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ESTIMATES COMMITTEE

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Wednesday, 7 June 2000

Legislative Council

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STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

The meeting commenced at 9.00 am.

The CHAIRMAN (Hon Muriel Patterson): On behalf of the committee, I welcome you to today's hearing. Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia. The committee values that assistance. For the information of members, these proceedings will be reported by Hansard. The daily *Hansard* will be available on the following morning. Hansard will distribute documents for correction, which must be returned on the A4 documents sent to members. The cut-off date for corrections will be indicated on the bottom of each page. Members are asked to sit at the front of the Chamber so that witnesses will not have to turn their heads when answering questions. It will greatly assist Hansard if, when referring to the *Budget Statements* volumes or the consolidated fund estimates, members give the page number, item, program, amount and so on in preface to their questions. If supplementary information is to be provided, I ask your cooperation in ensuring that it is delivered to the committee's clerk within five working days of receipt of the questions. An example of the required Hansard style for the documents has been provided to your advisers. May I remind those members of the public in attendance that only accredited media representatives may take notes. However, full Hansard transcripts will be available to the public within a week of the close of these hearings. The committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observations. For the benefit of members and Hansard, I ask the minister to introduce his advisers to the committee, and for each adviser to please state his or her full name, contact address and the capacity in which he or she appears before the committee.

Division 71: Swan River Trust, \$5 213 000 -

Division 72: Water and Rivers Commission, \$37 008 000 -

Hon Muriel Patterson, Chairman.

Hon M.J. Criddle, Minister for Transport.

Mr R. Payne, Water and Rivers Commission.

Mr R.P. Atkins, Swan River Trust.

The CHAIRMAN: Have the witnesses read, understood and completed the "Information for Witnesses" form?

WITNESSES: Yes.

The CHAIRMAN: Do they fully understand the meaning and effect of the provisions of the document?

WITNESSES: Yes.

Hon M.J. CRIDDLE: Major policy decisions have been made since the publication of the *Budget Statements* affecting the Lower Gascoyne resources development, the Council of Australian Governments' water reform framework, the flood plain task force recommendations and the Cockburn Sound management council.

Hon KEN TRAVERS: I refer to the Gngangara water mound and the problems with pine trees. I know ongoing negotiations have been conducted with the Department of Conservation and Land Management over the years about clearing the area. I would like a brief outline of the progress that has been made and what measures are used to determine whether CALM is meeting its requirements. What are the targets and are those targets being met?

Mr PAYNE: Late last year we signed a memorandum of understanding with CALM to regularise the management of the impact of pine trees. About 70 per cent of the impact on the mound was affected by pine trees and an area is affected by abstraction. The critical task was to get CALM to rearrange its cutting down of trees to suit our water management program. We monitor the use of bores and CALM is now cutting down trees in a sensible order to enable, for example, the Yanchep caves to reestablish their flows. As part of the MOU, CALM is looking at installing pipe systems to supplement the water flow into those caves.

Hon KEN TRAVERS: Is there a plan or something documented? Does the commission have a target and are any measurements used? The environmental protection policy refers to basal areas. Is that written into the plan and is it possible to obtain a copy?

Mr PAYNE: The MOU contains a schedule indicating how quickly trees are to be cut down and how quickly vegetation is returned to the 11-square-metre basal area. Some pockets within the plantation go to as high as 30 square metres. It is a balance between the geology of the aquifer, the soil overlay and the basal areas, and establishing a priority that achieves the best results with the ground water re-establishing itself. We can provide the schedule attached to the MOU.

Hon M.J. CRIDDLE: If the member requires that, I will ask the minister to provide it.

Hon KEN TRAVERS: I would appreciate that.

Hon M.J. CRIDDLE: I will ask the minister to release that schedule.

Hon NORM KELLY: I refer to page 1477 of the *Budget Statements*. Mention is made of the discovery of an increasing number of contaminated sites affecting ground water. Does the WRC have a database of all contaminated sites and can the public access it?

Mr PAYNE: We do have a database, which is regularly updated. I am not sure that it is easy to access. Much of that information is in our ground water atlas. A number of our old contaminated sites are former petrol stations. Existing and former petrol stations are marked in the ground water atlas, which is freely available. Recent additions and new discoveries might be on a computer database in the organisation. If people inquired, we would be able to dig out the information.

Hon NORM KELLY: Therefore, anyone who wants to inquire about whether a particular site is contaminated can get that information easily through the commission.

Mr PAYNE: Yes. We offer a counter service for people inquiring about water. We would be able to respond to those inquiries. We might refer them to the ground water atlas or provide a printout indicating what we know about a site. As I said, the scene is changing all the time and new things are being discovered. It is an issue of the form of the database given that latest information. The recent discoveries would be the only areas undefined at the moment.

Hon NORM KELLY: Can I have a copy of the ground water atlas?

[9.10 am]

Mr PAYNE: The ground water atlas is available. We have given it to all municipal libraries. We sell it to drilling contractors at about \$75 because it is a quite significant document. We are investigating putting it on the web and on CD-ROM as well. We update it every five years as more information comes to hand.

Hon M.J. CRIDDLE: The point I wanted to make is that it is available. Is the member happy with that?

Hon NORM KELLY: Yes; could I be provided with a list of where it is available - for example, whether it is in all libraries - and in what form?

Hon M.J. CRIDDLE: Thank you.

The CHAIRMAN: Is there a lifespan for contaminated sites or would that vary according to the contamination point?

Mr PAYNE: Yes, some will degrade naturally by bacterial action; others must be treated; and others must be contained by the carefully controlled pumping of ground water. On Kwinana industrial estate, for example, previously existing contamination plumes are being prevented from going into Cockburn Sound because they are pumped at the perimeter, so that the pumping rate is balancing the natural flow of the plume and the plume perimeter stands still. That must go on for many years and will place obligations on companies which own the land which will pass on those obligations to people who might buy the land in the future. That general obligation process is handled through the Department of Environmental Protection. We handle more the physical, technical side of it.

Hon KEN TRAVERS: I understand there is an old night-cart dump in the middle of Gnangara pine plantation which has had some remedial work and is subject to monitoring. How is that site being managed at the moment?

Mr PAYNE: I am not sure I know the exact detail of the site the member mentioned, but there are a number of old tips and past contaminated sites on Gnangara mound and even on Jandakot mound. The way we manage them generally is to adjust from where the bore water is taken, so that the bores are upstream of the contaminated site, or we seek to remove the contaminated site. There is a tip on Gnangara mound, but it so happens that the bores are all upstream of the tip, so they are not taking water which would be flowing out of the tip. Basically, we must either fix the contamination, which we have done in some circumstances, or reorganise the way in which the bores are positioned relative to the contamination so that they are not taking downstream contaminated water.

Hon M.J. CRIDDLE: The initiative is that the Water and Rivers Commission consider the site when managing the way water is extracted.

Hon MURRAY MONTGOMERY: On page 1489 the major initiatives indicate that a number of waterways are being managed and there is ongoing planning for the restoration of those river systems and estuaries. Will the minister give some detail of the possible cost or budgeted costs for the restoration and the work entailed in it?

Mr PAYNE: I cannot be exactly accurate. I know, for example, we will be spending in the order of \$2m in direct allocation to the broad area of planning and controlling behaviour on estuaries, particularly in the south west but we are currently moving into the Kimberley area. In addition, this year we have a major initiative which is to get on top of the pollution and algal control issues in the Serpentine River. Our current budget thinking for that is of the order of \$260 000.

Hon KEN TRAVERS: I refer to page 1 476 and the amount provided for capital. I understand from the estimates committee in the other place that the \$800 000 listed on that page is for information technology rather than land purchases. For the past two years no funding has been provided for the purchase of land. I would have thought there would be immense pressures for the commission to purchase land. Why is that and is it holding up land purchases anywhere?

Hon M.J. CRIDDLE: The commission uses the metropolitan region improvement fund to purchase land, and it pays it off over a number of years.

Mr PAYNE: That is correct. Basically we must dip into our capital budget this year, but we are continuing to buy land through the metropolitan region improvement fund, and we pay that back as our capital budget grows to a point of buying.

Hon KEN TRAVERS: What is the commission's current liability to the fund?

Hon M.J. CRIDDLE: Around \$4.5m.

Hon KEN TRAVERS: Is that creating any delays in the purchase of land?

Mr PAYNE: Broadly no, but we would be careful because, for example, in the past two years we have made payments of \$1m to \$2m against our commitment to the fund. We are trying to manage our capital demand appropriately but if we are under pressure for a particular item to be purchased, we can generally find the money.

Hon KEN TRAVERS: I understand the main area in which the commission is purchasing at the moment is around the Gngangara mound. I assume that land is being purchased particularly around Lake Pinjar?

Mr PAYNE: I am not sure that is the answer. I know that there is a mix. We are generally buying the P1 classified land. Much of the Pinjar land is P2, based on past uses. Therefore, there would be a mix on various parts of the Gngangara mound. On occasions we have people with particular hardship on P1 land which we would not normally buy because our wanting to take water out of that area of the mound would be some time in the future. However, because of their personal hardship we bring those people into the equation and buy them out.

Hon KEN TRAVERS: What are the principles on which the land price at Lake Pinjar is determined? Land valuers always tell me that the issue comes down to the principles on which one determines the value. For example, one of the principles for determining the value of land at Wattleup is providing people with the opportunity to buy similar land in a similar area. What principles does the commission use?

Hon M.J. CRIDDLE: It is basically the figure that the Valuer General puts on the land. It is not an amount which allows people to get an advantage out of a possible development.

Hon KEN TRAVERS: Is any consideration given to people's ability to relocate to similar properties in similar areas, which I understand is the sort of principle that has been adopted for Hope Valley and Wattleup?

Hon M.J. CRIDDLE: I do not think that we need to talk about other agencies.

Hon KEN TRAVERS: I am using those as examples.

Hon M.J. CRIDDLE: I know what the member is trying to do, but we are dealing with the Water and Rivers Commission.

Hon KEN TRAVERS: I am merely asking what principles the commission applies.

Hon M.J. CRIDDLE: I have just outlined them.

Hon W.N. STRETCH: I do not know whether the minister has received notice of a question on the Tone River and Warren River catchments. The question is -

- (1) What is the total amount of compensation paid out to date to landholders under the Country Areas Water Supply Act clearing bans that were introduced in about 1978 or 1979 in -
 - (a) the Tone River catchment and;
 - (b) the Kent River catchment?
- (2) Are any claims outstanding?
- (3) Are there any more areas of land potentially liable to compensation payouts in that area?

[9.20 am]

Hon M.J. CRIDDLE: Mr Payne will provide a general outline and we will find out the detail later for the member outside these arrangements if he wants them on a personal basis.

Mr PAYNE: I do not have the exact figures in front of me; however, millions of dollars have been spent over many years on compensation. I believe our existing liability to completely close out future clearing control compensation is currently of the order of \$3m to \$4m.

Hon M.J. CRIDDLE: We will provide that information to the member.

Hon W.N. STRETCH: My next question refers to page 1480 of the *Budget Statements* and is along similar lines. Under the Rights in Water and Irrigation Amendment Bill is an amount of money set aside for compensation to landholders of licensed areas? Is any compensation envisaged where licences could be applied in future; in other words, on current land which is not acquired but could be acquired and under this veiled threat of resumption or licensing, is compensation contemplated in those areas?

Mr PAYNE: A number of provisions concerning compensation are proposed under the amendments to the Rights in Water and Irrigation Act. For example, we propose to regularise what we have been doing with mining companies for years. We

would allow a mining company that comes onto land requiring water to have the water but we know by taking the water it will affect a neighbour, either a pastoralist or another miner. We therefore require the mining company to compensate the neighbour and make good his water supply. Sometimes mining companies go onto land and deepen bores and sometimes they reach a settlement with their neighbours. We propose to make provision in the Act for that form of compensation so that it has more power. There is an issue with compensating someone directly from the Water and Rivers Commission if the commission makes a mistake in its allocation of water. Broadly, we allocate water if it is required for a sustainable use and is a capacity share of a natural system. We will not compensate people for mother nature changing the weather or the way of the natural system. However, the commission will have a liability if we make a gross mistake in how we allocate water. If, for instance, we over-allocate water and then have to take it back, we would expect to pay compensation. However, we believe we are on safe ground as we have not over-allocated anywhere and Western Australia has allocated only 30 per cent of its total resource. Our system is therefore vastly different from the Murray-Darling Basin system where some catchments have been over-allocated by hundreds of per cent. That does not apply in Western Australia, therefore, we believe we are reasonably comfortable.

Hon DERRICK TOMLINSON: My question follows on from the question asked by Hon Bill Stretch. Mr Payne indicated that the amendments to the Rights in Water and Irrigation Amendment Bill entertain extensions of the compensation entitlements. I appreciate the answer he gave. However, has there been any attempt to estimate the quantum of compensation which might flow from the amendments to the Act? Has there been any attempt in that quantum to put a financial value on the possible compensation, and is it contained in the budget figures?

Hon M.J. CRIDDLE: There is no allocation in the budget. As Mr Payne will outline shortly, the Water and Rivers Commission does not envisage a liability.

Mr PAYNE: The compensation I referred to was a matter of making legal a policy we apply between water users. The bulk of compensation is between users. In the example I gave of a miner coming into an area and affecting a neighbour, whether a pastoralist or another miner, the miner pays that compensation or makes good the water rights to the satisfaction of the other neighbour. As I said, we do not believe there is a significant liability on the allocation issue and therefore have not put an estimate into the budget papers. As I said earlier, because Western Australia is generally under-allocated, we have not reached the limit and we expect to be allocating water on a safe basis in any event. However, I expect that we might make a mistake in the future for which we could be liable and that might be of the order of a few hundred thousand dollars. I do not expect a major liability lying underneath what we are doing, and that is based on the basic philosophy of how we allocate.

Hon DERRICK TOMLINSON: If a landowner in an area which is now unlicensed has a legitimate existing use of water, the landowner's land becomes a licensed area. If the owner subsequently fails to get a licence for the water which he or she previously used legitimately, I understand that person will be entitled to compensation, not from a neighbour or a new industry, but through the commission because of an action by a government agency. Has Mr Payne anticipated any compensation costs upon the Government through the commission for that type of action?

Hon M.J. CRIDDLE: We are getting into a very detailed area. The previous answer outlines the situation. The Water and Rivers Commission does not envisage such a situation as that outlined by the member. However, he may like us to follow up on the matter.

Hon DERRICK TOMLINSON: I would like the question put on notice so that we can get a written answer.

Hon M.J. CRIDDLE: We are prepared to give a written answer but that will be from the minister.

Hon MURRAY MONTGOMERY: The second dot point on page 1489 under "rivers and estuaries" refers to the Water and Rivers Commission continuing to implement the flood plain management task force recommendations. Will the minister outline those recommendations, particularly in reference to the flood plain council. Will the minister also explain the costs involved and the role the council will take in the area around Busselton that has always been subject to flooding? I know there are other areas, as the budget papers suggest, such as Carnarvon and further up the coast. However, I am concerned specifically with the area around Busselton.

[9.30 am]

Hon M.J. CRIDDLE: Once again it is a complicated issue.

Mr PAYNE: The flood plain task force is spending about half a million dollars of new money this year as well as some old money. It will cover a number of areas of the State. The way in which flood plain management is handled is very messy at the moment and needs to be regularised. We expect that the council will be useful in providing advice to the minister over time as to how to bring together planning controls over flood plains and the technical solutions to the problems of flood plains and how they relate to the operator of the drainage system: They are the three things that have to be brought together. We expect that the flood plain task force council will provide practical advice on how to do that. We have some working examples operating in the State; the Busselton operation is one that has been mentioned. At Busselton, the Water and Rivers Commission has taken on the role of designing a solution and we are using our geocatch management entity to negotiate an accepted solution with the community. Historically, the problem with flood management has been that people do things on flood plains after the flood has passed and is out of mind, and when the next flood comes the flood plain has been completely mashed up. At Busselton we are designing a conceptual solution for the improvement of the whole drainage system. That will flow over into planning controls and it will also require the farming community

to accept the idea of distributed retarding basins on farming land. The geo-catchment group is negotiating that with the local community. We expect a reasonable outcome. The result will be that there will be an application to the Commonwealth for shares of commonwealth money for flood plain works. The State will also have to contribute. The contribution will probably be worked through by the Office of Water Regulation and it will probably be the Water Corporation that actually does the work. That is a brief description of the complexity of flood plains, particularly at Busselton.

Hon NORM KELLY: I have a question about the issue of compensation and the new legislation. Mr Payne referred to the fact that Western Australia's water resources are allocated to about only 30 per cent, which is fine if we had only one big pool of water, but I understand that there are some catchments which are 100 per cent allocated and they are the areas that are more likely to be open to compensation claims. Which areas are at or close to the 100 per cent level?

Mr PAYNE: Broadly it is the areas around Wanneroo. There are a number of subareas, but I am not sure of the names. A number of the subareas are close to the 5 per cent mark; that is, they are only 95 to 100 per cent committed. They will be the areas that we expect to see early trading, subject to Parliament passing the legislation. It will be a way of controlling and reshuffling water without our needing the wisdom of Solomon to decide who to take water off and who to give it to. The areas around Wanneroo have the tight subareas.

Hon NORM KELLY: Would the south west be regarded as a 95 per cent allocation area?

Mr PAYNE: Not that I am aware of. The major issue with the south west is the rapid progress in putting dams on streams and getting a locally based management system in place so that there can be fair shares of the water from a stream between dam builders. We are concerned that at the moment there is a great rush to build dams.

Hon NORM KELLY: In answer to a previous question Mr Payne referred to the possibility of several hundred thousand dollars being necessary for compensation. I wonder whether there is any substance to that possibility if that is the figure in his mind. I would like to put a question on notice as to whether there has been any evaluation by the commission for allocating money for compensation and how the figure has been derived.

Hon M.J. CRIDDLE: I think that was just a notional figure. We do not believe that there will be a need for compensation. I do not see the value of putting the question on notice.

Hon NORM KELLY: It is just that, even notionally, if there is thought of a few hundred thousand dollars, it must be stemming from somewhere. I want to get to the basis of that possibility.

Mr PAYNE: The issue of compensation, its equity and how we manage it is very complex and that is why I am keen to give a written answer to the previous question. The only reason I mentioned a few hundred thousand dollars was that I cannot believe that we will not make a mistake. I would like to say that we are foolproof and never make mistakes. I am arguing that we are on the safe side of the allocation process and that we allocate conservatively. I picked a notional figure of a few hundred thousand dollars out of the air because I expect that, somewhere down the track, we will make a mistake. I do not see it as material, in terms of accounting, for us to be putting provisions in the accounting papers.

Hon MARK NEVILL: I am not sure whether it comes under Mr Payne's purview, but there is a problem with allocating water rights to mining companies in the goldfields. Do the water rights revert back to the Crown once the mining operation starts? If they do not, the Crown might have to buy the water back in order to allocate it to another mining project.

Mr PAYNE: Allocating water does fall under our purview. We try to look at whether it has sustainable use, how long the mine will be there, whether there will be subsequent miners and whether the ground water system will recover for a subsequent miner. For example, in recent times we had the problem of Anaconda wanting a lot of water out there. One of the big issues is the fair sharing of water for neighbouring miners and future miners. That is one reason why we said to them that we would give them a licence to take water. Generally we give licences for a period of time; we relate the licences to the life of the mine. We feel that Anaconda is asking for so much water that it may not be able to be found nearby. Therefore, if we gave Anaconda an unconditional licence, it could impact on its neighbours. Anaconda's licence is conditional. It says that it can have it for a period of time if it can prove the water is there. If it cannot find the required amount of water locally without impacting on its neighbours and other miners, it must go to the Officer Basin and take water from there. We sent Anaconda to Officer Basin to make up its own mind up about where it would put a contingent bore field if they could not meet their commitments from nearby paleo-channels. We try to license the water - and have been very effective at it over many years - to ensure that there are fair shares and no miner impacts on a neighbouring miner.

Hon MARK NEVILL: If they stop mining, do the rights cease and then have to be renewed?

Mr PAYNE: Generally they do because we tie the rights of the licence to the expected life of the mine.

Hon MARK NEVILL: The expected life of the mine is very different from the possibility that the economics may change and the mining operation may stop in six months' time.

Mr PAYNE: That is true.

Hon MARK NEVILL: If a mine stopped operating six months down the track because of technical problems but it had water rights for 10 years, and seven years down the track someone else wanted to start up a mine, the Crown then has to buy back the water rights from a company that has them but is not using them. Can that situation be avoided?

Mr PAYNE: It is avoided in the sense that we put development conditions on licences. Sometimes we can have conditions on licences that stop that from happening. At other times we may make the conscious decision that in a particular area of the State it is better for the water to be traded to another miner.

Hon MARK NEVILL: Who gets the money for trading it?

Mr PAYNE: The mining companies.

Hon MARK NEVILL: That is ridiculous.

Mr PAYNE: That is the way in which it operates in a lot of places. The point is that when a mine is created and the company comes to us for a licence, the licence from the Crown is usually a bankable instrument for the company. The structure of the finance deal for the mining company is related to the licence. The member is correct in saying that the Crown gives someone an asset to use. When we set this up, we take account of the mine's situation and the appropriate way for water to be reallocated. We try to use commercial arrangements to do so.

[9.40 am]

Hon MARK NEVILL: That is a worry. Does the Water and Rivers Commission cooperate with the Centre for Water Research at the University of Western Australia?

Hon M.J. CRIDDLE: Yes.

Hon MARK NEVILL: The commission is doing a great deal of work in the Gascoyne catchment of which I was not aware until recently. Is that information available on the web site, and does the commission keep members representing the area informed about what is being done? I was about to duplicate some work already done there.

Hon M.J. CRIDDLE: I am informed that some information is on the web site, but the commission is happy to provide the information to members if required.

Hon GIZ WATSON: Page 1476 of the *Budget Statements* refers to 80 per cent of stream riparian zones in the south west agricultural area being seriously eroded by salinity. What funds and resources are directed towards restoring those riparian zones?

Hon M.J. CRIDDLE: The commission is spending about \$4m on salinity, a percentage of which is directed to riparian zones.

Hon GIZ WATSON: Is that for fencing? What sort of work is done to that end by the Water and Rivers Commission?

Hon M.J. CRIDDLE: It is sharing the cost of items such as fencing.

Hon DERRICK TOMLINSON: Page 1491 of volume 3 of the *Budget Statements* refers to the protection and enhancement of the quality of the State's surface and ground water. The output measure has a target of reduced land planning and state development assessment costs from a \$6 000 estimate in 1999-2000 to \$4 400 in the coming financial year. The explanation provided is that a delegation will be made of routine assessments to local government authorities. Therefore, a delegation of costs will be made to those authorities. Will a delegation of responsibility for guaranteeing or protecting ground water also be made to local government?

Mr PAYNE: There is no delegation of responsibility. Local governments are happy about the cost issue as they incur many costs in referring pieces of paper to us which we send back with a cross or a tick. We agree with local government in that regard, particularly in areas in which our management authorities create policy. Local governments can use that policy directly in how they process many of the applications. Many of these matters can be determined quickly by looking up a page and saying yes or no. This will replace authorities forwarding matters to us, and then putting the application back into their systems. This change will be a mutually acceptable and efficient way of operating. It hinges upon the Water and Rivers Commission's creating policy, and agreeing on its implementation with the local authority.

Hon DERRICK TOMLINSON: Whiteman Park is essential to the protection of the Gnangara mound, but it is constantly being intruded upon by urban development, with Albion town to the east and the boundary change with the southern portion being excised for the extension of Beechboro. These issues have been accommodated by shifting the priority 1 zone north in the case of Beechboro, and slightly west in the case of Albion town. Is the cost of assessing the consequences of urbanisation of Beechboro and Albion town to be borne entirely by the Shire of Swan? What guarantee can the Shire of Swan and the Water and Rivers Commission give that the Gnangara mound will not be affected by the incursions on Whiteman Park?

Mr PAYNE: The analysis of how the Gnangara mound is managed is the responsibility of, and a cost to, the Water and Rivers Commission. The comment in the budget papers relates to the across-the-state relationship of the commission to local government. Two things are taken into account in deciding what to do on the Gnangara mound. We are in the process of consulting the Ministry for Planning and the Environmental Protection Authority, and taking it out to public consultation through the Gnangara land use and water management strategy consultation process to finalise the boundaries and what is to be done. We have modelled the true effect of where the existing bores are found, and modelled the true effect of existing land uses and zones. We have not taken back the existing land use zones as it would be hard to undo. We have conducted a risk assessment of the total viability of the asset and its maintenance at a good level. We have come to that

solution in the GLUWMS process. We do not see any reduction in the viability of the Gngangara mound in what we are doing. It is all sorted through by the Water and Rivers Commission.

Hon KEN TRAVERS: I refer to the issue of ground water management subareas having allocations close to their levels of sustainability. I understand that more than only the Wanneroo area is involved, as Jindong in the south west and Gingin and Gascoyne are also close to allocation. Are any of those areas over-allocated? New output 3 is "Regulation, Licensing and Community Awareness" for which a key effectiveness indicator is ground water management areas with use in excess of management objectives. This is outlined on page 1483 of the *Budget Statements*. The estimated effectiveness indicator is 4 per cent, but the target for 2000-01 is less than 7 per cent. Why is the commission expecting an increase in the number of areas not to be managed within management objectives over the next year?

Mr PAYNE: The member is right about the other subareas. I referred to locations of heavy traffic, but other spots around the State are involved. We expect the real action to be around Wanneroo. The increase from 4 per cent to less than 7 per cent is a reflection of the fact that over the next year or so we expect to be cleaning out many areas because the Rights in Water and Irrigation Amendment Bill will generate a great deal of interest in water and how it is allocated. The volume of work will increase considerably. We expect issues will arise which will need correction. In areas for which we allocate water, we will place an amount of water under licence. Some will not be fully used. Even though the area might be fully allocated, or be close to going over the allocation, the use of water may not be close to the full allocation. With the proposed new Act we expect that in a number of areas around the State there will be interest in more subareas and more allocations. We will be safe, because the water usage will not have gone over in physical terms. However, with the sheer volume of paperwork we expect a change in our performance indicator.

[9.50 am]

Hon M.J. CRIDDLE: We are talking about a Bill that is yet to go through this Parliament.

The CHAIRMAN: We will keep away from the hypothetical.

Hon KEN TRAVERS: I may need a briefing on how this indicator will work. Will there be an over-allocation under the licences issued of say 110 per cent, because you know what water will be used? That raises the matter, based on the minister's comments about the new Bill potentially going through the Parliament, of people with an allocation that is larger than their current use.

The CHAIRMAN: It is not in order to anticipate a Bill that has not reached the Parliament.

Hon KEN TRAVERS: The budget anticipates it.

Hon M.J. CRIDDLE: Mr Payne is prepared to answer.

Hon KEN TRAVERS: What processes is the commission adopting about that?

Mr PAYNE: I have caused a bit of confusion. We will not go over the allocation limit. In creating the allocation process we create management plans through consultation with people in an area. We expect that we will do more of that to get our local management committees in place. That will head off a lot of argy-bargy and appeals down the track. The indicator refers to management objectives. We recognise that the proposed new Act might generate a lot of traffic in redoing management plans. As I indicated earlier, we are concerned that an awful lot of dam building has been going on in the south west. As the new Act gets under way we expect a lot of traffic about re-sharing the water on a stream where people have jumped in and built new dams. A lot of administrative work will revolve around the management plans which all sit under the allocation limit. However, we expect the performance indicator will be hard to achieve, even at 7 per cent, because of the work of re-consulting and redoing management plans and reshuffling the management objectives. We do not expect to go over the allocation.

Hon KEN TRAVERS: Are you suggesting, in the matter of identifying people who have licences for greater allocations than they are using, that you will reduce their licences? What will be allocated to that in the budget?

Mr PAYNE: Historically, the so-called sleeping licences - that is, licences in which people have a greater allocation than they use - have been taken back using advisory committees. They have been hard to administer. Basically, we ask everybody who has water and does not use it to give some back to somebody else. We propose that in a fully-allocated area we will let trading between neighbours sort that out, instead of our taking water off an individual. Another issue that is buried within this indicator relates to the setting up of by-laws or rules in a particular area before we will allow it to trade. We would want the local group to agree to our reallocating water before we allowed trading. Some areas will go into trading as is, some areas will be reworked and others will have by-laws created to control how the trading behaves, so that complexity of the management plan and objectives are reflected in it.

The CHAIRMAN: Perhaps Hon Ken Travers can have a briefing on this later, and we can move on.

Hon GIZ WATSON: A major initiative on page 1482 relates to priority plans, which include the Kimberley region allocation plans to do with surface and water application. When is it estimated that allocation plan will be completed?

Mr PAYNE: We operate in two areas in the Kimberley - the west Kimberley, which is the cotton proposition, and the Ord. The final version for the Ord will be created in about 2003. However, we are creating an interim allocation plan for the Ord stage 2 project. We expect to have the first draft of that late this year and the final allocation for the Ord will be out

in about 2003. We were working to a schedule of one year in the west Kimberley plan, but the proponent is slowing down. There is scope for us to slow down as well.

