



WESTERN AUSTRALIA

# **Parliamentary Debates**

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LEGISLATIVE ASSEMBLY ESTIMATES COMMITTEE B

Friday, 28 May 1999

# Legislative Assembly

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## ESTIMATES COMMITTEE B

The meeting commenced at 9.00 am.

The CHAIRMAN (Mr Baker): For the information of members, the Estimates Committee will be reported by contractors to Hansard. A daily verbatim proof *Hansard* will be available during the afternoon of the following day. Hansard will distribute the documents for correction at that time, which must be returned on the A4 document sent to members. The cut-off date for corrections will be indicated on the bottom of each page. I caution members that if a Minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office. Only supplementary information which the Minister agrees to provide will be sought within one week. It will also greatly assist Hansard if, when referring to the program statement volumes or the consolidated fund estimates, members give the page number, item, program, and amount in preface to their question.

As has been the practice of previous Estimates Committees members should not raise questions about matters of general concern which do not have an item of expenditure in the consolidated fund. The Estimates Committee's consideration of the consolidated fund's estimates of expenditure will be restricted to discussions of those items for which a vote of money is proposed. We are dealing with estimates of expenditure and that should be the prime focus of this committee. While there is scope for members to examine many matters, they need to be clearly related to matters of expenditure. For example, members are free to pursue performance indicators which are included in the Budget Statements while there remains a clear link between the questions and the estimates.

It would assist in the committee's examination if questions and answers can be kept brief, without unnecessarily omitting material information. It is my intention to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point.

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

[9.00 am]

### **Division 53: Land Administration, \$27 243 000 -**

[Mr Baker, Chairman.]

[Mr Shave, Minister for Lands.]

[Mr A.A. Skinner, Chief Executive Officer, Department of Land Administration.]

[Mr G.J. Searle, Director Service Delivery, Department of Land Administration.]

[Mr M.P. Smith, Manager Financial Services, Department of Land Administration.]

Mr McGOWAN: I refer to page 803 dot point 2 and dot point 3. The first of these dot points refers to native title and its impact on land development and the second one refers to movements in global commodity prices. Can you give us an assessment of each of those impacts and more importantly what the impact of global commodity prices has been on the requirement for developed land by the Department of Land Administration?

Mr SHAVE: I will let Mr Skinner answer that question.

Mr SKINNER: The native title proposals are ones that have been affecting us for a number of years now and it is to do with the process and the impacts on the agency of trying to secure land available for the community for the range of purposes we are being asked to supply it for. The issue is one of uncertainty about some of the process in the way in which we can negotiate and the processes to be followed and particularly in the context where we are dealing with multiple claimant areas and the uncertainty in that area in particular. So it is just a general impact. It has slowed us down across a range of areas, not just within townsites but outside townsites as well including in the north west where we are having some problems at the moment in releasing areas for Aboriginal living areas. The same sorts of uncertainties are applying to that process with those traditional types of land within townsites. Minister, I do not know if that is satisfactory in respect to native title. I can explain more if I need to.

Mr McGOWAN: I would like further explanation but in particular I referred to dot point 3 which indicates a global commodity crisis is also a problem and I would like to know the impact of each of those and which one is more significant in its impact.

Mr SKINNER: The global prices on resource are impacting in mining towns, in particular, and resource rich areas. The

**[This transcript has been provided by a private contractor.]**

impacts in townsites are supplying infrastructure for light industrial land, residential land for workforce and our capacity to do that and it has caused some uncertainty in the way in which we are able to focus land demand. It is significantly causing those uncertainties in that we were predicting land supplies of a certain type because the resource prices globally and the markets have been affected. Some of the companies are reining back their intended developments and we are needing to assess that with the Department of Resource Development and adjust our land demand schedule.

Mr McGOWAN: Minister, which of those has a greater impact? The impact of native title or the impact of world commodity prices on the requirement for land development?

Mr SHAVE: Obviously it is a combination of both but the advice that my staff has given me is that the native title impact is a far greater impact.

Mr SKINNER: One of the requirements upon DOLA is to make sure there is an adequate supply of land available when it is needed. The problem therefore in our view native title has a greater impact in that we are not able to hold supplies of land readily available whereas with resource fluctuations we would be able to meet those if we had land supply available and so therefore the native title has the greatest impact on operations.

[9.08 am]

Mr MacLEAN: Page 809, Major Initiatives for 1999-2000, dot point 1, Development of the SmartRegister system. Could you just explain the benefits of the SmartRegister system and whether it has commercial possibilities in the overseas and interstate market?

Mr SHAVE: Mr Searle is in charge of this area so I will get him to comment on your question.

Mr SEARLE: The SmartRegister initiative has a whole range of commercial benefits within DOLA itself and for the conveyancing community within Western Australia. It also has the potential for overseas sales and some approaches have already been made to the department along those lines. We have not proceeded with them at this point of time because it is not yet a stable product but approaches have been made already from multi-national companies.

The CHAIRMAN (Mr Baker): Have any of the administrative processes that are used in the Lands Office been successfully marketed overseas in foreign countries, for example, Vietnam?

Mr SHAVE: Yes. Mr Searle accompanied me recently overseas and we have had four or five land titling submissions which have been funded by the World Bank and other organisations to improve the systems of the land titling systems in certain provinces in China and Vietnam. So it has been highly successful.

I would like to point out, having said that, that the Government has not taken the position that marketing those particular systems might necessarily generate an initial cash flow or a large cash flow for the Government. It is allowing the Government to make very very valuable contacts at a very high level of government in all those countries and it is money well spent in terms of getting access to senior officials with a view to allowing the private sector easier entry into the markets in those countries. So as far as the current Government is concerned, we view it as a very very important function that DOLA International provides and I think even the previous Labor Government had the same view; that it provides significant support for other industries and we will continue to promote it.

Mrs HOLMES: Thank you, Mr Chairman. Page 807, dot point 5. It says:

Investigate new revenue streams and strategies for improved financial and environmental management of land assets.

Minister, could you expand on that and explain what they exactly mean?

Mr SHAVE: I will let Mr Skinner handle that.

Mr SKINNER: The current financial policies encourage agencies to steward Government assets to promote better financial returns and DOLA is taking that responsibly. We are looking at developing revenue opportunities to cover our management costs to a greater degree than we are at the moment. There is obviously increasing pressure from the community for DOLA to better manage its Crown lands in the interests of present and future generations. We are considering ways in which we can generate additional revenue to offset those growing management costs. We are talking with other agencies to explore opportunities, with a lot of joint venturing if we can, and share the responsibilities and a greater involvement on a shared basis with local governments throughout Western Australia.

Mrs HOLMES: Where you say about the environment in that particular dot point including environmental management, can you tell me if any of the land that we are controlling as a Government in DOLA is included in the concept to the Bushplan?

Mr SHAVE: There is no doubt that the significant amount of the land that is provided in the Bushplan would come under DOLAs area. 93 per cent of the land in Western Australia is Crown land, which comes under the Minister for Lands. So a significant percentage of the land that is proposed in Bushplan would be DOLA land.

Mr MacLEAN: Page 811, Major Achievements, dot point 3 and Major Initiatives, dot point 1. Could you explain the

advantage of the new digital aerial photography and how it will work in with DOLAs push for the standard geographical referencing?

Mr SHAVE: I will ask Mr Searle to respond to that, but I will just make a brief comment. The aerial photography has got to the stage now where it is so specialised and capable in terms of delivering a result that we have situations where, with our mapping and the use of the satellites, particularly in remote areas, we are able to provide as to shires and service groups such as fire fighting people - - we are actually able to plot areas from the use of the satellites where fires are occurring, how they are moving, which areas are affected. In fact there would be situations now where pastoralists may not even be aware, on a large property they have in the north, that they in fact have a fire problem and we are now able to advise those people, by having this constant monitoring that a problem is occurring on their property. So that is a practical example of the benefits of the technology. In answer to the rest of your question, I will let Mr Searle answer.

The CHAIRMAN: Mr Searle?

Mr SEARLE: Thank you. The changes that have occurred in the digital area of photography are primarily about removing distortion. The traditional means of producing this photography is that once it is flown, contact prints are developed and they are then scanned to create the digital data. In both the creation of the contact print and the scanning of that contact print, you create distortion in the digital data which you then try and reference to a map base. By scanning the negative film and imaging that and creating a digital image from that, using computer technology to correct that and there is a whole string of technical terms that are involved in that. The digital image that is projected is, in fact, geographically correct from the first instance. This process does two things. It creates a better image for use in a whole range of geographical information system type applications and it actually reduces the cost of producing those images.

[9.15 am]

Mr MacLEAN: How does it relate to a move by the department for standardising geographical referencing?

Mr SEARLE: Its prime linking to that is in the fact that it comes back to that reference system; that it is referenced to the geographical reference system.

Mr MacLEAN: Is this system used interstate in another area?

Mr SEARLE: The actual digital aerial photography system we are using at the moment is not used interstate at this point of time. It is the only one of its kind in Australia to my knowledge. The other states are currently investigating introduction of the technology.

The CHAIRMAN: Minister, I have a question relating to the Output Measures listed on page 808 under the heading, Timeliness. There is reference under that heading to the percentage of land transactions registered within the target time. What is the target time, for example, in respect to the registration of transfer of land documents from the date that the document is lodged to the Land Titles Office to the date of actual registration of the relevant original certificate of title?

Mr SHAVE: 5.2 days.

The CHAIRMAN: Thank you, Minister. Are there any further questions, members? The member for Armadale.

Ms MacTIERNAN: Just a couple of small questions about specific line items on page 820, Capital Works Program. I note here that you are proposing to spend \$65 000. Are you actually working on releasing further blocks in Greenbushes, are you? Is that what this is about, and can you just tell us what the market is?

Mr SHAVE: Which item? You are talking about the item down the bottom, are you, under Greenbushes?

Ms MacTIERNAN: I am talking about an item called Greenbushes.

Mr SKINNER: Sorry, I am just trying to look up the number of lots. Seventeen lots are predicted to be produced there. There has been a local demand being identified through the local council monitoring at a local level the sorts of land needs in their community and they have requested us to put that into our program and we have tried to manage it into our resource and capital works.

Ms MacTIERNAN: So do you then put those lots that you have developed onto the open market?

Mr SKINNER: Yes, Minister.

Ms MacTIERNAN: Sale by auction tender or through a real estate agent?

Mr SKINNER: It would normally be a competitive process whether it is done through an agent on our behalf or by auction is dictated by local supply and demand.

Mrs HOLMES: My question relates to page 809 under Major Initiatives, the second dot point, enhancing information through E-Commerce, etcetera. I wonder if the Minister could advise me what steps have been taken within DOLA to ensure the safety of information relating to the Y2K bug millennium?

Mr SKINNER: In respect to the Y2000 in particular, Mr Chairman through the Minister, that has been a significant issue

for an agency like ours which is so IT dependent. In fact we are an information rich agency. We have been working now for some three years in a very concerted way to go through all our programs. We are into the last stages of testing and that testing is not just the turnover of the clock at the end of the year and the start of next year. It is all the critical dates that flow like the changes of financial years next year. We are actually going through and testing each of those dates in a virtual reality test. We have identified some minor issues which we are now addressing but we believe we are fully in command of that and we will be fully year 2000 compliant and we do not see any risk at all as well as anyone is able to categorically claim that in any organisation.

The CHAIRMAN: Minister, I just have a couple of questions once again relating to page 808, Output Measures, this time under the heading, Cost. In the first item there is a reference to a fee or a cost per land transaction registered. I understand that there is a registration fee that is payable upon documents being lodged for registration and also the two underneath that, the reference to the cost per search conducted. Do those figures for next financial year, the target year, represent the actual cost that is passed on to the consumer or the public, or are these internal costs, so to speak?

Mr SKINNER: No, that is the charge that is made.

The CHAIRMAN: That is the charge. So the whole of those charges are passed on to the public?

Mr SKINNER: Yes.

Mr McGOWAN: Minister, page 820 and 821, the Department of Land Administration has - it looks like - an enormous amount of small projects that it is undertaking totally, I think approximately \$9m in terms of developments. Can you explain to us why this is being carried out by the Department of Land Administration and not the WA Land Authority?

[9.23 am]

Mr SHAVE: Traditionally, the land is vested with DOLA and it has always been that that area of expertise in these country areas has always been dealt with by DOLA and because of the other issues affecting the land's portfolio, DOLA has officers working in those areas on a far more regular basis than the WA Land Authority. In fact, the WA Land Authority goes into those country areas only when there is a specific project to be undertaken such as the project down at - yes, Marsden Hill and Carnarvon, and the proposed project down at Albany. So these smaller projects have traditionally been undertaken by DOLA. They have probably more expertise in the knowledge of values and requirements in those areas specifically because the shires have always dealt with DOLA and when they want blocks of land available they will make the representation to DOLA. If there is to be a large development or a development that requires evaluation in terms of cost benefit to the state - for a development, as I said, at Marsden Hill or at Exmouth, as we have been looking at a project around the harbour at Exmouth - then we would get the WA Land Authority to become involved. That is the reason. That works pretty well. If DOLA has a situation where it is approached to undertake one of those projects, they would normally discuss it with LandCorp and we would evaluate which would be the appropriate body to hold it.

