 plus.

Mr CARPENTER: I refer to page 313 and hostel residential and community residential accommodation. Do those figures include the amount of accommodation provided by the non-government agencies funded by the DSC?

Mr OMODEI: Yes.

Mr CARPENTER: Does it also include the amount of money provided directly for individuals, especially in the community residential section for accommodation?

Mr OMODEI: It is provided on page 318. Community residential accommodation is to increase from 1 006 units to 1 052, enabling 24 young people in nursing homes to be relocated early in 1999 and a further 22 people will be accommodated in 1998-99. Thirty-three young people who have acquired brain injury were moved from Mt Henry and Brightwater, which was the Homes of Peace, into the community in 1997-98. An additional 48 were accommodated in group homes or duplexes in 1997-98.

Mr KNOWLES: The most significant funding goes to community funded organisations, such as the Activ Foundation, and then there is DSC's own services. There is a very small amount of individual funding in those programs but the vast bulk of the individual funding appears on page 318 under local area coordination, which is our major mechanism for providing individual funding.

Mr MacLEAN: I refer to page 310, and the increase in therapy and professional services. Mention is made of additional services to meet the demand of pre-school children and adults. I assume that that is in home service. Now that pre-school children are in the special schools is there a move to give these children their therapy services in the school instead of taking them out of school and conducting them at home?

Mr OMODEI: We have increased the level of funding for therapy services both in the city and the country.

Mr BARTHOLOMEW: In addition to the services that are provided to children prior to their going to school and the adult services, we have a school age therapy services program. This year it was allocated about \$2.6m and will provide services to about 3 000 children in schools across the Perth metropolitan area and through liaison with the Health Department to children in country schools. Once the children are of school age, we intend to provide the therapy as much as possible in the school setting because that is where they spend the majority of their day.

Mr MacLEAN: Initially there was a problem with the service being delivered only in the home. Therefore, they would be removed from their school environment for the day, have their therapy and then go back. Often the therapists would beat them back to the school to carry out therapy on other children in the school. Has that been addressed?

Mr BARTHOLOMEW: For the past three years a significant amount of the funding available under the school age therapy program was directed at children who were starting school. That is an area about which we have been conscious and we have targeted it in terms of funding. I am not aware whether that is still a problem, but it is an area to which we have given some attention.

Ms HODSON-THOMAS: I refer to page 311 regarding management of the implementation of an expanded early intervention service to be delivered primarily through the non-government sector for children with autism and continuation of the review of autism services for children in Western Australia including the restructure of services currently provided through Mildred Creek. I understand that an independent review was recently undertaken which found that intensive treatment at the earliest possible stage was critical in overcoming the major disabling features of autism. What budget allocation has been made to address the findings of that review?

Mr OMODEI: In my time as the Minister, the DSC has commissioned a review by Professor Matt Sanders of the

University of Queensland and Professor Margot Prior of Melbourne University. The position paper summarised the research literature and the principles of best practice to date in the very complex field of autism. As a result, new funding is to be targeted for an additional 110 children statewide aged between two to six years of age for intensive early intervention services. An annual allocation of \$800 000 has been set aside for early intervention strategies for children with autism. This will increase the current budget allocation for children with autism to \$1.26m annually.

The early intervention program will ensure that children in country areas are eligible for the same level of funding as those in the metropolitan area and providers such as the Autism Association of WA, the Intervention Services for Autism and Developmental Delay and Mildred Creek will provide these much needed services. It is a very important program that we are funding and looking at very closely and we have done a lot of work in that area.

The CHAIRMAN: Have any regional DSC offices previously located closer to the Perth CBD been relocated elsewhere and, if so, where and for what reason?

Mr OMODEI: The Premier recently opened the Joondalup northern region office, which is the only one at this stage. We are looking at consolidating the head office of DSC and that is in the very early stages of planning. I am looking forward to that at the moment. The DSC head office is in three different buildings in the western suburbs and it is intended that we consolidate them under one roof, realise those other assets and retire debt.

The CHAIRMAN: What is the nature of the initial term of the new leased premises in the LandCorp building in Joondalup and what are the options to extend the initial term?

Mr OMODEI: Five years and two lots of three years.

Mr MacLEAN: I refer to pages 313 and 314. Is that allocation to the non- government agencies tied funding; that is, if they put a proposition to you that they can provide 16 units of accommodation, I take it the answer to that would be yes?

Mr OMODEI: Yes, but new services are usually tendered. If we are relocating a number of people out of Pyrtton or Milford, those positions are usually tendered. The private sector or non-government agencies usually submit tenders.

Mr CARPENTER: I refer to page 313. The hostel accommodation figures have dropped from 799 to 775 this year, which is a drop of 24 . Page 314 shows that the number of people to be accommodated this year in community residential accommodation rises from 1 006 to 1052, which is an increase of 46. That is a net increase in the accommodation in those two categories of 22 people. Where would I find the other detail in relation to the 150 accommodation places you said would be provided in the next two years in an answer to a question in Parliament.

Mr OMODEI: We have reduced them to 775 from 799. The remaining 24 Pyrtton residents will be relocated by January 1999. Thirty-six people moved from the Pyrtton facility into outsourced community options in 1997-98. Therefore, we shifted 36 and we are down to the last 24 people. The additional information is contained on page 314 under community based support, where it mentions the remaining 24 young people in nursing homes who will be relocated in 1998-99. A further 22 people will be accommodated in 1998-99. The balance of the accommodation detail is under output 3, community based support on page 315. Community based support is to increase from 6 191 to 6 582 service users in 1998-99, with a further 391 people to be assisted in 1998-99. An additional 417 were provided with support and remained in their own accommodation in 1997-98.