Hon GIZ WATSON: Page 1489 refers to rehabilitation and restoration efforts in Lake Powell and Torbay Inlet. What works are being done there, and when is it expected they will be completed?

Mr PAYNE: I am not sure of my deadlines there, but I know this year on Lake Powell and Torbay Inlet we will test Phoslock clay, which we are using in the Swan River, to see whether that is an appropriate solution. Lake Powell and Torbay Inlet were part of a forgotten piece of waterway between Albany and Denmark. They are being taken up now and we are doing a lot of research there. We will try Phoslock later this year.

Hon GIZ WATSON: Is it basically nutrient reduction?

Mr PAYNE: Yes. It controls nutrients and what comes off the catchment, which is a long-term issue, and also deals with the deficit in the sediments in the lakes now.

Hon GIZ WATSON: Is there any monitoring or remediation of water quality issues?

Mr PAYNE: I am not sure of remediation of pesticides or monitoring in that regard. I think we are pretty okay down there. I do not know off the top of my head.

Hon NORM KELLY: I refer again to the trading of water rights under the water law reform on page 1480 of the budget papers. I am concerned at Mr Payne's comment that mining companies can trade those water entitlements if mining ceases. It was my understanding that the reforms would ensure against water banking - that is, where people get allocations they do not intend to use them purely to trade later - and licences would have conditions on them that would require that the use for which the water entitlement was obtained had to continue for them to still be able to use that water. Therefore, if that use were to cease, their ability to trade that entitlement would also cease. However, Mr Payne's comments about Anaconda seem to dispute that.

[10.00 am]

Mr PAYNE: The general intent of the member's comment is correct. I have tried to answer a lot of things in shorthand. Basically under the Act we can determine to what use water is put and we can put time limits on when the right ceases. We have a range of possibilities that are all aimed at making the best use of the State's asset. However, we want to do that with some input from the users in a particular area of the State. When I referred to Anaconda I was talking about one aspect of a possible way to go that related to one mining company. We have about five or six options on that.

I want to give the member the comfort of knowing that the way we do that is properly considered. As I said earlier, we are very keen to involve the local water users, because that reduces the longer-term appeals and arguments down the track. Therefore, we want to use, for example, the water resources management committee for an area of the State to build up by-laws that are relevant to that area and its use. Compared to other States, the significant thing is that we have done that on a quasi-regional basis. We still meet the Council of Australian Governments' requirements but are able to be very flexible. In some parts of the State we may never trade. We have the ability within the proposed Act to control the situation in that way. In other places there may be circumstances in which we believe it is in the State's interest to use trading as a way of resolving how the resources are allocated. In other circumstances, we will put on the licence that if a business disappears - the business fails to proceed - that is the end of it. It is a development condition and we take the water back.

The CHAIRMAN: I think that covers the answer to that question. We have one last question from Hon Dexter Davies.

Hon DEXTER DAVIES: I refer to rural drainage. How is the memorandum of understanding with other agencies progressing? Dealing with projects that are being identified in the south west; is there a budget line to cover that investigation?

Hon M.J. CRIDDLE: Yes, the memorandum of understanding is progressing, and it is part of our salinity budget. Therefore, those issues are contained within the budget.

The CHAIRMAN: Time has flown by. I thank the minister and his advisers for an interesting discussion. I am sure that if any further questions are required to be answered, that will be done.

Sitting suspended from 10.02 to 10.15 am

Division 42: Transport, \$328 065 000 -

Hon E.R.J. Dermer, Chairman.

Hon M.J. Criddle, Minister for Transport.

Mr M. Harris, Acting Director General of Transport.

Mr G. Martin, Commissioner of Main Roads.

Mr R. Waldock, Executive Director, Metropolitan Division, Department of Transport.

Mr A. Hubbard, Executive Director, Regional and Policy Coordination, Department of Transport.

Ms W. Payne, Manager, Financial Planning, Department of Transport.

Mr R. Carleton, Acting Chief Financial Officer, Department of Transport.

Mr. J. Taya, Executive Director, Human Resources, Main Roads.

Mr A. Jamieson, Executive Director, Finance and Services, Main Roads.

Mr B. Phillips, Manager, Budget and Program Management, Main Roads.

The CHAIRMAN: I am pleased to open the Standing Committee on Estimates and Financial Operations' hearing into Transport. This morning's hearing has been advertised as Transport; however, officers from the Department of Transport and Main Roads are present. I am pleased to entertain questions relating to either department. Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia. The committee values that assistance. Members are asked to sit at the front of the Chamber so that witnesses will not have to turn their heads when answering questions. I am pleased that members have chosen to do so. It will greatly assist Hansard if, when referring to the *Budget Statements* volumes or the consolidated fund estimates, members give the page number, item, program, amount, and so on in preface to their questions. I am happy for questions to outline either the page number or another specification that practically identifies the item referred to. If supplementary information is to be provided, I ask your cooperation in ensuring that it is delivered to the committee's clerk within five working days of receipt of the questions. An example of the required Hansard style for the documents has been provided to your advisers. May I remind those members of the public in attendance that only accredited media representatives may take notes. However, full Hansard transcripts will be available to the public within a week of the close of these hearings. The committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observations. I extend the same advice to members asking questions, so that we can maximise the number of answers given in the allotted time. For the benefit of members and Hansard, I ask the minister to introduce his advisers to the committee, and for advisers to please state their full name, contact address and the capacity in which they appear before the committee.

At this time, I ask each of the witnesses whether they have read, understood and completed the "Information for Witnesses" form.

Do all the witnesses fully understand the meaning and effect of the provisions of that document?

WITNESSES: Yes.

[10.20 am]

Hon TOM STEPHENS: How many train sets have been ordered by the Government for the urban passenger rail network since March 1993? When was each of them ordered?

Hon M.J. CRIDDLE: The Department of Transport has ordered five two-car sets. We took delivery of those. We did seek a further 12 to 18 sets, but we were not happy with the tender arrangements. We have not gone on with that at this stage, although we have had further communication with those people regarding further sets.

Hon TOM STEPHENS: Five two-car sets were ordered, but the 12 to 18 have not been ordered.

Hon M.J. CRIDDLE: That is since December 1995.

Hon TOM STEPHENS: What about prior to that between March 1993 and December 1995?

Hon M.J. CRIDDLE: We would have to check on that.

Hon TOM STEPHENS: If the minister would not mind, could he make that a supplementary answer?

The CHAIRMAN: We have an undertaking that that information will be provided on notice.

Hon TOM STEPHENS: How many of the train sets that have been received are in operation? If there are any which are not in operation, what are the reasons for them not being in operation?

Hon M.J. CRIDDLE: As far as I know, they are all in operation.

The CHAIRMAN: Will the minister check that that is the case and advise the committee if it is not?

Hon M.J. CRIDDLE: I stand by the answer I gave.

The CHAIRMAN: Thank you.

Hon TOM STEPHENS: It was claimed last week that the cost of the two-car train sets purchased in 1997-98 was \$2.5m per set. What is the explanation for the statement last week in the estimates committee that the replacement value of the two-car train sets is \$6.72m? What is the discrepancy between those two figures?

Hon M.J. CRIDDLE: I am told there has been a correction in Hansard. The correct figure for the two-car sets is \$6.72m.

Hon TOM STEPHENS: Does Westrail or the Department of Transport -

Hon M.J. CRIDDLE: Incidentally, that was indicated in the estimates committee.

Hon TOM STEPHENS: In the estimates committee at the time?

Hon M.J. CRIDDLE: Yes.

Hon TOM STEPHENS: Was it simply incorrectly recorded in Hansard?

Mr HARRIS: It was incorrectly recorded in one place and correctly recorded in the other place.

Hon TOM STEPHENS: Thank you. Does Westrail or the Department of Transport separately record the costs and receipts of each of the rail lines in the urban passenger system? If not, why not?

Mr WALDOCK: Revenue is netted against gross expenditure for the whole system. It is not broken down between different rail lines.

Hon TOM STEPHENS: In reference to the costs and receipts for 1998-99, 1999-2000 and 2000-01 for each line, is it possible for costs and receipts to be separately identified for each line?

Hon M.J. CRIDDLE: I would like to know the reason for identifying those issues. It would result in a lot of work, if in fact it is possible.

Hon TOM STEPHENS: Is it thought not to be possible?

Hon M.J. CRIDDLE: I cannot see the reason for doing it.

The CHAIRMAN: This discussion is becoming repetitive. The member has asked if it is possible. What is the minister's answer?

Hon M.J. CRIDDLE: It is not something that is currently done within our receipts processes.

The CHAIRMAN: Is the minister suggesting that it is not possible?

Hon M.J. CRIDDLE: I am saying that it is not something that is currently done.

The CHAIRMAN: A request has been made as to whether the minister will do it.

Hon M.J. CRIDDLE: I have just given my answer.

The CHAIRMAN: The answer to Hon Tom Stephen's request is that the minister will not do it.

Hon M.J. CRIDDLE: I am answering the member's question.

The CHAIRMAN: I am endeavouring to understand whether or not the question has been answered.

Hon TOM STEPHENS: I think I understood the minister. In reference to Westrail's capital works budget where \$54m is set aside for per-way and associated works, does this sum cover the work announced for the Kalgoorlie-Esperance and Koolyanobbing-Kalgoorlie lines? Are any other lines included in the program? If so, which lines and how much will be provided for them?

Hon M.J. CRIDDLE: The estimates cover the urban network and not the freight network.

Hon TOM STEPHENS: Is the capital works budget of \$54m simply the urban network, and not the country network?

Hon M.J. CRIDDLE: That is the figure for repairs and maintenance.

Hon TOM STEPHENS: A blow-out of \$5m, or 18.2 per cent on the estimated cost of construction of the Bedfordale Hill-Albany Highway project has been revealed. Have the contractors accepted any liability for the cost of the remedial work and other works on this ongoing project? Is the minister concerned about the ongoing problems with this road?

Hon M.J. CRIDDLE: There have been problems with that road. We have not finalised the costings with the contractor at this stage and are working towards concluding those arrangements.

Hon TOM STEPHENS: Have the contractors not accepted liability at this point for the costs of the remedial work?

Hon M.J. CRIDDLE: We have not finalised our financial arrangements with the contractor dealing with those aspects.

Hon TOM STEPHENS: In the budget papers, the estimated costs for 1999-2000 in a number of the road projects show dramatic jumps in comparison with the estimated total costs for 2000-01. The Albany Highway-Bedfordale Hill project jumped by some 18.2 per cent, an increase of nearly \$5m. There was also a jump in the Cervantes to Greenhead road - Lancelin to Cervantes. The 1999-2000 budget estimate was \$26m; this year, the figure is revealed as \$32.94m, an increase of nearly \$7m, or 26.3 per cent. Other similar increases include the circle bus route precinct where there has been a 10 per cent jump, and the Great Eastern Highway-Old Sawyers Road to Old Northam Road increased by 29 per cent between the two years. Is there an explanation as to why the estimated total costs for these roads have jumped consistently and dramatically?

[10.30 am]

Hon M.J. CRIDDLE: There is not a single answer for all those questions; we need to supply the individual reasons for those changes.

The CHAIRMAN: Those questions can be taken on notice.

Hon TOM STEPHENS: In order to complete the question, I will continue listing the roads: Albany Highway - Albany Ring Road; Albany Highway - Kojonup to Albany; Brand Highway - Pell Bridge; Brookton Highway - Corrigin to Hyden; Caves Road - Busselton bypass to Dunsborough; Chidlow to York Road; Geraldton to Mt Magnet Road - Greenough and Mullewa shires; Goldfields Highway - Mt Keith to Wiluna; the "Poly Pipe" has a jump of 2.1 per cent; Great Northern Highway - Swan Valley bypass, a jump of 177 per cent; the Marble Bar Road - Marble Bar to Shaw River; Mitchell Freeway - Ocean Reef Road to Hodges Drive; Muirs Road - Mt Barker bypass; Muirs Road - Plantagenet Shire; Muirs Road - Wilgarup; North West Coastal Highway - Gascoyne River; North West Coastal Highway - Geraldton city; North West Highway - Minilya to Barradale; Perth access plan; Perth to Bunbury Highway - Dawesville; Raymond Road - South Western Highway to Australind bypass; Ripon Hills; South Coast Highway - Manypeaks; South Western Highway - Roelands to Lake King; Useless Loop Road - Shark Bay Shire; Agnew to Leinster Road; Bullfinch Road - Bullfinch to Southern Cross; and West Coast Highway - Helston Avenue to Rochdale Road.

I am seeking an explanation for the cost variations, sometimes dramatic, between the two budget amounts.

Hon M.J. CRIDDLE: Some freight expenditure may be indicated in the budget papers so we may have to check the answer.

Hon TOM STEPHENS: Will the minister advise, perhaps on notice, the position concerning the capital expenditure within Westrail freight division of \$493m from 1 July 1993 to 30 June 1999.

The CHAIRMAN: I ask that audible conversation be kept down. I regret interrupting. Hon Tom Stephens may like to repeat his question.

Hon M.J. CRIDDLE: The member is happy with the answer he got, I think.

Hon TOM STEPHENS: The minister has offered to make the information available to me as supplementary information, and I appreciate his doing so. What is the total capital expenditure for each of the following items: Sleeper replacement -

Hon M.J. CRIDDLE: If we had known these questions would be asked, we could have had Westrail people here. Westrail does not really come under Transport.

The CHAIRMAN: That is fine, but if we allow the question to finish uninterrupted we might be more efficient.

Hon TOM STEPHENS: To continue: Track upgrading and eradication, acquisition of rolling stock, position of motor vehicle, workshop relocation and any other expenditure -

Hon M.J. CRIDDLE: We could be referring to "any other" of anything. If the member wanted to ask questions about Westrail, he could have asked them in question time in Parliament.

The CHAIRMAN: Order! I would like everybody here to speak one at a time for no other reason than out of courtesy to Hansard. Hon Tom Stephens has the floor.

Hon TOM STEPHENS: I do not want the minister to be confused by the use of "any other". I seek explanation about "any other" only in relation to the \$493m for that period, if possible.

Hon M.J. CRIDDLE: I would prefer that the question be asked at question time so that we could clarify the situation.

The CHAIRMAN: Does that mean the answer will not be coming?

Hon M.J. CRIDDLE: I did not say the answer would not be coming. I said I would be happy to answer the question at question time.

Hon TOM STEPHENS: I am asking for supplementary information to be provided to the committee within the time frame allowed for supplementary information. Is that mechanism available to me?

The CHAIRMAN: The request is clear and understood by the minister. It is at the minister's discretion to decide whether to provide that information and he has said that the question is best asked in question time. I am unable to interpret whether that means the minister will or will not provide the answer as supplementary information.

Hon M.J. CRIDDLE: I am certainly prepared to supply the information. If we were to be asked questions about Westrail we should have been given a clear indication of that.

The CHAIRMAN: That is understood and that is useful advice. Will the information be provided by supplementary information for this hearing to this Estimates Committee?

The minister is not answering the question.

Hon M.J. CRIDDLE: I have answered it three times. To satisfy you, Mr Chairman, I will supply the answer. I am trying to indicate to this committee that I could have had Westrail personnel here who could have clarified many of the matters raised.

The CHAIRMAN: That is heard and understood.

Hon MARK NEVILL: The Standing Committee on Estimates and Financial Operations reserves the right to accept or reject additional questions, usually at the end of the session. Reading in 30 or 40 questions is contrary to what we could call normal practice.

The CHAIRMAN: In my experience, the normal practice has been that from time to time answers are sought to be provided on notice. That is what is occurring in this instance.

Hon TOM STEPHENS: What amounts has Main Roads budgeted to be paid in 2000-02 under term network contracts? How many of these contracts have been let?

Hon M.J. CRIDDLE: Three term network contracts are in progress and two are being negotiated.

Hon TOM STEPHENS: Are they to be let in the next six months?

Hon M.J. CRIDDLE: They are being negotiated. I do not imagine the time frame will be quite that long.

Hon TOM STEPHENS: Which are the two under negotiation?

Hon M.J. CRIDDLE: Goldfields-Esperance and metropolitan north.

Hon TOM STEPHENS: With the completion of those two contracts, will there be any area in the State not subject to network contracts; if so, which areas will they be?

Hon M.J. CRIDDLE: Yes, they will be in the Kimberley and the Pilbara-Gascoyne, and they are being assessed.

Hon TOM STEPHENS: Will the Government ensure the Broome-Derby air service is maintained at its present level of operations; if so, how will it secure that service? Will the Government make funds available for an upgrade of the Derby Airport and the lighting at Fitzroy Crossing?

[10.40 am]

Hon M.J. CRIDDLE: The airport has had funds available to it for a number of years and we have kept that commitment. I am anxious for it to either use the funds or return them. I have made it clear to the people involved that we cannot have money sitting around not being used. Skippers Aviation has been operating a Metroliner on the Broome-Derby air service. It has gone beyond the subsidy that we had thought would be required; it is about \$150 000 over the figure we thought we would need to run the service. There is a need for local people to be involved and to use the service. This week officers from the Department of Transport will have a meeting with the people in Derby, and the operator will also be involved with the shire. The commitment in the budget is for \$35 000. We have made it clear that we want a service to be operating there, and I am anxious for that to happen. It may mean that there is a need for a downgrading of the aircraft and a more regular air service. Those are the options we want to talk through when we get to Derby. I reiterate: There is a need for the people to use that air service to make it viable.

Hon DERRICK TOMLINSON: I refer to the capital works in progress on page 1428 of the *Budget Statements*. Under "Maritime" there is reference to the Ledge Point boat ramp. The estimated total cost is \$100 000, with \$90 000 to be spent by 30 June and \$3 000 to be spent in the coming financial year. My recollection is that this is the third time this item has appeared in the budget papers, and that two years ago this was shown as completed works. When can we anticipate the construction of the Ledge Point boat ramp will commence?

Hon M.J. CRIDDLE: At this stage the boat ramp design has been completed. We are re-evaluating the maritime safety issues on that site as boats will launch directly into the sea in that area. Depending on cash flows, we will then make a decision on when the boat ramp will be installed.

Hon DERRICK TOMLINSON: I take that to mean that the \$100 000 total cost is simply the planning cost rather than the construction cost.

Hon M.J. CRIDDLE: It is investigation and design. As a follow up, four contracts, including the south west contract, for term network maintenance have been awarded.

Hon DERRICK TOMLINSON: I have one question on Main Roads WA. Page 870 refers to the Tonkin Highway. The estimated total cost is \$91.7m, and nothing will be spent in the coming financial year. Are we still on track for the completion of the Tonkin Highway to Mundijong Road by 2007?

Hon M.J. CRIDDLE: Our date was 2007-08, and I understand that has been the commitment.

Hon KEN TRAVERS: My first question relates to the extension of the northern suburbs railway line and the master planning. In November 1996 the Premier announced that funding of \$40m for the line, of which \$12m was for rolling stock, had been budgeted for. What happened to that budget commitment?

Hon M.J. CRIDDLE: The master plan for the northern railway line extension to Clarkson has been completed, and we will be making an announcement about that this month. We are looking at both the northern and southern railways in the context of a total package. We are putting together a document to go out to tender in the near future. The need to have the railcar commitment with the infrastructure commitment - that is, the rail commitment itself - is absolutely paramount. It takes about two years to build a railcar from the time the tender is let. If we are to construct the railway north and south, it would need to be done in conjunction with the purchase of railcars. As the railway is extended, obviously the railcars would be built. I understand the pressures involved with that. However, we are making moves in that direction. As I have outlined, we will be announcing the master plan for the northern suburbs railway in the near future.

Hon KEN TRAVERS: When will the announcement be made about the funding for that extension?

Hon M.J. CRIDDLE: We must go through the tendering process. The member would know that it has been tied to the AlintaGas sale; that was the announcement at the time.

Hon KEN TRAVERS: The northern suburbs railway line?

Hon M.J. CRIDDLE: The building of the railways has been tied to that sale, but the northern suburbs railway line need not be tied to that. We can go ahead with that extension. We are looking at alternatives for funding, as well as funds from the AlintaGas sale.

Hon KEN TRAVERS: Can the minister outline the options he is considering for financing the south west railway and now, from his comments, the north railway line. Is he looking at the options of someone building, owning and operating or just purely building and owning?

Hon M.J. CRIDDLE: We have not given any indication other than that Westrail will be the operator of the rail system. We need a base for the opportunity to build the railway line, but we also need to look at other opportunities. That will come out when we go through the tendering process. It is no good outlining what the outcome of that will be at this stage.

Hon KEN TRAVERS: I was asking what options were being considered.

Hon M.J. CRIDDLE: We may have a lot of options when we get the feedback from the private sector.

Hon KEN TRAVERS: Is Westrail's operating the railway guaranteed?

Hon M.J. CRIDDLE: At this stage the Government has made no other indication.

Hon KEN TRAVERS: Is that an option which is available; that is, someone may operate it as well as build and own it?

Hon M.J. CRIDDLE: That option is available. I am saying that the Government has not considered that option.

Hon KEN TRAVERS: I refer to the TravelSmart program. Page 1409 indicates that the key effectiveness indicators for modal shares of journeys to work have not changed. With the programs in place, including TravelSmart, why is there no expected increase in the targets for other modal shares apart from a change in the modal shares?

Mr HARRIS: To date the TravelSmart program has been extended only through South Perth. There have been sustained significant changes in the balance of modal trips in South Perth. We will not see a large movement in these modal percentages until we extend the program across a broader range of suburbs. At the moment it is too small an experiment to have an impact on the global numbers right across the city.

Hon KEN TRAVERS: This question may need to be taken on notice. With the launch of TravelSmart, were public relations consultants used to arrange that launch? Can you provide us with details of the cost of that launch?

Mr HARRIS: Yes, we did use consultants. I would prefer to take the balance of the question on notice as I do not have that detail with me.

Hon KEN TRAVERS: In relation to the concession for seniors using public transport on Sundays -

Hon M.J. CRIDDLE: And public holidays.

Hon KEN TRAVERS: Yes, and public holidays: Who is paying for that? Is money being paid to the bus companies for providing that service; and, if so, how much has been paid to date?

Mr HARRIS: The estimated annual cost of that program is \$1.8m. That money is paid by Transport to bus operators on the basis of tickets presented for trips - the same basis on which we fund other concession programs.

[10.50 am]

Hon KEN TRAVERS: Is that over and above the standard contract fees for service?

Mr HARRIS: It is part of the contract.

Hon KEN TRAVERS: Is that in addition to the contract originally negotiated with the private bus operators?

Mr HARRIS: The contract is based on miles travelled, services available and so on. If we estimate that 100 people with a concession ticket will travel on a bus and 103 travel, that is three passengers over and above the estimate.

Hon KEN TRAVERS: Has there been any increase in the use of buses by concession ticket holders on Sundays and public holidays?

Mr HARRIS: There has been a marginal increase.

Hon KEN TRAVERS: I would like the details.

Mr HARRIS: That information will be provided.

Hon KEN TRAVERS: I refer to the proposed additional parking spaces made available at Whitfords for passengers on the northern suburbs line. How much extra passenger capacity is available on that line? What effect will that extra parking have on the passenger load on that line?

Hon M.J. CRIDDLE: Obviously there is no further capacity on the line. We will not put on further railcar sets until we purchase them.

Mr HARRIS: We are providing 250 additional spaces at Whitfords Park 'n' Ride, which means 250 more people will be able to park their cars.

Hon KEN TRAVERS: Is there capacity on the line to carry those people?

Mr HARRIS: There is at certain times. We will get extra capacity on the lines only when we put on more trains.

Hon KEN TRAVERS: I refer to page 1414 and the review of the taxi industry. Can the minister confirm that one of his senior ministerial advisers is a holder of taxi licences? What involvement has that officer had in discussions on the taxi industry review, or on any other aspect of the taxi industry? Given the degree of regulation of the industry, does the minister concede that this officer has a conflict of interest?

Hon M.J. CRIDDLE: The officer who deals with the taxi industry policy in my office has no financial interest in taxis.

Hon KEN TRAVERS: Do any of the other officers involved in those discussions have a financial interest in taxi licences?

Hon M.J. CRIDDLE: The policy officer dealing with taxis does not own a taxi licence.

The CHAIRMAN: Is he the only person in your office dealing with taxis?

Hon M.J. CRIDDLE: That is what I said.

Hon KEN TRAVERS: So no other officer has been involved in discussions about taxis.

Hon M.J. CRIDDLE: I have a policy officer who deals with taxis, and I have discussions about taxis with that person.

The CHAIRMAN: Is any other officer involved?

Hon M.J. CRIDDLE: He is my taxi policy officer.

The CHAIRMAN: The question is simple: Is the policy officer who deals with taxis the only officer in your office who has dealt with taxis?

Hon M.J. CRIDDLE: An officer in my office owns taxis, but he is not my policy officer.

The CHAIRMAN: Has that officer been involved in discussions about taxis?

Hon M.J. CRIDDLE: No.

Hon NORM KELLY: I refer to the bus acquisition program. I note that 123 new buses will be purchased this financial year. That figure is a decrease from 135 buses in the 1999-2000 financial year. How many of these new buses will be gas powered? Is this contract separate from the 12-year program? When will the new buses be delivered?

Hon M.J. CRIDDLE: No gas-powered buses have been ordered in that program. They go immediately into the program we have in place. It is an ongoing contract over 12 years. That will be the completion of the bus order.

Hon NORM KELLY: Will any gas-powered buses be purchased in the remaining 10 years of the program?

Hon M.J. CRIDDLE: We are carrying out some experiments.

Mr HARRIS: In 2000-01, 123 buses will be purchased; in 2001-02, 83 will be purchased; in 2002-03, 77 will be purchased; and, in 2003-04, 65 will be purchased. We have 52 gas-powered buses in the fleet, and the majority use compressed natural gas.

Experiments are being conducted by a Perth company on fuel-injected gas engines. If that experiment is successful, we will have three fuel-injected gas buses in the fleet. In that case, we would also contemplate a larger number of gas-powered buses in the fleet. The current contract allows us to take advantage of such technological changes as and when they occur.

Hon NORM KELLY: Given the timing of the trial, what is the earliest possible date on which more gas-powered buses will be added to the fleet?

Mr HARRIS: It depends on the outcome of the trial, because we are talking about new technology. Assuming everything goes well - which is a big assumption - we will have them in about two years.

Hon NORM KELLY: When is the experiment due to be completed?

Mr HARRIS: We are finalising negotiations about the test procedures that must be applied and the criteria for success of the experiment. Once those negotiations with the local company and DaimlerChrysler Australia/Pacific Pty Ltd are finalised, the experiment will start. We hope those negotiations will be concluded shortly. We are in discussions with the Australian Greenhouse Office about funding that experiment through the gas conversion program. While that is not an overriding issue as far as conducting the experiment is concerned, it would certainly help if it were to provide funding.

Hon NORM KELLY: I am confused. I thought the first part of this contract included five gas-powered buses. Surely the test and experimentation procedures should already be in place.

Mr HARRIS: That would be correct if we were talking about standard buses. However, by using the local company's advanced technology, we are hoping to get a better product. That is why we are undertaking the experiment rather than purchasing off-the-shelf buses.

Hon NORM KELLY: Is that company Transcom?

Mr HARRIS: It was, but it is now called Advanced Engine Components.

Hon NORM KELLY: Hon Ken Travers commented that the TravelSmart program does not show any change in modal use of transport.

Mr HARRIS: The program does.

Hon NORM KELLY: That change in modal use is not yet reflected in the figures. Page 1428 indicates expenditure decreasing from \$1.2m to \$200 000. Are figures available for TravelSmart as it moves out to stage eight of the program piloted in South Perth?

[11.00 am]

Mr HARRIS: We are about to roll out TravelSmart to Subiaco. That will involve a lower cost than in South Perth, because it is a trial and a full-blown experiment assuming the trial is successful. The full cost of the program across its six or seven stages as currently envisaged is about \$27m. The significant benefits that flow from that program, particularly in health areas and in emission reductions, provide benefits across the spectrum. We are currently negotiating with the federal Department of Health and Family Services and the Australian Greenhouse Office as two potential funding sources to help us roll that program out to the broader Perth suburbs that we are looking at.

Hon NORM KELLY: What is the extent of the Government's commitment to funding the program?

Mr HARRIS: The Government has yet to make a commitment to the complete program at this time.

Hon J.A. SCOTT: Is there any provision in the bus service contracts to allow contractors to raise the contract price in line with rising fuel costs; and if so, are the estimated increases accounted for in the budget? How long are the contracts for and can the terms be varied within the contract period?

Mr HARRIS: Contracts provide for price variations and selected wage movements, fuel price increases and a number of other factors. Those price adjustments are reflected in the department's budget. The terms of a contract vary from seven to 13 years according to when it was entered into.

Hon J.A. SCOTT: I understand that the department is talking to Fremantle City Council about the provision of CAT bus services in Fremantle. Are those services expected to go ahead and are they accounted for in this budget?