Mr McGOWAN: Minister, is it fair to say that you have two land authorities out there dealing with rural land around this state?

Mr SHAVE: When you say "two land authorities", there is the Department of Land Administration and LandCorp and there are two arms off that body. They really do not clash in terms of the work that they do. They have specific functions in specific areas. In my view, to take the WA Land Authority and bring it back under the control of DOLA would not be in the public interest, and neither did the previous Labor government hold that view, and I do not believe that bringing all of these activities that are listed here that DOLA is performing under the umbrella of the WA Land Authority would be of benefit either. So if you are asking me whether it would be sensible and financially beneficial for the public to have the two combined, my answer to that would be no. If I could just comment on that one step further, we have the Land Authority review by Mr Gauntlet completed last year and that review supported those comments.

Mr MacLEAN: On page 822, under Recurrent, Pastoral Leases, we see \$471 000 for 1997-98 and \$490 000 for 1998-99.

Mr SHAVE: Yes. The reason for that is that it has been moved to retain the revenue.

Mrs HOLMES: On page 813, under Major Initiatives, we see that a major initiative is the extension of the Clearinghouse to include more data and limited access outside government agencies. Could someone please explain to me exactly what is meant by that?

Mr SKINNER: Whilst the area of WA Land Information System is a whole of government and private industry initiative, where it encourages the sharing of information and its potential integration for use for a whole range of purposes, the Clearinghouse is a terminology given for posting that information or information about the data that is held by the various agencies, companies and local government into the WALIS home page where people can access that and see what is available and in what format. At this stage it has been primarily government data and local government data. What we are doing now is working with the WALIS advisory committee representing private industry and private academia, encouraging them also to post far more data that they hold in a whole range of geographic and spatial information areas into that Clearinghouse so that the wider community can know it is available and the terms under which it is available; if it is at a price, what price, who they contact and in what format it is held.

Ms MacTIERNAN: I refer now to page 824 where we have a list of retained monies received by the department. Are these monies which the department is entitled to retain or are these monies retained by the Treasury?

Mr SHAVE: That is a financial issue and Mr Smith would be quite happy to answer that.

Mr SMITH: Yes. The retained revenue forms part of our recurrent funding, so it is just a mechanism to encourage agencies to also focus on revenue rather than just expenditure.

Ms MacTIERNAN: That is interesting. If I can just pursue that line of inquiry, I note here that for the first time there is money from pastoral leases, \$490 000 from pastoral leases, which are you retaining but you do not appear to have had entitlement to in the previous years. Are we seeing a change in the administration of pastoral leases?

Mr SHAVE: Mr Skinner will comment but essentially it is just a book entry, it is not a change in the way the pastoral leases are operating or are administered. This was done by discussion. The budget was struck, what the department was going to need, and it was agreed that that money, rather than going into general revenue, should be retained.

[9.30 am]

Mr SKINNER: The Minister obviously has it correct. Before that, as the Minister said, the operating costs were an expenditure charge to the agency and all pastoral lease rentals went into consolidated funds and there was no credit back to the administration of pastoral leases. What the Minister negotiated this year was an agreement with Treasury that proposed pastoral lease rentals should go back into the administration of pastoral lands and range lands throughout Western Australia. A new Pastoral Lands Board was created under the new Land Administration Act with responsibilities enlarged to include Aboriginal interests and conservationss interests. The Pastoral Lands Board is just letting a consultancy at the moment to help it do some strategic planning about forward directions for managing the range lands of Western Australia through the Pastoral Lands Board and those revenues will go directly into those sorts of administrative costs and on the ground costs for administering pastoral lands.

Ms MacTIERNAN: So is this \$490 000 the sum total of proceeds that we received?

Mr SKINNER: Yes.

Ms MacTIERNAN: How much does it impact? How much is it costing the department to administer these pastoral leases and range lands? Could you give a costing?

Mr SHAVE: I will let Mr Smith answer that. I am not sure that he can give you an exact figure but I am sure he will try and the reason I say that with things like native title we have got a native title unit there and how do you apportion that to the actual administration of the range lands as against other requirements that government has in other areas but if Mr Smith has some indication of the figure that I am happy for him to answer it.

Mr SMITH: We did an estimate probably 12 months ago and it is around \$780 000 in terms of some salaries and people that are in the office actually administering and assisting with the pastoral leases in addition to just the Pastoral Board and things like that.

Ms MacTIERNAN: It does include the Pastoral Board?

Mr SMITH: Yes.

Ms MacTIERNAN: So it is almost double what we actually get in those fees?

Mr SHAVE: If I could just add there too that what you must look at with these remote areas is that you have a responsibility in terms of degradation and how the land is preserved and in many cases these pastoral leases are not viable and people do get into difficulty and that is the nature of the industry at the moment with the way wool prices are and beef prices are but it is beneficial - because some of the people are running sheep - for the government to have someone actually in control of those land areas albeit that there is not much revenue coming back to the government. Some of the people running these pastoral properties are probably earning incomes in the vicinity of \$10 000 to \$15 000 a year and they are running these pastoral leases more for the lifestyle because they enjoy doing it and that is their background for a lot of them and it is in the government's interest to have those people there and if you try to charge an uncommercial rent all they would do is walk off their leases.

Ms MacTIERNAN: I agree with your analysis there but I would draw a very different conclusion from it. It is a very different perspective on a lot of the jumping up and down that we have about native title? We are basically providing a rural lifestyle, it is basically white land rights.

Mr SHAVE: When you talk about a rural lifestyle I would not glamorise it as being something that you would enjoy doing on a regular basis, member for Armadale.

Ms MacTIERNAN: Can you tell us who is on the new board that you have set up? Did you describe it as a board?

Mr SHAVE: The Pastoral Board are you talking about?

Ms MacTIERNAN: Yes. You were talking about this new board, the enlarged body. Can you give the title again?

Mr SHAVE: The Pastoral Lands Board is the title of the board. Max Cameron is the chairman of the board. I will take a supplementary to provide the full details of the members of that board.

Ms MacTIERNAN: As well as their background?

Mr SHAVE: As well as their backgrounds. It is a requirement on that expanded board that there is someone representing the environmental area and someone representing Aboriginal interests. That was not previously the case with the Aboriginal interests but that position was added as a result of the recent Act passing and I am told that the person concerned contributes very well on that particular board.

The CHAIRMAN: Minister, I just have a brief question once again relating back to page 808 under the heading output measures, quantity. I note that the number of land transactions registered is expected to increase by some 6 000 transactions in the target financial year. Many of my constituents who elect to effect their own conveyancing or settlements when acquiring or selling properties have often complained to me about the fact that they have to travel all the way to Midland for that purpose. Why did the government decide to build that facility at Midland rather than in a more central location?

Ms MacTIERNAN: In Joondalup perhaps.

The CHAIRMAN: Well, that would certainly be a more central location.

Ms MacTIERNAN: LandCorp is in Joondalup.

The CHAIRMAN: Minister?

Mr SHAVE: I am sure that that has crossed your mind that Joondalup would be a very good destination for DOLA and the work that the local member does in that area is certainly supportive of that but as far as why Midland was originally selected that is something the previous Labor Government determined and I do not want to discuss that or the political ramifications of that but it was decided that that is where the location would be and what we are trying to do in answer to your question more specifically is get more on-line technology so that people can actually do these transactions through computers out of their offices which will alleviate the necessity for them to actually have to travel to Perth and Mr Searle has advised me they can lodge their requirements in Perth, there is that capacity to do that.

Mr MacLEAN: The effect of the sale of Lakeside Joondalup is not reflected but what effect do you see is the sale of that property having on the speeding up of development areas such as Alkimos and other northern suburbs and areas. Other metropolitan areas have been ...(indistinct)...

[9.37 am]

SPEAKER: That would be under the Land Authority, would it not?

Mr SHAVE: Yes. It is under WA Land Authority.

Mr MacLEAN: Well, it is different. Different part of the budget.

The CHAIRMAN: I think that is included under the same division though.

Mr MacLEAN: It is under the same division.

The CHAIRMAN: We are dealing with Division 53. So, the question is in order.

Mr SHAVE: It is included under the division. Just to give you a rough overview of the West Australian Land Authority, what was determined when I took over as the Minister was that we had a review of the authority and the general recommendations, which I supported coincidentally, were that where possible the authority should not get involved too heavily in residential development. So, a lot of the joint ventures that LandCorp had been involved in with various developing groups in residential land have been sold off and what the authority's principal focus is at the moment is to establish a bank of industrial land which will provide the opportunity for people wanting to open businesses in Western Australia to have access to industrial land. It is a very, very important function.

You have had Canning Vale. When it was established 25 years ago it provided that land that the businesses needed. Now, Canning Vale is just about sold out and what the authority has been doing is working towards establishing another land bank of industrial land that will provide the capacity over the next 10 years for the Government to assist people wanting to set up businesses in Western Australia. What we are concerned about - and what I was concerned about with the finalisation of the sale of the Canning Vale land - was that if all the industrial land that was available and currently zoned was held by private owners or developers that they may well have that land to release but it may not have been on terms which the Government considered reasonable for businesses to open up here.

So, you may well have had the scenario where someone comes to Western Australia and says that they want to open up a particular type of business and operation to employ 100 people and requests information on what land is available. Then they will go to Victoria and ask Mr Kennett what he can offer. So, the Government has moved away from the residential area believing that Homeswest has the capacity to open up land when required and also that the private sector has plenty of land available to them for residential purposes. Over the next 3 to 6 months there will be a number of announcements made that will support the Government's desire to provide that industrial land for people wanting to open up.

As far as the sale of the half share in Joondalup shopping centre, that certainly improved LandCorp's capacity to operate and I would expect at 30 June this year that the \$100-\$120m overdraft that LandCorp was working on will be down to about zero

and the annual return of LandCorp this year, I expect, to probably be as good or better than any previous annual report that they have produced.

As far as the Alkimos land goes, LandCorp will not be selling that land but it will be released when the Government feels there is a need for it and on the terms that the Government of the day considers appropriate. At the moment there is not a need to release that land and we will just monitor it and future Governments will monitor the situation as well. I know it affects the member because it is up around his area.

Mr MacLEAN: LandCorp holds South Clarkson. Recently it went out to tender for other developments ...(indistinct)... To my knowledge there has been no takers and yet there is a requirement within the area for the town centre ...(indistinct)... envisaged in the overall structure. Is LandCorp now considering starting off the development of the Clarkson town centre in the same way it started development in other areas to ...(indistinct)... centre to private developers to move in and eventually take over the development?

Mr SHAVE: Well, I do not have the specific detail on South Clarkson in terms of where LandCorp is with super-lotting or getting agents to sell the land off. What I can tell the member is that LandCorp will not be doing at South Clarkson what they did at Joondalup. It would be far more preferable from their point of view - and I am not on the board but I know the general philosophy that the board is adopting - their attitude would be that if there is a demand in the area that private developers be encouraged to undertake that development and for the Government to assist in encouraging them to simultaneously provide the facilities that the member is talking about. Any developer. It is in their interests to do that when they open up a new estate. If there are no shops or general facilities there people are reluctant to buy blocks of land but as far as doing another Joondalup I do not believe that this Government will be involved in that in terms of putting funding into shopping centres. Certainly they will provide infrastructure in terms of roads and commitments for the generally government orientated services but this Government will not be doing another Joondalup at Clarkson.

The CHAIRMAN: On page 825 under the heading Western Australian Land Authority, at the very bottom of the page, there is reference to the Joondalup City North development Stages 1 to 5 and 7 to 8. Also over the page, towards the top of page 826, there is reference to residential city central lake side residential planning. Minister, why do you think that these two developments have been so overwhelmingly successful in the marketplace.

[9.45 pm]

Mr SHAVE: Mr Holt from LandCorp is not here to answer those specific questions so I will ask him to respond to you in the appropriate manner, but I will comment that that, having some knowledge of the area, the reason for that support is because of the public requirement. The price of land in that particular area and the demand for land is quite strong. People are wanting to live near the ocean. There are all the facilities up there and supported, I might add, by the local member. Apart from the tremendous input they get from the local member, it is a matter of supply and demand. The same principle that the board of LandCorp determined to sell its half share in the shopping centre; it had a view that the area was now strong and capable of being self-sufficient, if I can use that term, and I believe this strong growth, as the member mentioned, is reflective of the general standard and the general circumstances that are prevalent in that area at the moment.

Mr McGOWAN: Minister, I will get on to the Land Authority in a little while but going back to something the member for Armadale raised a little while ago about pastoral leases, I am not sure I heard you quite correctly. You said that the total rent for all pastoral leases in Western Australia is \$490 000 per annum.