Mr CARPENTER: Output 3 community based support is substantially different in its type from output 1 and output 2 in which the total accommodation package is provided. The total cost per person receiving the service bears that out - \$56 000 per person in hostels, \$44 000 per person in community based accommodation. Output 3 community based support is providing an amount of money to assist with accommodation rather than providing accommodation. Therefore, the total cost per person receiving the service in category 3 is just over \$4 000. I question the validity of the claim that the Government is providing 390 accommodation places when the average cost of the person receiving it is only \$4 500 and whether a more accurate description would be "assisting" with accommodation rather than in "providing" it.

Mr KNOWLES: We have allocated most of the business plan growth to community based support, which already had a low base. One of the reasons we have done that is that there is a general shift in the sort of accommodation we are providing to in-home and community based support. The averages look low, but out of the accommodation support funding round, which are the publicly available figures, those averages are about \$50 000 a place. However, many low cost options are coming through other services that bring those averages down. Focusing on the average for 6 500 people when many involve very low cost options probably does not provide a true picture of the average cost.

Mr CARPENTER: Is the average for those 390 people \$50 000?

Mr KNOWLES: That would be the figure for some but some have a very low figure. For example, some options in the accommodation support funding round cost as low as \$10 000 a year - typically in-home support. However, we have options for those with acquired brain injury as high as \$100 000. These are estimates, so there is also the issue of where we allocate the growth numbers and the dollars. That is done looking into the future and trying to balance off where we should allocate those funds. There is a spread of options, some of which traditionally would have appeared in previous forward estimates as group home accommodation or in-home support.

Mr MacLEAN: Under output 1, hostel residential, what ongoing reviews are in place to ensure that service delivery and accommodation quality are maintained? Everything deteriorates with time and you obviously want to maintain a certain standard of accommodation.

Mr BARTHOLOMEW: That question has probably two answers. One is that we are continuing with the program of trying to shut down these places. No matter what we might try to do by way of capital works, so the most outmoded and most institutional of these places are still pretty institutional in nature. In addition to the figures that are mentioned in these budget estimates, we are also progressing the closure of a further two or three hostels.

Mr MARLBOROUGH: Which hostels are they?

Mr BARTHOLOMEW: Milford Hostel in Bassendean will close by June of this year.

Mr MARLBOROUGH: That looks after adults, does it not?

Mr BARTHOLOMEW: Yes.

Mr MARLBOROUGH: How many does it accommodate?

Mr BARTHOLOMEW: About 20 people, I think.

Mr MARLBOROUGH: And they will be relocated?

Mr BARTHOLOMEW: They will be relocated into group homes or other arrangements.

Mr MARLBOROUGH: Have you determined where those group homes will go?

Mr BARTHOLOMEW: There are a whole range of different locations. Wherever possible, we try to locate the group homes close to where these people's families live; we also need to have regard for their employment or day placement so that they do not have to travel too far.

Mr MARLBOROUGH: So Milford closes with 22 people?

Mr BARTHOLOMEW: Yes.

Mr MARLBOROUGH: Which other hostels will close?

Mr BARTHOLOMEW: Boston Hostel in Forrestfield.

Mr MARLBOROUGH: Does that cater only for adults?

Mr BARTHOLOMEW: It is primarily for adults and some adolescents live there.

Mr MARLBOROUGH: How many people will be relocated?

Mr BARTHOLOMEW: There will be 24 people moved out of that hostel into group homes which will be operated by Nulsen Haven Association.

Mr MARLBOROUGH: What is the third hostel to close?

Mr BARTHOLOMEW: The last one is Pyrton which has a number of separate units; namely, Pindarra and Carramar. We are aiming to have that shut by January of 1999.

Mr MARLBOROUGH: How many people are involved?

Mr BARTHOLOMEW: At its height it had hundreds, but only about 30 people live there at the moment.

Mr MARLBOROUGH: Is it intended to sell them? Have they been sold?

Mr OMODEI: The Ministry of Justice is considering using a portion of Pyrton as a women's prison.

Mr MARLBOROUGH: Is it the intention to sell them?

Mr OMODEI: The Pyrton site is owned by the Disability Services Commission. It is our intention to sell that

facility and then use the funds to defray debt, which should improve our budgetary situation. I do not know whether it will be sold to another government agency or to the private sector. We have received a bid from a local government authority.

The CHAIRMAN: We have just discussed briefly the shift from hostels to group home services. That general trend is being experienced throughout the whole of Australia, is it not?

Mr OMODEI: Yes, but it is difficult to compare Western Australia to the other States because they are so far behind. We shifted quite a few people, as Mr Bartholomew has mentioned, out of institutions. If you go back far enough, the institutions were absolutely horrendous and would not be considered nowadays, but the facilities that I have seen being run by non-government agencies are excellent. For example, a facility with seven full time equivalents might look after three consumers. The new buildings are of a very high standard. They are in a residential area and look really good. We are looking at a joint venture currently in progress with Homeswest to locate the Pyrtton residents to Chidlow.

Mr MacLEAN: I congratulate you on closing those three hostels. I have been to each of them.

The CHAIRMAN: In what capacity?

Mr MacLEAN: No, I was invited to visit them by some parents who were concerned about the conditions. They considered putting their elderly children in. I congratulate you because they are absolutely run-down pieces of poor quality workmanship.