Mr HARRIS: Yes, they are, as with Subiaco.

Hon J.A. SCOTT: The budget refers to preliminary works on the south-west corridor Kenwick to Jandakot passenger railway line. What is the nature of those preliminary works; when will the preliminary work begin; and when will it be completed?

Hon M.J. CRIDDLE: I outlined the answer a little earlier. We are going into a tender process. The member will find all those things outlined in the South-west Metropolitan Railway Master Plan.

Hon J.A. SCOTT: Something like \$11m has been expended so far on preliminary works. Where is that going?

Hon M.J. CRIDDLE: Quite a substantial amount is going into the freeway. A substantial amount of money is being spent on the Kenwick junction. Quite a deal of preliminary works are being done.

Hon J.A. SCOTT: I understand that the Australian Greenhouse Office is offering funding towards setting up compressed natural gas refuelling stations in major cities, including Perth. Will the department be taking up that offer; and if not, why not?

Hon M.J. CRIDDLE: The Director General has recently been to Canberra. Sometimes we have difficulty getting contributions from that direction, but we have made approaches to the Australian Greenhouse Office.

Mr HARRIS: The use of the word "offer" is an optimistic way of describing the programs that the Australian Greenhouse Office has on the table at present. The offer is there subject to a very strict and sometimes narrow interpretation of qualifying criteria. Where we have considered it practical, feasible and appropriate, we have made application under the relevant criteria. I would not like to speculate on our chances of success.

Hon J.A. SCOTT: Is it possible to obtain from the department a copy of the criteria?

Hon M.J. CRIDDLE: I suggest that a better way to go about it would be for the member to get it from the Australian Greenhouse Office.

Hon MURRAY MONTGOMERY: One of the major initiatives for 2000-01 on page 1414 will be to introduce new uniform Australian road rules to ensure consistency across all States. What will the cost of implementing that be to Western Australia and Western Australian road users?

Hon M.J. CRIDDLE: We will go about implementing this through our normal replacement program for signs, lineage marking and so forth. It involves a substantial amount of money. Certainly signage becomes expensive across the State because we have such an enormous network of roads.

Hon MURRAY MONTGOMERY: What impact will the introduction of the uniform rules have on the heavy haulage sector of our transport system?

Hon M.J. CRIDDLE: I think 351 road rules will be implemented. I cannot see any detrimental effect to heavy haulage. Many of the rules exist in Western Australia anyway, so it involves minor changes to regulations.

Hon LJILJANNA RAVLICH: I cannot find any direct reference to how much the department has spent on goods and services tax implementation. However, an answer provided to the Standing Committee on Estimates and Financial Operations indicates that as at 19 May 2000, the Department of Transport had spent the sum of \$1 357 200. What is likely to be the final figure?

Mr HARRIS: Approximately \$1.9m for this financial year.

Hon LJILJANNA RAVLICH: In view of the fact that the department has not been compensated for this additional cost by Treasury or any other source, will the minister advise where there have been cuts in operational funding in order to find this additional \$1.9m?

Hon M.J. CRIDDLE: There will not be any cuts. There will be some rearrangement of our normal budgetary process.

Hon LJILJANNA RAVLICH: Could the minister explain what those rearrangements of the budgetary process mean?

Mr HARRIS: GST costs come out of our corporate budget or overhead budget, as it were, and not out of our operating budget. We have simply rearranged our corporate budget to meet these expenses, so we spend less money on photocopiers, paper, pens and all the other stuff that comes out of the corporate budget.

Hon LJILJANNA RAVLICH: Will there be any cuts to the number of full-time equivalent staff?

Mr HARRIS: No.

[11.10 am]

Hon LJILJANNA RAVLICH: Paragraph (a) on page 1412 states -

The Full Time Equivalents (FTEs) employed in this output during 1999-2000 was 663 and is estimated to be 617 for the 2000-01 Budget.

That is specifically for education and regulation and equates to a staff reduction of 46 FTEs in the transport regulation area which is a substantial cut. However, the average total FTE reduction across the whole of the Transport budget can be found on page 1420 at paragraph (a), which states -

The Full Time Equivalents (FTEs) for 1999-2000 Estimated Actual and 2000-01 Estimate are 927 and 885 respectively.

That is a net reduction of 42 FTEs. Why has the department made this cut, particularly to regulatory services? Can any of the cuts be attributed to additional pressure on the department as a result of its requirements to meet the cost of the goods and services tax implementation?

Mr HARRIS: The answer to the second question is no. The answer to the first question is that our licensing function primarily covers education and regulation. The vast majority of our licensing staff are on contract, some on short-term and others on rather longer-term contracts. We have an extraordinarily high turnover of contract employees, particularly licensing employees. The call centre in particular suffers significant turnover; people come and go in that area of activity. Our FTE numbers fluctuate for that reason and will always fluctuate.

Hon LJILJANNA RAVLICH: I understand that people on contract are not counted as part of the agency's contingent FTEs.

Mr HARRIS: All our employees are counted for full-time equivalent purposes. As the member knows, there is a difference between a head count and FTEs, and our licensing staff are part of our FTE count.

Hon LJILJANNA RAVLICH: Can the reduction in FTE numbers in the light vehicle licensing unit - which I understand is currently being reviewed with a view to contracting out that function - be attributed in part to the possibility that light vehicle inspections could be outsourced to an external service provider?

Mr HARRIS: No.

Hon LJILJANNA RAVLICH: I refer to the establishment of the Office of the Rail Access Regulator on page 1406. I seek some clarification as the 2000-01 budget estimate is \$750 000; the forward estimate, \$700 000; 2002-03, \$500 000; and 2003-04, \$390 000. On my calculation the establishment of this office is beginning to become a very expensive proposition. These figures refer purely to the establishment, not the operation, of the office and add up to about \$2.3b over that time. Do those figures include operational costs?

Hon M.J. CRIDDLE: Million, I hope, not billion. The member said billion.

Hon LJILJANNA RAVLICH: I am sorry. This is for the establishment of the office, never mind the operation of it.

Hon M.J. CRIDDLE: It does include operation.

The CHAIRMAN: It is clear we are talking about millions. The minister understands what the question relates to. I would be grateful if the member can draw the question to a conclusion.

Hon LJILJANNA RAVLICH: If it includes operational costs, why is it not listed as establishment and operation rather than simply establishment?

Hon M.J. CRIDDLE: I have answered that it is both.

Hon LJILJANNA RAVLICH: It is pretty sloppy to put "establishment" and not include "operation".

The CHAIRMAN: Order! We will get through more questions if members confine themselves to questions and answers rather than commentary. Can the minister confirm that the line item quoted by the member refers to both establishment and operational costs?

Hon M.J. CRIDDLE: Yes.

Hon J.A. COWDELL: Can the minister provide the timetable and cost of the Peel deviation and the timetable for the Kwinana Freeway extension to Pinjarra Road? I do not ask for the cost of the extension as the minister kindly answered that question the other day. Are any commonwealth funds available for roadworks of national importance and are they being sought?

Hon M.J. CRIDDLE: We have not identified any commonwealth funds for that at this stage.

Hon J.A. COWDELL: Can the minister answer the first part of the question about the timetable and cost of the Peel deviation?

Hon M.J. CRIDDLE: I believe I gave that answer as \$260m. That is the total expense for the deviation and the extension of the freeway.

Hon J.A. COWDELL: I took that figure to be for one project.

Hon M.J. CRIDDLE: The member should not hold me exactly to that figure as he knows costs vary; that is the approximate cost.

Hon J.A. COWDELL: That is the ballpark figure?

Hon M.J. CRIDDLE: Yes.

Hon J.A. COWDELL: What is the departmental timetable for that construction? I note it is not in the immediate four-year estimates.

Hon M.J. CRIDDLE: I believe I told the member we have no timetable for that and it is not in the budget period. We have not identified a time scale for it.

Hon J.A. COWDELL: How much is to be spent on the Mandurah bridge traffic upgrade? Do the bridges and roadworks running up to the bridges need upgrading to cope with the through traffic in Mandurah? I understand some works are coming up in the next financial year.

Mr MARTIN: The Mandurah City Council is designing a departure lane from the bridge with an anticipated design and construction cost of \$300 000, with funds available this year. The council is also designing a duplication of the northern approach to the bridge, with an anticipated construction cost of \$1.7m to be funded in 2000-01.

Hon J.A. COWDELL: Is there a planned upgrade of either of the bridges or a new bridge?

Mr MARTIN: No, we are considering the possibility of adding a third lane to the bridge so that its direction can be reversed depending on peak traffic flows. There is no plan at this time to duplicate the bridge.

Hon J.A. COWDELL: On page 1406 reference is made to the user-pays principle. I understand a policy has been pursued of increasing concession fares to about 50 per cent. What percentages are concession fares currently, and are they planned to increase in the next financial year in that progress towards 50 per cent?

[11.20 am]

Mr WALDOCK: Concession fares have gone up over the past five years in line with government policy. They are in the order of about 45 per cent now. We have been constrained by the introduction of GST, so there will not be any movement for at least another year. We will slowly move towards 50 per cent, which is in line with other States.

Hon NORM KELLY: Page 1416 refers to the expansion of the CAT-style buses into the Cities of Subiaco and Fremantle. Will these CAT-style buses be the same as the ones being used in the Perth CBD, or will they be different?

Hon M.J. CRIDDLE: They will be a shorter version of the current new Mercedes-Benz buses that one sees around the city.

Hon NORM KELLY: So they will not be the more distinctive CAT buses that we see in Perth.

Mr HARRIS: They will be of a similar style. The Cities of Subiaco and Fremantle have a desire to put their own liveries on the buses. The design that eventually comes out will be one that has been agreed between all of us.

Hon NORM KELLY: Will the services be free?

Mr HARRIS: Yes.

Hon M.J. CRIDDLE: That is being done in conjunction with the local councils and businesses.

Hon NORM KELLY: I refer to page 1411 and the output measures in respect of education and regulation. I notice that in the quality measures, for "public awareness achieved in road safety education campaigns" the figure is 74 per cent for this year with a target of only 70 per cent for next year. On the following page there is reference to "road safety programs that meet agreed time lines contained in Road Trauma Trust Fund performance agreements" and the figure drops from a target of 80 per cent to a target of 70 per cent. Can this apparent lessening of the performance standards in respect of these programs be explained?

Mr HARRIS: It is not actually a lessening in performance standards. The 70 per cent figure relates to programs that we run. Some programs are run by outside entities for which we have criteria and performance standards. By way of explanation, let us say there are 100 programs and we are responsible for 70 per cent of them. The figure represents our 70 per cent.

Hon NORM KELLY: So more of the road safety programs are being outsourced?

Mr HARRIS: No. I am simply saying that as far as performance is concerned we can be responsible only for the programs that we run. We cannot be responsible for the programs that other people run apart from writing a contract with them to satisfy certain criteria. To turn it around the other way: For the programs we run we are 100 per cent responsible for the performance requirement, but in terms of the total program that represents only 70 per cent of all the programs run.

Hon KEN TRAVERS: I refer to page 1422 of the *Budget Statements*. The statement of cash flows indicates that the department intends to make payments for the goods and services tax to the order of \$50.4m, but the department intends to have receipts of \$51m. In the forward estimates, the two figures are identical. Can I have an explanation as to why it is expected that more GST will be collected than will be paid out?

Mr HARRIS: There are two components to the GST and when both components are taken together the net impact on our budget is zero. The higher number is GST which the department pays and for which we get tax credits that equal themselves out. The lower figure of \$8m is GST that we collect from the general public on things which are taxable and which we then forward to the Australian Taxation Office. In both cases the net effect on our budget is zero.

Hon KEN TRAVERS: The department receives money?

Mr HARRIS: We have a total tax liability of just over \$50m, of which \$8m is GST paid by the public when people buy, for example, our boating guides or one of our taxable products. The money we collect from them passes through our budget to the Commonwealth. There is another \$43m worth of GST which we pay. RADS grants is an example where money paid is subject to GST. We add the GST and then we get a tax input credit from the Federal Government equivalent to the GST that we paid out.

Hon KEN TRAVERS: On page 1422 there is a cost for advertising and promotion that has jumped from a total of \$3m in 1998-99 to an estimated \$8.2m in this year's budget. Can I have an explanation as to what the \$5m increase has been spent on?

Mr HARRIS: Five million?

Hon KEN TRAVERS: According to the figures, the cost of advertising has gone from \$3.1m in 1998-99 to \$8.2m for this financial year. What advertising does it relate to and why has there been such a significant jump?

Mr HARRIS: The advertising cost includes all Transperth advertising. That would account for that significant increase; I would need to check the detail though.

The CHAIRMAN: Has the advertising for Transperth been increased for any particular reason?

Mr HARRIS: The figures that the member is talking about relate to the current financial year and the previous financial year and it is a jump between those two years. From 1999-2000 onwards the amount of advertising expenditure is almost flat. There has been a one-off jump between 1998-99 and 1999-2000, and I need to check the details of that.

The CHAIRMAN: We are interested in the reason that Transperth advertising has increased.

Hon KEN TRAVERS: And the areas in which it has increased.

Mr HARRIS: I am not saying that it was Transperth. I am suggesting that is a logical explanation, but I need to check the detail.

The CHAIRMAN: So the question will be taken on notice?

Hon M.J. CRIDDLE: Yes.

Hon KEN TRAVERS: If that is the case, then in what areas has it increased and what have been the net benefits from the advertising? If the increase relates to Transperth, has there been an increase in the use of bus and train services as a result of the advertising?

The CHAIRMAN: Is the minister happy to take the questions on notice?

Hon M.J. CRIDDLE: We will explain the reason for the jump there.

Hon KEN TRAVERS: And also the benefits that have been received from the advertising?

Hon M.J. CRIDDLE: Yes.

Hon KEN TRAVERS: I take the minister's earlier point about Westrail, but I was wondering whether the minister could advise whether the Department of Transport or Westrail is responsible for upgrading the railway stations on the Perth to Bunbury railway line?

Hon M.J. CRIDDLE: It is Westrail.

Hon KEN TRAVERS: Returning to the extension of the northern suburbs railway line, can the minister provide us with advice as to what is the earliest date that the extension could be opened?

Hon M.J. CRIDDLE: I cannot give an exact date. It will depend on the way we progress. There are some environmental issues. I believe that the Neerabup area is a concern. We could be looking at a commencement date of about mid 2003 by the time we finish construction, get the railcars, go through the tender process and so on. It is an indicative date, bearing in mind what I said about some of the other issues.

Hon KEN TRAVERS: Would there be a similar time frame for providing additional railcars on the northern suburbs line?

Hon M.J. CRIDDLE: It takes about two years to build a railcar. I would not imagine a tender going out until some time early next year.

Hon SIMON O'BRIEN: I refer to page 866 of the *Budget Statements* under "State road funds applied to roadworks on the local government road network". The total amount indicated for the 2000-01 budget year for both capital and recurrent works is in the order of \$141m. Can the minister advise whether this is the total source of funds that is made available to local government for roadworks? A comment was made recently by the WA Municipal Association that the State Government should provide more funding to local government roads, or conversely, by implication, that state government funding for local roads is inadequate. What is the minister's response to those remarks?

[11.30 am]

Hon M.J. CRIDDLE: Local authorities spend a lot of money from funding raised through rates, and receive a great deal of money from the Federal Government. A substantial amount of money is involved. The total expenditure on the road network was over \$1b in the past year, including the local road funding arrangements. We are in contact with the WA Municipal Association, which I understand is meeting today to discuss arrangements I have put to it regarding funding over the next five years. Some variations are available which it may choose to adopt. Funding is in place. Local government received about \$168m last year, and it received about \$32m of local funding when the coalition came to government. The arrangements have been very good.

Hon SIMON O'BRIEN: Is the \$32m the direct equivalent of the line item of \$141m to which I referred?

Hon M.J. CRIDDLE: The share in 1995-96, for instance, was nearly \$99m, and this increased to \$112m, \$131m, \$137m, \$167m and \$168m in subsequent years. Therefore, local authorities received about \$646m in those five years. The expectation under the contract was for about \$478m to be provided, and substantially more money has been provided than we predicted under the arrangement. Local authorities have done well in local road funding.

Hon SIMON O'BRIEN: The minister mentioned a historic figure of \$32m; when did that apply?

Hon M.J. CRIDDLE: I believe it was 1992-93; it might have been the first year of this Government.

Hon SIMON O'BRIEN: Has that increased to \$141m?

Hon M.J. CRIDDLE: The figure for this year was \$167m, and next year will be \$141m.

Hon SIMON O'BRIEN: A couple of other matters of interest in my region relate to capital works in progress. Can the minister give an updated time frame for when motorists will be using the extension of the Kwinana Freeway from Thomas Road to Safety Bay Road?

Hon M.J. CRIDDLE: Work is to be completed on that section of the road. Some real advantages will accrue with a seamless highway from Joondalup to Great Eastern Highway, possibly through the tunnel, and down to Safety Bay Road. The completion date is mid next year, which is five months ahead of the original schedule. We expected completion to be about November. Anyone who drives down that stretch will see the activity taking place. The overall project cost is about \$160m, including the earlier discussed road widening.

Hon SIMON O'BRIEN: The very visible roadworks are causing excitement and many questions to be asked; hence my question. It is great to know the project is ahead of schedule. Is the Kwinana Freeway overpasses project, which the minister announced recently, on schedule or ahead of schedule?

Hon M.J. CRIDDLE: That is the same contract. The original contract was \$128m, and the extra work has taken it to \$160m.

The CHAIRMAN: Is that the same advice provided earlier on the timetable for the extension to Safety Bay Road?

Hon M.J. CRIDDLE: The contract is \$128m, and the project is \$160m, including the additions I mentioned earlier. The project is well ahead of schedule.

The CHAIRMAN: Does that include the flyovers and work to eliminate the traffic lights?

Hon M.J. CRIDDLE: It is the same contract.

The CHAIRMAN: Does it include the extension to Safety Bay Road?

Hon M.J. CRIDDLE: Yes.

Hon SIMON O'BRIEN: I refer to page 1406 of the *Budget Statements*. I had my attention drawn to the line item and forward estimates relating to the establishment of the Office of the Rail Access Regulator. I note that our budget estimate for this year is \$760 000, and the forward estimates for the next three years are \$700 000, \$500 000 and \$390 000 respectively. Is it anticipated that the work of the office will peak in the next year or so and then taper off?

Hon M.J. CRIDDLE: It indicates that we must get it up and running. It is an estimate. We will have more of an idea about the total cost as the requirements for that office become evident. It is an estimate and the out-years may have to be re-assessed.

Hon SIMON O'BRIEN: Does the minister see a tapering off of the workload of the regulator?

Hon M.J. CRIDDLE: A few options exist with other regulators around Western Australia, such as the gas regulator. It may well be an opportunity to do more than is apparent now.

Hon SIMON O'BRIEN: During an earlier question a little disagreement arose about the use of "establishment"; that is, do the figures for subsequent years relate to setting up the office, or is the more archaic term used of the ongoing cost of the establishment?

Hon M.J. CRIDDLE: Page 1405 refers to a line item of the Office of the Rail Access Regulator. It takes into account both establishment and operation.

Hon TOM STEPHENS: Is the work on the Bedforddale Hill-Albany Highway project ongoing?

Hon M.J. CRIDDLE: The commissioner has indicated that the work is complete.

Hon TOM STEPHENS: But the costings have not been finalised.

Hon M.J. CRIDDLE: We have not finalised negotiations.

Hon TOM STEPHENS: What work has been done to facilitate the trials of 36.5-metre road train vehicles through Kelmscott and Armadale, and is this part of the recurrent budget?

Hon M.J. CRIDDLE: Does the member refer to the infrastructure or the discussions with the City of Armadale?

Hon TOM STEPHENS: I would be happy to have both pieces of information. Is infrastructure in place?

Hon M.J. CRIDDLE: A couple of changes to the infrastructure are necessary, if I recall correctly. That work will have to be done for the trial to go ahead. We are talking to the City of Armadale regarding the terms and conditions of the trial.

Hon TOM STEPHENS: Has any work been done on the infrastructure to facilitate that trial?

Hon M.J. CRIDDLE: I am not sure whether the necessary work has been done.

Hon TOM STEPHENS: Can I have that as a supplementary answer?

Hon M.J. CRIDDLE: Sure.

Hon TOM STEPHENS: To flesh that out, can the minister tell me whether work has been done; and, if it has not been done, what work remains to be done before the trial commences? What will be the total cost of necessary roadworks, and when is the trial due to start?

[11.40 am]

Hon M.J. CRIDDLE: It will commence when negotiations over the terms and conditions of that trial are finalised with the Armadale City Council.

The CHAIRMAN: Is the member's request for supplementary information clear?

Hon M.J. CRIDDLE: Yes; I thought we had agreed on that.

Hon TOM STEPHENS: Has the length of the trial been agreed?

Hon M.J. CRIDDLE: It is three months.

Hon TOM STEPHENS: I refer again to the significant increase in road expenditure. I hope that the presence of senior departmental officials may ensure some explanation, for instance, of the dramatic increase shown in the budget papers of expenditure on the Cervantes to Greenhead Road.

Hon M.J. CRIDDLE: I would like that question put on notice. We can get the information for the member as soon as possible.

Hon TOM STEPHENS: I hope the minister can tell us about the significant increases in expenditure on the Great Eastern Highway?

Hon M.J. CRIDDLE: We have already agreed on that, and we are going over old ground. I agreed earlier to get the information.

Hon TOM STEPHENS: I hoped that in an estimates committee some information might be forthcoming about these increases.

Hon M.J. CRIDDLE: I made myself clear. I have been as clear and as frank as possible.

The CHAIRMAN: The minister is saying that he will provide the information.

Hon M.J. CRIDDLE: I have been caught by the Leader of the Opposition when I have given incomplete answers that he has used to my detriment.

The CHAIRMAN: The request for information is taken on notice. It is clear that the minister has said he will provide the information on notice. That finalises the matter.

Hon TOM STEPHENS: I refer to the regional airport development scheme which is separately announced in the regions of the Kimberley, Pilbara, Gascoyne and the mid west in the additional blurb sheets provided by the Government for budget papers as being a \$2m scheme. Is that \$2m for each of those regions?

Hon M.J. CRIDDLE: No; it is \$2m a year for the State.

Hon TOM STEPHENS: So it is for all airports and there is no guarantee that funding will be spread evenly across the regions?

Hon M.J. CRIDDLE: We are happy to accept applications for the use of those funds. Over a number of years that opportunity has been taken up 40 or 50 different times. The funds will be disbursed in a reasonable manner.

Hon TOM STEPHENS: Last year the scheme was advertised; however, the closing dates for applications was an extremely short and tight time frame. Will that be the case this year as well?

Hon M.J. CRIDDLE: The brochures will go out this week or next week and people will have the opportunity to avail themselves of those funds.

Hon TOM STEPHENS: Within what time frame must applications be submitted?

Hon M.J. CRIDDLE: The first call closes mid-July.

Hon MURIEL PATTERSON: For the past 10 years I have been asking the same question during the estimates hearings. This year I thank the minister, because finally we have passing lanes between Kojonup and Albany. I am pleased to say they are working well and as a regular road user I am grateful.

The CHAIRMAN: Hon Muriel Patterson will be able to retire in peace.

Hon MURIEL PATTERSON: This will be my last estimates hearing, so I am glad we got those passing lanes.

Hon M.J. CRIDDLE: Passing lanes on the southern highways have been of great benefit to people in those areas. As we add to them they will be of further benefit.

Hon MURIEL PATTERSON: It was money well spent.

Hon J.A. SCOTT: In an earlier question, Mr Harris indicated that the department was finding it difficult to meet the criteria imposed by the Australian Greenhouse Office to receive funding for compressed natural gas refuelling stations in Perth. Which criteria have been so difficult to meet to attract that funding?

Mr HARRIS: With respect, I do not think I said that we were finding it difficult to meet the criteria. We understand the criteria and we could meet the criteria quite happily if we chose to do so. The comments were about the narrowness displayed by the Greenhouse Office in its appreciation and investigation of alternative fuels.

Hon J.A. SCOTT: An objective outlined in some documents put out by the department is to reduce the modal share of private cars. It would appear from the data that that is not being met, and we are going backwards. What additional funding has been applied to reverse this trend; and, if none, why not?

Mr HARRIS: This is a long-term strategy contained in the metropolitan transport strategy. The numbers indicate that in

the not too distant future, without some sort of contrary action, the number of trips by car with just the driver in the car will increase as a proportion from 63 per cent to 70 per cent. The number of trips will almost double from about two million to somewhere between four million and five million. The long-term strategy requires implementation of programs like TravelSmart, the expansion of the bus, train and bicycle networks and all the other components of our metropolitan transport strategy to achieve that adjustment in modal share. That is a long-term strategy of 10 or 12 years. Funding is contained within our budget and forward estimates for a range of programs to achieve those outcomes. We will not know the outcomes for another eight or nine years.

Hon J.A. SCOTT: At this point is the department achieving its objectives?

Mr HARRIS: No. As the member rightly pointed out, the numbers do not indicate that at this point. We still have a lot of work to do.

Hon LJILJANNA RAVLICH: I want to address the length of time taken and the cost of answering parliamentary questions. I understand that an estimated 7 861 hours was spent by officers of the Department of Transport processing 198 parliamentary questions. I have done the sums and it works out to 39.7 hours on each parliamentary question. Is the minister and his agency on some sort of go-slow?

The CHAIRMAN: I ask the member to make her questions crisp and clear.

[11.50 am]

Hon M.J. CRIDDLE: I am sorry, do we have a question?

Hon LJILJANNA RAVLICH: Yes. Are the minister and his agency on a go-slow program?

Hon M.J. CRIDDLE: No.

The CHAIRMAN: We have an answer to the question. Could we have the next question?

Hon LJILJANNA RAVLICH: Of those 198 questions, probably about 40 to 60 per cent would be answered by telling the member responsible to put the question on notice. That would probably increase the real time per question to about 80 hours. Why does it take so long?

The CHAIRMAN: Order! Hon Ken Travers and Hon Tom Stephens will wait patiently for their turn to speak.

Hon M.J. CRIDDLE: In Transport, we rarely ask members to put questions on notice. I answer most questions in this House on the day they are asked, unless they are very complicated and we must do a thorough job to answer them. I know that it takes a considerable effort in my office and in all departments to give correct answers. Sometimes not just one person is working on a question; it takes a number of people to provide the right answer. As I said, Transport gives answers to questions as soon as it possibly can and not many go on notice.

The CHAIRMAN: The minister has offered an explanation. Does that answer the member's question?

Hon LJILJANNA RAVLICH: Yes. I will pursue the line of questioning. The minister will agree that most questions that are answered are three or four paragraphs long. In view of the fact that they are of that length, that is about 10 hours per paragraph. What does the minister intend to do about the length of time that is spent by his agency in preparing ministerial responses?

Hon M.J. CRIDDLE: I will endeavour to give the right answers to the questions that are asked, and if it takes that amount of time, I must use that amount of time.

The CHAIRMAN: I think we have fully exhausted that line of questioning.

Hon LJILJANNA RAVLICH: I thought it was good. I will move on to the next line of questioning; that is, the cost of the vehicle fleet. The minister would be aware that as of 30 June 1999, Transport had 155 vehicles at a value of \$1 172 000. Currently, it has 149 vehicles at a value of \$1 521 000. In other words, the department has six fewer cars for an increased amount of \$350 000. The situation is even worse in the minister's other portfolio of Main Roads, which is minus 54 cars at an additional cost of \$124 000. However, I put that to one side. As the minister is a responsible financial manager, why is the department still involved in this arrangement?

The CHAIRMAN: Again, I remind members to ask questions rather than to give commentaries.

Hon M.J. CRIDDLE: There are a number of reasons for that. I have answered this in most of the committee meetings lately. The financial situation has been changing. Second-hand cars are cheaper, and that impacts on the lease arrangements. There are a number of reasons for the changing environment, and I have articulated those in other estimates committee hearings. The reasons are similar to those stated previously.

Hon LJILJANNA RAVLICH: The fact that Main Roads is 54 cars worse off and is paying \$124 000 more would have a drastic impact. As the department is losing money hand over fist, what does the minister intend to do about the contract that the department has, through Treasury, with Matrix?

Hon M.J. CRIDDLE: We will put in place the best financial arrangements for the use of cars in our agencies.

The CHAIRMAN: Can the minister offer any more detail on that matter?

Hon M.J. CRIDDLE: As I said, the arrangements change from time to time. If a lease is involved, we will get the best possible arrangements out of the lease. If it is some other situation, we will get the best possible arrangements out of that.

Hon LJILJANNA RAVLICH: I will pick up that point. Is the current contract with Matrix the best possible lease arrangement that the department can get?

The CHAIRMAN: Hon Ljiljanna Ravlich's question is clear. Can we have the minister's answer, please?

Hon M.J. CRIDDLE: I would be going over old ground.

Hon LJILJANNA RAVLICH: Go over it, minister.

Hon M.J. CRIDDLE: I have given the answer.

The CHAIRMAN: Order! The member has asked clearly whether the current contract is, in the minister's judgment, the best that can be achieved.