The CHAIRMAN: Could you just refer to the page number again so that members may know exactly what section you are referring to?

Ms MacTIERNAN: It is page 824, two-thirds of the way down.

Mr McGOWAN: The total rent for the entire of Western Australia for every pastoral lease added together is \$490 000 per annum.

Mr SHAVE: Correct.

Mr McGOWAN: The costs involved, this gentleman here said, were \$780 000.

Mr SHAVE: Correct.

Mr McGOWAN: Can you tell us what is the entire area of pastoral leases in this state?

Mr SHAVE: 38 per cent of the state are pastoral leases and a very large percentage of that area has very limited productivity.

Mr McGOWAN: What does 38 per cent equate to in square kilometres?

Mr SHAVE: You will have to put that on notice.

Mr McGOWAN: I will ask how many hectares is 38 per cent of the state in terms of the area that are pastoral leases and what it equates to per annum per hectare in terms of rent.

Mr MacLEAN: Just on that, could I also have the percentage of that land that is arable?



Ms MacTIERNAN: And the same thing for the Native Title claims, white land rights.

The CHAIRMAN: If I could just return to the question, are you putting that on notice?

Mr SHAVE: I have some figures here. For the rest of the question that he has asked we will provide the information but the total area, the 38 per cent, is 951 300 square kilometres.

Mr McGOWAN: So 951 300 square kilometres is what you are saying and you will give us a breakdown of that. I can almost work it out from here. It is about 50 cents a square kilometre.

Mr SHAVE: I will make the point that if the member is concerned about why that rent is as it is, which would be similarly applicable to when the last Labor government was in, I would be more than happy for the member to meet with the chairman of the Pastoral Lands Board to discuss those issues because they make the recommendation to the Minister. The Minister just does not say that \$490 000 is fine. It is done by the evaluation of all of the leases in terms of their economic viability and by discussion and it is set upon that basis. It is not a matter of the government saying that looks like a pretty good figure. It is done by a methodical assessment of the capacity for those leases to be run. If the member has a meeting with the chairman of the Pastoral Lands Board to discuss those issues, he will be comfortable with the current situation.

Mr McGOWAN: I will just bring this to its logical conclusion. Minister, you are satisfied that 50 cents per square kilometre per annum is satisfactory rent?

Mr SHAVE: I am satisfied that the figures that are being set by the Pastoral Lands Board and have been recommended to me are reasonable and proper in all the circumstances.

Mr McGOWAN: Minister, in relation to that, what steps do you take to ensure that these leaseholders comply with their leases?

[9.52 am]

Mr SHAVE: I will let Mr Skinner comment on that further, but basically there are inspectors and it is done in conjunction with the Department of Agriculture. Some of them do comply. As I said, some of them get to the situation where they just cannot meet the expenses of maintaining the properties. In some circumstances paying the rents is a problem and we try to be as fair and reasonable as we can under the circumstances but ultimately if it gets to the stage where the people are at the point of no return and cannot comply then under the Act we have the capacity to take action and to fine them and to resume the lease as an ultimate solution if they do not meet their requirements. So having made those comments I will let Mr Skinner elaborate if he cares to.

Mr SKINNER: There are a range of issues being raised by the member that I think I should cover. One in particular is the impact at the moment that is being assessed by the Pastoral Lands Board of cyclone Vance, in addition to the other sorts of impacts upon the pastoral industry but certainly there are significant numbers of stations being affected in their infrastructure quite heavily and that needs to be considered in evaluating, in fact rent relief and although the rent may seem low some of these people in fact are having trouble even paying the basic rents they have. There are other opportunities to ensure that there is appropriate returns from the use of the range lands. Some of the pastoralists are being encouraged now under the new Land Administration Act and the new Pastoral Lands Board policies to actually consider diversification of the pastoral lands. Now if that is ancillary to pastoral uses they can do that as part of the pastoral operations but if in fact it includes areas which are non-pastoral and may include larger scale tourism, not full commercial tourism operations, or alternatively intensively developed horticulture which is not a pastoral grazing use they can apply to the Pastoral Lands Board for what is called a permit and will pay an increased fee for that specific use. So that then will come back into increased revenue to administer pastoral lands in addition to the \$490 000 which has been budgeted for this year.

The other thing that the Minister has already touched upon there is a service level agreement between the Pastoral Lands Board and Agriculture WA in respect to the responsibilities under soil conservation and range land management. They provide a pastoral review or oversight mechanism and that includes physical on the ground activities and also monitoring through other forms. That is being reviewed at the moment. That service level agreement is being renegotiated. The Pastoral Lands Board are looking for increased services and DOLA itself is negotiating a service level agreement with the Pastoral Lands Board which in particular from Grahame Searle's area of service delivery will include far greater use of air photography and satellite imagery to monitor the range land.

Mr SHAVE: I think I touched on it previously but I would point out that if a lease is not viable and gets to the stage where it is not being serviced at all by a person on it or the person walks off and goes broke, as often happens, then that run down lease with regard to vermin and everything else affects all the other people in the industry. So it is critical from the government point of view to try and endeavour to at least see that some of these arid areas are kept in a reasonable condition and when I say reasonable I am saying in a very basic condition.

Ms MacTIERNAN: What we are doing with land rights just seems to be - - native title when you look at this, it is a disgrace. You have got all these Aboriginal groups wanting to go into these areas.

Mr SHAVE: Mr Chairman, I am prepared to respond to that. Native title is a disgrace and sooner or later - -

Ms MacTIERNAN: It is a disgrace that you are.

Mr SHAVE: - - the sooner the Labor Party realise how stupid they are we will get something done.

Ms MacTIERNAN: It is just that the industry is unviable.

Mr McGOWAN: Minister, you indicated that sometimes the department has the right to fine or resume leaseholds that are not complying with the terms of their leases. Now I have heard of some leases that have undertaken tourism projects, have you fined any or resumed any on that basis or in total?

Mr SHAVE: I do not have the exact details here but the recommendation has come forward on a number of leases and in fact some of them have been leases run by Aboriginal groups and I have always taken the attitude that it should be as a means of last resort to do that. There is a recommendation before me at the moment in terms of fining a number of pastoral lessees and that is under consideration right at this time. Since the new board has been in place that is an issue that they have addressed and will send a recommendation up to me to fine some of these people and we are looking through all of those issues.

Mr McGOWAN: Can I just clarify that? So it would be honest to say that you have not resumed or fined any leaseholders at the moment?

Mr SHAVE: I do not have that detail in front of me but I will get that detail for you.

The CHAIRMAN: By way of supplementary information or a question on notice? Which would you prefer, member?

Mr McGOWAN: Supplementary information.

Mr SHAVE: You want for the last 12 months, do you not?

Mr McGOWAN: Well, since you have been a Minister this time, not last time.

The CHAIRMAN: That is noted.

Mr McGOWAN: Minister, if I could just ask in relation to these leaseholders how many of these leaseholders pay no rent?

Mr SHAVE: I do not have that figure in front of me but I would suggest none. They would all pay rent but in certain circumstances if there was legitimate hardship, natural disasters we may well waive it.

Mr McGOWAN: Can you pass on the details of how many leaseholders are not paying any rent and on what basis?

Mr SHAVE: I made the point to you that they are all required under their leases to pay some rent.

Mr McGOWAN: You said that some are not paying rent on the basis of hardship, you may waive the rent, I was wondering how many are having their rent waived.

Mr SHAVE: What relief we have given people?

Mr McGOWAN: Yes, how many and on what basis this relief is being provided.

The CHAIRMAN: That will be provided by way of supplementary information, Minister?

Mr SHAVE: Yes.

Mr McGOWAN: In relation to those you indicated that you are currently investigating some in terms of fining or resuming their land, can you advise us as on what basis they are being investigated?

[10.00 am]

Mr SHAVE: Well, the basis would be as a result of inspections being done by the people from DOLA or from Agriculture WA and having found that certain things were not being met according to the terms of the lease and that recommendation, I think, is up in my office at the moment for determination. Some of the fines apply to non-compliance with forwarding statutory returns that they are required to send in to us. So, the combination of both.

Mrs HOLMES: Under capital works program on page 825, I notice that LandCorp still has an interest in the land in Atwell which is in the seat of Southern River and I wonder if the Minister would be kind enough to tell me if there is any other land owned by LandCorp that they are going to release down there - or whether LandCorp has actually finished with all their releases there in that particular area - and also what plans, if any, are there to build the shopping centre down there.

Mr SHAVE: Well, the point I made when I was questioned by the member for Wanneroo was that we do not anticipate building any more shopping centres. I am not sure of the land that is available down in Attwell. The amount of land that LandCorp currently holds - -

Mrs HOLMES: Would I be able to perhaps have that - -

Mr SHAVE: Yes. We will provide that information for you.

The CHAIRMAN: By supplementary information.

Mrs HOLMES: Thank you. Regarding the shopping centre, I know that LandCorp actually own the land that they are proposing to build the shopping centre on.

Mr SHAVE: Yes.

Mrs HOLMES: Could the minister advise what is the actual status of the Atwell shopping centre land?

Mr SHAVE: Well, what LandCorp would do is put it out for either auction or tender and allow a private development. When that residential land is built on we would put it out for tender and see what the private sector was prepared to do but we would not be putting the capital in to build them a shopping centre as the previous Government did in Joondalup.

Mrs HOLMES: I understand that, Minister. Thank you very much.

Mr McGOWAN: Minister, the Land Authority's total capital works budget for this year \$161m. Is that correct?

Mr SHAVE: Yes.

Mr McGOWAN: In relation to works in progress, pages 825 and 826 details all of the major projects under way, including Joondalup, Carnarvon, Bunbury, Albany and Joondalup again and again. Then it details new works in which it mentions Exmouth and then a range of industrial and acquisition works that you are undertaking but it does not detail what they are.

Mr SHAVE: Yes.

Mr McGOWAN: Would you be able to provide me now with details of what they all are, and how much is being spent on each of them and where they are located, or can you provide that by way of supplementary information.

Mr SHAVE: I am not sure that LandCorp would necessarily want to divulge that information in specifics at the moment. Not because they would have any concern about what they are doing but they are in direct competition with a number of groups in relation to some of that industrial land and I have had discussion over the last 2 weeks about one particular site that they have tendered for. So, having said that, whatever information they are prepared to make public at this time I am happy to give it to you but if they are in the process of tendering or negotiating some land which they would prefer not to be doing on an open basis then I think the member would have to respect that it may well be in the Government's interests not to discuss that at this time publicly. There is some Government land and there is some private land that they are tendering for and it may well be that the private sector will not be happy if the Government wins those tenders for those land.

Ms MacTIERNAN: Page 810 mentions the issue of naming of features and street addresses. I want to ask some questions about your policies and practices in relation to changes, names and suburbs. As Mr Skinner would know, this is a matter of considerable controversy in our area and a name change was approved in one particular suburb obliterating the suburb on the request of a developer without there being any adequate consultation at all with the community. That became a subject of considerable controversy. I am talking about the Wungong situation. What practices are you now putting in place to make sure that, in fact, there is proper consultation with the local community? Do you just take the local authority's word at face value that there has been consultation or do you, in fact, look behind to see what consultation has, in fact, taken place?

Mr SHAVE: I thank the member for Armadale for the question and contrary to her view that I do not normally involve myself in these particular issues I had some concerns about what was happening with regard to the naming of streets and the changing of names and I have asked the committee to look at all the processes on how consultation takes place and with a view to ensuring that as wide a consultation as possible takes place. In fact, when any recommendation comes up to me that something should be changed I then get a further check made by the department to ensure that what the authority and what other people are telling us is what the general community want. I do not think it is to anyone's benefit if the actual people living in the area are not consulted and are not given the right to a view. So, we are looking at those processes and in fact I believe on two or three occasions over the last 12 months there may well have been recommendations for changes coming up to me that we had not agreed with. We told them to have another look at it and to speak to some more people.

[10.07 am]

Ms MacTIERNAN: Just two more points on this policy, one of the issues that we have is suburb A wanting to be incorporated into suburb B because it is seen as being an enhancement to property values. So there may be a situation where a portion of suburb A feels that it would be advantageous to be part of suburb B, but suburb B do not want suburb A to be incorporated into it. How do you deal with the situation where there is overwhelming support from suburb A and no support from suburb B?

Mr SHAVE: That is for the committee to determine.

Ms MacTIERNAN: Ultimately it is your decision.

Mr SHAVE: My view is that unless you have the two areas agreeing, unless you have some form of consensus, then you should not force on people something they do not want.

Ms MacTIERNAN: So you would require both - -

Mr SHAVE: When you say I would require - -

Ms MacTIERNAN: You are the Minister.

Mr SHAVE: I know. I have said my preferred position would be that there is consensus there. However, if there are a number of other factors put to me, for whatever reason, that I should consider then I would consider that. If you are trying to tie me down - -

Ms MacTIERNAN: No, no, seriously, Minister - -

Mr SHAVE: I thought you might have been.