To follow on from the ongoing reviews that you have of accommodation - although we do not like institutions - they have the ability for centralised services for delivery such as transport, specialised rehabilitation and physiotherapy. How will those services be delivered in the group housing set-up?

Mr OMODEI: I will ask Mr Bartholomew to add to my comments, but in many cases, they are grouped homes. In other words, they are clusters of homes or duplexes in the same street or locality so we can still deliver those services in a similar way to that done before, albeit they might have to travel a little bit more. They still have to travel to the current institution anyway, but Mr Bartholomew might be able to elucidate on that a bit more.

Mr BARTHOLOMEW: While the services are still provided, they cost a little more because the economies of scale are lost. Obviously, if 30 people live together, it is easy to bring the service to them. One of the things that we try to do when we move people into the community is not so much the services to them, but have them access community services, so that rather than doctors and therapists and everybody else traipsing through people's homes, wherever possible, we encourage those people to use community facilities with a staff member supporting when necessary.

Mr MARLBOROUGH: I want to be a bit parochial about my part of the metropolitan area and ask a particular question to seek guidance. Does the disability services have a similar sort of boundary strategy as the Health Department? Does it work on the same metropolitan boundaries?

Mr OMODEI: The short answer to the question is no, but we have a local area coordination system that works within the various regions. Our south east metropolitan region is completely full and is nearing completion. We have only the northern corridor to complete and we will then have statewide local area coordination. Normally a local area coordinator covers about 50 consumers and identifies people who are in need of services, and refers them to relevant services, whether they be through the Disability Services Commission, Home and Community Care or the health system. They do not mirror the Health Department regions.

Mr MARLBOROUGH: Historically, when we have been able to look at the Health budget, we could determine fairly quickly that people in the south west metropolitan region on a per capita basis are discriminated against for health services compared with the other parts of the metropolitan area. My observations in terms of disabilities indicates the same sort of thing applies. We have a dramatic shortage of disability services.

For example, I am not aware of any adult day care centre in the south west metropolitan region south of Fremantle. I am not aware of anything in Kwinana or Rockingham. In fact, I have elderly families aged in their seventies who ring me and tell me that they have travelled to Bassendean for the last 20 years to see their now 44 year old son. There does not seem to be anything on the horizon in terms of your policies to indicate that you will progress that particular matter.

You said earlier, Mr Bartholomew, that you tried to relocate these people. The Bureau of Census and Statistics reveals that many people with a disability live in Kwinana-Rockingham. I do not see that any notice at all is being taken when it comes to where you place these people in terms of the location of their families. My people have to travel for miles to see their disabled children.

Mr OMODEI: I will ask Mr Bartholomew to comment in a moment, but you are right. Traditionally, over the years, the south has been deficient in accommodation or day care services. Part of the reason is that both Milford and Pyrton are in the Bassendean area, and I think Pyrton had 300-odd people at one stage. So it has been traditional that we look to locate respite services in the south and to complete the loop to have all areas covered by local area coordination. So south is covered completely.

Mr MARLBOROUGH: South west metropolitan.

Mr OMODEI: South west, south east and north east metro are almost complete. North metro is the only area in the State to fill the gap as far as local area coordinators. The local area coordination program is working very well because it has qualified people who identify people with disabilities, some of whom have been looked after by their families since the year dot without any assistance at all. As those carers get older, these people come to a critical situation. Our local area coordinators will identify them and the services they require, and point them in the right direction. We are currently working on respite.

Mr MARLBOROUGH: Is there anything that I can take back to my constituents, the elderly people in particular who are looking for the permanent sort of residential care that you are putting elsewhere in the metropolitan area that will indicate that in the next 12 months, they can have their children live close by so they can visit them and be on hand.

Mr OMODEI: You are talking about locating people in accommodation; people who are in critical need.

Mr MARLBOROUGH: I have a number of disability issues that I want to raise in terms of the south west. No permanent accommodation is available that I am aware of. In fact, you had some permanent accommodation in Kwinana - I think it came under disability service - a hostel type arrangement, which you sold about two years ago. We now have a community work group growing flowers and pot plants from it. You have no modern facilities in that region. I say that a massive demand exists. Does this Budget contain anything which indicates that the demand will be met in the next 12 months?

Mr OMODEI: I will ask Mr Bartholomew to respond, but we do not build institutions any more. We locate people into the community.

Mr MARLBOROUGH: I am not talking about institutions. We know what we are talking about. You said that you will sell three institutions, and you will move those residents into group housing. That is what I am talking about. I have no group housing.

Mr BARTHOLOMEW: We liaise with Homeswest to secure housing for people whose sons or daughters require accommodation for which funding is approved, wherever the parents desire that house to be. Sometimes that housing is purpose built by Homeswest, especially if the people have requirements regarding mobility, but often the housing can be secured cheaper and quicker by Homeswest spot purchasing the house for us.

Mr MARLBOROUGH: Your group home arrangement is more than just an individual in a house, is it not? Your group home, as I understand it, is four or five people living in a purpose built design accommodation.

Mr OMODEI: Not necessarily that many; probably three, maybe four at the most.

Mr MARLBOROUGH: Is anything like that being contemplated in the Kwinana or Rockingham area in the next 12 months? If not, why not?

Mr BARTHOLOMEW: I cannot answer that question without knowing how many people from those areas has applied for accommodation support. If a group of people from that area have applied for accommodation and been funded, the house will be secured in the Rockingham or Kwinana area.