Hon M.J. CRIDDLE: I gave that answer.

Hon LJILJANNA RAVLICH: What was it?

The CHAIRMAN: From my recollection, I presume the answer was yes.

Hon M.J. CRIDDLE: I said that we will put in place the best financial arrangements.

Hon LJILJANNA RAVLICH: That is not the answer to the question.

The CHAIRMAN: Order!

Hon M.J. CRIDDLE: I will give the answer that I want to give.

The CHAIRMAN: I will make one last attempt to clarify the question. The member's question is: In the minister's judgment, is the current arrangement the best that is available? Have I understood the member's question correctly?

Hon LJILJANNA RAVLICH: That is exactly correct.

The CHAIRMAN: Does the minister have an answer to that question?

Hon M.J. CRIDDLE: I have given it.

The CHAIRMAN: Would the minister mind repeating it?

Hon M.J. CRIDDLE: No.

The CHAIRMAN: Please repeat it. I would be grateful if the minister would repeat it, if he does not mind.

Hon M.J. CRIDDLE: I have said that we have arrangements in place, and they are the best possible arrangements that we can have.

Hon LJILJANNA RAVLICH: How does the minister know that that is the best possible arrangement? Has he tested the market in the past two years? That is a very valid question.

The CHAIRMAN: When questions are being asked, Hon Derrick Tomlinson will maintain order.

Hon M.J. CRIDDLE: I do not know how many times I have to answer this.

The CHAIRMAN: To assist with clarity, the question this time is -

Hon M.J. CRIDDLE: I know what the question is.

The CHAIRMAN: Good. Could we have an answer, please?

Hon M.J. CRIDDLE: I have said that we have put in place the best possible arrangements we can, bearing in mind the constraints on us.

The CHAIRMAN: The fresh part of the question was: Has there been a market analysis?

Hon M.J. CRIDDLE: We do not control the lease, so that question should be directed to those who control the lease.

Hon LJILJANNA RAVLICH: Hon Murray Criddle is the responsible minister in his agency; therefore, he has a responsibility for the way resources are directed. He is either a party to the arrangement or he is not. He is a party, and therefore he must be the accountable, responsible minister.

Hon M.J. CRIDDLE: I have the best arrangements in place in my portfolio under the current circumstances.

The CHAIRMAN: Of which minister would it be most appropriate to ask the question about the person or body that controls the lease and about the public scrutiny of the moneys spent?

Hon M.J. CRIDDLE: I think we are going over old ground.

The CHAIRMAN: My question is not new.

Hon M.J. CRIDDLE: No, it is not.

The CHAIRMAN: The minister advised us that it is not appropriate to ask him questions about those who control the lease. Who is the appropriate minister to ask?

Hon M.J. CRIDDLE: The Matrix arrangement controls our current opportunities.

The CHAIRMAN: Dealing with public scrutiny via the Parliament, who would be the most appropriate minister of whom to ask questions regarding the Matrix arrangement?

Hon M.J. CRIDDLE: That agency will not be in the estimates committee hearings here in the upper House.

The CHAIRMAN: Is the minister able to advise to which minister the questions should be directed?

Hon M.J. CRIDDLE: It is the Treasurer.

Hon LJILJANNA RAVLICH: Is the minister telling this committee that he has no control over his agency's involvement in the Matrix contract, and even in the event that he wanted to get out of it, he would not be in a position to do so?

Hon M.J. CRIDDLE: I think we are going around in circles.

The CHAIRMAN: I hold a different view. A separate question has been asked. Does the minister have an answer to it?

Hon M.J. CRIDDLE: My answer is the same as the one I gave before. We have the best arrangements in place for our agencies at this time.

[12 noon]

The CHAIRMAN: That is the minister's answer.

Hon LJILJANNA RAVLICH: The Department of Transport is required to reduce its leave liability by 10 per cent by 30 June 1999. I understand that the department has had a reduction of only 0.58 per cent, which is less than 1 per cent, and that there is still a high outstanding liability of \$8.8m. One of the arrangements to reduce that leave liability is an allowance for a payout to employees of annual leave and/or long service leave entitlements. How much has been paid out under those arrangements?

Mr HARRIS: Arrangements are in place to make payouts of annual and other entitlements from time to time, subject to application by Department of Transport employees and the availability of funds. I do not know the precise dollar amount that has been paid during this financial year, but I would be happy to provide it on notice, if the minister is willing.

Hon LJILJANNA RAVLICH: Could you provide that on notice?

Hon M.J. CRIDDLE: We will.

Hon KEN TRAVERS: The *Budget Statements* show an estimated expenditure for the next financial year of \$6.25m for the extension of the Mitchell Freeway from Ocean Reef Road to Hodges Drive. Is that a delayed payment or is work still to be done?

Hon M.J. CRIDDLE: That is the balance of leftover federal funds.

Hon KEN TRAVERS: Does Main Roads intend to spend that \$6.25m this year, and if so, on what? It is listed as estimated expenditure for the 2000-01 financial year.

Hon M.J. CRIDDLE: It is federal funds, so we have to make representations to the Federal Government about its use. We have made representations about the proposed Eddystone Avenue bridge, but I cannot give any guarantees about the outcome of those discussions. We merely make the request.

The CHAIRMAN: Do you have an expected time frame for those negotiations?

Hon M.J. CRIDDLE: We are involved in negotiations now.

The CHAIRMAN: Is there any expectation about when they might conclude?

Hon M.J. CRIDDLE: I expect those negotiations to be concluded shortly, but I cannot say what the outcome will be.

Hon KEN TRAVERS: If the funding is not used for the Eddystone Avenue bridge, what other roads could it be used for? I understand that federal funding can be used only for roads determined to be of national significance. Can the funding be used for any other projects in Western Australia if the Federal Government does not allow it to be used for the construction of the Eddystone Avenue bridge?

Hon M.J. CRIDDLE: We have been talking to the Federal Government about the extension of the Mitchell Freeway. Substantial amounts of money are still needed for that, as the member would realise. However, suggesting other alternatives before the Federal Government gives an answer on the bridge would open up opportunities for people to require the money be directed into other areas. I do not want to lose the funding.

Hon KEN TRAVERS: I would appreciate it if the minister could take these questions on notice. He indicated, in response to earlier questions, that it would cost \$500 000 to build the Eddystone Avenue bridge as a stand-alone project, rather than constructing it as part of the Mitchell Freeway extension. Can you provide an update on the cost of the bridge as a stand-alone contract? Does that cost include another round of community consultation? Will community consultation be undertaken before construction begins on the Eddystone Avenue bridge to allay concerns, particularly at the primary school?

Hon M.J. CRIDDLE: I do not know how the member got the figure of \$500 000.

Hon KEN TRAVERS: That was included in information you provided in response to questions I asked about the cost of building the bridge as a stand-alone project. I asked these questions prior to the commencement of the extension work on Mitchell Freeway.

Hon M.J. CRIDDLE: It will cost about \$6m to build the bridge. Connecting work is also required, and community consultation would be needed.

The CHAIRMAN: I think Hon Ken Travers is asking for some detail about the community consultation process.

Hon M.J. CRIDDLE: I thought he wanted to know only if there would be community consultation.

Hon KEN TRAVERS: Yes, but I would also like to know what that would involve.

The CHAIRMAN: What advice can you give about the form community consultation on the Eddystone Avenue bridge will take?

Hon M.J. CRIDDLE: There are issues in the local community, such as schools. I can give the committee further information, but I do not know what information is required. If the member outlines what he would like, I will provide it.

Hon KEN TRAVERS: Will Main Roads undertake a new round of community consultation, rather than rely on the consultation that was done for the Mitchell Freeway extension?

Hon M.J. CRIDDLE: Yes.

Hon KEN TRAVERS: One of your spokespeople was quoted in the *Wanneroo Times* as saying that the Government's 1996 election commitment to extend the railway line to Clarkson had not been broken. In light of your answers today, do you concede that the information given to the *Wanneroo Times* was incorrect and that it is no longer an option for the railway line to be extended to Clarkson during this term of government?

Hon M.J. CRIDDLE: I outlined earlier that the time frame I mentioned is what I expect to happen in the future. I do not think there is any need to go back over what happened or might not have happened.

Hon KEN TRAVERS: This happened two weeks ago.

Hon M.J. CRIDDLE: I am just trying to answer the question. I know the member would like to put his own spin on it -

The CHAIRMAN: Hon Ken Travers will allow the minister to finish his answer.

Hon M.J. CRIDDLE: As I outlined earlier, that is my expectation for the northern rail network.

The CHAIRMAN: It has been a long hearing. What did you say your expectation was? I cannot recollect what you outlined earlier.

Hon M.J. CRIDDLE: My expectation is that the rail line will begin operation about mid-2003.

Hon KEN TRAVERS: Was your office aware of that expectation four weeks ago? Has that expectation changed significantly in the past four weeks?

Hon M.J. CRIDDLE: I have had discussions about this issue as late as this morning. I cannot recall whether dates have been mentioned.

Hon KEN TRAVERS: What changes have been made to the planning of the Clarkson railway station since the 1996 proposal? Have any changes been made about the services that will be provided or the size of the station?

Mr HARRIS: There have been significant changes to the plan for the Clarkson railway station, particularly to the interaction between the railway station and the land development in surrounding areas. The City of Wanneroo has been involved in its location, design and planning, as well as other issues associated with the station and the surrounding subdivision. The Department of Transport has also had significant interaction with the Ministry for Planning and the Ministry of Housing to ensure the best possible outcome is achieved through the integration of the land development and the railway station.

Hon KEN TRAVERS: Has that added to the cost of the construction of the railway station, and if so, how?

Mr HARRIS: No.

Hon KEN TRAVERS: Is interaction with the surrounding area the only issue?

Mr HARRIS: The concept design is being transformed into something a bit more complicated because of the design parameters, but it has not significantly added to the cost. The design of the subdivision will mean the Department of Transport can get more passengers easier and earlier on. That has long-term benefits to the network over and above any capital cost changes.

[12.10 pm]

Hon KEN TRAVERS: I refer to page 870 of the *Budget Statements* and the improvements to Wanneroo Road. The estimated total cost is \$9.67m, and I congratulate the minister on his quick response to that issue in the past. The estimated expenditure this year is only \$5m. Can the minister outline the time frame for the improvements to Wanneroo Road between Pinjar Road and the Yanchep beach road? A lot of signage work has been done, but it is the dual carriageway I am interested in as well as the time line for the improvements.

Hon M.J. CRIDDLE: This is pretty detailed. The work initiatives on the dual carriageway from 300 metres south of Hall Road to Ocean View Tavern and the dual carriageway between Trian Road and Taronga Place have been included in a contract. The tenders are currently being assessed. It is estimated that the work will commence on the site around the middle of the year and be completed by March 2001.

Hon KEN TRAVERS: Does the minister have a time line for the further improvements? There is still about \$10m to go.

Hon M.J. CRIDDLE: Obviously we are planning to do them over the next two years. The whole thing would be completed in that time frame.

Hon KEN TRAVERS: Is that completed in the next two years?

Hon M.J. CRIDDLE: That includes \$10m for the initiatives we are doing.

Hon TOM STEPHENS: In reference to the term network contracts again, the minister previously indicated to me that there were three term contracts -

Hon M.J. CRIDDLE: The member had left the Chamber when I mentioned there were four.

Hon TOM STEPHENS: Is that four contracts currently in progress?

Hon M.J. CRIDDLE: Four had been awarded.

Hon TOM STEPHENS: Four awarded, two subject to negotiation, but a total of nine all up envisaged. Is that correct?

Hon M.J. CRIDDLE: Eight.

Hon TOM STEPHENS: Eight. We are down to another two. Is that what we are up to? Another two are yet to be -

Hon M.J. CRIDDLE: Kimberley and Pilbara.

Hon TOM STEPHENS: At the completion of those eight, will there be a section of the State that is not covered by the term network contracts?

Hon M.J. CRIDDLE: No.

Hon TOM STEPHENS: Will every section of the State then be covered? Are no areas quarantined from the effect of the term network contract?

Hon M.J. CRIDDLE: No.

Hon TOM STEPHENS: The eight term network contracts -

Hon M.J. CRIDDLE: It is the state network.

Hon TOM STEPHENS: Will the whole of the State be covered?

Hon M.J. CRIDDLE: The road network.

Hon TOM STEPHENS: Has the Department of Transport undertaken or commissioned any research into off-shore protective reefs in the Bunbury area?

Hon M.J. CRIDDLE: Not to my knowledge. I do not know what -

Hon TOM STEPHENS: When was the decision taken to increase the height of the groynes proposed for the Bunbury back beach?

Hon M.J. CRIDDLE: I will have to take that on notice. Is the member asking for a particular date?

Hon TOM STEPHENS: A date would be great. I would like some advice as to who made the decision and why the new proposal was not returned to the Environmental Protection Authority for formal assessment. If there is any information on that part of the question, I would be delighted to take it now.

Hon M.J. CRIDDLE: We will have to take that on notice.

Hon TOM STEPHENS: Is the Government considering building a surf reef near the lighthouse at Bunbury or anywhere else along the back beach, as far as the Department of Transport is concerned?

Mr HARRIS: Not as far as the Department of Transport is concerned.

Hon TOM STEPHENS: Did the Department of Transport have some involvement in the costs associated with the Cable Station reef at Cottesloe?

Mr HARRIS: Yes, we did.

Hon TOM STEPHENS: Is the minister able to tell me the total cost of that involvement?

Hon M.J. CRIDDLE: We have a figure in our head, but if the member wants an accurate figure he will have to wait for a moment. We will get the final detail.

Mr CHAIRMAN: Is the minister saying that the question is taken on notice in terms of the detail?

Hon M.J. CRIDDLE: Yes, if that is what the member wants.

Mr CHAIRMAN: I wanted to clarify that clearly.

Hon TOM STEPHENS: I am after the total cost of the Cable Station reef in particular, but I would also appreciate a total breakdown of those costs.

Mr HARRIS: I should point out that that was a project we project managed on behalf of Ministry of Sport and Recreation.

Hon TOM STEPHENS: Thank you. I appreciate your help. As project manager for that project, has the department taken or needed to take legal advice as to its liabilities in relation to people surfing on those reefs?

Hon M.J. CRIDDLE: I am not sure what the member is getting at. Is he asking us if we have to ensure that people who use the reef -

Hon TOM STEPHENS: Has the minister had any advice as to the department's liabilities in relation to the use of those constructed facilities?

Mr HARRIS: I will need to take advice on that matter. We project managed the construction on behalf of another department and we do not have an ongoing responsibility for the reef itself.

Hon TOM STEPHENS: In reference to the work recently completed on the Great Northern Highway at the northern end between the Halls Creek turn off and Wyndham port, is there any reason why the road at the completion of that project has been left without markers and guide posts? Is that not normally part of the construction work? Why has a road construction project like that been left without dividing marks? How long will it be left like that?

Hon M.J. CRIDDLE: We will have to investigate that as it is fine detail.

Hon TOM STEPHENS: When a road or highway is built, as part of the contract would it normally be divided up with markers?

Hon M.J. CRIDDLE: That would normally be the case. We will have to find out what the situation is.

Mr CHAIRMAN: Is that taken on notice?

Hon M.J. CRIDDLE: Yes.

Hon TOM STEPHENS: Was it a condition of awarding the term network contracts that the workers be engaged on workplace agreements for any of those contracts?

Hon M.J. CRIDDLE: My belief is that that would be up to the contractor. I do not believe that is the case.

Hon TOM STEPHENS: Were industrial relation conditions a part of the assessment of the contract?

Hon M.J. CRIDDLE: I am informed that their records may have been taken into account, and the way they deal with them, but that is all.

[12.20 pm]

Hon TOM STEPHENS: Would the minister be surprised to learn that employees of Main Roads in the goldfields are being obligated to sign workplace agreements if they want to transfer to the new private contractor? They will be required to work 10 hours a day for 10 consecutive days.

Hon M.J. CRIDDLE: We have not been involved in that. It concerns the contractor.

Hon TOM STEPHENS: My information is that the goldfields employees of Main Roads are being told that if they wish to transfer to the new private contractor, they will be required to sign workplace agreements and work 10 hours a day for 10 consecutive days. Is that type of workplace agreement the basis on which the contractors are taking over work from Main Roads?

Hon M.J. CRIDDLE: That is not an issue in which Main Roads is involved. As I said earlier, industrial relations is part of it, but not workplace agreements.

Hon TOM STEPHENS: Does that mean the employees who do not want to take up work with the new contractor under what could arguably be called unconscionable contracts will have an opportunity to stay on as employees of Main Roads?

Hon M.J. CRIDDLE: They would become redeployees.

The CHAIRMAN: What is the current best estimate of the commencement and conclusion of the extension of Reid Highway?

Hon M.J. CRIDDLE: Tenders were called on 13 May and will close on 16 June. The contractor will be able to commence work by the end of July and the contract completion date is expected to be May 2001.

Hon NORM KELLY: The second dot point at page 1410 under "Major Initiatives 2000-01" refers to the introduction of monitoring of environmental impacts of metropolitan transport. What sort of monitoring is referred to?

Mr WALDOCK: It refers to a number of aspects. We will be monitoring the environmental impact of the Euro II standards and the like as we refurbish the bus fleet. In a wider sense, we are also working with the Department of Environmental Protection in relation to Perth air quality. The aim is to introduce not only monitoring but also inspections of road vehicles. Finally, we are looking at the whole issue of environmental impacts.

As Mr Harris said earlier, the metropolitan transport strategy has a number of initiatives on environmental impacts, such as TravelSmart and the like. We are considering those in terms of not only moving from single-driver vehicles to other forms of transport but also the cost of environmental savings, congestion and other externalities. Environmental impacts are being considered as part of wider transport strategies.

Hon NORM KELLY: What effect will reduced funding of TravelSmart have on the environment?

Mr WALDOCK: A detailed cost-benefit analysis has been done for the TravelSmart program, a fair degree of which is on the environmental benefits. As the director general mentioned, a full and detailed independent evaluation will be done on the South Perth area and that is expected to be completed somewhere between August and December this year. Based on that evaluation, we will outline the eight stages referred to earlier, but on the basis of independent verification of the evaluation.

Hon NORM KELLY: Does the monitoring of environmental impacts also include assessment of the impact of road building and of the resultant induced traffic on Perth's environment?

Mr HARRIS: In our integrated transport planning we take account of issues such as induced car usage. In the cost-benefit analyses of our various projects, we attempt to assess how capital expenditure can be avoided by building alternative forms of road or other constructions and over what period.

Hon NORM KELLY: The first dot point on the same page seems to be the mother of all motherhood statements. It reads -

Develop fully integrated transport multi-modal plans with synergies that reduce cost and improve land use.

Mr HARRIS: An example is Clarkson railway station.

Hon NORM KELLY: That dot point is regarded as a major initiative for 2000-01, so I assume it has not already occurred.

Mr HARRIS: The department has a view that proper land-use and transport planning can provide benefits across a broad range of the community. Clarkson is one example. As I described earlier, our cooperation with the Ministries of Planning and Housing, the City of Wanneroo and local developers means the housing subdivision will be developed in a different way and in a different location than might otherwise have been the case. That will provide benefits to the transport network, the retailers who will operate at the station, the people who will buy houses and the City of Wanneroo. It will also provide road network benefits. That is a practical example of the synergies we are referring to in what may be a motherhood statement.

Hon MARK NEVILL: Has the Department of Transport done any rudimentary planning for where an underground rail system might be built in the Perth area in the next 20 to 40 years? Is this being thought about now or will it be planned a year before it occurs or, like the railway to the south, have its position changed four times in two years?

Mr HARRIS: Although we have done some thinking on the matter, we have not done anything that could be remotely described as planning, rudimentary or otherwise. Consideration has been to the extent of simply asking professionals what might be our rail requirements for the urban network in up to 40 years. Everything from tunnels under the river to routes in other parts of the city, including the equivalent of a rail version of the circle bus route, and light rail up to some of our northern suburbs to the eastern side of the city are issues that arise in our normal planning processes.

[12.30 pm]

Hon MARK NEVILL: Would the minister be prepared to make some of those proposals publicly available?

Hon M.J. CRIDDLE: That raises a very interesting point. In the past year or two we have taken on all these issues through a transport infrastructure advisory group. In fact, a document on those sorts of arrangements is very close to finalisation. When that is released I am sure the member will be interested in it. It covers the whole State and it is an interesting aspect of those initiatives.

Hon TOM STEPHENS: What funds have been allocated or held in contingency for compensation payments to home owners affected by the Northbridge tunnel? If they have not been held in contingency, from where will payments be made? Will additional Treasury allocations be required?

Hon M.J. CRIDDLE: I have been anxious to have this issue finalised, and we are in the process of dealing with it. Those funding arrangements will be made available when the issue is addressed. As I say, it is becoming imperative that the negotiations be finalised. We will put in place the funding arrangements when we know the total cost that is required.

The CHAIRMAN: Is there any time frame on that?

Hon M.J. CRIDDLE: We are dealing with people and it will happen when we can get an agreement with those people. I am keen for that to happen in the near future.

Hon TOM STEPHENS: My question was: Are any funds held now as contingency funds? If so, how much; and, if not, will additional funds be allocated by Treasury?

Hon M.J. CRIDDLE: The contractor has that obligation at present.

The CHAIRMAN: Are no funds held by Main Roads at the moment?

Hon M.J. CRIDDLE: Funding arrangements are available, but that responsibility is with the contractor.

The CHAIRMAN: Is there no specific contingency fund for that purpose?

Hon M.J. CRIDDLE: I am saying that the contractor must deal with that issue. We have a contract with a particular group.

The CHAIRMAN: We have slipped a little over time. At this point I close the hearing by thanking the minister and all of his advisers. I appreciate the length of the hearing and the attention of all concerned during the course of it.

Sitting suspended from 12.32 to 2.00 pm

Division 73: Health, \$1 889 790 000 -

Hon Mark Nevill, Chairman.

Hon Peter Foss, Attorney General.

Mr A. Bansemer, Commissioner of Health.

Professor B. Stokes, Chief Medical Officer.

Professor G. Lipton, General Manager, Mental Health Division.

Dr D. Jones, Medical Director.

Mr A. Kirkwood, Acting General Manager, Finance and Resource Management.

Mr A. Weeks, Chief Executive Officer, Metropolitan Health Service.

Ms P. Ford, Executive General Manager, Finance and Infrastructure.

Mr S. Houston, General Manager, Aboriginal Health.

Mr H. Blake, Acting Executive Director Business Information Services, Metropolitan Health Service.

Mr M. Moodie, Chief Executive, King Edward Memorial Hospital and Princess Margaret Hospital for Children.

Dr B. Beresford, Acting Chief Executive, Royal Perth Hospital.

Mr J. Burns, Chief Executive, Fremantle Hospital.

Dr R. Davidson, Acting General Manager, Public Health Division.

Mrs C. O'Farrell, Executive General Manager, Health System Performance.

Dr P. Di Marco, Principal Toxicologist.

Mr M. Jackson, Director, Environmental Health Branch.

The CHAIRMAN: On behalf of the committee, I welcome you to today's hearing. Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia. The committee values that assistance. It will greatly assist Hansard if, when referring to the *Budget Statements* volumes or the consolidated fund estimates, members give the page number, item, program, amount, and so on in preface to their questions. If supplementary information is to be provided, I ask your cooperation in ensuring that it is delivered to the committee's clerk within five working days of receipt of the questions. An example of the required Hansard style for the documents has been provided to your advisers. However, full Hansard transcripts will be available to the public within a week of the close of these hearings. The committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observations. For the benefit of members and Hansard, I ask the minister

to introduce his advisers to the committee, and for advisers to please state their full name, contact address and the capacity in which they appear before the committee.

The CHAIRMAN: Have all the witnesses completed the "Information for Witnesses" form and understood it?

WITNESSES: Yes.

Hon E.R.J. DERMER: What progress is anticipated during the 2000-01 financial year with the implementation of telehealth?

Professor STOKES: The Health Department has a commonwealth-state government assisted grant of \$16m to expand the development of telehealth. The program is being rolled out into the great southern agricultural area and the north west through Port Hedland Hospital and Royal Perth Hospital, and a trial program is also being conducted between the Fremantle Hospital and Rockingham Hospital emergency departments. The department will spend about \$12m on equipment, training and resources by the end of the 2000-01 financial year.

Hon E.R.J. DERMER: Is any additional state revenue being applied to the extension of the program?

Professor STOKES: Only in the form of staff positions at this stage. This is in addition to the commonwealth-state agreement funds.

Hon E.R.J. DERMER: That would be a modest amount of money. How many staff are employed in this area?

Professor STOKES: The telehealth unit has seven staff, but it is hoped that that number will be increased to 11.

Hon E.R.J. DERMER: When will that expansion occur?

Professor STOKES: Hopefully that will occur in the coming financial year.

Hon E.R.J. DERMER: When will the extension of services to areas in the first phase be concluded?

Professor STOKES: The educational and training aspects, and some emergency consultative services should be completed by October. The speciality areas, allied health services and so on will be developed over the next 12 months.

[2.10 pm]

Hon DERRICK TOMLINSON: I refer to page 708, volume two of the *Budget Statements*, and, in particular, to the works in progress capital works mental health statewide initiatives, which have been allocated \$42.6m. That is a healthy boost to the mental health capital works. What initiatives are to be met out of that \$42.6m?

Professor LIPTON: As the member has indicated, there has been a major building program over the past three years, and that will continue. There will be new rooming-in centres in Kununurra, Narrogin, Derby and Carnarvon. Each of those varies in cost from \$100 000 to nearly \$1m depending on where they are. There are a lot of refurbished clinics and offices at Albany, Karratha, Morley, Esperance, Northam, Geraldton and Rockingham. In addition, the major developments next year are the building of the Swan and Armadale in-patient units, which are currently in progress and should be finished in the financial year. I think the cost is \$4.5m for Armadale and \$3m for Swan. We are currently planning and will shortly start a six-bed unit in Kalgoorlie as well. Quite a lot of minor works, upgradings, reconditionings and so on are in progress at the moment.

Hon DERRICK TOMLINSON: We already have psycho-geriatric beds at Swan and Armadale. Are these proposed beds for psycho-geriatric or general mental health?

Professor LIPTON: We are providing 25 new beds for general mental health. The 24-bed unit for psycho-geriatrics at Armadale will be reduced to 16. The units in both Swan and Armadale will end up with 41 flexible-use beds, but they will be designated psycho-geriatric and adult health with some flexibility between them.

Hon DERRICK TOMLINSON: Is the allocation to those mental health beds at Armadale additional to the \$48m for the Armadale-Kelmscott Memorial Hospital?

Professor LIPTON: As far as I am aware it is incorporated within it. That was the contribution of the mental health budget to the overall project.

Hon CHERYL DAVENPORT: Pages 694, 695 and 696 refer to the home and community care program. The first item of quantity on page 695, the number of hours for home care, shows that a 100 000-hour increase is targeted for 2000-01. Will that output be achieved by increasing recurrent hours to services or are new programs involved? I assume that included in that allocation of hours for home care is an allocation for respite hours. This may not be able to be answered off the top of somebody's head, but what number of hours of in-home respite are provided annually across the State and what number of hours are centre-based? I am happy for that question to be taken on notice.

Dr JONES: The hours of care represent a state average, which is calculated by capitalising the HACC service provision ratio. That is contained in the HACC business plan. As to the detail of the question the member has asked, I shall be able to provide that by way of supplementary information.

Hon CHERYL DAVENPORT: I have personal experience of the home and community care program. It is becoming increasingly evident that home and community care is accessed more at a time of crisis than for low level maintenance care

that it was originally designed to provide. Many programs around the State have significant waiting lists. Is there a plan to deal with HACC as crisis management rather than lower level care? I am concerned that people are not accessing HACC until they are in real crisis which means that people requiring access to lower level care are on waiting lists and must be in need of high level care before they can access the service.

Dr JONES: The questions raised by the member are important and relate to the way in which we can achieve integration of care between the handover points of various programs not only for when patients are discharged from hospital, but also for patients in the community who develop conditions which require treatment in their homes. A number of groups are now meeting to try to deal with the way in which the care of a patient is managed in a coordinated and integrated way across the care boundaries, as described by the member. If we do not manage waiting lists well, waiting lists themselves become an issue. It is clear though that patients who have conditions that require access to services are able to obtain those services under the current HACC arrangements.

Hon CHERYL DAVENPORT: I understand what Dr Jones is saying and I realise that it needs interaction between various agencies. However, there are limits for many HACC services. For example, some services are allowed to operate only in local government areas which creates difficulties. Continually being brought to my attention is the fact that HACC was originally designed 15 years ago to enable short-term care to be provided over weekly periods. Now, people obviously need an increased level of care as they age to be able to function and remain in their own homes. It appears that each year the level of funds going into HACC is not dealing with the ageing population, and I ask what plans are in place to overcome that problem?