Ms MacTIERNAN: I am not trying to trick you. There are plenty of things we can actually trick you on. So you would, as a matter of principle, consider it important to ensure that proper consultation had taken place with both sides of the equation.

Mr SHAVE: Yes.

Ms MacTIERNAN: That is what I wanted to know. There is another issue on the same point. For example, a group of people wanted to convert their part of Armadale into Bedforddale and that was not desired by the people of Bedforddale, so proposal number 2 was to add something to the name of Armadale - and I will discuss this with Mr Skinner - such as Mt Armadale or Armadale Rise, which has the advantage of keeping the historic connection but providing these people with a degree of differentiation they believe is appropriate for that side of the tracks. Your department seems to have a policy opposing that sort of solution, yet we have Fremantle, East Fremantle; we have Claremont, Mt Claremont. What is the logic behind opposing that sort of minor name change?

Mr SHAVE: I will let Mr Skinner answer that but I would suspect that it would be to do with the administrative aspect; for example, people wanting to set up different shires once the suburb name has been changed to South Fremantle or East Fremantle. That may well be the next step that they require. In all of these issues I would have thought that the department would talk to the local members and get their input and views on when these changes are proposed. I do not know whether or not that is the case but if that is the case perhaps Mr Skinner has a view on why they do not support it.

Mr SKINNER: Some of the issues as touched on by the Minister are some administrative considerations, in particular, from some of the so-called servicing type authorities. Australia Post and people like that have some particular concerns about names which are slight variations to other names. There are some naming conventions that have been developed across Australia and I know sometimes rules are labelled bureaucracy but there are certain naming conventions that have been developed over the years and some of the practices of the past are no longer represented by Best Practice. As the Minister has said, there is a commitment by the Geographic Names Committee to consult wider than they have before and to take into account the divergent views and not just one proponent to a name change and it will be far more comprehensive in the consultative process.

Mr JOHNSON: On this subject, do not the local shires play a fairly important part in any possible name change of a suburb? I thought it had to originate through them; through the residents, through the city, the shire.

Ms MacTIERNAN: They do not always get it right. That is the problem.

Mr JOHNSON: No, I am not suggesting they do, but I thought they had to play a part in that process.

Mr SHAVE: They certainly do, and they play a significant part because they are obviously the local shire. The member for Armadale commented that what the shire thinks is good for the people, the people do not necessarily think is good for them. You could well have a development going to a shire and convincing seven out of 12 councillors of all the advantages of why they should do that, how their rates are going to go up if they change the name, and how it is going to be beneficial in terms of income for the shire. You may have half a suburb out there that does not agree with that. That is the point.

Ms MacTIERNAN: I do believe we must consider again whether or not we will allow a minor change because, as I say, when people are told they cannot do this, they ask why is it acceptable in the western suburbs, why can we have Claremont and Mt Claremont, Perth and East Perth, but we cannot do the same thing in Armadale. In terms of Australia Post, with postcodes, for example, all these areas would have the same postcode. We did it with Mt Nasura. They kept the same postcode. Already in Armadale you have got about three different names of suburbs that have all got the same postcode so from an administrative point of view it will still be 6112. As a practical matter it is not going to affect Australia Post.

[10.14 am]

The CHAIRMAN: And the question, Member?

Ms MacTIERNAN: Well, the question is, are we prepared to reconsider what appears to be a fairly strong policy by the department against adding something like Mount Heights East so that we can keep the basic integrity of the suburb without dividing it up into a whole but allow some degree of differentiation that service people's aspirations?

Mr SHAVE: I am happy to pass back the views of the member of Armadale to the community and for us and ask them to evaluate the point she has put forward and for them to give me some advice and I will give her advice as a result of that.

The CHAIRMAN: Minister, does the Geographic Names Committee have any role in the naming of A class reserves or not? Perhaps you could assist me.

Mr SHAVE: Parks, generally, are a local government responsibility but there are certain standards that we require and if they nominate a name, we would have to approve it.

The CHAIRMAN: So, ultimately, does the department have to approve the change of name or the new name for an A class reserve?

Mr SHAVE: Well, I am not sure of the legal technicality, whether it does or it does not, but I would think it would have to be done by consultation because if the department was not prepared to put it on the maps it would be a bit difficult for the people to find the reserve.

The CHAIRMAN: It is just that much has been said this morning about concerns about the lack of appropriate community consultation when it comes to naming suburbs and streets but I am aware of a great deal of concern several years ago involving the naming of an A class reserve in the Ballajura area. I cannot recall the full name of the reserve or the park. I think it was called something Burke Park or reserve.

Mr SHAVE: Brian Burke Reserve.

The CHAIRMAN: Is that what it was called? I see.

Mr SHAVE: I do not know. I was asking you.

The CHAIRMAN: Well, I think that was the name but I am aware there was a great deal of concern following the use of that name in relation to that reserve.

Mr SHAVE: And was it the Brian Burke Reserve?

Mr MacLEAN: Yes, in Balga.

The CHAIRMAN: In Balga, was it?

Mr MacLEAN: Yes, Princess Road, Balga.

Mr SHAVE: Apparently the government of the day determined that that would be the name and it was not the name that was supported by the Geographic Names Committee.

The CHAIRMAN: That is unfortunate.

Mr JOHNSON: Talking about naming reserves and parks and all the rest of it, I thought the normal practice in most countries and even here in Australia was that you normally did not name a reserve or a park until somebody was dead; somebody that achieved some very height in their career or their public life and once they died you named them. Is it not inappropriate that we should name parks and reserves after people - -

Mr SHAVE: I do not know. It is obviously something that is taken into consideration but I know in my own electorate they have a reserve called Shirley Strickland Reserve and Shirley Strickland Park and as the member for Rockingham has pointed out, they have had the Jim Clarko Park or Reserve and the Brian Burke Reserve, so I guess on occasions the government of the day does make those decisions.

Mr JOHNSON: And even get it wrong in some cases?

Mr SHAVE: Well, that is always open to debate. The member for Rockingham would not perhaps feel that a reserve named after Jim Clarko should apply but people out in Marmion know what a terrific local member he was and they would totally support something recognising his wonderful efforts. I think there is a Richard Lewis Park down my way. I am not sure. And there is the Graham Farmer Freeway.

The CHAIRMAN: Members, are there any further questions concerning any of these divisions? The member for Rockingham.

Mr McGOWAN: Minister, a little while ago you raised the issue of Canning Vale and how it was fairly full - it is a 25 year project - and you said something about the government is going to make an announcement in respect to another industrial development. Is that correct?

Mr SHAVE: It is my view that LandCorp will negotiate some further industrial land within the next six months which will ensure that there is an ongoing supply for the next 10 years for people wanting to develop businesses on industrial sites in Western Australia.

Mr McGOWAN: And, Minister, are you referring to an expansion of Canning Vale - -

Mr SHAVE: No.

Mr McGOWAN: - - or to some other developments?

Mr SHAVE: Two other sites that they are looking at at the moment.

Mr McGOWAN: And which sites are they?

Mr SHAVE: One is in a tender process at the moment going through a due diligence and until that due diligence process and the contract has been finalised, it would be better I did not comment because it has been quite competitive between LandCorp and some private developers wanting to get their hands on the land. What you have got to do with industrial land is realise that the state has got two functions and one particular function is to make sure that there is adequate industrial land at a reasonable price available and that is where LandCorp is focusing at the moment in view of the fact that we had - - the Canning Vale land is principally all sold now and all used. We are looking at two other sites. We are also going to take a longer term strategy in terms of developing up a couple more sites but in the short term, the immediate short term, to actually get industrial land approved you have got to go through a lot of environmental processes. You are probably looking at a two to three year process so there are a couple of zoned industrial sites available at the moment that are zoned industrially and they are currently being negotiated for purchase by the government.

[10.22 am]

Mr McGOWAN: Are you referring in respect to one to the Minister for Planning plans for the Kwinana Industrial area? Is that one of the ones you are referring to because it is no secret, you can tell us? I am sure that no one regards that as a major secret.

Mr SHAVE: No. I will let you know where one of the areas is, it is a Westrail Forrestfield site, we are looking at negotiating purchasing some of that land off Westrail and there is a site in the southern suburbs which is already zoned industrial which is not on the Kwinana strip. It is some industrial land down there that a private group have decided to sell about 70 hectares and we have tendered along with about four or five other developers to purchase that land off the people.

Mr McGOWAN: So not in the vicinity of the Kwinana strip?

Mr SHAVE: It is down that way but it is not right on the Kwinana strip as I understand it.

Mr JOHNSON: Minister, with LandCorp's land holdings and possible developments in the near, middle and for the future -

Mr SHAVE: If I can just interrupt, I make the point member for Rockingham that with that land they are tendering for down there if they put the right sort of industries on the land there is going to be a lot of jobs there for people in that area and if you talk to people like the member for Peel if that particular land is in his vicinity he and the member for Cockburn I think will welcome the government getting involved in purchasing that particular land because it may well be that if it is done by the private sector they will only release a bit of it for development, keep the price up and you might find that industries that should have established there and provided jobs will be established there in 15 years time rather than in two to five years time. What the government does not want to do is to see that all industrial land is locked up with private developers and that they might choose to drip feed the community to keep the price up and cause industries that want to open up to go to the eastern states. Now, I am not saying they will do that but companies are inclined to be profit driven and they will sell their assets when they are going to get the top dollar and may not consider the sorts of issues that the government needs to consider.

Mr McGOWAN: Minister, in view of your new found socialist view of the world how does that comply with national competition policy?

Mr SHAVE: It is not a problem with national competition.

Mr McGOWAN: Well, it is. If you are saying you are selling land not at market rent in competition with other providers that would not comply with the principals laid down in national competition policies.

Mr SHAVE: The national competition policy is an interesting thing, it depends how you read it. What the national competition policy requires as one of the guidelines is that whatever you do must also be weighed in terms of the public interest and that is very fortunate that you have that capacity to do that and the point I have made to you is that if the government is prepared to put itself in the position to provide industrial land at a reasonable price which will encourage development of industries then that complies with national competition policies.

The CHAIRMAN: Just on that point, if for example the government adopted the reasoning of the member for Rockingham, you would think using that reasoning it could be argued that Homeswest should not be involved in residential housing?

Mr SHAVE: I was not going to use that but that is specifically why Homeswest has a large land bank of residential land because if you go to developers that decide they were not going to open up any land and were going to push the prices through the roof for their own personal profit then Homeswest is in a position where it can open land up and we think that is a good scenario. What we have done is consolidated in allowing Homeswest to do that now and saying they have got that social function. LandCorp does not need to be in that area but with industrial land someone has to be able when it is necessary to provide land. There would not be a government in the world that does not want to encourage businesses to come and open up and develop.

Mr McGOWAN: I do not necessarily disagree with that, all I was asking you was if you had assessed it as I expect you are required to under national competition policy.

Mr SHAVE: Yes.

Mr McGOWAN: You have assessed it under that policy?

Mr SHAVE: Yes, we have and we would at all times but I make the point to you that public interest is very good with national competition policy because it does give you the opportunity to do that.

Mr McGOWAN: A while ago I asked you about the details of all of these developments under the Land Authority and the cost and locations of them and you said you would pass me on the information bar those that are extremely confidential.

Mr SHAVE: That are currently being negotiated in terms of tendering and offers.

Mr McGOWAN: Can I ask you to give that to me by way of supplementary information?

Mr SHAVE: Yes.

The CHAIRMAN: That is noted, Minister.

Mr McGOWAN: If I can just raise one last point on the Land Authority, the Challenger Industrial Park in Rockingham which is being constructed, it is on the seaward side of Patterson Road as you enter Rockingham, is empty and has been now for I think two years. What is your intentions in regards to this park? The one on the other side of the road has very little development in it. Do you have any intentions in relation to these developments to try and beef up what goes in there in order to use them in a different way because at the moment what they are doing is they are just sitting there with nothing happening and they do not seem to be being taken up. There seems like there is a lot of that sort of light industry, service commercial type land around and this land is just excess to requirements.

Mr SHAVE: We met with the Shire down there, I think six or 12 months ago. We had a meeting down there, it was either a regional or Cabinet meeting or a Party meeting. I think it was a regional Cabinet meeting and we met with the Shire and they expressed that view that you expressed and we had a number of people and I asked the people from the lands area to continue to liaise with and the chief executive and the chairman to see what they could do to resolve the difficulties they were having down there. I think the proposition was put by the shire at the time that perhaps the cost of the land was too high and of course what the land authority has to do is weigh that cost against what it costs to produce the land, because they have to be careful that they are not in the business of developing and then selling land off to private developers at a significant loss. So I think that is part of the problem, but as far as those negotiations and discussions have gone, I am not aware of what decisions have been made. The shire raised it. We had meetings with groups afterwards and that was one of the issues that the shire raised with me, and I asked the people from the authority to look at the issue to try and assist to get some development down there.

[10.29 am]

The CHAIRMAN: The member for Hillarys.