Mr OMODEI: They must be priority one clients.

Mr MARLBOROUGH: I am talking about people who are already in hostel type accommodation who will be part of a relocation process. I am also talking about people who require these sorts of services. We do not have any in the south west metropolitan region.

Mr OMODEI: Are you talking about people who currently live in institutions at Pyrton and Milford and have parents in the south west?

Mr MARLBOROUGH: I cannot be specific about those particular institutions. I need to go back. All I know is that over a period of time elderly parents have contacted me, and people from your department have come to me to seek my assistance in dealing with local government authorities. When dealing with local government authorities in setting up these community based programs, I am told of the lack of disability services in the region when

discussing how we should approach disability services. One of the key elements missing in disability services - besides all of your people being overworked and underpaid - is the type of group accommodation I have talked about. I am sure your officers in the field in that area would give you the number of families and appropriate people who would require that accommodation in the Kwinana-Rockingham area.

Mr OMODEI: Are you talking about people who are currently in institutions there, or the people who are at home in the south west?

Mr MARLBOROUGH: It is a mixture. Some of them are institutionalised and some are at home.

Mr OMODEI: I will find that information and provide it to you by way of supplementary information. In other words, you are looking for people who are currently in institutions, possibly at Pyrton or Milford, who have families in the south west.

Mr MARLBOROUGH: Yes. In the Rockingham-Kwinana area.

Mr OMODEI: Or alternatively, people who are priority one type clients who need accommodation.

Mr MARLBOROUGH: That is right.

Mr OMODEI: I have not mentioned that one of the things that we identified as an area of need was respite for aged carers. We managed to get the Commonwealth Government to agree to an extra allocation of \$333 000 per year for three years for respite for ageing carers. We intend to build on that. It is tough work dealing with the Commonwealth to get money out of it. I had to run my own Ministers' conference in Canberra to convince the Federal Government that this was an important issue to us. It finally did that, and we managed to get the \$10.2m above and beyond the base amount that it was going to give us in the Commonwealth-State Disabilities Agreement. In addition, we managed to get the commonwealth Minister to agree to sit down and negotiate issues in relation to unmet needs. That is a clause in the CSDA so he cannot renege on it.

Mr CARPENTER: On that issue of the \$330 000 a year for the ageing carers, how many people are we talking about? You must have put a figure to them in the submission.

Mr OMODEI: It is about 25 families; \$300 000 in 1998-99, \$400 000 in 1999-2000, and another two lots of \$400 000 for the next two years.

Mr CARPENTER: Have you any idea of how many ageing carers are in the category who have applied for assistance and not got it? Obviously 25 are getting it.

Mr OMODEI: The waiting list for accommodation services consists of 270 people. You previously asked me the question in Parliament and I said hundreds.

Mr CARPENTER: That was slightly different, I think. I was about to ask you about the accommodation.

Mr OMODEI: Priority one services - nil; priority one is when the risk of breakdown of support is imminent. Priority two - 51 people are looking for assistance; that risk area is when the risk of breakdown of support is not imminent, but could break down within 12 months. Priority three - 75; that is when support is unlikely to break down before 12 months. Priority four - 83; they are longer term need cases. Then there are new applicants who have been identified by local area coordinators; 61 of whom have not yet been rated, so they are being assessed. This totals 270; 51 in priority two, 75 in priority three, 83 in priority four and 61 not yet rated.

Mr CARPENTER: That in part answers the question I was about to ask you in relation to the number of people accommodated, and the percentage of consumers satisfied. This is the first year that you have been requested to provide that response. If 90 per cent of those accommodated are satisfied, what about the number of people who are not accommodated, and therefore what is your total satisfaction level? Is it more like 70 per cent?

Mr MARLBOROUGH: I think you will need the definition of "satisfied".

Mr OMODEI: Not only that, we have not serviced those people who exist and have not asked for a service. As time goes on, there will be a lot more people with disabilities arising from the baby-boomer population spike. The statistics published in the "Disability Counts" document reveal that the figure will increase to 600 000 in the next 25 years.

One of the critical areas is for respite for ageing carers and carers generally, because if people can be looked after by their carers in their own home, they will be far more comfortable in that situation. The longer that we can care for them, the longer they will take to reach a priority one stage. I am concerned about that area which we are currently working on. If we can look after carers and give both the carers and the consumers respite, then we will extend the amount of money that we have to cover more people.

Mr CARPENTER: To your knowledge, are there 270 people on the waiting list for accommodation who obviously are not satisfied? They would be in the "yet to be satisfied" category.

Mr OMODEI: That does not include the families.

Mr CARPENTER: No, but in every category of the budget item "Percentage of consumers satisfied", you have placed the figure at 90 per cent. Could you explain how those figures were calculated? You have it for accommodation and everything else.

Mr BARTHOLOMEW: We commissioned consultants to conduct a consumer satisfaction survey. The people surveyed were families, and, wherever possible, people with disabilities who were using either our hostel, a group home or therapy services or whatever it might be in terms of the extent to which they were satisfied with the service they were receiving. It did not pretend to address the issue of trying to get a feel from the general community as to how many people in the general community were satisfied with DSC services. Many of them may not have known about them. It was simply a survey of those people using our services.

The CHAIRMAN: That consultant, I gather, was outsourced and hence independent of the commission.

Mr OMODEI: Yes.

The CHAIRMAN: That was the independent consultant's analysis of levels of satisfaction.