Dr JONES: Those issues are of concern to us all. We are looking very closely now at the eligibility criteria for HACC and the ageing cohort of people who require those services. Another policy initiative we have undertaken is to introduce other methods of supporting people who live in a home care environment. One initiative with which the member may be familiar is a program called Home Ward 2000 whereby a number of programs are based around the hospital-in-the-home idea for people with short-term needs who do not require long-term care arrangements in the home. One of our challenges is to knit together not only community-based care programs which relate to service providers who are not necessarily doctors, but also primary care medical service providers and to have those arrangements meet neatly with acute care admissions. Therefore, policy discussions about those issues are occurring now and I am happy to provide further information to the member.

[2.20 pm]

Hon NORM KELLY: I have a few questions on mental health. On page 681 under major achievements for 1999-2000, the final dot point refers to "a program focusing on youth with same-sex attractions has been established through the Western Australia AIDS Council." Why is this an initiative under the mental health program?

Professor LIPTON: It is part of a larger initiative to set up youth councillors throughout the State, which was an election promise from the last election. We are spending about \$1.4m and there are about seven or eight non-Aboriginal counsellors and about seven Aboriginal counsellors. One particular area of need seemed to be in the young gay community. As part of the program which was administered by mental health the council was made available to them.

Hon NORM KELLY: Is it regarded as a mental health problem?

Professor LIPTON: Not at all. People with gender differences are as entitled as anyone else to have mental health problems, but sometimes it is more difficult for them to access services. There is no inference of any kind that gender issues are a mental health problem.

Hon NORM KELLY: I would have thought that they would be better placed under the public health spectrum. That was the reason for my question.

Professor LIPTON: The program was made available to the department and was administered partially by mental health and partially by Aboriginal health, but there was a cohort from public health as a group which made the allocation. It was a department-wide program.

Hon NORM KELLY: My next question is in relation to children and mental health. I would like to know the number of beds available in the State for children with mental illnesses.

Professor LIPTON: At Stubbs Terrace there are 10 beds; Princess Margaret Hospital has eight; the Robinson unit recently opened at Bentley Hospital has about eight beds. There is also an adolescent unit at Bentley Hospital and I think the number of beds is between 12 and 15. Children can be admitted to other hospitals as necessary. Many are admitted to paediatric beds where their psychological problems can be dealt with in that setting.

Hon NORM KELLY: How many of the beds would be locked beds?

Professor LIPTON: Only the ones at Bentley for adolescents. It is an authorised unit with the capacity to have secure accommodation. They are not locked beds but the capacity to secure them is there.

Hon NORM KELLY: Are children able to be admitted to Graylands Hospital?

Professor LIPTON: We try to avoid that as much as is possible but sometimes it is necessary, especially with the older adolescents. They are able to be, but it is an unusual thing to happen.

Hon LJILJANNA RAVLICH: I am particularly interested in the cost of GST implementation and although I could not find a specific line item in the budget papers there is reference to goods and services tax payments on page 701. In information provided to the Standing Committee on Estimates and Financial Operations the Health Department of Western Australia indicated that it had spent \$2.5m on GST implementation. Where does the \$2.5m come from; and is it coming out of operational funding; if so, where have the cutbacks in operational funding been in order to come up with the \$2.5m?

Mr KIRKWOOD: The GST figure of \$2.5m is not shown in the budget papers. There has been no increase in the number of people. We set up a process to pull together all the requirements of the Act and work through them. The costs shown are the costs of the existing people and there has been minimal use of consultancies across the State in order to pull together how we go about doing it.

Hon LJILJANNA RAVLICH: I seek clarification. I understand that \$2.5m worth of resources was taken from the existing system, which is a substantial sum. From where were these resources pulled to meet the GST implementation costs?

Hon PETER FOSS: The witness has answered the question. If the member does not like the answer, she cannot suggest that Mr Kirkwood give a different answer.

The CHAIRMAN (Hon Mark Nevill): I am at a disadvantage as I have just resumed the Chair. Could the member move to the next question.

Hon LJILJANNA RAVLICH: I was trying to ascertain from which area these resources were drawn to be diverted to meet the GST compliance costs.

Hon PETER FOSS: The member has asked the question. I am happy to ask Mr Kirkwood to amplify, but she should not say that he must give the answer she wants to hear.

Mr KIRKWOOD: The bulk of the costs relate to corporate costs, not health service costs. Each year something of this ilk comes along which we fund in a similar way. It may be GST this year - it may have been Y2K last year. Similar matters consume similar moneys each year, but it does not interrupt health service costs.

Hon LJILJANNA RAVLICH: Has there been a calculation of ongoing costs or increases in administrative or other costs which must be borne by the Health Department in meeting ongoing GST compliance?

Mr KIRKWOOD: The calculation is some \$6m spread across the State, and involves a range of mainly clerical matters. Again, many of those costs counted are already met. The cost of compliance is not extra cost per se, as it is mainly existing things reshaped. It is the cost overall in adding up what we must do.

Hon SIMON O'BRIEN: Renal dialysis services have always been available at the major centres, which poses a problem for some people who must attend weekly or even more frequently for dialysis. I note plans in the budget papers for other satellite centres to be established. When and where will the satellite renal dialysis centres be available for the public?

Dr JONES: People suffering from end stage renal failure need dialysis three times a week. Western Australia has about 560 people on the end stage renal failure program. A few years ago, people were able to access dialysis services through only two teaching hospitals and one satellite unit at Shenton Park. However, the department has developed a program in the past few years for end stage renal failure by which people requiring dialysis are managed in a much more coordinated way. We have a network of end stage renal dialysis services around the State. We have extended teaching hospital dialysis to Fremantle, and have a systematic number of satellite centres for dialysis at not only Shenton Park, but also Armadale, Joondalup, Peel, Geraldton, Kalgoorlie and Bunbury. We started dialysing at two other metropolitan satellite sites at Midland and Melville about a month or so ago. We are about to commission beds for dialysis at Port Hedland, and we are finalising negotiations for services in Broome. End stage renal failure is a condition that particularly affects Aboriginal people; therefore, it is important to have an appropriate network of sites around the rural part of the State. We have not only developed a network of end stage renal failure services within the State but also linked the satellite and home haemodialysing patients to parent teaching hospitals, so that we are able to support patients who are on the dialysis program.

[2.30 pm]

Hon SIMON O'BRIEN: I will focus on the south metropolitan area. I am delighted that the Melville centre has opened. Where is that centre located?

Dr JONES: I do not know the exact location of the Melville centre.

Hon SIMON O'BRIEN: I will no doubt find it if I need it. The other issue I am sure would have come before the department, either to Dr Jones or to the department, relates to the provision of services in Rockingham. The minister's office has provided me with figures on where satellite services are needed, and so on. However, Rockingham is some distance from the facilities at Fremantle, Melville and Peel. Although it is terrific to have those facilities at Peel and Fremantle, it is difficult for someone who lives in Rockingham and requires frequent dialysis treatment to travel to those facilities for that treatment, which can take five hours. Are there any plans for either a satellite renal dialysis unit in the Rockingham area or extra home dialysis services? Although the number of dialysis patients in the Rockingham area is small the service is needed.

Dr JONES: The issues for people who must have dialysis three times a week are difficult, particularly travelling. When we looked at the siting of satellite centres, we discussed a couple of these issues with people who lived in the Rockingham

area. A number of the people who live in that area have other requirements which mean they must travel, for example, to Fremantle and the south metropolitan area and patients are comfortable doing that for a short time. The larger question relates to the management of a statewide renal failure program so that we can provide the maximum number of services to the most people. That is a difficult question when everybody has individual needs. Over the past couple of years as part of the first stage of this program we have tried to ensure at least a network around the State, and reasonably located centres within the metropolitan area. We will review other sites in time to come.

Hon PETER FOSS: I ask John Burns to tell us where the Melville dialysis unit is located.

Mr BURNS: The new satellite unit is on Marmion Street. It is in the shopping centre at the back of the bowling alley.

The CHAIRMAN: I asked a question in Parliament a couple of years ago about the number of dialysis cases from the Kimberley. I thought that the department might be counting people from the Kimberley who had lived in Perth for a couple of years as being Perth residents. Does the department refer to their original location?

Dr JONES: We can do that.

The CHAIRMAN: That is looked at when dialysis services are allocated.

Dr JONES: When we are planning where satellite units will go, we look at the postcode of origin of the patient and from where the patient comes.

The CHAIRMAN: There are quite a few patients from Aboriginal communities in the Kimberley who cannot get home because of the three or four-day period they need for their dialysis.

Dr JONES: That is right.

The CHAIRMAN: Recently I was in Kalumburu and someone told me that he could not travel because he had to have dialysis. He seemed to have a machine at Kalumburu. Is that because he is not an end-stage patient or because he still has some function?

Dr JONES: No, it depends. It is a clinical decision about what mode of dialysis is most suitable for patients. Some patients are required to have haemodialysis, so they need to have venous access and to be attached to the haemodialysing machine. Some patients are able to have what we call peritoneal dialysis, and those patients are more able to manage at home. A number of patients who live away from a large metropolitan area are suitable for peritoneal dialysis, and that gives them a lot of flexibility in being able to travel and move around. The issue with home dialysis is that in some remote communities where there are adequate power and water facilities we are able to site a machine, although it is technically demanding of the community. We also need trained nursing and Aboriginal health worker staff, and patients also need to be able to manage the techniques. For some patients it has been suitable, but, unfortunately, not all patients are able to manage it.

The CHAIRMAN: Given the increasing population in the Kimberley and the much greater increase in kidney disease among Aboriginal populations, I think that once a Broome or a Kimberley service is in place, it will ease a lot of pressure on people.

Hon SIMON O'BRIEN: My question is on an unrelated matter. I think Professor Lipton would be disappointed if I did not ask this question at estimates time. Has the Armadale Health Service, or whoever is responsible, completed its review into the future of the Whitby Falls Hostel; and, if so, what can Professor Lipton tell us about the department's proposals for the future of that institution.

Professor LIPTON: I am not as close to it as I was, because this is now being managed by the board. Helen Morton and perhaps Andrew Weeks would have more up-to-date information. My understanding is that currently about 19 or 20 patients are there, some of whom are relatively short term. I understand that the hostel has now worked with all the relatives, guardians, carers and stakeholders, if one likes, and they have come to agreement in almost every case about the way in which people should be relocated and better supported. I do not believe that there is a time frame on that. My suspicion is that we are still talking about 12 or 18 months. As far as I am aware, from the mental health point of view, the department has no current plans. The issue now is relocating patients, and presumably the Government will make a decision about that eventually should the hostel cease to be used for its current purpose.

Hon DERRICK TOMLINSON: Armadale seems to be getting a lot of attention. I refer to the \$48m for the building of the new Armadale-Kelmscott Memorial Hospital, \$25m of which is for the coming financial year. Is that merely to replace existing health services at the hospital, or will additional health services be available at Armadale-Kelmscott?

Ms FORD: The new Armadale hospital will be able to provide an additional range of services once its rebuilding has been completed. There will be expanded capacity for surgery through increased theatres and a range of other services which will be available on that site once the redevelopment has occurred.

Hon DERRICK TOMLINSON: I understand that as a part of the preparation for those new services, in the past four years a special allocation has been made for the enhancement of services at Armadale. It has been in the order of \$1.6b a year additional to the normal budget allocation. Will that \$1.6b be available for the coming financial year as it has been in the previous three years?

[2.40 pm]

Mr BLAKE: We have met the commitment for the past three or four years. We cannot provide a cast-iron commitment for the next financial year until we know what the budget is. That has not been finalised yet. However, it is our intention.

Hon DERRICK TOMLINSON: I did not quite hear that. Is it correct that although the intention exists, there has been no confirmation?

Mr BLAKE: I cannot confirm it until I know next year's budget for the Metropolitan Health Service Board. That includes the Armadale Health Service. Once we know what the budget is, we can allocate funds to the various hospitals. At this point, we expect that we will be able to meet our commitment.

Hon MAX EVANS: Of the 208 pages in the 1996-97 annual report, 47 are of performance indicators, while 88 of the 216 pages in the 1998-99 report are of performance indicators. Will that increase to a tonne in the next report? Who makes the decision to decrease or discard performance indicators? I know the Health Department has a performance evaluation unit. Is it the chief executive officer, the chief financial officer, the Auditor General or Treasury who makes the decision to include them? How many more can there be, or does the office junior or tea lady make them up?

Mr WEEKS: The Metropolitan Health Service Board's annual report is overly encumbered by key performance indicators. The board and the Office of the Auditor General are currently discussing the most relevant suite of indicators that will provide better balanced reporting in the future.

Hon PETER FOSS: Hon Max Evans has picked up something that all ministries are concerned about; that is, the relevance of some performance indicators. When we begin discussing the Justice budget, I will mention one that I think is ludicrous. The concept has gone overboard and the indicators do not give the public an indication of the performance. They are time wasting. We need to discuss them with the Auditor General to ensure that useful indicators are in place. Hopefully, there will be fewer so that the useful ones do not disappear in a welter of excessive information.

Hon MAX EVANS: My question was clearly directed to the Health Department, because 100 of the 180 pages in the Metropolitan Health Service Board's report list the performance indicators. I wonder if the Health Department is trying to catch up. Who in the Health Department uses these indicators? Does Mr Bansemer or Ms Ford go through them? If not, why are they in the report? Does Treasury use them? I know the performance indicators operate under Treasury Instruction No 904. What does the Health Department do with them?

Ms FORD: The number of performance indicators has increased over the past few years because different people and groups use them for a range of things. People tell the Health Department that they find a certain indicator useful and that it would be even more useful if it were divided into another three subcategories. The Government, the Auditor General, the Health Department and the health services use the indicators, as well as individual members of the community and non-government organisations. The suite of indicators has grown considerably because a broad range of people use them to find out different information. The challenge is for the department to have a consistent set of indicators that do not detail every small item. The Health Department could then provide other mechanisms that enable individuals or key interest groups of any type or persuasion to get information when they want to drill below the indicator level. It is a significant challenge for the health sector, as it is very large and covers a broad range of activities. Over the next couple of years, the department, along with its key stakeholders, including the Auditor General, will try to refine the set of indicators so they are more meaningful and user friendly.

Hon NORM KELLY: I will follow on from my earlier questions concerning children's mental health. When Professor Lipton was talking about the number of beds available, I asked a question about children. I want to clarify whether they are regarded as being under 18 years of age, because Professor Lipton referred to adolescent units as well as children's units. He talked about the number of beds available as being 10 at Stubbs Terrace Hospital, eight at Princess Margaret Hospital and eight at Bentley Hospital; could the minister please clarify the age range that covers?

Professor LIPTON: The service is known as the Child and Adolescent Mental Health Service - CAMHS for short. It is regarded as a service. The outpatient clinics and the community clinics serve children and adolescents up to 18 years of age. At Princess Margaret Hospital, for example, the in-patient unit will take adolescents as well as young children. Stubbs Terrace Hospital will take only young children and the Robinson unit will only take young children below 12 or 13 years of age, whereas there is an adolescent unit that looks after people ranging from puberty to 18 years of age. As some children reach 16 or 17 but act as though they are 16 going on 25, there is a blurring of the distinction of where they are best hospitalised, either with slightly older or younger people. Does that answer the question?

Hon NORM KELLY: Yes, thank you. What support and education services and the like are provided to families that have to deal with mentally ill children? I will put that question on notice as to what services are provided and also the level of funding.

The CHAIRMAN: Will the minister take that on notice?

Hon PETER FOSS: I take that on notice.

Hon CHERYL DAVENPORT: I refer to the home and community care items on pages 694 and 695 of the *Budget Statements*. One of the target groups for home and community care is the relief of carers. I am aware that the Government has, for the past 12 months, been threatening to announce a carers' strategy. How much money in the Health budget is allocated towards that initiative?

Dr JONES: I need to take that question on notice.

Hon CHERYL DAVENPORT: I know that three different government departments, or sections of departments, are involved in the strategy, and I am aware that Health is one of them.

Mr BANSEMER: That is correct. The Commonwealth Government has made provision for some additional support for carers in the commonwealth budget. The impact of the integration of that is being considered at the moment.

Hon CHERYL DAVENPORT: I am not sure if this is right, but I have heard rumours that volunteer drivers for home and community care vehicles will be required to have F-class licences. Is the department aware of any proposed amendments to the road traffic legislation which will require the holders of those types of licences - particularly voluntary drivers over 60, who are quite often voluntary drivers for home and community care programs - to have an annual assessment? Is the department also aware that people who are aged 45 to 60 will be required to have biannual licence checks? I am concerned that one of the unforeseen problems will be that the volunteers might not want to participate in that kind of check. Is it intended that all drivers who do voluntary work in home and community care programs must hold F-class licences?

[2.50 pm]

Dr JONES: This issue has been discussed with a number of the HACC providers. Many of these decisions have been, if you like, imposed on us to a certain extent. Discussions are under way concerning support for those volunteers who are providing this service. I take the point. We do not want to lose this valuable group of people. However, if I am permitted to take that question on notice, we will be able to provide more exact information.

Hon LJILJANNA RAVLICH: In answers provided by the Health Department to the Estimates and Financial Operations Committee it is clear that at 30 June 1999 the Health Department leased 1 770 vehicles at a cost of \$8.437m. As of now the Health Department leases 1 748 vehicles at a cost of \$11.516m, which is a cost variation upwards in the order of \$3.79m with fewer cars involved. Where is this additional \$3m coming from? Is this leasing arrangement putting pressure on the Health Department to meet repayments for what appears to be a continually escalating financial arrangement?

Ms FORD: Those vehicle numbers apply to the public health sector in Western Australia, which includes the department and metropolitan and country health services, so it is a total government health sector figure. Consequently the money is total government health sector money. The increase in costs can be attributed to a range of factors. It is partly due to increased leasing costs on individual cars of the same type and partly due to the change of the vehicle fleet in line with health services' needs. I am tempted to say that any cost increase will put pressure on our budget. This year the budget has been increased for the health sector. That takes into account a range of increased costs. Those costs cover not only leasing the vehicles but also fuel and vehicle maintenance. A range of factors are balanced out. Part of the reason for increased leasing costs is that in the current climate the resale value of vehicles across the board has decreased, and that has altered the balance of the financial package, as it would for anyone. As a result our head lessor has been required to increase leasing costs. That will apply however the vehicle fleet is managed because it is a market-driven environment.

Hon LJILJANNA RAVLICH: The variables leading to a reduction of 22 cars at an additional cost of \$3m to the health system must be considerable.

Hon MARK NEVILL: Is this a statement or a question?

Hon LJILJANNA RAVLICH: It is a statement leading to a question.

Hon PETER FOSS: The member is quite right; they are significant. The cost of fuel has increased significantly and the value of cars has decreased, although there are a significant number of cars. If we multiply the decrease in the value of vehicles by the number of vehicles it amounts to a lot of money. That is the reality.

Hon LJILJANNA RAVLICH: Have additional funds given to the Health Department been diverted to subsidise escalating leasing costs on cars? That is a fair enough question.

The CHAIRMAN: I will decide whether it is fair.

Hon PETER FOSS: The language which has been used is emotional. The fact is that vehicles are necessary to provide health services. It may be, as has been said by the witness, that there will be more expensive vehicles. It may be due to the cost of maintenance and fuel, or it could be the resale value. All of those things are actual costs. It is not a question of subsidy; it is a matter of meeting the necessary costs of providing health services. If a health service is provided by using cars, and they are necessary for providing that health service, the health service must be provided.

The CHAIRMAN: For the record, the first part of that question was about the source of the extra \$3m from the Health budget. Can you comment on that?

Mr BANSEMER: The additional funding has been a component, but not a specified component, of the overall funding increase we have had.

Hon TOM STEPHENS: What is the Government's comprehensive strategic response to the dramatic increase in the incidence of diabetes and the doubling of the mortality rates for Western Australia? What funds are contained within the budget to resource that response?

Dr JONES: We have recognised for a number of years that diabetes is one of the most important health problems that we

in Western Australia have to face. It is important not only because it is a condition which is described as diabetes but also because of its very important linkages with cardiovascular disease. Over the past couple of years, we have developed a Western Australian task force on diabetes which is chaired by the chief medical officer. We have developed a Western Australian diabetes state plan. Under that we have tried to develop what we call an integrated care approach. We have shied away from using the term "coordinated" care approach. We are interested in managing patients with diabetes in a way which allows them not only to be diagnosed early - that is, present early if they have symptoms suggestive of diabetes - and be managed within the community, but also for the condition to be recognised if they are admitted to hospital with another condition. One of the problems is that diabetes is often missed in the acute care setting because often the patient does not think it is important. The patient goes into hospital with a heart attack or a leg ulcer and is not always aware that the diabetes is underlying the severity of the presenting condition.

We also need to coordinate not only the primary prevention programs but also the secondary prevention programs. Once a person is diagnosed with diabetes and is beginning to get complications associated with it, are secondary prevention programs in place to ensure that that person does not get worse complications? This also goes to the earlier question about end-stage renal failure. We know that of the end-stage renal failure patients in this State, at least one-third have developed renal failure because of diabetes. This is terribly important. Not only are we interested in providing dialysis services to patients with end-stage renal failure, but also, to use a metaphor which perhaps is not appropriate, we need to go upstream and get to the cause of diabetes in the first place. The important prevention programs relate to nutrition and exercise. Then we need to ensure that we understand that the impact of diabetes, particularly as our population grows older, will continue.

We have tried hard to get to the specifics of the question to quantify the impact of the cost of providing services to patients with diabetes in the State. It is terribly difficult and no-one around the world has had much success. In the past couple of weeks we have received the diabetes prevalence study, to which Western Australia contributed and to which the Western Australian Health Department contributed funds. That is quite disturbing because it shows that we originally thought that one in eight patients in Australia suffered from diabetes. However, it looks like about 25 per cent of our community is at risk from diabetes. This is a terribly important issue. We are taking it seriously. We have a diabetes program. We have diabetes prevention programs which are working through public health units, community health and general practice divisions. We are also trying to get a better handle on quantifying the impact of diabetes in the acute care system.

[3.00 pm]

Hon TOM STEPHENS: The State has had responsibility for nursing bed licences within its system. It appears that six bed licences from Perth have gone to Halls Creek and Fitzroy Crossing. The Numbala Nunga Nursing Home and Hospital at Derby now has 50 bed licences despite having an occupancy level of 35 to 38 in the past few years. Has the State made an approach to the Commonwealth to allocate those beds to include an aged care provision for Broome?

Mrs O'FARRELL: The Commonwealth Government has allocated a number of hostel or low-care bed licences for residential aged care in Broome. However, because of the date of their allocation, it is possible for them to be converted to nursing home bed licences. In addition to the existing licences in Broome and the new licences, there is a reasonable capacity for Broome to begin to develop further residential aged care services. We will continually ask the Commonwealth to allocate more beds for use in places like Broome, where the population is significant and the demands are increasing. However, that must be balanced against the reality that the Commonwealth has already allocated a significant number of beds for use in the Kimberley. Numbala Nunga Nursing Home and Hospital initially had 58 licensed beds. Some of those licences have been transferred by agreement to other places in rural Western Australia to enable multipurpose service developments to get under way, but the funds have been retained in the Kimberley. Numbala Nunga has already been downsized in that eight of the bed licences are now flexible; that is, they can be converted into funding packages. They are used very flexibly in the remote areas to improve aged care provision.

As part of the State's overall restructuring program, 11 beds freed up in Perth have been made available in the north west and the Kimberley. A number of these are on offer in Fitzroy Crossing and Halls Creek in the expectation that the existing hostel providers will be able to take them on and expand their services, thereby increasing access to some remote areas. That is balanced against the needs of Broome.

Hon KIM CHANCE: I refer to page 676 and the redundancy payments determined for the budget year and for 2001-02. On what basis has the Government determined that amount for redundancies?

Ms FORD: This figure is an estimate based on proposals from the Metropolitan Health Service's restructuring of its corporate office. It represents the number of positions it will no longer need. This estimate was developed to be spent over two years.

Hon KIM CHANCE: What positions and how many are likely to be made redundant?

Mr WEEKS: As part of the current year's budget program, we have been looking at savings of about 400 positions.

Hon KIM CHANCE: Will a special redundancy package be available for those employees or will the general order apply; and if there is to be a new package, is it being negotiated now?

Mr BANSEMER: Whatever package applies generally at the time will apply to the Metropolitan Health Service; there will not be a special Metropolitan Health Service package.

Hon KIM CHANCE: Will there be any involuntary redundancies?

Mr BANSEMER: There is no capacity for involuntary redundancies.

Hon W.N. STRETCH: At the top of page 691, reference is made to the DonateWest program. Has that been successful and are we achieving more organ donations through that program?

Dr JONES: DonateWest is the Western Australian organ and tissue donation agency, which was established with an announcement at the end of last year of an allocation of \$1m over three years. The idea of DonateWest is to bring together and coordinate all of the activities to do with increasing organ donation rates in Western Australia. The medical director of the agency was appointed in February of this year. We are currently in the process of recruiting both donor coordinators and medical coordinators to staff the agency. Currently Western Australia's rate of organ donation remains low at about 7 donors per million. It has been static over the past couple of years and has not fallen further. However, we are yet to see the results from DonateWest's introduction because it is still not fully operational. We expect it to be operational by July of this year. We anticipate that over the next 12 months we will see an increase in organ donation rates.

Hon W.N. STRETCH: On page 685, reference is made to coordinating a state position on the labelling and safety assessment of foods derived from gene technology. Does that mean the coordination of people within the agency or is it an inter-agency committee or whatever, because gene technology obviously covers a fairly wide field?

Mr JACKSON: The labelling of genetically modified food is very controversial. It is being handled on a national basis through the Australia New Zealand Food Authority, which has looked at a number of proposals and commissioned a consultant to look at the implications for the food industry. In addition, there have been surveys of consumers. The matter is being handled predominantly through health ministers because generally food safety is a health issue. However, there are broader government positions. The matter is being looked at on a whole-of-government basis through the Council of Australian Governments. The issue has not been decided at this stage and further discussions are being held. The general view that these foods should be clearly identified in the marketplace to enable consumers to make an informed choice has been firmly established as policy. I think that the next meeting of health ministers, which is scheduled for 28 July, could result in a firm decision by health ministers which may lead to COAG further down the track.

Hon W.N. STRETCH: Does that involve any line allocations at this stage or will it in the future, or is it absorbed in the agency as a normal cost for ongoing research?

Mr JACKSON: The only cost at this stage has been a heavy commitment of senior officers' hours as these are important policy decisions. We have done some initial work in the marketplace looking at the presence of genetically modified soya products. That has been limited at this stage and so has our expenditure on genetically modified foods.

[3.10 pm]

Hon DERRICK TOMLINSON: I make two observations as the question is about longer-term public funding of Western Australia's hospital services. I note that Joondalup Health Campus now has a 51 per cent capture rate of people in its catchment area in need of hospital health care. Armadale-Kelmscott Memorial Hospital already has 31 per cent and is targeted for 51 per cent when the new hospital is opened. If Swan District Hospital and Peel Health Campus have similar catchments - I do not know their data - that must mean fewer people in need of hospital health care are accessing those regional hospitals and are bypassing them for services at the teaching hospitals in Perth, Nedlands and Fremantle. If one adds to that the enhanced and additional services at Armadale, such as psychiatric care and orthopaedic surgery which have already been mentioned and which are available at each of those hospitals, again the services in the new hospitals should reduce the demand for health care, particularly secondary health care, in our teaching hospitals. Will the additional services provided in hospitals such as Peel, Joondalup, Armadale and Swan result in an increased cost or a reallocation of funds from the teaching hospitals to the hospitals in the outer metropolitan areas?

Hon PETER FOSS: I will ask Dr Dorothy Jones to answer the question from the purchasing point of view and Mr Andrew Weeks from the provider point of view.

Dr JONES: The member is correct in that as new services have come on line we have been able to redistribute the activity that is purchased in line with being able to provide care closer to where people live. It is interesting to note the findings about the way in which doctors and patients in Perth access their care. It is a matter not only of providing metropolitan and outer metropolitan services in a wider pattern so that they are more easily accessible, but also of supporting referral patterns to those services. I will defer to Mr Weeks on the specific impact on hospitals.

Mr WEEKS: We plan and work within the policy framework for providers established by the Government. I particularly draw the member's attention to the policy paper "Health 2020", which covers a 20-year horizon. It appears that the prediction of the change in demographics and the growth in population will result in an approximate doubling of the workload over that time horizon. There will inevitably be a change in the mix of work performed at individual hospitals, with much more secondary work conducted closer to home consistent with the policy framework and at the same time freeing up beds and capability within the teaching hospitals to concentrate on the high-end complicated work.

Hon J.A. SCOTT: My question relates to the prevention and promotion budget of \$168 393 000 referred to on page 679. What type of studies does the Health Department undertake to establish the cost of major preventable illnesses and injuries such as environmental health, car accidents and poor diet in order to allocate this budget?

Dr DAVIDSON: The types of studies relate to our understanding gained from surveys of the incidence of both disease generally and areas of required health interventions. We therefore look at both Australian and Western Australian statistics

and a variety of data that we collect from health services and other agencies, including non-government organisations that provide necessary services. We also continuously evaluate programs, particularly in the promotion and prevention field so that we can see the effectiveness of each of the interventions, through both government and non-government organisations. In those evaluations we also obtain further information on the types of necessary health interventions.