Mr JOHNSON: Thank you. I will finish the question I started to ask a little while ago, in relation to Bushplan. Bushplan is obviously causing a problem to a lot of private landowners, to commercial landowners, to State Government department landowners with land vested in them. With the development potential that LandCorp take on board - not only residential but industrial - what effect is Bushplan going to have on LandCorp?

Mr SHAVE: I am not sure of the exact area of land that LandCorp holds that is affected by Bushplan. Bushplan came up earlier and Monica asked exactly the same question that you have asked and I made the point that there are significant areas with regard to Bushplan. My view of Bushplan is that what should happen very quickly is that those areas that have been identified as a requirement under Bushplan - negotiations should take place with the private owners that own the land to see if they can actually get on and do what they want on their properties and, by negotiation, set aside some of their land, which people do anyhow, to try and facilitate Bushplan and the people promoting Bushplan being comfortable with it. I do not think Government is ever going to have the money that is going to be required under Bushplan to buy the land they have outlined they are going to want. Therefore, what you have to do is say to the private landowners, "We are happy for you to get on and do your development providing you set aside this, this and this in the development to recognise the species and the bushes" and everything else that people worry about in the particular area. I have in fact written to the Planning Minister because I had one of my constituents who was affected by Bushplan come in last Friday and I am taking that issue up with Graham Kierath to see if we can get a unit or someone to start negotiating with these private owners so that people can get on and develop their properties. I do not want bureaucrats tying up people's land for the next ten years and we then find we have a shortage of residential land or anything else because people have done nothing with a concept that looks good.

The CHAIRMAN: Minister, page 815, there is a list under the heading Non-current Assets. I am just curious as to what the department's policy is when it comes to selling land that LandCorp has developed by improvements such as a building or a club of some description. Does the department have a policy in terms of when to sell land that it has developed? When I say developed, land it has subdivided and built something on top of. Perhaps it is more of a question relating to LandCorp's responsibilities.

Mr SHAVE: There would not be a lot of land that LandCorp owns that they have actually built anything on, other than a shopping centre and the Phillip Pendal Memorial Picture Theatre. Other than that, they are just starting the business of building things.

The CHAIRMAN: I suppose it depends on which Government we are referring to. It is just that I can recall that several years ago when the body known as the Joondalup Development Corporation built or developed the Joondalup Golf Course subdivision, which included the Joondalup golf course. Many people who were induced to purchase land in that subdivision did so because they were told that they would have free and unfettered access to the golf club, membership rights, etcetera. Then notwithstanding that of course, the previous Labor Government simply sold the golf course to a private Singaporean interest and of course the residents to this day are very upset and angry indeed about that. Are there any ways of ensuring that when major sales of that kind are effected that the community is consulted first to determine what their views are regarding the merits of the sale?

Mr SHAVE: I would hope the community is consulted but I go back to the previous point I made; that we might look at the concept of putting roads in, but I do not think there are many buildings that LandCorp currently owns, other than their office out in your area. I certainly would not be encouraging them to be doing things the private sector should do. As the member for Armadale would understand, that is normal Liberal Party philosophy not to be socialistic.

Ms MacTIERNAN: I remember when you used to build hotels and butcher shops.

[10.50 am]

**Division 54: Fair Trading, \$9 835 000 -**

[Mr Baker, Chairman.]

[Mr Shave, Minister for Fair Trading.]

[Mr P.J. Walker, Chief Executive, Ministry of Fair Trading.]

Mr M.K. Eaton, Manager Finance and Assets, Ministry of Fair Trading.]

[Mr C.W. Mitchell, Policy Adviser to the Minister for Fair Trading.]

Mr SHAVE: Mr Chairman, I would like to just make some opening comments before we start. The member for Armadale is very active in this particular portfolio at times and does not always get her comments correct but I would like to point out that this particular ministry administers 45 Acts of Parliament. It responds to 3 500 telephone calls per week from consumers and businesses regarding their rights and obligation. It responds to approximately 900 calls per day regarding the register of encumbered vehicles and business names branch. It receives 7 500 formal complaints per year. It administers 6 000 licences and regulates nine separate industries. It supports 12 regulatory boards and advisory committees and it issues 108 publications each year.

Now, having pointed out the diverse areas that the ministry covers, I would hope that if the member for Armadale has got some questions to ask that if we cannot give the specific detail of those questions, if they are detailed questions which I do not have the answers to in front of me, the member for Armadale will be patient enough to realise that any of those questions that are detailed will need to be put by way of notice or by way of request and we are quite happy to get that detail for her. I do not want this session to turn into one of her usual objectives of suggesting that my advisers here do not understand what they are doing because she asks some detailed question that a normal person would understand should be put on notice or requested in a written form, or people should be given a reasonable amount of time to compile the information.

The CHAIRMAN: Yes, Minister. Just to kick off the session, I have a question relating to page - -

Ms MacTIERNAN: Excuse me, Mr Chairman. Before you start that I wonder if I can just respond to make a personal explanation given that certain criticisms have been raised here. I mean, I will not take very long. I just want to make the point that last - -

The CHAIRMAN: Well, just on that point, I will have to rule on that point because that is unusual. I am not aware of any personal explanations being given in estimates committee.

Ms MacTIERNAN: Are you aware of any other estimates hearing where the Minister commences the proceedings with an attack on the Opposition.

The CHAIRMAN: Just let me finish, please, member. It is usual for Ministers, if they so desire, to make a brief statement before the commencement of an estimates committee hearing in respect of a particular division. As I see it, that is all that the Minister has done at this stage. I do not think the Standing Orders - -

Ms MacTIERNAN: You did not hear the criticisms that were directed at me in that statement?

SPEAKER: They were not criticisms. I think you are very sensitive about it.

The CHAIRMAN: Members, the purpose of the committee, of course, is to ask questions relating to relevant matters under the relevant divisions. Could members please confine themselves to asking questions of that kind. Are there any questions concerning Division 54?

Ms MacTIERNAN: Yes, I do have some questions. Thank you. Just in response to the comments of the Minister, I would like to say that it is about time that the Minister actually turned up at some of the other estimates hearings, had a look at health, had a look at Aboriginal Affairs, look at the actual - -



The CHAIRMAN: Member, what is your question please? If you could perhaps ask a question.

Mr SHAVE: They are not my portfolios.

Ms MacTIERNAN: No, I know they are not your portfolios and for a very good reason. Their staff turned up with reams of information - -

The CHAIRMAN: Order, members.

Ms MacTIERNAN: - - and were able to ask very - -

The CHAIRMAN: Order, members. Are there any questions concerning Division 54?

Ms MacTIERNAN: Yes. I have a question, thank you. Page 484, relating to budget allocations, I note that there is a 12 per cent decline in the amount provided to fund the outlays. That is, just to make it clear to the Minister, that your CRF allocation has actually declined by some 12 per cent. I am wondering if you can explain why that is.

Mr SHAVE: I am quite happy for Mr Eaton or Mr Walker to respond to that; whoever would prefer.

Mr WALKER: Mr Chairman, essentially the major factor for that is that in the 1998-1999 estimates there is a provision for \$1m for voluntary severance payments that may arise as a result of the restructure which the ministry is undergoing. That is a one off payment in respect of 1998-1999. The recurrent budget for 1999-2000 therefore indicates that \$1m variation.

Ms MacTIERNAN: Were those severance payments made?

Mr WALKER: About 11 people have taken up voluntary severance at this stage. The amount, I think, from memory is around \$590 000, that is by way of a cash advance arrangement that has been made with Treasury. Whatever sum of money is used for voluntary severances will be repaid over time.

[10.58 am]

Ms MacTIERNAN: That strikes me as somewhat puzzling because having gone through the document in some detail each of the listed agencies appears to have exactly the same FTE level as it did last year. Have we made people redundant and then just re-employed other people in their positions?

Mr WALKER: In some cases that has occurred because as a result of the restructure positions have changed, so there are new positions. For example, there were four directors at the Ministry, they had particular roles and titles. In the new restructure there will be different roles and titles but there will be the same number of positions.

Ms MacTIERNAN: So what has been achieved for this \$.5m of taxpayers money?

Mr WALKER: It has enabled the restructure to align the organisation with a strategic plan which was adopted in April of 1998.

Ms MacTIERNAN: That could not have been done with existing staff?

Mr WALKER: No, there are a number of new roles, new positions, a mix and match of various skills, etcetera.

Ms MacTIERNAN: Just on that same page I note that we have got an office fit out of something in excess of \$2m. Now 20 per cent office fit out represents over 20 per cent of your total departmental budget. Now I presume that you are relocating premises. Do you think that spending 20 per cent of the departmental budget on office fit out is appropriate?

Mr SHAVE: Quite clearly we would not be doing it if we did not think it was appropriate but in terms of the actual detail I will allow Mr Walker to explain that to you because you have been perceptive enough to ascertain that the Ministry is shifting and Mr Walker will give you the justification.

Mr WALKER: The Ministry is relocating from its current offices in Hay Street, East Perth to premises at 219 St Georges Terrace. The actual amount of the relocation is, as the member for Armadale has indicated, and was actually provided as a capital cost from Treasury, so it will not have any impact on our recurrent funding for our day to day operations.

The CHAIRMAN: Looking at the new premises I gather there must be a fairly long term lease proposed or a long term lease with substantial long term options to renew so to speak. Can you perhaps provide some information on that?

Mr SHAVE: If I may interject perhaps what you might do is let the member for Joondalup know the philosophy behind the reason for relocating and the benefits that are applicable.

Mr WALKER: The lease arrangement with the new premises is for a 10 year period, so it is a long term lease arrangement. All of the staff at the Ministry are very much looking forward to the shift, as indeed are customers according to indications in the result of a survey we undertook. The new premises will be more central, they will be easily accessed by way of public transport, also carparking is easily available. We are centrally located very close to the bus port, for example, and other facilities but more importantly what it does give is an opportunity to bring various parts of the organisation together. We will be consolidating our business names branch and bringing them in as part of the organisation so that all of the Ministry will be in one building apart from the Trade Measurement Unit which needs to be based in Osborne Park because of the

particular measuring equipment that they require. One of the major features and one of the things that we are looking forward to is a one stop shop approach, a large customer focus area on the ground floor which will be able to attend to 90 per cent of our customers inquiries.

The CHAIRMAN: Excellent. Are there any further questions?

Ms MacTIERNAN: If you could just explain how the customers indicated to you that they would like you to move to St Georges Terrace?

Mr WALKER: As part of the relocation, when the lease was coming due, we canvassed and surveyed existing customers, the Ministry - -

Ms MacTIERNAN: Who are the existing customers?

Mr WALKER: People who came to see us in our current location and also some telephone advice people as well. We asked them what were the key ingredients - we did not ask them which particular building we should relocate to - and what was important to them. They indicated things such as, for example, easy access, access to public transport and those types of things.

Mr MacLEAN: Page 484, significant issues and trends, dot point 1, continued commitment to the national competition policy. What role does Fair Trading play with the national competition policy?

Mr SHAVE: I am quite happy for Mr Walker to answer that but under the national competition policy and the agreement with the Federal Government we are required to look at all of the Acts and areas that we administer which I commented about the diverse number in my opening comments and we are working through those particular areas as required under the Federal legislation.

Mr WALKER: The Ministry is actually required to review 17 Acts of Parliament as a result of the national competition policy. Those reviews are required by June 2000. All of those reviews are on-line and we anticipate that we will conclude all of those. Some have already been completed, some are ongoing and some are programmed for the next financial year. They include the Motor Vehicle Dealers Act, the Hire Purchase Act, Painters Registration Act, Finance Brokers Control Act, the Credit Act, the Credit Administration Act, the Employment Agents Act, the Land Valuers Licensing Act, the Retail Trading Hours Act, the Auction Sales Act, the Travel Agents Act, the Real Estate and Business Agents Act, the Settlement Agents Act, the Debt Collectors Licensing Act, the Builders Registration Act, Home Building Contracts Act and the Credit Act of 1984.

Mr MacLEAN: How is this going to affect boards and industry based panels that Fair Trading has some broad input to such as newspaper agencies? There is a restriction currently on the distance between newsagencies. How would National Competition impact on that?

[11.05 am]

Mr SHAVE: All of those boards to which you have referred, if we could just go back to the boards, come under one of those various Acts. As part of the review, the review would look at the effectiveness of that board, whether it was necessary to have it, whether it served a particular purpose, whether it should be varied. In terms of deregulation - for instance, retail trading hours which is under review at the moment as required under the National Competition policy - they would look at that, they would make a recommendation to the government and the government would then assess whether they were going to support the recommendation put forward. Now, as I mentioned earlier in the lands discussion, the government would look at areas of public interest and all of those sorts of issues would be dealt with. If we were talking about totally deregulating pharmacists, newsagents, taxi drivers, although that comes under Transport, all of the issues would be debated, whether it is in the public interest, and then a decision would be made. That is why we are working through all these Acts at the moment.