Mr OMODEI: "Disability" must be defined. If one were to canvass or survey every person with a disability in the State - I think I am getting to that stage - they would discover that their disability is essentially a hearing impairment or a sight impairment. A lot of disabilities that people put up with are still regarded as a disability, right down to the profound disability of people with cerebral palsy, multiple sclerosis and so on. So it is a pretty tough ask to define a disability.

Mr CARPENTER: In this concept of consumer satisfaction which you have been required to place in your budget papers, two factors are involved. One is the reliability, if you like, that the Chairman alluded to of the figure that you provide. There is a remarkable consistency in it, which is to say that in every category of service that one provides, a 90 per cent satisfaction level is achieved.

The CHAIRMAN: Some others appear on page 321, "Performance Measures for Output 9".

Mr CARPENTER: I do not think they are in relation to satisfaction, are they?

The CHAIRMAN: Quality issues, perhaps.

Mr OMODEI: The Auditor General requires us to provide them.

The CHAIRMAN: Assessing quality?

Mr CARPENTER: I understand that, but as a disinterested observer, I would be highly sceptical of any survey which provides me with exactly the same result for every different question that I ask. The other issue is in relation to the element of people who are not surveyed. In other words, it is a bit like the transport issue we raised before; you survey only the people who use the service and not the people who do not use the service. Many people may not know the service exists. In that document that you alluded to, reference was made to 54 000 people with an unmet need. If you factored that sort of number into these numbers, you would find that the amount of potential consumer satisfaction level was quite low.

Mr BARTHOLOMEW: The reality in the disability field is that something in the vicinity of 75 per cent of people with disabilities are supported by their families. The task for us is to make sure that when those families need help, they get the help that they need. We can do that only by trying to make sure our services are known to people and they are given every opportunity to access those services. That is the function of our local area coordinators, our regional officers and the other arms of the service and non-government agencies who publicise their services. A major task for us is to provide information to people about the services that are available and how they can be accessed. When we did our strategic plan a couple of years ago, it was a major issue that was raised by people throughout the State. They mostly want information about different services. It would be fair to say that we are addressing the needs of those most critical people with regard to accommodation support funding. Families are no longer at absolutely breaking point, and homeless people are receiving support. Priority one people are being addressed. We now have to make sure that the mechanisms are put in place to support families so that people do not get to that critical stage prematurely because that is obviously better for them. It is a much cheaper option and it is much better for the family to stay together whenever possible.

Mr OMODEI: That is when you are talking about respite and accommodation, but the local area coordinators who

identify people in need can channel them in the direction of Home and Community Care, Silver Chain, podiatry services, and a whole range of other services, so it is not really a very straightforward question when you consider people with disabilities and their needs. We are certainly targeting those who are in most need.

Mr CARPENTER: I have acknowledged a catch-up in that category, particularly those in the most critical need, but I wonder about the provision of services and keeping up with growth and demand. The figures you produced in that document lend some weight to the concerns I have. For example, the figures that you provided are based on figures which are five years old and indicate that 54 000 Western Australians with a disability report an unmet need for help. That is quite a substantial number of people, and if you do the figures, you will find that on 1997 or 1998 population figures, it is a larger figure than 54 000.

Mr OMODEI: I am not sure whether they extrapolated the ABS statistics in that document.

Mr CARPENTER: You produced the document which stated 54 000 Western Australians had an unmet need. If you analyse the growth in the figures that you provided for all these different categories of service provision, and bear in mind the growth factor that you provided, which is that the number of people with disabilities is growing at twice the general population rate of 2 per cent, you are looking at a minimum of 4 per cent growth annually. Have a look at the growth in the number of people receiving the service as a percentage; it is nowhere near 4 per cent in any category. A genuine question to ask yourself or the department is: How are we keeping up? For example, under outcome 3, community based support, the raw statistic of the number of people is substantially increased who are accessing the report, but if you reduce that to a percentage, the number of people supported increases from 6 191 to 6 582; an increase of 1 per cent. On all the other statistics available, you would expect at least a 4 per cent increase in the number of people who require that service.

Mr OMODEI: Most of them are in that range.

Mr CARPENTER: 1 per cent.

Mr OMODEI: In the range of 3.5 to 4 per cent.

Mr CARPENTER: I know you will find that is right.

Mr OMODEI: I will ask Mr Knowles to comment.

Mr KNOWLES: The major issue is redesigning our services and trying to keep pace with growth and demand. It is fairly well stated what the State has contributed in that area, and the various percentages would be a debating point, but what underpins a lot of this, especially in output 3, the community based support, output 4, the day options, and output 6, local area coordination, is a continual and significant increase in investment and prevention strategies. It remains to be seen whether that will close the gap. I suspect the disability area will always be a challenge, but we are increasingly trying to move resources into the prevention area. No retrospective information is available to calculate what the impact of that will be in the future because a lot of those initiatives are reasonably new.

Mr CARPENTER: The question I raised at the beginning was the amount of money from this budget that goes into non-government agencies for the provision of service. I understand there is that considerable amount. We have no argument on the statistics because the statistics are here. If you do the calculations you will find, for example - leaving aside the hostel accommodation which nobody wants to grow - there is an increase of 46 over 1 000 for community residential. I have not calculated the percentage on that, but it is approximately 2 per cent. Under outcome 3, community based support, the number of people who receive the support would increase by 1 per cent. Under outcome 4, the day options, which are partly preventive, the number of people receiving the service will increase by 1.01 per cent. If you look at outcome 5, health and individual development, which again is partly preventive interventional strategy, the number of people accessing the service will rise by 1.15 per cent. If you look at outcome 6, local area coordination, the number of people assisted will increase from 3 867 to 4 617.