Hon PETER FOSS: I should also direct the member to a document that was prepared some years ago, although some updating of its statistics may be needed. A large number of Perth doctors cooperated on a survey of the clinical needs for Western Australia, the various statistical outcomes that could be expected and the way they could be dealt with. It was a world first in terms of benchmarking and it has stood Western Australia in very good stead on the type of things that should be promoted because a lot of the problems are lifestyle problems.

Hon J.A. SCOTT: Does part of the promotion involve discussing the impacts that may come from policies arising from other agencies; for instance, air pollution which comes about as part of a Transport policy? Does that promotion go not only to the public but also to other agencies in order to try to reduce their health cost impacts as well?

Dr DAVIDSON: There is always an examination of the impact of the decisions other agencies make about the variety of problems that may arise with air, water, food safety and so on, and what effect those decisions will have on the areas of the necessary preventive activities and the rate of promotion of those activities.

Hon PETER FOSS: That is the way in which Cabinet works. Whenever a proposition is put forward, other agencies are given the opportunity to comment and they usually do. It is often because those agencies have their own particular perspective that one learns something from Transport that one may not necessarily have taken into account. Often, even before then, consultation takes place. It certainly happens by the time it gets to Cabinet.

Hon NORM KELLY: I refer to page 693 under the heading of mental health. The first point refers to the Western Australian child and adolescent mental health services policy that will be released. I wanted to get a good indication on when the policy will be released.

Professor LIPTON: The draft will be made available to me tomorrow. The intention, after I have acquitted the document, is to have a period of consultation so that the stakeholders within the community can comment on it. There has already been a lot of consultation. We will then amend it as needed and present it to the minister.

Hon NORM KELLY: I imagine that it would then need the minister and Cabinet to sign it off.

Mr BANSEMER: Depending on the content, it would certainly need a ministerial sign-off and possibly a Cabinet sign-off.

Hon NORM KELLY: Is there any indication of a time frame?

Hon PETER FOSS: All these things are very much dependent upon the public consultations. If it receives immediate acclamation by everybody, it will be a lot faster than if people raise a lot of different points. It is dependent upon public reaction.

Hon TOM STEPHENS: I refer to capital works mentioned on page 675, which show forward estimates for the capital works program of \$78.3m for 2001-02, \$73.2m for 2002-03 and \$86.1m for 2003-04. I ask whether the minister is in a position to be able to provide a list of the projects that are included in these estimates and the associated funding of those projects?

[3.20 pm]

The CHAIRMAN: What question on notice is this?

Hon TOM STEPHENS: Notice of this question was provided to the minister in advance of the estimates hearing.

Hon KIM CHANCE: It was in the Assembly.

The CHAIRMAN: It should have been given through this committee.

Hon KIM CHANCE: Notice is over a week old.

Hon PETER FOSS: Probably the easiest way to deal with this matter is to table the response document.

The CHAIRMAN: The document is tabled.

Hon TOM STEPHENS: Is the minister able to detail the total cost of the operation of the patient assisted travel scheme for 1998-99, the anticipated cost for 1999-2000, and the forward costs for 2000-01, 2001-02, 2002-03 and 2003-04?

Mrs O'FARRELL: I can provide an answer which does not go as far as the question seeks, but I am happy to provide supplementary information for those outlying years. The budget allocation for the patient assisted travel scheme for 1999-2000 was \$9.205m. The expenditure expected in the forthcoming financial year is slightly higher in some limited areas, which relate to matters like locally funded services not being available when visiting specialist service arrangements fell through. Those overruns are being managed within the available budget. We anticipate that the allocation will be similar for the following financial year. It may be adjusted around the edges for the experience in the previous and current financial years. I will provide information on the other years.

The CHAIRMAN: The forward estimates will be taken on notice.

Hon TOM STEPHENS: Is there any indication from the Government or the department whether an increase to the 15¢ a kilometre which applied prior to the Government's term in office will apply to the mileage rate for PATS patients?

The CHAIRMAN: That is a policy question.

Mr BANSEMER: No provision is made in the upcoming financial year for an increase in PATS.

Hon PETER FOSS: The rate is 13¢ a kilometre.

Hon KIM CHANCE: My questions relate to the public health reference on page 685 of the *Budget Statements*. The fifth dot point refers to pap smear screening and campaigns to be conducted in the south west, Midland-Swan Hills, the Pilbara and the Kimberley. What happened to the mid west? I have been advised by the Geraldton Women's Health Resource Centre that - giving only two age groups - the rate of women screened in the aged 55 to 59 years group in Western Australia is 70 per cent, and in the mid west the equivalent rate is 40 per cent. The state rate of screening for the aged 60 to 64 years group is 60 per cent, and it is 30 per cent in the mid west - it is half. Those figures are of great concern to me. I am concerned that the mid west has not been targeted in this campaign. Given that those figures are 12 months old, can the department tell me what has happened in the intervening 12 months?

Dr DAVIDSON: The figures the member has described are of concern to the Health Department. The action taken by the Health Department is to run a primary recruitment strategy for women in the targeted age range. The strategy is intended to drive a recruitment program throughout Western Australia. This is the pap smear campaign which is run across different areas at different times. It is a two-year rolling campaign intended to cover the recommended two year re-screening. Therefore, its intended coverage is all the major parts of Western Australia on a two-year cycle. The strategy commenced in June 1999 with a campaign in the goldfields. That was followed by the mid west campaign which also included at the same time the Perth, south east and Fremantle general practice regions. The campaign was conducted in the south west in March 2000. In the continuous cycle that I have described, completion of the two-year cycle will mean that the mid west will receive another campaign in approximately June-July 2001.

Hon KIM CHANCE: Dr Davidson referred to a campaign in the spring of 1999. In August 1999 a campaign was conducted in the north west in which 120 women were screened, 50 of whom remained on the waiting list because there was insufficient resources to screen all the women who came forward. There is something radically wrong with an outcome like that.

Dr DAVIDSON: The recruitment strategy has received additional funding to enable us to respond properly to the additional women who are recruited through the campaign. The funding is not only for the recruitment strategy but for additional clinical services, so that we can ensure that women who come forward as a result of the campaign receive the appropriate screening.

Hon KIM CHANCE: New targets are set for breast screening and it is estimated that the number of women targeted to be screened will increase by around 3 000. That does not seem to be supported by an increase in staff. How is it proposed to achieve those additional 3 000 screening procedures?

Dr DAVIDSON: Additional screening will come from further recruitment and by filling vacancies. We have been unable to recruit radiographers with specialised experience in sufficient numbers to fill all the positions we have. When we fill all the positions, we will have increased capacity to manage the additional numbers. In some areas we will be able to achieve a greater degree of throughput than we have had to the present time. That will enable us to deal with the additional numbers that we anticipate.

Hon DEXTER DAVIES: Capital works are detailed on page 708 and include the construction of multipurpose services at Goomalling, Jurien, Katanning and others. Will these services provide an opportunity to improve aged care in those regional areas?

[3.30 pm]

Mrs O'FARRELL: Yes, the multipurpose service program is a national rural health and aged care initiative of both the State and Commonwealth Governments. It has been in place in Western Australia since 1993. In fact, Western Australia has been at the forefront of this strategic development in the nation. The design of the program provides an opportunity for communities to exercise a mechanism which affords the ability to pool health and aged care funds from the Commonwealth and the State, to apply those within a designated area and to have the flexibility to use and target those to deliver on local service delivery plans. It is particularly successful in very small communities where some of the parameters and rules that sometimes apply to these funding grants are not helpful because the economies of scale and the needs are so diverse and the numbers are not large enough to sustain the more typical generic program. The local people are able to modify those and use those funds very flexibly.

Each year the Government has continued to put additional funding into MPS developments, as well as a lot of resources into the community development aspect of that, to keep pace with the capital works funding required to support it. The program model is driving a policy of very good capital strategic reform around the rural health districts on a year-by-year basis. Funds are also allocated for Goomalling, Jurien, Katanning, Lancelin, Pemberton and Ravensthorpe. Behind that, a number of other MPS sites which are currently undergoing the community development phase are lining up. One can expect to see those coming on stream and being dealt with in subsequent years.

Hon J.A. SCOTT: My question relates to page 685 of the *Budget Statements*, under public health. The fourth last dot point

refers to commencing an evaluation of all ground drinking water supplies and dams in the south west to determine the source of high radiation doses. What is the genesis of that study? Has it arisen because of illnesses that have been suffered, or is it as a result of specific water supplies which have been noted to have high radiation levels?

Mr JACKSON: Some initial work was carried out in Greenbushes following some mining there by Sons of Gwalia Ltd. Some analyses of drinking water supplies were carried out by a private company. The results showed that the levels exceeded those specified in the National Health and Medical Research Council drinking water guidelines. As required under those guidelines, those analyses were repeated. The repeat analyses were carried out by the Australian Radiation Laboratories, and they showed that the levels were within the guidelines. The question that arises is whether we have other sources of drinking water in the south west which exceed the NHMRC drinking water guidelines for radioactivity, and that is the purpose of this survey. We have never looked at a lot of those sources throughout the south west before. This has triggered the need to ensure that our water sources are in compliance with those national standards.

The CHAIRMAN: What form of radiation was responsible for the levels at Greenbushes?

Mr JACKSON: I can answer that on notice.

The CHAIRMAN: Have the radiation levels inside double brick houses been tested? I think it will be found that they are a much more serious problem. I think housing in the hills should also be banned, because wherever there is granite, one will find high radiation levels.

Hon NORM KELLY: When I asked about the release of the Western Australian child and adolescent mental health services policy, the Attorney General said the implementation of that policy was partially dependent on public comment about the report. I was trying to find out when the public would be able to see the report to comment on it, but getting an answer was problematic. I am not sure how the Attorney General expects people to comment on something that is not a public document.

Has the mental health division of the Health Department done any studies on the impact of mandatory sentencing on people with mental health problems? A degree of correlation exists between mental illness and criminal offences. Is that deemed to be within the realm of the mental health division?

Professor LIPTON: No work on that has been done. Some consultation programs are being undertaken with children's prison services, but they are clinical rather than research programs. The Health Department is not funding any specific programs.

The CHAIRMAN: Professor Jablensky at the University of Western Australia has published quite a bit of information on that issue.

Hon KEN TRAVERS: Are any trials to replace volunteer drivers for patients with taxis proposed for the cities of Stirling, Joondalup and Wanneroo?

Mr BANSEMER: I have no knowledge of that, but we can check.

The CHAIRMAN: That is taken on notice.

Hon KEN TRAVERS: Do any metropolitan hospitals outsource their financial or account-keeping services? If so, which ones?

Mr MOODIE: The finance and accounting functions for King Edward Memorial Hospital and Princess Margaret Hospital for Children are outsourced.

Hon KEN TRAVERS: Are they the only hospitals that do that?

Mr MOODIE: They are the only hospitals I am aware of.

Hon KEN TRAVERS: Is it true that under that system, an application for a cheque to be issued must be sent to the eastern States?

Mr MOODIE: I am not aware of that. I think the banking arrangements are local.

Hon KEN TRAVERS: Are all the service arrangements for cheque allocation and presentation carried out locally?

Mr MOODIE: Yes, to the best of my knowledge.

Hon KEN TRAVERS: Could I get that on notice?

The CHAIRMAN: Yes. I understand that men suffering brain damage as a result of car accidents are held in wards at Royal Perth Hospital. Are there any proposals for a secure medical facility for such people, who can become violent and difficult to manage?

Professor STOKES: There is no proposal for that at the moment. One of the requirements of the acquired brain injury plan, which was published two to three years ago, was psychiatric assistance for the management of patients with acquired brain injury who could cause disruption and injury to themselves and others. That has been taken on board by the mental health division of the Health Department and a psychiatrist is about to be appointed to those wards. Head-injured patients very rarely need to be put in a secure unit. I am a neurosurgeon, and in my experience over 30 years only two patients have ever

had to go to a secure unit at Graylands for their head injuries. The department hopes that, by further psychiatric input, the management will assist in those cases. No secure unit is envisaged for patients with head injuries at this stage. At Shenton Park, which is the main rehabilitation unit at the moment for patients with brain injury, there is a ward that has doors that can only be opened by code to prevent patients from wandering in and out, but that is the only security it has.

[3.40 pm]

Hon PETER FOSS: There is also a problem with the recently amended Mental Health Act, which has a provision with which the Ministry of Justice has a problem. The provision was put in because it had become a worldwide idea arising from when Russia used to put political opponents into mental health institutions. The provision put in the Mental Health Act prevents certain people being put in mental health establishments unless they are treatable. The people who are dangerous and need restraint are often those who have other forms of acquired brain damage, often through petrol sniffing. I normally end up with those. There is a policy problem over that. New Zealand has taken a different policy view. As a result of the Mason report of 1986, people with any form of mental problem, whether they are treatable or untreatable, are put in medical facilities rather than justice facilities. The dangerous people the member referred to usually end up in justice facilities rather than health facilities unless they are treatable.

Hon KIM CHANCE: The eighth dot point on page 685 of the *Budget Statements* refers to expanding the water testing in remote Aboriginal communities and other communities. It takes me to the issue of meningitis and what public education programs have been funded for meningitis. Have there been any? How much has been expended on them?

Mr JACKSON: As the member is aware, many of the remote Aboriginal communities do not have a potable water supply. The department has been looking at methods to undertake field testing of that water supply or the water source of those remote communities. Those communities do not have access to the normal pattern of water testing that applies to other towns and communities through environmental health officers or through the Path Centre. The department is looking at a field-testing kit called the "colilert" water testing kit which enables indicative testing. A protocol is attached to that. In instances when the field testing shows areas of concern, the priority can be raised and further tests carried out so the issue can be rectified. It is a matter of endeavouring to ensure that the basic principle of having safe water is provided to the Aboriginal communities.

Hon KIM CHANCE: In the broader community, amoebic meningitis has been an issue for some time in high temperature areas generally in the State, and also with the use of swimming pools. I understand the process of what is being done by the department in order to control that, but is anything being done in the way of a public awareness campaign?

Mr JACKSON: With regard to amoebic meningitis, yes, there has been a substantial public awareness program, which the member is probably aware of. The department has made it known through the media, brochures and other material. With regard to water testing in remote Aboriginal communities, the department has received some commonwealth funding for this. It is being conducted throughout not only Western Australia but also the Northern Territory and South Australia. It is a matter of the education of the field operators - the Aboriginal environmental health workers who are located within the community who have the awareness and the understanding to conduct those tests. A lot of directed educational material is sent to those persons who are to undertake the field testing at the community. This is not an issue for which we have a broad community education program. However, it is part of a total package of the kit, the skilled people, the protocol to enable remedial action and the manual that enables this to be an ongoing responsibility in the community.

Hon KIM CHANCE: I refer to page 688 dealing with output measures, under the heading "Timeliness". The first line refers to admitted category 1, elective surgery patients waiting longer than 30 days. The rate is 5 per cent for the current year and 5 per cent projected for the budget year. What does the 5 per cent reflect? Surely it does not mean that all 95 per cent of other elective surgery patients are being dealt with within 30 days, because the figures seem to deny that.

Dr BERESFORD: The category 1 patients referred to are classified as urgent. It is a group required to be admitted within 30 days. It does not refer to the general wait list. We classify those into urgent, semi-urgent within 90 days and routines to be done after more than a year. The rate here refers only to urgent category 1 patients.

Hon KIM CHANCE: Are all category 1 patients urgent cases?

Dr BERESFORD: That is correct.

Hon KIM CHANCE: Reference is made to the wait list strategy at the top of page 690. How much was spent in the context of that strategy in each metropolitan hospital? How many patients were treated at each metropolitan hospital under the wait list strategy?

Mr BLAKE: I will take that question on notice.

Hon SIMON O'BRIEN: At page 709 under "New Works" reference is made to an initial \$10m to be spent on a Western Australian centre for oral health. What is the need for that? Will additional functions be provided, or does it refer to existing functions? I notice it is only the first \$10m of a \$19m allocation which leads me to ask how long it will take before the centre is complete and in operation? What services will it provide?

[3.50 pm]

Professor STOKES: The decision to develop the Western Australian centre for oral health was made approximately 18 months ago by government and was the subject of a discussion at the previous estimates committee hearings. It is allocated

for a combined facility between the Government and the University of Western Australia to replace the Perth Dental Hospital in Wellington Street, which is significantly outdated. The proposed facility is to be built in Arras Street on Perth medical centre land. The facility will contain the full teaching facilities plus a general dental clinic and specialised dental clinics. It will use the operating theatres at Sir Charles Gairdner Hospital to carry out major oral surgery. Currently, the theatres at Royal Perth Hospital are used, but now the theatres at Sir Charles Gairdner Hospital will be used. At the moment the process is in the stage of building planning. Preliminary drawings have been made and some of the estimates for the fitting out of the building have been made in that planning process. Quite a lot of discussion is going on between the professionals in that area. The cost will be about \$33m, of which the Government is paying approximately half and the university is paying half, including the land value which is over \$3m. It is estimated that this will be functioning by 2002, at which stage the first dental year will move into that facility. One of the reasons for constructing this was that the Australian Dental Council was concerned about the current facilities in the dental school and about its continuing accreditation. That was one of the major spurs, and we realised we had to get on and do this.

Hon SIMON O'BRIEN: I thank Professor Stokes for his comprehensive answer. Clearly it will be the centre for excellence in training. Will that lead to a centralisation of service provision or will the centre also send trainees and some of its students to schools and regional centres? Will there be a program to do that?

Professor STOKES: Part of the dental strategy is to develop dental clinics in some of our outer metropolitan areas. There are clinics in Mirrabooka, Midland Junction and south of the river at Coolbellup. They are in the forward estimates and are in the process of being built. From my recollection, two have already been built. Part of the program will be for the intern year of medical students to go to those dental clinics to work with dentists. There will be a spread of services outside the central area. It is highly likely that there will be fewer people attending the Western Australian Centre for Oral Health than are going to the dental clinic for routine dentistry at the moment.

Hon DERRICK TOMLINSON: Professor Stokes' description of the new facility and his final statement that it is a replacement and an upgrading of the dental hospital in Wellington Street, which is part of the faculty of dentistry, sounds like we are not providing a new service so much as replacing and upgrading an existing service. Likewise, on page 692 there is reference to an oral health program to be established in 2000-01. Again, there is reference to dental health services, general hospital services and teaching. That sounds very much like a re-packaging of existing services. Is it a re-packaging of existing services or is it a new service?

Professor STOKES: It is a re-packaging of the educational component, but it will also provide new services by extending the clinics in the metropolitan area. There is also a new initiative to increase the availability of subsidies for dental treatment. It is both a re-packaging of training and new services.

Hon DERRICK TOMLINSON: What is missing on page 692 is reference to geriatric oral health. Is there any initiative for geriatric oral health in this new service?

Professor STOKES: I will ask Dr Jones to comment on that issue for the elderly. Another comment which must be made at this point is that training for dental therapists and dental assistants will take place at this new oral facility. Bentley and TAFE will combine at this centre to do that.

Hon DERRICK TOMLINSON: Previously, that was at the dental hospital in Wellington Street. It then went out to Bentley.

Professor STOKES: Yes, it was previously.

Hon DERRICK TOMLINSON: All we are doing is recycling.

Hon PETER FOSS: It was a necessary change. Although it might look like a re-packaging, it is a significant move in raising the quality of dental training for dentists through to dental therapists throughout the State. It is a very significant change.

Dr JONES: If the member needs these services, he will find that currently we have an indicative \$1.3m for geriatric dental care for the next financial year. The idea of the oral health program is, to a certain extent, re-packaging the existing services that we provide, and also extending services not only to older people but also to country areas. An amount of \$7.6m, in addition to the existing program amount of about \$34m, will be spent in the next financial year.

Hon MAX EVANS: We hear so much in the newspaper about medical practitioners being underpaid by the public sector. I note that one doctor receives over \$575 000, two receive over \$325 000, one receives over \$300 000, four receive over \$275 000 and 2 000 receive over \$75 000. The annual report for the Metropolitan Health Service Board states that in the case of sessional practitioners and visiting medical practitioners, the amounts earned are not annualised, but represent the actual amounts paid when relevant on-call and other allowances are included. They earn this plus what they receive from their private practice. Is that what most of them are doing?

The CHAIRMAN: From what is the member quoting?

Hon MAX EVANS: I am quoting from page 13 of the Metropolitan Health Service Board annual report.

Mr BLAKE: We find it difficult to annualise the amount that some doctors are paid. Some work sessions; for example, a doctor might be engaged to work five or 10 sessions a week. A normal working week would be 10 sessions. Therefore, if a doctor worked for five sessions, we did not annualise that amount. We have not done so for the part-time workers or the sessional workers. This is the first time we have included this information in the annual report to make the information

more broadly available. We will do so again next year, but we are not planning to provide any more detail than is provided now.

Hon J.A. SCOTT: I refer again to the prevention and promotion budget. According to a University of New South Wales study, workplace illnesses and costs arising from chemical inhalation are six times greater than those arising from physical injuries. Are any education or promotion programs being conducted within industry or small business to address the use of chemicals and the availability of alternative benign chemicals?

Dr Di MARCO: Worker protection in the workplace is the responsibility of WorkSafe Western Australia; it is outside the responsibility of the Health Department.

Hon KIM CHANCE: I refer to page 68 of the *Budget Statements*. Mention is made of a \$10m allocation for medical imaging equipment and laboratory equipment. Where is that in the budget documents? Is it recurrent funding or a component of the approximately \$25m allocated for capital works in recurrent funding?

[4.00 pm]

Mr BANSEMER: It is recurrent funding.

Ms FORD: On page 676, one of the major policy decisions includes the cost of activity increases at \$30m. It is a recurrent figure of \$10m, which will come out of our recurrent budget because it represents the cost of leasing major equipment.

Hon KIM CHANCE: The final part of the question was: Is it a component of the approximately \$25m for capital works in recurrent funding?

Mr BANSEMER: No, it is not.

Hon PETER FOSS: I think it has always been the case in Health that because so much capital equipment is bought, it is treated as a recurrent cost.

Mr BANSEMER: Just to clarify that, there is a component in the recurrent budget. This is in addition to that.

Hon KIM CHANCE: I will come back to that page in a moment. The third last dot point on page 685 refers to the air quality program. How much money has been allocated to establishing the air quality program? Given that it was an issue dealt with by a Legislative Assembly select committee in 1997, I think, why has this program not begun before now?

Mr JACKSON: The member will appreciate that air quality is an important public health and safety function. In the past it has been submerged, if I might say, in the toxicology program, which has an annual budget of approximately \$350 000. That covers contaminated sites and deals with many other issues. As the member has pointed out, air quality is an important function of the Department of Environmental Protection as it is of the Department of Transport and as it certainly is of the Health Department. We wanted to ensure that air quality was recognised in our business plan, and that there are a number of issues whereby we are dealing with air quality. They seem to have intensified over recent times. Therefore, it was important that within environmental health and the public health business plan, we had a dedicated area for air quality and improving public health aspects of it. Although the DEP might look at environmental characteristics, certainly on top of that there are public health criteria in action levels and so on.

Hon TOM STEPHENS: Can the minister table the list of programs for which funds will be spent on the Norhealth 2020 initiative and specifically detail the funds which will flow to the public health units that will respond to the high male death rates that have been identified in the towns of Halls Creek, Derby, Wyndham and Wiluna as being the highest in the State?

Hon PETER FOSS: The question will probably have to be taken on notice, but before it is I will ask Christine O'Farrell to indicate the present state.

Mrs O'FARRELL: What we were able to make available - certainly it is published so it is common knowledge - is the allocation of Norhealth investment funding for the current financial year. At this stage we have not planned the detail of the allocation for the new financial year, so I am not able to provide any detailed information on allocations that will go specifically to regional public health units in respect of the Norhealth's innovation investment fund.

Hon PETER FOSS: If I take that question on notice, the answer will not be available. The only answer available on notice is the part currently completed, not the part asked by the member.

Hon TOM STEPHENS: I could find no reference to the Derby Regional Hospital stage 4 project in the budget. I am unsure whether my eyes are failing me or I have missed something. If I have missed something, where is it and what would be the cost now of proceeding with the Derby hospital stage 4 project?

Mr BANSEMER: The member has not missed it; it is not there.

The CHAIRMAN: Is there a cost for Derby stage 4?

Mr BANSEMER: We can provide a cost for Derby stage 4 on notice; however, the project will obviously need re-costing at the time it is funded.

Hon TOM STEPHENS: I will put the question on notice.

The CHAIRMAN: The question is taken on notice.

Hon MURIEL PATTERSON: Can the minister explain what the slow stream rehabilitation service mentioned at dot point five on page 698 will achieve in terms of health outcomes?

Professor STOKES: This is for a rehabilitation process for patients with acquired brain injury which came from the acquired brain injury plan published some two to three years ago. We have arranged for a number of beds through the new Brightwater facility in Marangaroo which will be able to take tracheostomy patients who are not completely sentient and who have a prospect of some long-term improvement. Some of these patients are currently in ward 1 of the Shenton Park campus and some are, unfortunately, in our tertiary hospitals because of a lack of appropriate accommodation. This program is part of the acquired brain injury plan for those beds. The member asked what health outcomes will be produced from this program. Hopefully, we will be able to reduce the dependency of some of these patients in 12 to 18 months so that they will be less of a community and family burden and will be able to have easier help in the home environment. Some may become self-sufficient, although that is unlikely.

Hon KIM CHANCE: I am having difficulty finding a specific reference in the capital works listing on pages 708 and 709 relating to the issues raised on page 68 of budget paper No 3 that I referred to earlier; that is, the sum of \$2.8m allocated for the cost of roofing at the Rockingham-Kwinana District Hospital and the upgrade of the Royal Perth Hospital emergency unit. Can the minister provide me with the estimated final cost of each of those projects, even by way of supplementary information? The reason I am interested in those projects is that I understand they were costed in last year's estimates at about \$5.8m; however, in this year's *Budget Statements* the cost is now \$2.8m. It appears that the expenditure will be split over the next two years but I am unsure of that. However, I am happy for that answer to be provided by way of supplementary information.

[4.10 pm]

Mr BLAKE: The \$5.8m is the total budget for the Metropolitan Health Service for capital works in the financial year we are about to complete. During the course of the year we funded \$1m towards the emergency department at Royal Perth Hospital with a further \$700 000 to be paid in the next financial year. Last year we provided Rockingham hospital with \$200 000 towards the cost of its roof and we will provide another \$200 000 this year. I think this last payment will cover the cost of the roof but I will have to check to confirm that.

The CHAIRMAN: Is the rheumatology facility at Shenton Park still in existence or has it been closed and transferred somewhere else? If not, is there any intention of doing that?

Dr BERESFORD: The rheumatology facility is still at Shenton Park. There has been a change in the provision of service. The services at Sir Charles Gairdner and Royal Perth Hospitals have been amalgamated into a single service. For the first time, acute beds have been allocated at Royal Perth Hospital so that acute patients no longer go to the Shenton Park campus. Acute patients are now treated on the 10th level of Royal Perth Hospital and at Sir Charles Gairdner Hospital. Only rehabilitation is done at Shenton Park now. The Shenton Park facility has gone down from 15 beds to eight beds but an additional five beds have been opened at Royal Perth Hospital.

The CHAIRMAN: Is there any proposal to dispose of land owned by the Health Department at Shenton Park?

Mr BANSEMER: The Health Department has no plans to dispose of land at Shenton Park.

Hon KIM CHANCE: I refer to an article that appeared in *The West Australian* on 5 May titled "Doctors warn on hospital hours". I ask a general question of the minister: Does the Government agree that resident doctors in our public hospitals work excessive hours and is it possible for the Government to address the issue?

Professor STOKES: At least three, four or five years ago excessive hours were worked in some areas of our hospitals. Over the past few years there has been an improvement in the number of hours worked by improving rostering. There are still some pockets that are being attended to at the moment. One of the concerns has been from the doctors themselves in that they want to have significant hours of exposure in order to keep their training. That has to be balanced very carefully with the problems of tiredness and residents being unable to do the work properly and so on. The situation is being monitored very closely at the moment and hopefully, over the next few years, we will be able to see adequate staffing arrangements. Some of the doctors are not unhappy to continue working at this level. The main areas about which we have concerns are in surgery and anaesthesia and intensive care. Those areas have been very carefully monitored.

Hon TOM STEPHENS: People in the Murchison community from Meekatharra through to Yalgoo have raised the issue of the provision of a dentist for the region and the recent resignation of the dentist who was recruited, and who, after a few days, left in the face of what the community says are unacceptable living, working and equipment conditions allocated to the dentist in that locality. In the absence of a functioning mobile unit that was promised to the region but was taken from the region and allocated to an alternative region and as no alternative mobile unit has been made available for dental care for the community, what steps is the department taking to ensure that a dentist can be recruited to the region, housed, resourced and provided with a mobile unit that will ensure dental services can be provided to the Murchison region?