The CHAIRMAN: I have a follow up question. When the impact upon the public interest is assessed in respect of any recommendations, in this case in relation to the review of the retail trading hours Act, does the department take into account the position on the issue, for example, of small business groupings in the community?

Mr SHAVE: Yes, but National Competition policy generally is a view consumer-driven, what is in the public interest as far as the average person is concerned. Now, in respect of deregulating trading hours, there are many issues to take into account; the effect it will have on small business, whether it will improve the position that the larger supermarkets have, how it will affect the capacity of customers to buy, in terms of competition the availability for the customer. For instance, if we deregulate trading hours totally will we wipe out a lot of small supermarkets and a lot of small delicatessens that are central to a retirement village? All of those issues must be taken into account and evaluated by the government. Having looked at those issues, we would look at the effect that deregulation has had in other areas and how it has affected businesses. Quite clearly if deregulation has a severe impact on small businesses and if businesses are closed down, then that must be a public interest that the government takes note of.

Mr MacLEAN: On this issue, does the department have any input back to National Competition policy regarding concerns about some of the broad recommendations National Competition have come down with?

Mr SHAVE: I believe there is general concern in some areas that National Competition policy can sometimes be a little bit black and white and does not take into account a lot of the issues that the public are concerned about and certainly as far as the current government in Western Australia is concerned we would want to be very thorough and very sure that any decisions or changes made were in the general public interest, taking into account all of the issues that are involved. I hear people say "If you just open up and have 24 hour trading seven days a week, that is going to be great for the public" but if you say to the public "Do you realise that will require that additional staff are there for longer periods, there will be far greater overheads in terms of electricity, and ultimately that could well cause you to pay higher prices? Do you think that is a satisfactory situation?", many people say "No, I think if you are going to make decisions you should take all of those issues into account". So that is what is being done at the moment. There is an independent committee looking at it. I will look at the recommendations that come forward and then the government will make a decision based on that.

Mr MacLEAN: Are there any plans for the Ministry to investigate the companion legislation to the federal legislation about competitive pricing?

Mr SHAVE: I believe there is a very big need for legislation in this country to be similar to legislation in America. If you are talking in terms of monopolies, I have a very real concern that the national legislation in this country is not strong enough to cause a situation where monopolies are kept under some sort of scrutiny. I would like to see American legislation which recognises that monopolies that exist can be anti-competitive and I would like to see some changes to the federal legislation here. Now, a national inquiry was held last year into the effect in the retail sector and I believe some of the recommendations there are that the legislation should be made and I would want to see those changes take place. They talk about very often people who suggest that there should be free and open trading hours seven days a week and they always point to the American experience. My understanding of the situation is that there are far greater controls in America for the retail sector with regard to monopolies than there are in this country and we are a long way behind in that area. That cannot be addressed on a state basis; it must be addressed on a federal basis, and it should be addressed.

[11.12 am]

Mr MacLEAN: I just want to clarify if the Federal Government bring in legislation reflecting the American way of doing that, would the State bring in companion legislation so it would be easier for small business to access? The big problem that I see is that small business cannot access the Federal legislation.

Mr SHAVE: Yes. Certainly if the Federal Government was to bring in legislation which was supportive of small business and was anti monopolies, it is my view that the majority of people in the current Government, the members of Parliament, would support that proposal. That is the bottom line. You are asking me would the Government pass legislation if they were requested by the Federal people to support any legislation they might bring in to support small business. My view is, from my discussions with the other members of Parliament, ultimately we would have to look at the legislation and there would have to be a decision made by the Parliamentary party. My general observation of the attitudes of most of the members in the current Government is that they would support that.

Ms MacTIERNAN: What is the current rate of rent that you are paying on the premises in Hay Street and the rate that you are proposing to pay on the premises in St George's Terrace?

The CHAIRMAN: Member for Armadale, just for the record, could you refer to the page number and the outcome, please?

Ms MacTIERNAN: This is a follow-up question to the announcement made by the Minister that they were going to be moving premises to 219 St George's Terrace. I guess, if you wanted to, you could attribute it far more directly than previous questions to page 484 of the budget papers. We are talking about Capital Services. It deals with the re-allocation of office space. I want to know what is the relative cost of the office space?

Mr SHAVE: Mr Chairman, I will provide that information to the member by way of supplementary information.

The CHAIRMAN: That is noted.

Ms MacTIERNAN: Do we know if the rent is more expensive or less expensive?

Mr SHAVE: My understanding is that the rent is a higher figure on the new premises.

Ms MacTIERNAN: Significantly higher?

Mr SHAVE: It depends what you term significant. I will give the member that answer when I have the detail available and she can then determine whether it is significant or not.

The CHAIRMAN: Minister, if it is a higher figure, is one of the contributing factors the fact that you are seeking to introduce a one-stop shop arrangement so to speak, and hence you have a greater floor area?

Mr SHAVE: Yes.

Ms MacTIERNAN: No. I am talking about the unit cost.

Mr SHAVE: For all the reasons that Mr Walker outlined in his previous answer to the member for Armadale, to provide a community service and a facility you sometimes have to spend extra money.

Ms MacTIERNAN: In relation to page 487 where you list the policy reviews, could you tell us what policy reviews have in fact been completed this year?

Mr EATON: Is that relating to the two that have been completed?

Ms MacTIERNAN: You have said here that two have been completed. So taken at face value, yes.

Mr EATON: The Auction Sales Act and the Retail Trading Hours Act.

Ms MacTIERNAN: When were they released?

Mr EATON: The completion date is anticipated to be in June 1999.

Ms MacTIERNAN: So they have been completed now, have they?

Mr EATON: It is anticipated they will be completed by the end of the financial year.

Ms MacTIERNAN: They will be released to whom? Not one has actually been completed yet?

Mr EATON: No, but information is obviously for the year 1998-1999.

Ms MacTIERNAN: So in the next month there is a spurt of activity and we are going to have these two completed. Is that what you said?

Mr EATON: Yes.

Ms MacTIERNAN: In respect to the five to be completed next year, what five are they?

Mr EATON: The five are the Builders Registration Act and Home Building Contracts Amendment Act, the Debt Collectors Licensing Act, the Real Estate and Business Agents Act, the Settlement Agents Act and the Travel Agents Act.

Ms MacTIERNAN: Can I just follow this one up? I am a little surprised by that because the review of the Home Building Contracts Act was actually tabled in Parliament in March 1997.

Mr SHAVE: I will allow Mr Walker to answer that.

The CHAIRMAN: Mr Walker?

Mr WALKER: The reason for that is that the Ministry is undertaking legislative reviews as well as national competition policy reviews. We have 45 Acts of Parliament. Those are ongoing and continually being reviewed, but the issue there specifically refers to a national competition policy review. Obviously, when we can, we do the sensible and logical thing, which is to combine both of those, but if there are good reasons why one should accelerate and be done before the other, then that occurs. That is the reason for that.

Ms MacTIERNAN: Thank you. You have 36 staff allocated to this task. There is no change in the staff, but you are going to go from having completed two, which are obviously going to take you right to the end of the year to complete, to completing five. How will you be able to complete two which are comparatively small ones compared to the very large and complex ones. How are you going to get five done next year with the same staff contingent?

Mr WALKER: Many of the reviews are ongoing. For example, the Retail Trading Hours review was a 12 month exercise. So some of them will be completed in June, but they certainly will not be undertaken in the next month or two.

Ms MacTIERNAN: I understand that. I am saying they are taking the whole year obviously?

Mr WALKER: That is correct.

Ms MacTIERNAN: With 36 staff, you have two done and now you are going to have five done with the same 36 staff?

[11.20 am]

Mr SHAVE: I am just trying to explain to the member for Armadale, I guess, that whilst the completion date may be in the next 12 months, a lot of the work that has taken place has taken place in the last 12 months by those 36 staff that the member for Armadale is having difficulty coming to terms with and is saying, "How can you complete five next year with 36 staff when you have only completed two this year with 36 staff?" What is being explained to her is that those five that are being completed in the next 12 months, a large percentage of that work has been done in the 12 months ending the 30th of June, 99.

Ms MacTIERNAN: So what you are telling me is that a substantial amount of work is actually already under way on those five that you have nominated?

Mr SHAVE: Correct. And Mr Walker will comment further.

Mr WALKER: The other important thing to say is that those 36 people are engaged in the output area which is Policy, Advice and Development. They are certainly not all engaged on NCP reviews.

The CHAIRMAN: The member for Hillarys.

Mr JOHNSON: Thank you, Chairman. Minister, a lot of sales and services these days are offered through the internet and very often the general public are not sure whether they are actually emanated from Western Australia, from other parts of Australia or even abroad. Does your department monitor offers of goods and services on the internet? You can get away with stuff on the internet that you cannot get away with if you are live<sup>7</sup> in Perth trying to sell your product or service where you are obviously constrained within the government laws. Do you monitor a lot of internet sales to know whether they are emanating from here or abroad and what is your program for the future which has got to be, obviously, a lot greater tomorrow than it is today?

Mr WALKER: Obviously, the growth of the internet and E-Commerce is one of the challenges that faces the Ministry. For some time now the jurisdictions around Australia and, indeed, New Zealand have been working closely to ensure that there are not any jurisdictional issues because in the past when you had a business and a consumer and they were in the same state they were covered by the same legislation. It was quite simple, in effect. Now, when you have even people in WA purchasing products from Queensland, for example, there is that issue in terms of that purchase where does jurisdiction lie, which agency has carriage for that and what are the rights and obligations of the respective parties? So across Australia through the Ministerial Council of Consumer Affairs and through the chief executives of the various organisations a lot of work has been done in terms of protocols and in looking at legislation about how that can be regulated.

In addition to that the ACCC, working with the respective Fair Trading and Consumer Affairs Associations in jurisdictions throughout Australia, is working with the OECD in terms of international guidelines and protocols as well because obviously people are not only purchasing from within Australia but internationally, so there is a lot of work being done there. The answers are not simple at this stage and obviously there are other issues associated with privacy, particularly in terms of people's financial details, credit card details and the like, and that is one of the challenges which is looming for our ministry during the coming period.

Mr JOHNSON: Just to follow on from that, how many staff do you have specifically allocated to that section at the moment and obviously it could grow? Have you any idea what sort of funds that you allocate for that specific purpose?

Mr WALKER: In terms of the last part first, there is not specific funds set aside for that. What I can say is there are two issues; one is the internal use of E-Commerce and the internet. We are obviously looking at it and utilising it to provide our own services to people throughout this state and obviously with the geography of WA we are very keen that people can do a whole range of things on the internet, so we have a specific on line services provider for that aspect.

In terms of the policy and how we can regulate and help people transact business on the internet, that work is carried out under our strategic development directorate which is, indeed, the 36 staff members, so various people are engaged for that. If it is an issue at a strategic level involving, for example, the OECD and the national jurisdictions, then it would be the director and the manager involved. If it is down to a lower level then other staff become involved, so there are no set number of people but we recognise it is a very important issue for us.

The CHAIRMAN: Minister, just a follow up question on the issue of E-Commerce and jurisdiction. My understanding is that at the moment a couple of the tests that are applied for determining which particular state's laws have jurisdiction in respect of a particular contract is whether the contract was formed and to be performed in a particular state. You mentioned earlier that there are several national reviews looking at this particular issue. In view of the fact that E-Commerce, of course, can hop<sup>7</sup> over<sup>7</sup> boundaries of jurisdiction very easily, is there any suggestion that perhaps we should have national legislation which includes deeming provisions regarding the jurisdictional issues concerning E-Commerce? Is there any suggestion in that regard?

Mr WALKER: Yes, indeed, the Commonwealth is legislating in relation to some aspects about the internet and E-Commerce. The good thing is that our legislation in terms of the Fair Trading Act does enable jurisdiction to be captured within Western Australia when someone is on the internet. Most jurisdictions around Australia do. I think there is an issue in Queensland in relation to the point of entry in that they do have a problem with jurisdiction but, essentially, currently our legislation has the capacity to do that. Obviously, in a practical sense it gets a little difficult if proceedings are instituted in terms of the practical arrangements of any legal proceedings which may follow.

Mr JOHNSON: Would it be where the seller's server is based that forms the jurisdiction rather than where the customer has their computer on internet set up with a server? This problem is in link with the gambling one, obviously, and I believe they put a server in a certain country and then it is deemed that that is the country that is giving the service, although it might be transported through the internet to another country.

Mr WALKER: The traditional view is when you go to the corner store that is the point of transaction and therefore it is obvious. In our case there is still some argument, I think, at law about that but in terms of the Western Australian legislation, it does protect and does provide coverage, wherever the seller is. If it is a business transacting with a consumer in another state, then the legislation will capture that transaction. Alternatively, if it is a consumer in this state transacting with a business in another state, then our legislation will cover that as well so for us it does not become an issue.

[11.27 am]

The CHAIRMAN: The member for Wanneroo.