Mr OMODEI: I understand that is incorrect and I ask Mr Knowles to explain that. You have not taken into account early intervention and non-government agencies. Whilst they are funded by DSC, a lot of them are self funded. For example, the Multiple Sclerosis Society raises about 70 per cent of their funds; the WA Institute for the Blind raises about 90 per cent.

Mr CARPENTER: We are analysing the Government's performance.

Mr OMODEI: Yes, but you are stating the overall statistics which are that people are using both DSC services and non-government agency services.

Mr KNOWLES: I would be happy to do the calculations with more accuracy. For example, output 6, local area coordination, has an increase of 700 or 800 and would probably represent a figure closer to 20 per cent. It is a figure

greater than 10 per cent with output 5 rather than 1 per cent. They are the prevention areas that we talked about earlier, which is health and individual development. The numbers that we sought to address as a percentage of accommodation came from a much higher base. It is always difficult and I think it is a strategy that the organisation has run. Do we put the resources at one end of the scheme where it consumes a lot of resources, like accommodation, or in, say, the local area coordination, health and individual development?

You are correct about the percentages in respect to the traditional services, but in the new services - which we hope, as the Minister indicated before, will have long term benefits impacts - significant increases are to be found in the outputs. We have always tried to keep our forward estimates statistics entirely consistent with things like the business plan.

Mr OMODEI: The important thing is that we are. No priority 1 people are waiting for accommodation. We are in the third year of the business plan. By September we will put together the detail for the next business plan which will take over in 2001. We already have some commitments from Treasury as far ahead as 2001-02, and we will build on them. If I have my way, we will ramp up the next business plan to cater for that growth. We at least have a structure in which we have a business plan and the disability sector knows where it is going as far as funding is concerned. We have good communication with and good feedback from the sector. At the same time, we are strongly lobbying the Federal Government to ensure that it plays its part in our unmet need. The structure that is in place is good, but somebody will always be in need. I think we are doing quite well. If you compare what we do in Western Australia to New South Wales, Victoria and Queensland, we are light years ahead. That is not to say that we should stop what we are doing. We should continue to pursue our target with as strong an effort as we can and with your support.

Mr CARPENTER: In fact, with regard to output 5 you are correct. The calculation I made was wrong. I acknowledge what you say about WA. We had that discussion before and I have related my experience. I acknowledge the point you made in relation to the growth being smaller perhaps in the more traditional provisions of service and accommodation, and greater in things such as local area coordination. If you look at outcome 3, for example, the description of that service is community based support in which people with disabilities or their families are responsible for their own day to day accommodation and are provided with additional support such as respite. I do not know if respite appears in any of the other categories - I did not see it - but I would have thought that given your own comments about the requirement for increased provision of respite, it is arguable that the increase in funding in that output is not great enough.

Mr OMODEI: I agree, but I do not know about nowhere near great enough. The overall budget for disabilities has increased dramatically since we came to government with a business plan; \$125m over five years is a lot of money and approximately \$50m recurrent over that period is a quantum leap compared to what occurred before.

Mr CARPENTER: We had that discussion in the Parliament as well and I also pointed out to you that the same could have been said for the previous Government over the Government before that. It is an involving area and obviously the requirement for spending -

Mr OMODEI: It is a pretty thin argument. We are talking about now. Had we continued at the same level as when we came into government, we would have been in total disarray at the moment. People would be dying from lack of service.

Mr CARPENTER: Off the top of my head, the figures from 1981, or about that time, reveal that less than 1 per cent of total government spending was spent on disabilities.

Mr OMODEI: I think that is a pretty flimsy argument. That is the old statistics argument.

Mr CARPENTER: To go from that to 1.7 per cent by the time of the change of government to 1.86 per cent now -

Mr OMODEI: I will save that for another day.

Mr CARPENTER: I do not think we should get tied down in those arguments about what happened 10 and 20 years ago. If predictions or projections are made inside the department about where we are now as opposed to where we will be in, say, another five years time, how are we matching the growth and demand. We do not find those figures here because no explanation is given of the demand.

Mr KNOWLES: This is all about how we use the funds we are given and an accounting of it. It is not meant to be a document to explore unmet demand. The Disability Counts document is an indication of the sort of bald numbers that are around. Our waiting list gives an indication of need other than priority 1. We understand that those are all issues that we need to work on in the future. These forward estimates provide for continued and sustained growth. One might argue about the pace and whether that is fast enough. The Minister has plans which we are working on

at the moment to get additional increases for those funds. It is difficult without having some precise figures on the amount of demand, other than wait lists which are pretty easy to deal with because they are accurate. The harder things to deal with are people identifying the demand five to 10 years down the track such as people who are becoming aging carers. Essentially these documents do not pretend to deal with unmet demand, but account for current expenditure.

Mr MARLBOROUGH: I put on the record before asking my questions that I think the officers of Disability Services in my area do an absolutely magnificent job. I am talking about the local area coordinators and all of those people involved in providing disability services in the Kwinana-Rockingham area. The people in the field do a tremendous job under very difficult circumstances. I am lucky in many ways that I have a disability service office next to my office and I can see at close hand what they do, but it is under those extreme conditions that I am worried about a number of aspects. As my colleague, the shadow Minister, has indicated, that just in the area of respite care, these figures do not show that there has now been an attempt through your department in my area of Kwinana and Rockingham to put a respite care program in place since January of last year. This figure does not show that money has not been able to be used yet. I am aware of the background to it and it is not a criticism of your department.