Mr BLAKE: I cannot be specific, but \$1m is set aside in next year's budget to fund the rural dental subsidy scheme. I will take on notice whether that scheme will cover the area concerned. We have taken steps to appoint a dentist in Newman, but I need to check the other areas.

Mrs O'FARRELL: I do not have a great deal of detail, but I am aware of the issue. I can say for today that the appointment made recently, which regrettably fell through, appeared to be a very difficult assignment for the dentist concerned. I

understand that a number of discussions have been held between the health service and the dental health service to put in place better infrastructure. I do not have more information with me, but I am happy to provide a report through my area.

The CHAIRMAN: We will take that on notice.

Mr WEEKS: The limiting factor for the dental services generally has been the availability of dentists for the jobs. It is a human limiting factor as much as anything else.

Sitting suspended from 4.16 to 4.31 pm

Office of Aboriginal Health -

The CHAIRMAN (Hon Mark Nevill): Is there any evidence that a separate Office of Aboriginal Health with its own funding has improved Aboriginal health over the past decade? Does empirical evidence show that Aboriginal health has improved or that the office has failed to arrest the decline?

Mr BANSEMER: The Office of Aboriginal Health is not separate from the Health Department; it is part of it. The office is effectively a division of the department. The office provides an increased focus on Aboriginal health issues, both within the department and in other health services. Although I cannot point to empirical evidence that shows that the office has improved Aboriginal health outcomes, they are improving, which can be linked to the activities of the Office of Aboriginal Health, as well as the public health division of the department and Western Australian health services. The Aboriginal medical services, which are not strictly part of Western Australian health services, also play an important role.

Hon PETER FOSS: I feel strongly about this issue. As the former Minister for Health and the current Minister for Justice, I think the presence of an indigenous person at a senior management level is essential. No matter how much a department tries to see things from the point of view of Aboriginal people, things will be missed unless a person who has that point of view is part of the process. I do not necessarily mean situations which clearly involve Aboriginal issues. Situations can arise that do not seem to have any repercussions for Aboriginal people whatsoever. Unless an Aboriginal person is involved to point out the effect those situations might have on Aboriginal people, the department will quite unconsciously miss the point. I always say that Western Australia has trouble with Federal Governments. That is not because Federal Governments dislike Western Australian people, but that they do not understand what it is like to live in Western Australia. Similarly, if a department is providing a service to Aboriginal people, it needs to involve someone who understands the Aboriginal perspective.

There has been a marked improvement in the services to Aboriginal people. When I became Minister for Health, those involved in mainstream health were really not getting on well with Aboriginal people. They were incapable of understanding their requirements. I will not mention the name, but I recall a hospital which serviced a lot of Aboriginal people and the attitude of those who worked there was very unsympathetic to Aboriginal people. They were not welcomed into the hospital and there was no understanding of their problems. Aboriginal people were regarded as dirty and it was felt that they came in and did the wrong things in the toilets. That was the sort of attitude that prevailed. However, the attitude in the mainstream health service has changed. The Aboriginal medical services and the mainstream health services were also at odds with one another. They saw themselves as competing and they did not cooperate, whereas with the advent of the Aboriginal health service, the Aboriginal medical services have become a major part of the delivery of services to Aboriginal people through mainstream health.

Hon KIM CHANCE: Not only to Aboriginal people.

Hon PETER FOSS: I am glad Hon Kim Chance mentioned that point, because one of the major changes was in Wiluna where there was a problem because the mainstream health service did not have a doctor but had very good facilities, and the Aboriginal health service had no facilities but had a good doctor. It was arranged that the Aboriginal medical service should supply general health services to the entire population. Although it was done tentatively at the time, it has significantly improved the delivery of health services to everybody. A very positive situation has developed out of having that cooperation, if only because there is some understanding of Aboriginal problems by people involved in the mainstream health system. Every government department with a significant delivery of services to Aboriginal people - which is most of them - needs a person at senior management level to put forward the Aboriginal perspective.

The CHAIRMAN: My question did not preclude that. Does the Office of Aboriginal Health have any autonomy in respect of the grants it makes? Does it decide where to allocate grants within the health system?

Mr BANSEMER: Yes, it does, provided it is within the specified purposes of the budget and below a particular sum of money.

The CHAIRMAN: What is the amount of money within the Aboriginal Health budget that it can distribute?

Mr BANSEMER: It does not go to the actual budget sums; it goes to the dollar amount of any initiative. I am unclear exactly what the figure is, but I can get that. Above that amount approval would need to be given by the executive general manager, public health and purchasing, at another level it would need to be approved by me and above that it would need to be approved by the minister.

The CHAIRMAN: Thank you. Could Mr Bansemer provide the committee with details of all the grants issued or approved by the Office of Aboriginal Health since the beginning of this financial year and the purposes for which those grants were given?

Mr BANSEMER: Are you looking for those funds that were approved within the Office of Aboriginal Health?

The CHAIRMAN: Those specifically, and any that have had a major part in making the decision. I will leave that second part to your discretion. Will you take that on notice?

Mr BANSEMER: I take that on notice

The CHAIRMAN: Did the Office of Aboriginal Health or the Health Department pay for a box at the Subiaco Oval or at the WACA ground for the football or the cricket last financial year or this financial year?

Mr BANSEMER: That has been the subject of a number of parliamentary questions. The answer is no.

The CHAIRMAN: What was the source of funds for the box in question?

Mr BANSEMER: At one point there was a proposal which included the provision of a box, but the box was deleted from that proposal. The source of funds for that proposal, but not for the box, was the Office of Aboriginal Health's budget.

[4.40 pm]

The CHAIRMAN: Will you provide the committee with a list of people who have attended that box as guests of the Office of Aboriginal Health?

Mr BANSEMER: That box did not exist. However, I can provide a list of names of anyone from the Office of Aboriginal Health who, in one way or another, attended boxes at the Fremantle Dockers' matches.

The CHAIRMAN: Who funded that box?

Hon PETER FOSS: I think the answer is there is no box. It is rather difficult to say who attended a box when it did not exist.

The CHAIRMAN: It is very hard to ask a question about a box that does not exist. However, I have been given a list of names of people in the Office of Aboriginal Health who attended a box. Someone must have paid for that box.

Mr BANSEMER: I do not believe so; I understand a number of people from the department have been invited as guests of the club or other organisations to a box at Dockers' matches. The same thing happens with West Coast Eagles' matches. Being a Collingwood supporter I declined to attend a box at a match a couple of weeks ago. The department is not required to have paid for a box for officers of the department, be they officers of the Office of Aboriginal Health or otherwise, to be invited to these functions. It occurs not infrequently.

Hon PETER FOSS: The problem is, some rumours have been circulating and questions have been asked on the basis that those rumours are correct. As I understand it, the Office of Aboriginal Health has not paid for a box, but people may have been invited to one or more boxes. That has nothing to do with any payment by the Office of Aboriginal Health.

The CHAIRMAN: Did the Office of Aboriginal Health undertake any negotiations for the lease of a box or whatever is done to get a box?

Mr BANSEMER: I understand the Dockers put forward a proposal which incorporated a box and negotiations occurred with the Office of Aboriginal Health about that. Subsequently, that box was removed from the proposal.

The CHAIRMAN: Are clinical goals set for the grants that are given and does the Office of Aboriginal Health follow up on the outcomes of those grants to evaluate their effectiveness?

Mr BANSEMER: Yes, as part of the purchasing model we use, clinical goals are set. However, more broadly, targets must be achieved and they are followed up. The effectiveness of setting those goals depends on the sophistication of the organisation being funded. Slowly but surely we are improving that situation and the accountability by doing so.

Hon PETER FOSS: In my experience, the outcomes varied depending on the experience of the groups involved. Some were astoundingly good. Outcomes on pap smears varied among Aboriginal medical services. In some cases we had a very large response, which was better than we could do normally, but others were considerably worse. That is to be expected due to the variety of skills and abilities of Aboriginal health organisations. The most important thing about it was that we were giving Aboriginal organisations the opportunity to be in charge of their own destiny.

Many of them, because it is a purchasing agreement - I am speaking historically - often made that money go a long way. As a result there were frequently real benefits to some of the Aboriginal medical services being funded to carry out particular jobs. Again, one of the most important achievements is that Aboriginal medical services are now an important force for the improvement of Aboriginal health. Certainly the premises have come a long way in the past six or seven years. They used to operate in the most primitive conditions and with the most primitive facilities. One of the first things we tried to do was increase the facilities they had, because they had some resources which were very useful to us - mainly epidemiological information. One of the most useful things we got from Aboriginal medical services was epidemiological information, which went to Warich. Aboriginal medical services are a source of information about Aboriginal health which is extremely valuable when deciding what should be done. It is very important that we have outcomes and that we continually improve them. It would be most unfortunate to expect the same degree of outcome first off from an Aboriginal organisation as we would expect from another organisation. Members must understand that the important thing is to empower Aboriginal people to look after their own health.

The CHAIRMAN: Is the incidence of HIV-AIDS being contained within the Aboriginal community? In which areas is it a problem?

Dr DAVIDSON: There are concerns about the level of HIV-AIDS infection in the Western Australian community and within Aboriginal communities. A series of programs are now dedicated to addressing this problem. The major umbrella for the series of programs is within the explicit performance standards, with a funding allocation of approximately \$1m a year over the next three years to address this problem, within both the Aboriginal community and the general community. However, there are specific programs for the Aboriginal communities in both the south west and the north west. The programs include education and training for nurses in remote areas and those involved in case management of sexually transmitted diseases. Specifically there are programs for the education and training of Aboriginal health workers. A series of individual programs address particular aspects of HIV-AIDS and STD control in Aboriginal communities. These include programs for Aboriginal health workers to develop a coordinated Aboriginal health program which focuses on the education, prevention and treatment of sexually transmitted diseases, including HIV and AIDS. Specific Aboriginal cultural health workers are also employed with a focus on developing and using an appropriate culturally driven program for Aboriginal communities.

Hon PETER FOSS: This is a fairly important point. Obviously there are concerns, but they have been met by a concerted effort and the result has been successful. A lot of people are trying to single out Aboriginal people in this area and it would be most unfortunate if that happened. Obviously there are cultural differences between Aboriginal people and others. However, it would be unfortunate to single out Aboriginal people. There is certainly no medical reason to justify that. The department obviously takes proper precautions, and those precautions have been extremely successful.

[4.50 pm]

The CHAIRMAN: Is the Office of Aboriginal Health funding any grants to the Aboriginal Medical Service in Carnarvon, which I understand does not have any doctors?

Mr HOUSTON: The office has made one grant of about \$40 000 this financial year to provide mental health services following a number of suicides in the community. Given the circumstances that have arisen at Carnarvon AMS, that grant was closely monitored. We have just received an evaluation report from Carnarvon AMS.

The CHAIRMAN: Is it true that no-one in the Carnarvon AMS is trained in counselling?

Mr HOUSTON: I am not sure; I will have to find out.

Hon TOM STEPHENS: The commissioner mentioned that the health indicators for Aboriginal health have improved. To what date are those indicators current and which indicators have improved? Are there not also indicators that show a decline and some that have remained static?

Mr BANSEMER: The later part of the question is correct - some have improved, some have not, and many are static.

Hon TOM STEPHENS: To what date are the statistics current?

Mr BANSEMER: The statistics are current to two years ago.

Hon TOM STEPHENS: What is the reason for that?

Mr BANSEMER: The office relies on national data collections as well as its own.

Hon PETER FOSS: One of the problems in Aboriginal health is that many of the indicators relate to lifestyle. In many cases, the effect of the lifestyle changes is evident 20, 30 or 40 years after the change has occurred. An anomaly arose in Aboriginal health statistics in various parts of Western Australia because of a period during which lifestyle changes occurred. In some places, that lifestyle change will occur although the factors affecting it may have been initiated many years ago. Some of the factors are more immediate and some are long term.

Mr BANSEMER: It is very difficult to isolate cause and effect. It must all be read in that broad sense. I will take the question about indicators on notice.

Hon KIM CHANCE: I refer to page 683 and the priority being given to services that address major causes of mortality and morbidity consistent with the intention of securing a 20 per cent reduction in age-standardised, all-cause mortality rate ratios in the next 10 years. That is a courageous target. Apart from the answer just given - the long-tail benefits reference is a valid answer - is anything new planned that could bring about that very substantial improvement?

Mr BANSEMER: In cooperation with the Commonwealth, we have been looking at a range of programs that we hope will lead us to those improvements. I cannot point to any single initiative that will achieve that. It is a multifaceted problem. As the minister has indicated, it is a long-term lifestyle problem. The morbidity in the Aboriginal communities must be dealt with and it is, but some of it cannot now be prevented. Those issues lead us to significant improvements in some areas, particularly concentrating on children. However, there is no single, easy answer to the question.

Mr HOUSTON: Some of the Aboriginal goals and targets that the member has mentioned are part of a national program and have been developed as performance indicators. The National Aboriginal Community Controlled Health Organisation and the heads of Aboriginal health units, which is a subcommittee of the Australian Health Ministers Advisory Council, and comprises the heads of Aboriginal units in each of the health jurisdictions, got together about two years ago and said

that there was a need to establish real indicators to judge the performance of the systems at large in Aboriginal health. Those performance indicators were developed over a 12-month period. There are about 53 of them. They include things like the 20 per cent age-standardised mortality rate as well as a number of other specific ones related to particular diseases. Each of the jurisdictions agreed, and the set of indicators was finally agreed by the Australian Health Ministers Advisory Council. Those performance indicators stand as the benchmarks to which all jurisdictions now aspire and against which all of the jurisdictions now report annually. Western Australia has recently completed its second annual report against the 53-odd indicators contained in the set.

In respect of specific services that might be targeted to tackle the major health problems, clearly the biggest causes of mortality in our Aboriginal communities are cardiovascular disease for both men and women, respiratory disease, diabetes and cancers. They are the big killers. They have been the targets of programs that the office has funded over a number of years. Certainly we have had specific investments in heart health programs, which go not only to the identification of people at risk and the development of management plans that are meant to manage that risk, but also to prevention and promotion services, which are very important. They involve simple things like the skilling of Aboriginal families in first aid, which is considered to be very important because about 30 per cent of deaths from heart disease are observed deaths - someone watches while someone dies. If that person had simple first-aid skills, something could be done about looking after the other person until help arrived. The range of initiatives that have been introduced in respect of cardiovascular disease has been quite extensive.

There are a number of issues involved. Diabetes is a particular focus within the office and the department. Earlier Dr Jones spoke of the diabetes plan. That pays particular attention to Aboriginal issues. It is part of the strategy of the department and not just the Office of Aboriginal Health.

Hon TOM STEPHENS: Is there a way of describing the nature of contracts between the Office of Aboriginal Health and community groups; what specific things are included in the contract opportunities of the Office of Aboriginal Health and what are excluded?

Mr HOUSTON: Generally speaking the office adopts the approach of using its resources in two principal areas: One is in gap-closing services; that is, specific initiatives which are meant to achieve the capacity or achievement of an outcome in a particular area for a particular condition, one of which is heart disease. The other area to which the office allocates resources falls broadly under a banner we call investment strategy, which is a notion of building the particular capacity of providers to deliver more appropriate services, more culturally secure services, and more comprehensive and technically sound services to the Aboriginal communities across Western Australia.

[5.00 pm]

Hon TOM STEPHENS: Has the Office of Aboriginal Health made funds available to communities under the contracts for the provision of Aboriginal health workers; or will it?

Mr HOUSTON: The office funds in excess of 100 specific projects each year and Aboriginal health work is included in those projects. Examples of that would be the Aboriginal family futures project, the coordinated care trials and other specific services where there is a particular need for an increase in the level of skill and staff to help deliver the program.

Hon TOM STEPHENS: Are Aboriginal health workers included in contracts made under the heading of family futures?

Mr HOUSTON: Yes, among others.

Hon TOM STEPHENS: Therefore, can Aboriginal health workers be supplied with funds under contract by the Office of Aboriginal Health through one of those programs?

Mr HOUSTON: Yes.

Hon KIM CHANCE: My question relates to the seventh and eighth dot points on page 681 about Aboriginal health. The seventh dot point refers to the best practice site. Where was the best practice site and who did it assist?

Mr HOUSTON: The best practice site is a project that commenced in the current financial year and was undertaken by the Bega Garnbirringu Aboriginal Health Service in Kalgoorlie in collaboration with not only the Office of Aboriginal Health, but also the commonwealth Department of Health and Aged Care and a significant number of Aboriginal community-controlled health services across Western Australia. That health service had a number of meetings and the product of the process is an agreed set of standards that Aboriginal community-controlled health services now believe they should aspire to in order to deliver the best possible health service to Aboriginal communities in Western Australia.

Hon KIM CHANCE: The eighth dot point on the same page refers to scholarships. How many scholarships were granted and to whom were they granted? The officer may want to take that question on notice.

Mr HOUSTON: I have the information with me. The scholarships were established by the Office of Aboriginal Health a few years ago. We currently have 14 awardees in Western Australia; six are in medicine, two in nursing, two in allied health and four in Aboriginal health work. Two students who are studying medicine are now in their final year and we expect them to graduate this year.

Hon TOM STEPHENS: In reference to the Office of Aboriginal Health's funding of Aboriginal health workers, is the officer able to indicate which communities have received funding for Aboriginal health workers either historically or

currently, or communities for which there are plans to fund Aboriginal health workers? This question may be taken on notice if it is more convenient, or is the officer able to answer that without notice?

Mr HOUSTON: I will have to take that question on notice.

Mr BANSEMER: We are funding projects and programs that are not only for Aboriginal health workers. Therefore, we will provide information on the programs which include Aboriginal health workers.

Hon TOM STEPHENS: I had the advantage of a briefing provided by the Office of Aboriginal Health which detailed the proportions of the annual funds which were allocated to the regions of Western Australia. Is that conveniently available to be included in the record of the estimates committee; that is, the annual allocation for the current financial year and the past financial year of the proportion of Office of Aboriginal Health funds spent by the department through that division in the separate regions of the State? Is it possible to table that information for inclusion as an official record of what has been spent in the region?

Mr BANSEMER: We can take that question on notice.

Hon TOM STEPHENS: An issue raised with me relates to the proportion of funds that are spent in the Kimberley region. I am interested in what appears to be the comparatively low level of expenditure through the Office of Aboriginal Health in the Kimberley region for the population of Aboriginal people, the health statistics in the region and the needs of the region. There is a disproportionate amount of travel on the part of officers from the Office of Aboriginal Health, which was recently documented in answers delivered to Parliament - question 1707 - with a very large proportion of travel being done by officers into the region that has the least amount of funding through the Office of Aboriginal Health. Is there an explanation for that?

Mr BANSEMER: The fact that we appear to provide a disproportionately low level of funding to the Kimberley region has two aspects to it. Firstly, we provide a lot of Aboriginal health services in the Kimberley, through mainstream services, in a more disproportionate way than to other parts of Western Australia. The comparison needs to take that into account. Secondly, the Commonwealth puts a significant investment into the Kimberley and we do not duplicate it. We try to integrate the commonwealth and state initiatives in the Kimberley but that does not mean that we are not interested in the Kimberley or that we do not have to send people to the area. In my view, one cannot relate the need for people to understand the Kimberley and to be there solely to the amount of money being funded directly from the Office of Aboriginal Health.

Hon KIM CHANCE: I have a question but it may be out of order in that it should have been raised in the last session. However, since it deals with the Derby hospital it would have application to Aboriginal health. My understanding is that the Derby hospital is currently short staffed of 20 nurses. Is that the case? If it is the case, or if it is near to the case, then what is being done to address the shortage of nursing staff at Derby Regional Hospital?

Mr BANSEMER: I cannot confirm that. I do not have that knowledge. We are having difficulty in recruiting nurses in the Kimberley. We have had that difficulty for a number of years. We are working hard to improve conditions, but nonetheless, it is still difficult and it will remain difficult for some time.

Hon KIM CHANCE: I am more than happy to have the question put on notice.

The CHAIRMAN: I have done a fairly extensive questionnaire with a lot of health personnel in my electorate - which is fairly big - and one of the fairly common comments I get back from Kimberley health workers is that they do not feel that their work is appreciated by either the department or by their clients. Is there any way that can be addressed?

Mr BANSEMER: The department appreciates the work that people do in the Kimberley and we may need to communicate that to them better than we have done in the past. I recognise that situation. In respect of the way patients and clients treat the health services, there are, I believe, isolated issues in the Kimberley. I do not believe it is systemic. I think that the health services are generally well regarded by the patients and the communities they serve.

[5.10 pm]

The CHAIRMAN: That comment suggests that the motivation of people is just as important as spending money and the many other aspects involved in delivering a health system.

Mr BANSEMER: I agree.

HON KIM CHANCE: As the chairman accepted my last question, he may accept this one: Nurses' accommodation at the Fitzroy Crossing Health Service appears to be in need of an overhaul, although it is a couple of years since I last visited. Is anything planned, or has anything been done, about an upgrade of the nurses' accommodation?

Mrs O'FARRELL: The member will find that over the last two years further developments have been made to improve the nurses' accommodation, which is the case throughout the Kimberley.

Hon TOM STEPHENS: A reference is made in the *Budget Statements* under public health major initiatives to programs to improve the quality of water supplied to Aboriginal communities across the State. Can a dollar value be placed on those major initiatives?

Mr JACKSON: A dollar value will require notice. As indicated in response to an earlier question, we are aware that

inadequate water testing occurs in many remote Aboriginal communities. Therefore, we are looking at providing field testing kits to enable testing to be carried out on-site. We will receive some commonwealth funding, as this issue is important in not only Western Australia but also other jurisdictions. Some money is being provided by the Health Department to ensure we have not only the field testing kits, but also follow up in the event of excessive coliforms or whatever in the water supply. This involves the appropriate environmental health officer determining some protocol of remediation. We will provide the costing on notice.

The CHAIRMAN: What efforts have the Office of Aboriginal Health or the Health Department made on dog control in areas of large Aboriginal populations?

Mr HOUSTON: As part of the Aboriginal environmental health program, Aboriginal environmental health workers have a function of dog control - this is seen as the old dog program. The department invests in excess of \$1.5m in Aboriginal environmental health workers. Other strategies have included improved cooperation with the Commonwealth, which we believe will lead to an improved capacity at a local area for communities to manage environmental health, including dogs which pose a risk.

Hon PETER FOSS: The last time I was in the desert communities, a vet was travelling around having remarkable success in knocking off dogs. In some instances, he was reducing their number to only four or five dogs in a community. It was remarkable.

The CHAIRMAN: The Ngaanyatjarra Council employs a vet from Adelaide for \$9 000 a year to come up four times a year to give these mangy dogs the green dream to go to sleep. It is very successful. The program should be extended to other areas of the State.

Hon PETER FOSS: That was the case to which I referred. This vet has an amazing ability to persuade people to allow their dogs to be put to sleep.

The CHAIRMAN: Perhaps the Health Department should study his methods and implement the methods elsewhere.

Hon PETER FOSS: We should not let Hon Norm Kelly anywhere near him though!

Hon TOM STEPHENS: The diabetes statistics indicate a 100 per cent increase in the aged standardised mortality rate for diabetes among Aboriginal males: From the periods 1986-1991 to 1992-97, the rate jumped from 0.6 persons per 1 000 persons to 1.3 persons per 1 000 population.

Hon PETER FOSS: To which page is the member referring?

Hon TOM STEPHENS: These statistics were previously made available in an answer given in the House. I appreciate the answer previously given by the minister and his officers. However, I do not feel from either of the answers given that additional finances have been allocated or there has been a concentrated effort to tackle the size of the problem that has dramatically shown up in the statistics indicating the mortality rate from diabetes has doubled. I had hoped for some indication of a cash figure to explain the programs about which we have been given a word picture. Is there a cash figure in the budget showing a response to those horrific statistics?

Mrs O'FARRELL: The answer to the last part of the question in respect of the budget papers is that there is no particular identification of the financial response to that statistic of that health condition. It is useful to highlight the Norhealth 2020 planning process which was done in conjunction with the regional Aboriginal health planning process. The issue of diabetes, its underlying causes and consequences, manifested powerfully through those planning programs. Possibly what I could say that may assist the member, if not now, at least in the future, is that by dint of the Norhealth planning process, the implementation program and the leadership that is starting to emerge from people getting together in the Kimberley - public health physicians, acute care clinicians, hospital and community health nurses and Aboriginal health workers in the mainstream and community controlled health sector - effort is now being put into mapping the existing services to look at measures of effectiveness of those service and system issues associated with delivering those services, so that they are optimised. The Health Department is in the process of providing additional funding to implement a state diabetes strategy. The Norhealth investment fund has been able to match dollar for dollar the north west share of those new funds available for that strategy. The clinician and management leaders in the north west have agreed to undergo a process in which they will develop a north west response to that state diabetes strategy. We are getting closer to being able to paint a little more clearly a picture of the strategies being used and the financial contribution to deal with the problem.

Hon PETER FOSS: The point picked up by Hon Tom Stephens is important. The latest health statistics for Aboriginal people generally painted a disastrous state of health in Western Australia, particularly in the goldfields and south west. The Kimberley stood out as apparently having a better health situation. The reason was that lifestyle changes had not come through in the statistics. They mainly came into play in the Kimberley from 1975 onwards. We realised at that stage it was only a matter of time before things that were happening worked their way through. Hon Tom Stephens picked up the fact that the situation has got a lot worse, but it was always in the pipeline. That is why it was so important to change the lifestyle problems that caused it.

The CHAIRMAN: Has the Health Department looked at the potential benefit of re-introducing the free milk scheme to preprimary and primary schools, particularly in disadvantaged areas? When I was a teacher 35 years ago at Balgo every child got half a litre of full cream milk every day. These days many children go to school without any breakfast at all. That scheme may have more significant positive health outcomes than a lot of money that is currently being invested with little return.

Mr BANSEMER: Not to my knowledge.

The CHAIRMAN: I thank everyone for their attendance today.

[5.20 pm]

Division 12: Commerce and Trade, \$101 617 000 -

Hon E.R.J. Dermer, Chairman.

Hon N.F. Moore, Minister for Mines.

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

Ms L. Smith, Acting Executive Director, Office of Information and Communications, Department of Commerce and Trade.

Dr S. Meek, Acting Chief Executive Officer, Department of Commerce and Trade.

Mr P. Herlihy, Team Leader, Finance, Department of Commerce and Trade.

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

The CHAIRMAN: I now open the hearing of the Standing Committee on Estimates and Financial Operations into the Department of Commerce and Trade. Unfortunately, our start has been delayed by the extension of the previous hearing. In view of the late start, my proposal is that we conclude this hearing at 6.25 pm. I hope that is acceptable to everybody.

Hon N.F. MOORE: Yes, Mr Chairman.

The CHAIRMAN: Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia. The committee values that assistance. Members are asked to sit towards the front of the Chamber. I see that each member has done so, which is good. It will greatly assist Hansard if, when referring to the *Budget Statements* volumes or the consolidated fund estimates, members give the page number, item, program, amount and so on in preface to their questions. If supplementary information is to be provided, I ask for cooperation in ensuring that it is delivered to the committee's clerk within five working days of receipt of the questions. An example of the required Hansard style for the documents has been provided to advisers. I remind members of the public in attendance that only accredited media representatives may take notes. However, full Hansard transcripts will be available to the public within a week of the close of these hearings. The committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observations. For the benefit of members and Hansard, I ask the minister to introduce his advisers to the committee.

Has each of the witnesses read, understood and completed the "Information for Witnesses" form?

WITNESSES: Yes.

The CHAIRMAN: I note that each witness indicates that he or she has done so. Do all the witnesses fully understand the meaning and effect of the provisions of that document?

WITNESSES: Yes.

The CHAIRMAN: I note that each of the witnesses indicates that he or she fully understands the meaning and effect of the provisions of the document.

Page 216 of the *Budget Statements* describes the equipment of over 90 locations in Western Australia with satellite high-speed data terminals under the statewide telecommunications enhancement program as a major achievement for 1999-2000. Does this achievement extend beyond the 91 connected police stations that Mr Chartres told the Assembly estimates hearing about last week?

Mr FITZHARDINGE: The 91 locations Nigel Chartres said were connected under the statewide telecommunications enhancement program are police stations and are reflected in the 90 locations mentioned in the *Budget Statements*. They are the first part of the statewide telecommunications enhancement program.

The CHAIRMAN: Are those police stations the only connections achieved to date?

Mr FITZHARDINGE: Could we take that on notice and provide any additional locations?

The CHAIRMAN: Certainly. The original documentation suggested STEP would play an important role in extending the telecommunications network for the benefit of private individuals or companies in the remote and rural areas. How, and to what extent, has STEP achieved the extension of the telecommunications network to private business and the general public in rural and remote Western Australia?

Mr FITZHARDINGE: STEP, and the benefits it will bring to regional Western Australia, is still in its early stages. Optus has signed an agreement under STEP, but an agreement is yet to be signed with the second carrier, Telstra. Therefore, the benefits that could flow from a second carrier are yet to be realised. The implementation of STEP has been delayed due to the delay in signing Telstra as the second carrier to assist with the implementation.