Mr MacLEAN: Thank you, Mr Chairman. Page 489, output descriptions at the bottom of the page. Are there any plans to provide shop front services using on line information? What I mean by that is there is a few Government departments that now provide services as a joint effort. So, is there any plans for providing terminals in other agencies' offices for a shop front approach? I am sure that supermarkets would be thrilled to have Fair Trading in one of their shops.

Mr WALKER: Yes. We are looking at accessing the ministry services through the internet. One of the things that we would like to develop, which is an idea at this stage and obviously it requires some work, is that it strikes me that every weekend and every day of the week there are hundreds of thousands of consumers at major shopping centres, for example, around this State and we are certainly looking at the idea of an information kiosk because one of the challenges for the ministry is to actually educate and inform people - whether they be businesses or consumers - about their fundamental rights and obligations. We are certainly looking at taking the technology to where the people are.

[11.38 am]

The CHAIRMAN: Members, we are dealing with division 54. The member for Armadale.

Ms MacTIERNAN: My question relates to page 488. You list as one of your major achievements for this year the deregulation of real estate agents fees and in particular the listing of the removal of the cap. As you would be aware a lot of concerns were expressed about the impact that that might have and you pledged at the time that you would be introducing monitoring to see what impact the impact had been and whether or not the real estate fees had actually gone up considerably as was duplicated here. Now I wonder if you could describe to us in some detail what the monitoring program is that you have in fact put in place and what are the results that have come from that monitoring?

Mr WALKER: That activity is undertaken by the Real Estate and Settlement Agents Board but my understanding is indeed that they have been monitoring that arrangement, that it has been seen to be particularly successful. There have been very few inquiries or concerns raised with the Ministry in respect of that and I know from a personal level that I have asked people about whether they are aware of the new arrangements and what the entitlements are and the feedback seems to be that the message is out and about and people are aware that the fees are no longer set by regulation and that people can in fact negotiate with real estate agents when purchasing or selling a home.

Ms MacTIERNAN: People were always able to negotiate with real estate agents, it was only a maximum fee, it was not a prescribed fee, Mr Walker but my question actually was could you actually describe the monitoring program? I know that you said you were going to monitor but I want to know how the monitoring is actually undertaken but that was an important part of the government's commitment when this deregulation was introduced. I want to know how this is actually happening and, Minister, perhaps I can ask you if Mr Walker feels that he cannot answer that because it is a board issue.

Mr SHAVE: It is being done by the board not - -

Ms MacTIERNAN: That is why I am asking you, Minister, because the board is answerable to you.

Mr SHAVE: I am quite happy but I do not have the specific detail of the level of monitoring that the Ministry will be undertaking and quite obviously the deregulation has only been a very recent occurrence but I am more than happy to speak to the board and by way of supplementary information to give the member that information.

The CHAIRMAN: That information is noted.

Ms MacTIERNAN: I would like to clarify this point. Minister, you actually made the undertakings on several occasions that there would be monitoring that would take place. Did you not in fact make any inquiries as to how you might undertake that monitoring, how it would as a practical matter be done?

Mr SHAVE: Quite clearly the people that have the expertise to do that are the Ministry and the board.

Ms MacTIERNAN: The Ministry does not do it, we have heard that. We know that today.

Mr SHAVE: They still have the expertise in these areas to undertake monitoring and they will do it in consultation with the board and I have every confidence that they will do it in an effective and a proper manner.

The CHAIRMAN: Member for Armadale.

Ms MacTIERNAN: I am going to persist on this point. Mr Walker, on behalf of the Ministry, has said that it is not something his Ministry is doing.

Mr SHAVE: It is not their responsibility.

Ms MacTIERNAN: Yes. So presumably then it is the board. Now the board is answerable to you. We know now that the Ministry is not doing it. In light of the undertakings that you made to the public and the undertakings you made in Parliament what directions have you given the board or what discussions have you had with the board about the monitoring processes? You are saying you have got every confidence it will happen, can you tell us whether or not these undertakings of yours are in fact being honoured?

Mr SHAVE: I told you that the advice will be given to you by way of supplementary information.

Ms MacTIERNAN: So you do not know. You do not know if there is any monitoring going on?

Mr SHAVE: Well, Mr Walker has told you that there has been monitoring going on.

Ms MacTIERNAN: He did not say that.

Mr SHAVE: He did say that.

Ms MacTIERNAN: He said the Ministry was not doing any.

Mr SHAVE: No, no, he said that there had been monitoring of the situation.

Ms MacTIERNAN: By the board?

Mr SHAVE: Yes.

The CHAIRMAN: In response to this question are you undertaking to provide supplementary information in answer to the question?

Mr SHAVE: I am. The problem we have here, Mr Chairman, is that the member is asking me for that information and I have said that I will provide it by supplementary information. She is not understanding the answer I gave.

The CHAIRMAN: Perhaps that point should not be laboured any further please, member. Do you have any further questions?

Ms MacTIERNAN: I just would have thought that someone would have actually had some idea of what the monitoring program is. That was the question, what is the monitoring program. We know that there has been assurances about monitoring, we are actually trying to pin that down to something tangible.

Mr SHAVE: We are going to give you that information by way of supplementary information.

The CHAIRMAN: The member for Wanneroo.

Mr MacLEAN: Page 489, major initiatives, dot point 3. Could you outline the progress that the Ministry has with the industry funded council to licence motor vehicle repair shops?

Mr WALKER: Yes. A reference group has been established. This is essentially about concerns about backyard motor repairs that have been occurring. I understand this has been an issue around for some time and this reference group has been established to look at appropriate ways in which some sort of controls could be introduced but it would be basically an industry based approach.

Mr MacLEAN: So it would be along the lines of, say for example, the RAC endorsed ...(Inaudible)... and you would have a number such as motor vehicle dealers?

Mr WALKER: That is right. My understanding is that it actually would be that people would come together, they would register their bona fides in terms of competent motor vehicle repairers so that there would be some sort of registry of approved people. They would make some contribution towards proceeds which would then allow complaint resolution and conciliation as required.

Mr MacLEAN: I imagine you are taking some interest in whether it is an individual who is registered or a business name because a business name can change the individual?

[11.45 am]

Mr WALKER: That is correct. The reference group has come down with its findings so I do not want to pre-empt that. They are the sorts of issues that are being considered.

Mr MacLEAN: Would there be plans to extend this type of practice into other industries such as home electrical repairs? I know they are licensed electricians but the businesses sometimes are a bit on the dark side, or very good, and, say, television repair stores, home appliance repair stores. That type of thing.

Mr WALKER: There is no specific arrangements for those industries at the moment but the practices that are involved, are captured under the Fair Trading Act. At this stage there is no reference groups or no firm proposals in relation to those groups you have mentioned.

Mr JOHNSON: My question is - -

Ms MacTIERNAN: You told me I could have your next three questions, you liar.

Mr JOHNSON: You had three. You had three.

The CHAIRMAN: Order.

Mr JOHNSON: I counted. You asked the same question in three different ways, member for Armadale.

The CHAIRMAN: Member, I think you used an unparliamentary term. Would you like to withdraw that, member for Armadale?

Ms MacTIERNAN: Sorry?

The CHAIRMAN: I think you used an unparliamentary term.

Ms MacTIERNAN: Did I?

Mr JOHNSON: You were really nasty to me.

The CHAIRMAN: I think you used the word "liar".

Mr JOHNSON: I am very - -

Ms MacTIERNAN: Sorry. Sorry. I take the - -

The CHAIRMAN: You withdraw that?

Ms MacTIERNAN: I withdraw it.

Mr JOHNSON: Your apology is disaccepted.

Mr MacLEAN: It was only a little bit of cross table banter, was it not? It was not anything serious.

Mr JOHNSON: No, I know. Chairman, the question I have is in relation to page 489, the top dot point, which comes under major achievements. Minister, under this particular dot point you say that there are a significant number of changes to the fair trading legislation to remove unnecessary restriction and outmoded provisions. I applaud you for that. I think it is probably long overdue. I receive a lot of complaints from my constituents who get telephoned at all hours in the evening trying to sell an air conditioning installation, double glazing. You know, you name it; they want to sell it. They have had calls up to 10 o'clock at night which I think is totally unacceptable. I did not think under our present laws that that was allowed. Have you any proposals in mind to actually restrict the times that people can try and sell householders goods over the telephone, particularly in the evening.

Mr SHAVE: That situation is under active consideration and I will allow Mr Walker to elaborate on that.

Mr WALKER: There is a Door To Door Sales Act which does capture those types of activities and, from memory, there certainly are some times prescribed. Now, whether they relate to, for example, Sundays or whether it is weekdays, I just cannot recall.

Mr JOHNSON: Does that cover telesales, as well, as opposed to door because obviously door to door is a different thing to telesales. I think people will not open their doors these days after a certain time. The complaints I get are from constituents who get telephoned at 9.00, 9.30, and even 10 o'clock at night where somebody is trying to sell them something. I believe that is unacceptable. So, are you looking in that particular area?

Mr WALKER: You are quite correct. There are no controls currently on that and it is something which the ministry has under consideration but has not formulated a position on at this stage.

Mr JOHNSON: Could you give me an indication when you might be in a position to formulate a position and my constituents will be able to watch the television at night without interruptions?

Mr WALKER: At this stage we are trying to evaluate the strength of concern that is out there. I am aware of a number of inquiries - not very many - in relation to that issue. So, it is a case of trying to actually understand the problem, the depth of it and the communities' views and then whether it is appropriate to either enact it through some other legislation or whether it can be captured in terms of existing provisions.

Mr JOHNSON: You could probably incorporate it in with the Door to Door Sales Act, I would think, with a simple amendment.

Mr WALKER: I would think if that was deemed appropriate then that would probably be the legislation we would introduce.

The CHAIRMAN: Minister, just a related question. Does the Door to Door Sales Act apply to, for example, telephone calling in respect of political and attitudinal polling or surveys?

Mr SHAVE: No, it does not.

Ms MacTIERNAN: Page 487 mentions four policy projects currently in progress. Could you tell me if one of those is the settlement agents conflict of interest issue?

Mr SHAVE: Yes. I will get Mr Eaton to answer that but I think it would be basically the ones that he read out before, I think.

Ms MacTIERNAN: No. They are competition policy reviews, Minister. I am talking about policy projects and Mr Walker made it clear earlier on that there was a difference between those two.



Mr EATON: Project to review the Sales of Goods Act 1895. A review of the Associations Incorporation Act 1987. A policy on e-commerce regarding Government and public dealing via the internet. Basically, a policy on Year 2000; determination of a policy in relation to the Year 2000 Information Disclosure Bill which is a Commonwealth one.

Ms MacTIERNAN: Can you explain to me what has happened to the settlement agents conflict of interest matter? Can I just quickly run over this? In 1993 a discussion paper was prepared. In 1994 that discussion paper was released and arising out of that discussion paper we set up a conflict of interest reference group. In 1996 we set up a conveyancing - - arising out of the report of that reference group we set up the conveyancing industry reference group to implement the report of the conflict of interest reference group. So, starting in 1993 it has progressed down. I asked the same question as to the progress last year at estimates. In estimates I was told that it had gone to the parliamentary draftsman on 18 February 1998. Now, that is 15 months on since that has gone to the parliamentary draftsman. We are 6 years on since the discussion paper was commenced. Why is this not considered to be one of your policy projects and where is this project at?

[11.52 am]

Mr SHAVE: This process is being undertaken by the Real Estate and Business Agents Supervisory Board and it is proposing to amend the current code of conduct for agents and sales representatives to require the disclosure of any potential conflict of interest. These amendments to the code are being proposed because of the prevalence of commercial relationships, which the member has alluded to very often, between agents and other suppliers of services to the industry for which the agent is rumoured to receive a kick-back. An example of this could occur where a property management agency has received kick-backs from a carpet cleaning firm. So that is currently being dealt with by the Real Estate and Business Agents Supervisory Board and that is the advice I have.

Ms MacTIERNAN: Can I ask you to take this point up? Do you actually think that it is good enough every year just to give that same answer? I want you to turn your mind to it. That was the answer that you gave last year and you said to us at that time that in fact you would expect to have something done within the next six months. It is now six years that the board has in fact been considering this matter. It is now 15 months since you sent it to the parliamentary draftsman. What is the problem?

Mr SHAVE: Mr Chairman, I do not have the exact detail of the length of time of the process. I suspect the time frames given by the member for Armadale are probably exaggerated, but I will speak or write to the board and have them provide a detailed response by way of supplementary information.

The CHAIRMAN: Yes. That is noted, Minister. Thank you. Are there any further questions?

Ms MacTIERNAN: I want to ask one more question on that. Minister, that is exactly what happened last year. This is a re-run. I asked the same question last year. You gave the same answer. The supplementary answer came back saying it had gone to the parliamentary draftsman on 18 February 1998. We are now 15 months on. Are you telling me that you do not know what has happened in the intervening 15 months?

Mr SHAVE: Mr Chairman, that detail I will give to the member for Armadale by way of supplementary information.