Mr OMODEI: When you say "respite care", is it respite for clients or for carers?

Mr MARLBOROUGH: It is a respite program for both. I am concerned that it has taken that long to implement and it is no fault of the department. These are the weaknesses in the model you are working on; you very much rely on two elements. One is the input of local government and the second is the input of the volunteer system, whatever it may be. I will be quite specific in my case. In the Kwinana-Rockingham region, the project has been delayed by this length of time because your officer in the field went to a particular local government authority, Kwinana Council, and the officer simply did not understand what they were talking about. It was no fault of your department, it was the fault of that council. Subsequently the scheme disappeared and was implemented in East Fremantle and Melville instead of in my region, and I am now involved in trying to resurrect it in that area. I am concerned about the role of local government in these areas and of course local governments always think they will be lumbered with a scheme for which they will have to pick up the tab later on down the track if the money either diminishes or disappears. That is the whole problem with these schemes when local governments look at it. They say they have seen a lot of these schemes that have come from the Commonwealth or the State, who get them up and running and give them an office and a telephone, and then the next thing the scheme has collapsed. The need has been proved and we are asked to go to the ratepayers and pick up the tab. It is an area that needs to be looked at. Secondly, in terms of these schemes, your officers in the field are simply not resourced well enough and I am concerned that the level of care given by volunteer organisations, although done with all of the right aims in place, are not necessarily providing the appropriate level of service to the clients that I believe they deserve. I suggest to you that that is brought about mainly because they do not have the appropriately qualified people among their own volunteer organisation, and you have not got the appropriate qualified people in their field backing up that system.

Mr OMODEI: It is a bit more complicated than that and I will ask Mr Bartholomew to make some comment. However, as far as local governments are concerned, they also provide facilities or match moneys for the home and community care programs and the Commonwealth Government has not pulled out of HACC yet; not that I am suggesting it ever will.

Mr MARLBOROUGH: There have been major problems with local government and HACC.

Mr OMODEI: I am saying that local governments are becoming more aware of the issue of disabilities. All of them have been required to put disability plans in place. They have all complied with that, particularly in relation to access, and many of them are taking up the issue of providing services for people with disabilities. However, I must say that the actual local area coordinators - we have almost got total coverage now - are the frontline people in the community. They have discretionary funds of up to \$10 000 per local area coordinator and you might argue that that is not enough. I am sure all of them would be able to spend probably two, three or four times that much, but they must account for those funds which are put to good use for a whole range of things including respite, aids and so on.

Mr MARLBOROUGH: I am not sure that answers my concerns of the role of local government and why they are not running to it, as I believe they should be. Secondly, an ongoing growing use of volunteer organisations that, by definition, have their heart in the right place, do not necessarily have the properly qualified people. A lot of that may just be that they must love and care for people, but on the basis that they do not have qualified people, they need to be backed up by the appropriate level of qualified people.

Mr BARTHOLOMEW: The level of interest and involvement of local governments in disability varies dramatically. You mentioned a community development job that was done with local councils around Melville and Fremantle. There was a lot of support and interest from some of those councils putting in their own resources.

Mr OMODEI: Canning City Council is excellent in this field.

Mr MARLBOROUGH: I am aware from Armadale to Gosnells.

Mr BARTHOLOMEW: That is right. It was a really good exercise, not just because it was saying what people need, but it involved the whole community; local governments, community groups, parents, and non-government agencies. We are now looking at the outcome of that project and it will be fed into our funding that is available under our business plan next year. We have also supported the funding requests made by home and community care for some of that program. A variety of options exist about how some of those programs will be funded and I am confident we will achieve an outcome.

Mr MARLBOROUGH: Were you going to mention anything about the community groups on local government?

Mr BARTHOLOMEW: They are very varied. Any organisation that is funded by the commission, that is, which receives funds from us, is subject to signing a performance agreement with us in which are various accountability mechanisms which are subject to standards monitoring visits. I hope that if any issues exist of significance concerning their capacity to provide a quality service, we will pick that up through those mechanisms and they will be addressed.

Mr MARLBOROUGH: I look at my area of Kwinana and I am extremely concerned about the level of care available through your adult day care program, that is, the program in which people attend a central location on a daily basis and given different levels of disability support that can range from physio to language and so on. The amount of care given does not meet the medical requirements set down for those particular disabilities. For example, people are leaving hospital with a disability from a stroke which leaves them with some impairment, and that hospital sees as an appropriate level of care that they attend physiotherapy three times a week, three hours a day. I suggest that when they go into the community they are unable to access that level of service; they may get one three hour period of physiotherapy or one half hour period a week, and it does not go anywhere near to meeting their medical requirements. If my assessment is correct, they are unable to assist them in any adequate form at all with appropriate rehabilitation as laid down by the medical practitioner who may be treating that patient with that disability.

Mr OMODEI: The Disability Services Commission and some of the non-government agencies deal with people with acquired brain injury as a result of stroke, accident, immersion, drug overdose or whatever. That is the profound end. After they have gone through rehabilitation in the hospital system, our non-government agencies look after them and they become clients of the non-government agencies. The people that you talk about reside under the health portfolio and home and community care. From what you have said, the people that you talk about are in that area; home and community care, the Silver Chain Nursing Association and the Health Department. In addition, of course, is the area that is funded by the Commonwealth, and that is employment for which they provide funds for employment agencies and opportunities. Some of those finish up in day care type facilities, but in the main they are all under the funding arrangements of local hospitals and family and community care centres for the aged.