[5.30 pm]

The CHAIRMAN: I understand that the contract with Optus and the proposed contract with Telstra refer to the provision of telecommunications services for state government agencies only.

Mr FITZHARDINGE: Yes, but it is expected that, as part of that competition, benefits will flow into the local government, community and private sectors.

The CHAIRMAN: Other than the advantage of the competitive impact of these carriers entering those remote areas, is there any other part of the statewide telecommunications enhancement program which will enhance the access for private individuals?

Mr FITZHARDINGE: If there are specific instances we can provide, we will provide that as supplementary information.

The CHAIRMAN: Has the department planned any part of the program for the specific benefit of private individuals in those remote areas?

Mr FITZHARDINGE: A number of initiatives have been carried out under STEP which have brought benefits to the private sector through the provision of activities such as mobile telephony. Again, I will seek further advice on that. I will ask Lesley Smith to answer the question.

Ms SMITH: Included in STEP is video conferencing, and leading the development is the STEP mobile and fixed telephony. Those elements are also available under STEP.

The CHAIRMAN: Are they available for private individuals to access?

Ms SMITH: They are available for government services and to meet other community needs. I do not have specific instances of services provided to individual citizens or individual businesses to hand today.

The CHAIRMAN: Have they not been provided to private individuals to date to the best of your knowledge?

Ms SMITH: I cannot say today whether they have or have not.

The CHAIRMAN: I would be grateful if the committee could be advised of any instance or example where those services have been made available to private individuals or companies.

Ms SMITH: Certainly.

Mr FITZHARDINGE: A major initiative in video conferencing will go out to tender very shortly. It includes a video conferencing bridge, 60 video conferencing units for telecentres and video conferencing as part of the telehealth program. That tender is only a matter of weeks away from being advertised as part of STEP.

The CHAIRMAN: My understanding of an earlier answer is that the contract signed with Optus and hopefully the contract to be signed with Telstra are for the service of government agencies. Any benefit that may have in reducing the cost of services to private individuals is yet to occur. What plan does the Office of Information and Communications, or any other department in the agency, have to measure the estimate of the reduced cost and improved bandwidth delivery to private individuals arising from STEP?

Ms SMITH: The OIC has recently developed and approved five strategies that govern its work. These are: Increasing affordable access to and enabling the effective usage of telecommunications infrastructure for economic and social development; improving government service delivery through enabling the adoption of online service delivery; enabling the development of Western Australia's information economy through e-commerce; encouraging business and community to go online by awareness raising; and increasing adoption and improvement of access. In relation to specific reductions in costs, the fact that there will be two carriers in the areas increases competition, with the results which flow from that. Again, in terms of any specific reduction in costs, with the information I have to hand today, I cannot comment.

The CHAIRMAN: It is clearly understood that the idea is that the competition introduced by the service to agencies will reduce the cost to individuals. That cost to private individuals was part of the original objective of STEP, as I understand, and the department is confirming that that is the case.

Mr FITZHARDINGE: Yes, it is, but there are other aspects of the OIC's strategy, including the establishment of business portals, as has happened in the Peel and Albany regions where this has involved local government, business and the community and has allowed them to have the advantages of an integrated approach rather than a fragmented approach.

The CHAIRMAN: I am asking what specific plan the Office of Information and Communications has to measure the impact of the statewide telecommunications enhancement program in reducing costs and enhancing the service to individuals.

Mr FITZHARDINGE: All of the programs operated by Commerce and Trade are evaluated at some time after their establishment. Typically, after three years, a major review is undertaken of the effectiveness of each of the programs. As part of that review, an evaluation is done of tangible changes that can be attributed to the investment made into the program. If the specific evaluation mechanism is not available to assess a reduction in costs to business and the community that is envisaged, there certainly will be with the evaluation of the program in three to five years.

Ms SMITH: The evaluation plan for STEP includes a measure of the affordability and convenience of mobile telephony available statewide.

The CHAIRMAN: What about other communication services?

Ms SMITH: The other element of the evaluation plan for STEP includes the number of agencies signed under STEP, the number of satellite-based STEP sites and the strategy for voice-over IP development.

The CHAIRMAN: Does the evaluation plan include reference to the cost of access to private individuals for data and telephone lines other than mobile telephones?

Ms SMITH: That is not specifically mentioned.

The CHAIRMAN: When can we expect the evaluation plan to be completed? I have been told it will be within three to five years. Is that from this date or from the initiation of STEP some two financial years ago?

Mr FITZHARDINGE: The review will be from the initiation of the program; that is, from the date STEP was launched.

The CHAIRMAN: I note at page 226 of the budget statements under the item "Communication Pipeline" the expenditure of \$681 000 in 1998-99 and \$9.319m estimated for 1999-2000. It is a very neat and tidy total of \$10m to be spent by 30 June this year. The Treasurer's budget speech at page 10 reads -

In addition this budget provides for:

the extension of the State-wide Telecommunications Enhancement Program to enable schools to have better access to online and other services;

In which line item for the 2000-01 financial year is the allocation made for the extension of that program?

[5.40 pm]

Ms SMITH: I refer to page 213. The total cost of output in 1999-2000 is \$53.695m and in 2000-01 it is \$67.492m. Part of that increase relates to an allocation for statewide mobile telecommunications in 2000-01.

The CHAIRMAN: Is that not different from the statewide telecommunications enhancement program or is it a component part of STEP?

Ms SMITH: That is in addition to STEP.

The CHAIRMAN: As a component part of STEP.

Ms SMITH: It is not listed as a component part in how we have framed STEP.

The CHAIRMAN: It remains a mystery what the Treasurer was referring to when he talked about the extension of STEP in the budget.

Mr FITZHARDINGE: There is a document which explains the relationship between the Government's information and communications vision and what is known as the "OIC 2000" strategies.

The CHAIRMAN: I have examined that document and, to the best of my knowledge, it does not refer to a further extension of STEP, when a further allocation should be identified in the *Budget Statements*.

Mr FITZHARDINGE: On the second page, the document says that the statewide telecommunications enhancement program of the OIC 2000 telecommunications strategy will assist bandwidth provision to schools throughout the State.

The CHAIRMAN: The question remains: Where is that allocation referred to in the *Budget Statements*, given that the total allocation of \$10m for the pipeline will be expended by the end of this month, according to the *Budget Statements*?

Mr FITZHARDINGE: Page 209 of the *Budget Statements* refers to a figure of \$2.05m for online services, which is additional funding to implement the OIC 2000 strategies.

The CHAIRMAN: Is that part of STEP?

Mr FITZHARDINGE: It is part of the OIC 2000 strategies.

The CHAIRMAN: Is that part of STEP?

Mr FITZHARDINGE: As part of the OIC 2000 strategies, it is the extension of STEP.

The CHAIRMAN: I may return to that issue later.

Hon LJILJANNA RAVLICH: How much is the agency directing towards grants for industry this financial year?

Mr HERLIHY: Page 225 lists the grants and subsidies that the department will provide under each theme.

Hon LJILJANNA RAVLICH: The total of the grants is \$30.26m, representing an increase from last year, when the figure was \$24.57m. Page 64 of the department's annual report lists the performance indicators on the effectiveness of these grants. The first indicator deals with positive changes in clients' operations and the extent to which clients receiving

financial assistance or extensive advice and non-financial support from the Department of Commerce and Trade activities are able to report positive changes. For 1998-99, 43.9 per cent said that there was no positive change. The second indicator dealt with increased turnover in clients' organisations. For 1998-99, 52.6 per cent of the recipients of this important funding said that there was no increased turnover in clients' organisations. The third indicator dealt with the positive impact on employment. For 1998-99, 79.7 per cent of the recipients of this support said that there was no positive impact on employment. The fourth indicator relates to the impact on investment, and 81.3 per cent said there was no positive impact. In view of such dismal outcomes, why is the Government spending this money and what does the agency intend to do?

Mr FITZHARDINGE: The performance of Commerce and Trade's clients depends partially on the operating environment in which they find themselves. The Asian currency crisis had a significant impact on a large number of Commerce and Trade's clients. It would not be unreasonable to expect a decline in employment prospects and increased turnover from a number of clients during that period. In addition, Commerce and Trade is moving away from providing services direct to industry towards supporting industry associations and industry groups. The impact on a client of increased turnover and employment is diluted by working with industry associations. If one were to ask industry associations whether the assistance provided helped to increase employment, by how much and what was the increase in turnover, one would get a different response from that provided by a business that had been given that assistance.

One must read the effectiveness indicators as a whole and look at how the clients regarded the quality of service provided by the department and the timeliness of that service because of the external environment and also the changed way in which the department is looking to engage with clients. It is clear that the department has displayed a significant improvement in satisfaction with quality and timeliness.

Hon LJILJANNA RAVLICH: If an organisation were the recipient of a substantial grant, it would be happy with the quality of service. They are saying that they do not mind the quality of service because they are happy to get the money, but it is not filtering through to positive outcomes in the way they do business. That is the way I read it. Is this a concern for the department?

Mr FITZHARDINGE: Some clients receive financial assistance, some receive extensive advice and some receive non-financial assistance. A perusal of the department's clients indicates a significant number who simply receive advice. It is a very positive reflection on Commerce and Trade that people who receive advice feel they are able to increase employment and turnover as a result.

Hon LJILJANNA RAVLICH: How does the agency determine who will be allocated a financial grant?

[5.50 pm]

Mr FITZHARDINGE: Under its legislation, Commerce and Trade must provide financial assistance according to guidelines. Each of the schemes under which financial assistance is provided has specific guidelines about the decision-making process. Those schemes are either open-access or advertisements are placed inviting applications for grants. All of the Department of Commerce and Trade's schemes are provided on the Internet, so there is open information about the availability of Commerce and Trade schemes, and all financial assistance is tabled annually in Parliament. When providing advice to clients, the range of services that are available to clients is clearly stated. A lot of the services that we provide are in partnership with other agencies and groups. We encourage those agencies and groups to also publicise the availability of Commerce and Trade services.

Hon LJILJANNA RAVLICH: From that answer, may I take it that any business which wants a grant from Commerce and Trade will get the grant provided it fits the guidelines?

Mr FITZHARDINGE: No, that is not correct. There are limitations on funds that are available for individual schemes. Schemes such as the export marketing scheme are very popular. They exhaust their budget allocation for each year. There are also limitations on the size of businesses that may apply for some schemes, such as work force limitations, but these are clearly stated in the guidelines for each scheme.

Hon MURIEL PATTERSON: The first dot point on page 227 states that to commence the collocation of services in regional communities, funding of \$7.33m over the next four years will assist small regional communities to develop multifunctional outlets that accommodate a compatible mix of government and community services. Would this include the possibility of making available in regional centres lists of opportunities for businesses, perhaps of ideas that have not been thought of locally and that are currently not operating in the region, or has Commerce and Trade produced such a document?

Mr FITZHARDINGE: The collocation project is specifically aimed at encouraging communities to collocate business, government and community activities within one centre to increase the number of services available to small communities and to save on administration costs. A number of other schemes and approaches look at opportunities for business development within small communities. For a long time, Commerce and Trade has operated another STEP program called the small towns economic planning program under which communities determine what are their key priorities and the strategies for achieving them. For example, the people of Hyden under the STEP program identified that it needed an auto electrician as the highest priority for business development in that area. They used the \$10 000 grant to secure funding from farmers in the area. They built the work space and attracted an auto electrician to the town.

The regional development policy, which was launched by the Deputy Premier on 12 May, also provides for the establishment of the regional development trust fund. This is included in the budget papers. This year \$5.165m has been

allocated for that purpose. Over the next four years, \$10.89m will be provided for this regional development trust fund. The purpose of the trust fund is to implement the 23 strategies contained in the regional development policy. Part of the strategies include building business capability in regional communities. I am sure that communities will take advantage of the regional development trust fund, the guidelines for which will be announced in a couple of weeks, to attract to their communities tradesmen and business people by either providing the supporting infrastructure or promoting the community as a good place in which to live, work and invest.

Hon MARK NEVILL: What is the relationship between the Department of Commerce and Trade and Aboriginal Business Development Pty Ltd?

Mr FITZHARDINGE: Aboriginal Business Development Pty Ltd was provided with a contract to carry out the community stores program at a number of Aboriginal communities in Western Australia; there was therefore a contractual relationship between the two parties.

Hon MARK NEVILL: Has the Department of Commerce and Trade ever owned any part of Aboriginal Business Development Pty Ltd?

Mr FITZHARDINGE: Not to my knowledge.

Hon MARK NEVILL: They are completely separate?

Mr FITZHARDINGE: They are completely separate entities, although the Office of Aboriginal Economic Development followed on from an organisation which had responsibility for the Aboriginal stores program. That was a number of years ago when the then Aboriginal Development Corporation was formed and the then Aboriginal Economic Development Office carried out that function. However, with the formation of the Office of Aboriginal Economic Development there was a clear delineation in the responsibilities of that previous organisation.

Hon MARK NEVILL: Have any grants or loans been made to Aboriginal Business Development Pty Ltd by the Department of Commerce and Trade?

Mr FITZHARDINGE: Can I take that as a question on notice and provide supplementary information?

Hon MARK NEVILL: Yes. Can you provide information also as to what the grants or loans were for and whether the loans have been repaid?

Mr FITZHARDINGE: Yes.

Hon MARK NEVILL: Can the committee also be supplied with information about grants or loans to Aboriginal enterprises in the past three years, when they were granted, and which of those businesses have ceased to exist, which businesses currently exist and perhaps a comment on the benefit of those grants or loans?

Mr FITZHARDINGE: As I mentioned previously, each of the major schemes of the Department of Commerce and Trade is subject to review three to five years after its initiation. Information on grants and loans made to individual enterprises is tabled annually in the Parliament; therefore, that information is already on the public record.

Hon MARK NEVILL: In what form are they tabled?

Mr FITZHARDINGE: They are tabled in a list of grants, loans and subsidies to business and industry during a particular financial year. Typically, the list runs to 20 to 30 pages of information containing details of the beneficiary, whether the payee was other than the beneficiary, the date of the payment, the scheme under which the payment was made and the amount of assistance provided.

Hon MARK NEVILL: Therefore the Aboriginal Business Development Pty Ltd's grants are listed in those documents?

Mr FITZHARDINGE: Yes, they are.

Hon MARK NEVILL: Could the list I asked for be provided to the committee?

Mr FITZHARDINGE: We can provide a copy of previous lists that have been tabled in Parliament and identify from those lists the numbers and amounts of funding that have been provided.

Hon MARK NEVILL: I also asked whether you could identify the businesses which have ceased to exist and the proposed benefits of the particular grant or loan to the companies that still exist.

[6.00 pm]

Mr FITZHARDINGE: I can provide details on the number of businesses that have ceased to exist. I am not sure about whether we are in a position to evaluate the effectiveness of the funds which have been advanced to particular enterprises, particularly if they have been advanced recently.

Hon MARK NEVILL: I think I asked what were the proposed benefits of providing the grant. That does not necessarily mean that it has to be evaluated. In many cases it might be too early to evaluate it.

Hon W.N. STRETCH: I refer to pages 209, 226 and 227. I presume the wool processing precinct listed on page 209 refers to the Jandakot Wool Scouring Co Pty Ltd relocation and I assume that the \$758 000 listed is the final payment for that

project. As it has been a \$30m-plus project, can I be given an update on how the project is going and its general state at present, and a brief outline of the relationship between the Department of Commerce and Trade and the operator?

Mr FITZHARDINGE: May I take the question as a supplementary and provide a report to Hon Bill Stretch?

Mr CHAIRMAN: Certainly. Reports are provided to the committee but Hon Bill Stretch will be advised of the answers we receive.

Hon KIM CHANCE: In the answer that was provided to Hon Ljiljanna Ravlich, it was indicated that industry assistance payments are always made subject to guidelines. In my inquiries to the Auditor General about the payments made to the Narrikup abattoir, I was ultimately told by the Auditor General that the guidelines did not apply to those payments because they were made under another Act. If the Auditor General said that the guidelines did not apply, and clearly those payments were well in excess of the guidelines, would you like to rethink your answer to Hon Ljiljanna Ravlich that guidelines always apply?

Mr FITZHARDINGE: The Act under which the Department of Commerce and Trade operates was reviewed and in the review of the legislation there was a requirement for the department to have guidelines for funds which were advanced as either grants or loans. The answer that I gave is correct in that the financial assistance which is now given is done so under guidelines because we are operating under the current legislation. The assistance that was advanced to the Narrikup abattoir was advanced under the previous legislation and so there was not a similar requirement.

Hon KIM CHANCE: My other question goes to my observation that the department has by far the most interesting accounts because they have lots of spikes in them. I want to draw attention to the accounts on page 223 for other non-current assets, in which we see a growth over the forward estimates period from \$17m to \$213m. When I looked for a reason for that, I found it on page 227, wherein the following infrastructure expenditure is listed: The CSIRO relocation, Jervoise Bay and something else that accounted for the increase in the assets. Why can I not find a reference to the commitment to the Oakajee port of \$192m?

Mr FITZHARDINGE: That is because if it is not contained within the budget of the Department of Commerce and Trade, I understand it belongs to the Department of Resources Development.

Hon N.F. MOORE: That is my understanding as well.

Hon DERRICK TOMLINSON: On page 215, under the listing of major achievements for 1999-2000, there is reference to the telecentre network being expanded to 76 telecentres. Outlined on page 225 of the *Budget Statements* under the details of controlled grants, subsidies and transfer payments are the telecentre support schemes, for which the allocation in 1998-99 was \$1.69m and in 1999-2000 was \$1.95m, and the projection for 2000-01 is \$4.6m in round figures. Does that indicate a further expansion of the telecentre network, or an enhancement of the existing network?

Mr FITZHARDINGE: A number of non-recurrent expenditure items are contained in the 2000-01 budget, specifically \$1.2m for seven modular interactive technology entities, otherwise known as MITEs. Provision of \$500 000 is also made for telecentre access points or a single Internet kiosk, 100 of which are to be located in regional Western Australia. Also, \$280 000 is allocated for video-conferencing for telecentres under WA Visual Online. Therefore, almost \$2m of the \$4.7m is one-off payments, all of which is commonwealth funding under the "Networking the Nation" regional telecommunications infrastructure fund program. If one takes out the impact of those one-off payments, one ends up with \$2.575m. This reflects the progressive expansion of the telecentre network from 38 centres three years ago to the current 76 centres, with 90 centres to be in place by the end of the 2000-01 financial year. That will provide for the difference between the \$1.948m and the \$2.575m after taking out the \$2m for the one-off items.

Hon DERRICK TOMLINSON: In short, is it continued expansion plus upgrading of the hardware at the existing centres?

Mr FITZHARDINGE: Yes. Each telecentre is provided with \$20 000 towards funding a coordinator. With 90 telecentres, that amounts to \$1.8m, which is the bulk of the funding under the telecentre program. Also, project funding is provided for telecentres to attract more business and to improve signage and premises, and small amounts of project funding is included. Funding is provided for a series of regional-based coordinators to assist with the management of, and interaction with, the telecentre network.

Hon DERRICK TOMLINSON: Page 42 of the department's annual report for 1998-99 contains reference to 2 200 persons studying within the network. To which education programs do people in the regions have access through the telecentre network?

Mr FITZHARDINGE: By far the largest number of programs accessed through the network are through TAFE, which has a good relationship with the telecentres. My understanding is that about half of those programs relate to lifestyle courses, and the other half are business and economic upskilling. An increasing proportion of students are using telecentres to engage in distance education with universities around Australia using the Internet and other technology to access the curriculum. We are looking at increasing significantly that element of the telecentre program because it is an area of significantly unmet demand in regional Western Australia. Those figures do not include people who have attended sessions such as GST seminars or other training programs provided on a short-term basis by commercial or other training providers.

[6.10 pm]

Hon DERRICK TOMLINSON: Does accessing those programs in rural areas require any integration of hardware-software with the service provider or can they be accessed with the existing hardware-software of the telecentres?

Mr FITZHARDINGE: Generally they can be accessed with the existing hardware and software of the telecentres. We are piloting the mentoring program in Esperance and Kununurra. That is a more substantial program targeting post-compulsory education using the Esperance Community College. We have yet to work through the infrastructure in Kununurra. That program will provide specific software and learning material targeted at courses which have a strong link to regional development and present a high hurdle to individual's participating because of the need for either technology or specific software to carry out those courses.

Hon MAX EVANS: Note 22 in the annual report refers to loans receiving less provision for conversion of loans to grants of \$10.148m. However, it is not clear where the debit or the charge is recorded. Note 8 does not make any mention of offsetting loans, so I do not know whether that is somewhere else or is just not clearly indicated. It should really be on a separate line.

Mr FITZHARDINGE: Would the member like that information provided as supplementary information?

Hon MAX EVANS: Yes.

Mr FITZHARDINGE: The principle underlying the accounts is that any loans that are converted to grants are included as an expenditure item.

Hon MAX EVANS: I cannot find it, which is the point I am making. It is probably included under grants and subsidies but writing off grants and subsidies does not include writing off loans.

Mr FITZHARDINGE: That would come under program expenditure.

Mr HERLIHY: The debit for the conversion of loans is in the operating expense account.

Hon MAX EVANS: Whereabouts?

Mr HERLIHY: It is in the operating statement for the department under grants and subsidies.

Hon MAX EVANS: If it is under grants and subsidies, note 8 does not refer to writing off loans; and it should. I believe it should be a separate line under operating expenses. Note 8 does not say that it is under grants and subsidies.

The CHAIRMAN: Hon Max Evans has made some comments that were not exactly questions. Does the minister or anyone from the department wish to respond?

Mr FITZHARDINGE: I make the broad statement that where loans are converted to grants, they are included under program expenditure. There is no need to write the loan off as it is shown as an outgoing under program expenditure.

Hon MAX EVANS: Where is that?

Mr FITZHARDINGE: Within the current budget documents or within the financial statement of the Department of Commerce and Trade?

Hon MAX EVANS: I am referring to the financial statement. I refer to note 22 which says the department is writing off \$10.148m. There should be a debit on the other side.

Mr FITZHARDINGE: On page 86 of the annual report, where note 8 appears, a figure of \$24m is shown as an operating expense under the cost of services. Therefore, it is included within the \$60m which is allocated to Commerce and Trade, as shown on page 86.

Hon MAX EVANS: Page 96 indicates that grants and subsidies comprised payments for industry incentive packages, research and development assistance, development of international trade, the national industry extension service-AusIndustry schemes and regional development. It does not refer to the writing off of loans. I am just saying that that is why it was left up in the air.

Hon N.F. MOORE: I think we will take the question on notice.

Hon MAX EVANS: The indicators appear on 30 of the 112 pages, or 27 per cent of the report. Some of the indicators are the result of what are called customer focus groups asking questions about who says yes, no or cannot do it. Are they really indicators? I think the department should look at those. Hon Ljiljanna Ravlich thinks it is marvellous, but she did not get the answer she wanted in any case.

Hon LJILJANNA RAVLICH: Hon Max Evans knows me too well.

The CHAIRMAN: Order! We do not need unhelpful interjections.

Hon MAX EVANS: Who decides what performance indicators will be included in the report? Next year, will there be a lot more or a lot less? I think many of them are irrelevant.

Mr FITZHARDINGE: Commerce and Trade's effectiveness indicators and specific output indicators are audited by -

Hon MAX EVANS: I know that. However, a lot of them are not audited; it says so.

The CHAIRMAN: Hon Max Evans will allow Mr Fitzhardinge to answer his question.

Mr FITZHARDINGE: We will provide that by way of supplementary information.

Hon MAX EVANS: I should explain that some of the indicators - for example, those on pages 70 and 71 - are not subject to audit, but others are. I know they are all included there, but I challenge the relevance and importance to the department's business of many of those indicators which are shown on those 30 pages of a 112-page annual report.

The CHAIRMAN: I think we are in the business of asking questions rather than issuing challenges. Without breaking into a duel, could we have a response to the question?

Mr FITZHARDINGE: Could I enthruse the member by saying that as a result of the change in our output structure, we will have to review our performance and effectiveness indicators. We will take the advice on the relevance of those indicators into account when reviewing the indicators.

The CHAIRMAN: I think Mr Fitzhardinge may wish to extend an invitation to Hon Max Evans for a personal submission.

Hon MAX EVANS: I will be available as a consultant next year.

The CHAIRMAN: I am sure that Hon Max Evans will be pleased to provide his card on the way out.

Hon LJILJANNA RAVLICH: I refer members to page 225, which deals with the details of controlled grants, subsidies and transfer payments. I note that there has been a substantial reduction in the regional headworks development scheme of approximately \$250 000, a reduction in regional development grant schemes of approximately \$500 000, and a reduction in the Exmouth development trust fund, the allocation for which has gone from \$739 000 to nil. I wonder whether Mr Fitzhardinge can give me a rundown on why there has been a reduction, given that these are regional areas? I point to the summary and outlook at the top of that page, which states that total assets in 1999-2000 have decreased primarily due to the sale of land and buildings, and this is offset by an increase in loan advances under the regional headworks development scheme. With a reduction in that line item, I do not know from where the department will get the loan advances. Will Mr Fitzhardinge explain that to me, please?

[6.20 pm]

Mr FITZHARDINGE: The funds available to the Exmouth development trust fund have run out. It was provided with over \$10m from the sale of the United States Navy houses for the development of Exmouth. The completion of the tourist bureau and the Learmonth air terminal used up the funds. The Exmouth development trust fund will be wound up by the end of this financial year. Therefore, it has no provision in the 2000-01 budget because the funds have been fully committed. Funding to the regional development grant schemes has been a bit lumpy. For example, \$1m was provided in 1998-99. The nature of some of the programs means that the funding tends to be carried forward each year. There was a carry-forward of funds from 1998-99 to 1999-2000. The budget estimate of \$1.305m is also lower, due to the end of the regional cooperative research fund, which was a two-year program. A substantial amount of those funds have been made available in previous years. However, the reduction in funding is offset by the creation of the regional development trust fund, which involves another \$5.165m in 2000-01. There has been a significant increase in the available funds for regional support schemes, rather than a reduction. The \$1m collocation project is a further increase in funding. The regional headworks development scheme is a trust fund in which funds are able to be carried forward each year. I understand that much more than \$1.1m will be available to be accessed through that fund in the next financial year.

Hon KIM CHANCE: I will be quick, but this issue is close to my heart. The *Budget Statements* has a number of references to the Avon industrial park in Meenaar. I am delighted that industry is starting to indicate its intention to move into the area. However, it seems that there is a problem with the application of the headworks costs, especially for power on a per-hectare basis. It seems there was an assumption that all industries taking up land would be high power users. As such, no facility is in place to recognise a low power user. That user would have to pay the same infrastructure headworks cost as a high power user. Has that been, or can it be, addressed so that the land price accommodates the infrastructure cost?

Mr FITZHARDINGE: Can I provide that as supplementary information? There is provision within the budget to provide support for the infrastructure required to develop Meenaar. One of the major stumbling blocks to the development of Meenaar has been the desire to create it as a serviced area, rather than the pioneer developer paying a significant proportion of the headworks costs. Significant funding has been allocated for the development of headworks at Meenaar, which is a significant step forward.

Hon KIM CHANCE: The Meenaar industrial park has two potential power sources: The 132-kilovolt and 66-kilovolt sources come in from either side. That means that low power users could have a low-cost option if room were left in the 66-kilovolt line.

Mr FITZHARDINGE: We will provide that through supplementary information.

The CHAIRMAN: I refer to the "Budget 2001" document published by the Department of Commerce and Trade. Under the information communication section, it states that \$1.3m is to be provided for the Office of Information Communication 2000 telecommunication strategy, plus \$2.4m for the statewide telecommunications enhancement program out of an original \$10m from the sale of the pipeline fund. Do we interpret from that that the total expenditure for the Office of Information Communication 2000 telecommunication strategy will be \$3.7m?

Mr FITZHARDINGE: I will take that question on notice and provide supplementary information.

The CHAIRMAN: If there is further expenditure for that strategy, I would be grateful if you could also provide the line item for 2000-01, under which further funding is allocated, and how much further funding is allocated. Part of that was the \$2.4m referred to as part of the pipeline funding. We noted earlier that the pipeline funding of \$10m will be fully spent by the end of the 1999-2000 financial year.

Mr FITZHARDINGE: I understand that there will be a carryover of some of those funds into next financial year. The figures in front of you, Mr Chairman, reflect the estimate made prior to the budget being brought down.

The CHAIRMAN: How much money will be carried over?

Mr FITZHARDINGE: That depends on how much is spent this financial year. It will be \$10m, less the expenditure this financial year.

The CHAIRMAN: I would be grateful if you could let me know how much money will be carried over beyond 30 June this year and by when it is expected that money will be spent.

I close today's hearing by thanking the minister and his witnesses for joining us and everybody else who participated, not least the very good people from Hansard for the excellent job they do of providing a record of our deliberations.

Committee adjourned at 6.30 pm