Mr MARLBOROUGH: Do they not come under your department?

Mr OMODEI: No.

Mr MacLEAN: I seek a point of clarification in regard to output 6, local area coordination before I ask my question. I take it that local area coordination involves both government and non-government agencies and other possible suppliers.

Mr OMODEI: Local area coordinators are provided and funded by the Disability Services Commission. The whole loop will be completed by the year 2000. To give you an idea, the detailed coverage in 1997-98; Country Midlands Region, we have Merredin; South Metropolitan Region is Cannington, Forrestfield and Bentley; East Metropolitan Region is South Perth, Manning, High Wycombe, Kalamunda, Inglewood, Morley and Noranda; North Metropolitan Region is Ocean Reef, Heathridge and Quinns. In 1998-99 the Country South West Division, Bunbury and Collie has been covered. South Metropolitan Region is West Armadale; East Metropolitan Region is Eastern Hills and Upper Swan; North Metropolitan Region is Hillarys, Wanneroo, Kingsley, Marangaroo, Girrawheen, Mirrabooka and Duncraig. Virtually all of your areas have been covered in this current year so you will see a significant improvement in those that your constituents have required. Disability services will be serviced by the local area coordinator.

Mr MacLEAN: Excellent. I refer to output 9, quality assurance, "preserve consumer rights, safeguards and service quality", at page 321. I take it that means that carers must seek clearances to work directly with the clients. What other requirements will have service quality?

Mr OMODEI: Standards monitoring generally, but people who come into the service must have a police clearance before they come into the service.

Mr CARPENTER: We spoke previously about matching demand with the growth of demand and you gave me the figure of 61 new applicants. Could there not be a calculation or a derived figure upon the growth of demand simply by measuring the number of new applicants each year for the past couple of years? Are you able to provide 151 extra places in two years? Say that figure was 61 for the one year. Would you be able to demonstrate that you were keeping pace with the growth in demand?

Mr OMODEI: It is not consistent. We never know when that carer will break down and, therefore, the consumer requires an accommodation package.

Mr CARPENTER: You have run it for a long enough period of five years?

Mr OMODEI: I do not know. I think you will find it would be pretty uneven. Maybe Mr Knowles can give you some more information on that.

Mr KNOWLES: Once we got through the backlog, that presented as a result of a 1992-93 review of accommodation - because that is where the business plan was targeted; there was a big emphasis on getting through those people. We see on average about 50 to 60 priority 1 people a year. That will vary as the Minister said and, of course, we are also increasingly experiencing people identifying their demands earlier on, so we are now starting to get people who say, "I believe I will need a service in two or three years' time because of my age and those issues". We are also finding that some people who identify with a very critical need, aging carers is a good example, that once we tell them that funding is available, they do not want the son or daughter to leave home. It is the assurance of funding in the future. It is a bit of a variable, but that is my experience through the accommodation support funding committee which I sit on.

Mr OMODEI: That is why I am very keen to get respite funds for both carers and consumers because if we can keep those people together, then we will save the acute care system in the hospital system and the disability services funding as well and get that message to both state and commonwealth Treasury officials.

Mr CARPENTER: You said last year that school aged therapy was funded to the amount of \$2.6m and 3 000 people accessed the service. Given that it has now been transferred out of the DSC and become a non-government agency, could you explain the funding arrangement that will apply to that? I think it is called Therapy Focus?

Mr BARTHOLOMEW: Therapy Focus will be funded in exactly the same way as any other non-government agency. It will be the subject of a performance agreement with us. It will have exactly the same funding arrangements, funded quarterly on an advance basis, and will be required to sign a performance agreement to have the normal acquittal and accountability processes. It will be at arm's length from us in the same way as any other non-government agency would be.

Mr CARPENTER: Will Therapy Focus be 100 per cent funded by DSC for the provision of the service that it will provide?

Mr KNOWLES: The initial proposal is for Therapy Focus to be 100 per cent funded by DSC so the transfer will see us funding it to that degree, but an expectation exists, of course, that Therapy Focus will also seek to approach the Lotteries Commission and other entities for funding. Sponsorship may be another issue in terms of typically non-government agencies getting their sponsorship; for example, having their audits done for free. I would be very surprised in the future if Therapy Focus was anything other than in the 95 per cent bracket funded by government.

Mr CARPENTER: The interim chairman is Dr Loudon. Tenders were never called for this. It was created and he was appointed as the chairman. As far as I know, there was no application for interested parties or whatever. In relation to the appointment of the other board members, did the DSC play a role in that or was that left to Dr Loudon?

Mr BARTHOLOMEW: DSC had no part at all to play in the other members of the board. It was solely a matter for the discretion of Dr Loudon.

Mr OMODEI: I thank members of the committee for their forbearance tonight and the quality of the questions by all members has been excellent. I thank the member for Willagee for his support. He certainly could have questioned me with more scrutiny than he has in the past. To be fair to the member for Willagee, it is a matter that transcends politics in most cases and, therefore, it is very hard to be critical when one deals with people with disabilities, but while the Government makes the effort that it is, it will be very hard for the Opposition to criticise. I welcome your support from time to time.

Committee adjourned at 10.00 pm