The CHAIRMAN: That is noted, Minister. Are there any further questions concerning division 54? The member for Hillarys, I believe you had a question.

Ms MacTIERNAN: I am sorry. I have a couple more questions on that particular subject matter. I presume that you would be aware of the sorts of issues we have been raising and you may have come prepared. Can you tell us - -

Mr SHAVE: I also said when I opened my initial discussions that if you wanted specific detail you will receive it by way of written advice.

Ms MacTIERNAN: I understand that.

Mr SHAVE: When you say to me that I must have known we were going to be here today and so I must have come prepared with specific details, you are talking about whether I have specific detail relating to the 41 Acts that the Ministry controls and I have detailed information on each one of those Acts here today. The answer to that is I do not but we will get you the information you require if we do not have it here.

Ms MacTIERNAN: This issue has been hanging around for six years and has been the subject of every Estimates hearing, certainly since you have been a Minister. Could you tell us how many complaints have been received by the Ministry and how many complaints have been referred to the Settlement Agents Supervisory Board in respect of settlement agents in 1998-99?

The CHAIRMAN: Member, once again, for my benefit and the benefit of the other members of the committee and Hansard, just refer to the page number and the item of expenditure.

Ms MacTIERNAN: Yes. This is page 487 relating to the policy projects issue.

The CHAIRMAN: What was it, complaints projects?

Mr SHAVE: During 1997-98 there was 111 of which 84 arose from complaints from the public. In the 1998-99 year,

approximately 11 months, there have been 103 received in this year. So essentially the number of complaints is the same as was received in the previous 12 months.

Mr JOHNSON: Minister, the year 2000 millennium bug is being looked at very closely by every government department and I am sure your departments are doing the same as far as their administration is concerned. Do you have the resources to cope with what may well be an enormous number of complaints after 1 January 2000 where computer sales corporations have sold computers that are allegedly Y2K compliant and in fact they are not Y2K compliant?

Mr WALKER: Yes. The Ministry is very concerned about it and has a range of issues. I will run through them. Firstly, the Ministry is working in partnership with the Department of Commerce and Trade, other government agencies and industry bodies in general to raise the awareness levels in relation to the year 2000 problem. A major public awareness survey has been conducted to ascertain the public's level of knowledge concerning the issue and a range of current education strategies which would include the following initiatives. There has been the production of an awareness information kit and marketing plan in conjunction with the Office of Seniors Interests. There has been the preparation of a year 2000 consumer products referral list in conjunction with manufacturers and suppliers which provides business contact points for year 2000 product compliance information. The idea of that is so, for example, when a consumer's microwave does not work on 1 January 2000, the consumer can contact us, as we anticipate they will, and we can at least give them the manufacturer's contact details so that they can pursue that with the manufacturer. We are also working in conjunction with the Education Department in disseminating information to school students and parents. We have arranged for the distribution of information via the *Switched On* magazine which is forwarded to all Western Power customers along with their domestic accounts. The ministry is also distributing on request, a Year 2000 Information Kit to the public and business and we are attending, on an ongoing basis, various industry and public seminars which deal with the year 2000 problem.

[11.59 am]

Mr JOHNSON: All that is great and I applaud you for it and I think it is very useful for the public to know that, but correct me if I am wrong, under the Trade Descriptions Act if a computer sales company sells a computer stating it is year 2000 compliant and the consumer finds it crashes on 1 January, my question is are you geared up to deal with that and will you deal with that on behalf of consumers?

Mr WALKER: Yes, we will. That issue is captured under the Fair Trading Act which talks about misleading information and also captures the notion that when a product is sold it should be of merchantable quality and our view is that for some years now manufacturers and suppliers have been aware of the year 2000 problem and that certainly computers sold in recent years should be compliant with that so that that is the position we will be adopting. We have advised industry of that position and following the receipt of complaints - any complaints we do have - come January and through the year we will be taking action and representing consumers interests.

The CHAIRMAN (Mr Baker): A further question as a follow on, Minister. Is the Minister aware as to whether the Trade Practices Commission also has the same attitude in response to those issues? I understand there are similar provisions in the - -

Mr WALKER: My understanding is that that is correct but I would not want to speak particularly for them but my understanding is that that is their position as well.

The CHAIRMAN: The member for Wanneroo.

Mr MacLEAN: On page 488 the final dot point on the page, you mentioned that you worked with other Australian jurisdictions to develop a nationally consistent consumer credit legislation review of the Consumer Credit Code. What was the input to the review and what were the outcomes?

Mr WALKER: The Ministry has staff members which meet on a fairly regular basis to consider the issues of the uniform credit code, etcetera. The notion is that it will be consistent legislation that applies throughout Australia. The situation in Western Australia is that the government introduces complementary or mirror legislation within the Parliament and so it is a consistent approach that is taken across Australia. There are regular meetings and there is some legislation that will be introduced into Parliament either in the spring session or the following year.

The CHAIRMAN: The member for Armadale.

Ms MacTIERNAN: Page 487, national competition reviews. You indicated that you were going to be reviewing the various building Acts as part of that. I just want to see if you could enlighten us as to the progress of some of the other reports that you have prepared in this regard. Now the Builders Registration Board annual report says that the Harvey McLeod Report which we discussed last year in estimates, which was an independent review, was actually completed in December 1997. Now last year in estimates you said, and Minister I will quote you here from page 37 of last year's estimates, which no doubt you have read in preparation for today, the diligent Minister that you are -

You have been told clearly several times through this discussion that we are going to implement legislation related to Mr McLeod's review in the next 12 months.

Minister, the next 12 months has expired, there does not appear to be any suggestion of this matter coming before Parliament. Could you tell us why this very clear and decisive comment that you made in last year's estimates has in fact not borne any fruit?

Mr SHAVE: You are making an assumption it has not borne any fruit, are you not? Unless you know the answer you cannot say it has not borne any fruit.

Ms MacTIERNAN: So, Minister, are you telling me that we have implemented legislation?

Mr SHAVE: Having made that comment that I made I will now give you the detail of what has occurred and then you will understand that it has borne fruit.

Ms MacTIERNAN: You have not implemented legislation as you promised? Is that correct?

Mr SHAVE: I did not say that, you are saying that. On 14 December 1998 Cabinet approved a package of amendments to the Builders Registration Act 1939 and the Home Buildings Contract Act 1991 which will improve the building dispute resolution process, assist the Builders Registration Board in the administration of both Acts including increasing its power to deal with failed or fraudulent builders and alleviate the funding problem of the Builders Registration Board which are hindering its capacity to carry out statutory registration and functions. The proposals were developed by the building legislation changes implementation panel which consisted of the independent chairperson to whom you have referred, and representatives from the Consumer Association of WA, the BRB, the Housing Industry Association, the Master Builders Association, the Ministry of Fair Trading. In making its recommendations the panel considered the report on the statutory review of the Home Building Contracts Act which was tabled in March 1997 and an independent review of the building dispute Resolution process completed in December 1997 a Building Legislation Amendment bill 1999 incorporating these amendments and other complementary amendments was approved by Cabinet. It is scheduled to be introduced and passed during the 1999 spring sitting of Parliament, due to the government's commitment to review legislation under the competition principles agreement. The proposals which have been identified as containing restrictions on competition will not be included in the Bill. These proposals will be considered in the competition policy review of the building legislation which is scheduled to be completed by the end of 1999.

[12.06 pm]

Mr MacLEAN: Page 491, Major Achievements, dot point 3, the department has conducted surveys of customer awareness of the millennium bug. What success has the department had in making businesses aware of their liabilities if they are not year 2000 complaint?

Mr WALKER: The Ministry has been working very closely with the Small Business Development Corporation which has, I guess, taken the primary carriage in a sense of educating and informing small businesses but we have certainly been producing literature that has been aimed at the business sector as well as consumers and there is an ongoing liaison between the Ministry of Fair Trading and also the Small Business Development Corporation to ensure that businesses are aware, both in terms of the impact on their own organisation in terms of their own technology but also particularly for computer companies, naturally who will be selling or repairing computers.

Mr JOHNSON: My question is from page 493, the last dot point under Major Initiatives for 1999-2000. You say here:

To legislate and implement contemporary regulatory requirements for business including establishing uniform trade measurement legislation and abolishing business names registration renewal fees for trading businesses.

Can you just elaborate a bit more on the uniform trade measurement legislation? I am interested in that, and I think it is quite a good move to abolish the registration renewal fees for trading businesses because that is even a bit of an impost on them.

Mr WALKER: The new trade measurement legislation will be introduced to Western Australia as you indicated. It is based on a uniform model which is now enacted in most other states except Tasmania. The rationale for the new legislation is that, firstly, the current legislation is outdated. It was first enacted in 1915 and it does not recognise advances in areas such as transport and technology. In particular the weights and measures components of that have been around for many years. The uniformity of legislation will align trade measuring and packaging laws to reduce unnecessary impediments throughout Australia and also in respect of international trade situations.

In line with the competition policy directions the proposed legislation will shift the emphasis from government inspections to the private sector with an accreditation and auditing role performed by the government. So in terms of what the Ministry is doing, the Ministry has prepared a discussion paper and will seek to undertake final consultations within the next month. The legislation is expected to receive legislative priority in 2000. Inspectors will continue with a structured pro-active program of monitoring and regularly reporting of non-performance and this new approach reflects the need to contain excessive public spending and establish mutual responsibility of the marketplace. The Ministry also intends to continue consulting with licensees regarding the fee issue which will be associated with that legislation.

Mr JOHNSON: So this is all part of the uniform legislation?

Mr WALKER: That is correct.

Mr JOHNSON: And then enter<sup>7</sup> government with agreement, basically?

Mr WALKER: That is correct.

Mr JOHNSON: Throughout the whole of Australia?

Mr WALKER: Throughout the whole of Australia.

Mr JOHNSON: Does that include New Zealand?

Mr WALKER: No. That particular arrangement does not include New Zealand but there are arrangements with New Zealand that do mirror a lot of our legislation.

Ms MacTIERNAN: Could I just follow up on that particular point? I am interested in the Uniform Trade Measurement Act, Minister. Is it correct that you intend to exempt from the provisions of the new Act the sale of beer, ale, stout and other certain spirits? Is that your intention, Minister?

Mr SHAVE: I have not received the recommendations yet, as I understand it, and until I actually get the recommendations from the committee that are looking at it, it would be inappropriate for me to say what position the government will form.

Ms MacTIERNAN: But, Minister, have you advised various hotel interests that, in fact, it is your intention to exempt them from the provisions of the Uniform Trade Measurement Act?

Mr SHAVE: I have read in the press that that suggestion has been made but to the best of my knowledge I have not had discussions with any hoteliers in regard to the issue.

Ms MacTIERNAN: Are you saying you do not know?

Mr SHAVE: I am saying to the best of my knowledge I have had no discussions with any hoteliers regarding the issue.

Ms MacTIERNAN: I want to pursue this line of inquiry, thank you. Minister, I am curious because you are actually reported in the newspaper - -

Mr SHAVE: ...(Inaudible)....

Ms MacTIERNAN: I am giving you an opportunity now to tell us. I am giving you an opportunity to set The West Australian right if they have, in fact, been wrong, but they claim that you said that you felt that there was an argument there; that the cost of placing these markings on glasses would increase the cost of drinks.

Mr SHAVE: That is a view that has been expressed to me by different people but I - -

Ms MacTIERNAN: What sort of people would have expressed that view to you?

Mr SHAVE: Well, different people express that view to me and - -

Ms MacTIERNAN: People from the industry?

[12.14 pm]

Mr SHAVE: Well, having worked in the industry for 25 years I would hope that you would give me some credit to have some knowledge of understanding of the consequences in doing that but let me say this. I do not propose to make any decision on whether it should or should not occur until the recommendations come forward. I go back to what I said to you previously that to the best of my knowledge no hotelier has approached me regarding the issue and I have not had discussions with any hoteliers regarding the issue. Just to clarify and make it a little bit easier for you, if you feel that I might have a conflict of interest in regard to the issue I do not have any involvement in any active hotel licence that is operating in a trading manner in Western Australia at the moment. So, I read with interest some of the comments that other people have made. You need to understand that the hotels which my family trusts are involved in are leased out to other parties and I am not a beneficiary of the trading profits that are made directly on a day to day basis out of those businesses. I am sure having given you that little tippet of information you will feel far more relaxed.

Ms MacTIERNAN: Minister, I did not actually for one minute think that your concern to protect the Australian Hotels Association was self motivated.

Mr SHAVE: Well, I am pleased to hear that.

Ms MacTIERNAN: Well, not in that immediate duxes. I think you had much bigger fish to fry in courting the AHA than protecting your own pub.

The CHAIRMAN: Member, the question is?

Ms MacTIERNAN: Can you just tell us then what stage we are up to with this particular legislation? What stage is the legislation at at the moment?

Mr SHAVE: I would expect that the recommendations would come to me in the very near future but I have not received them at this time.

Ms MacTIERNAN: Well, Minister, would it be possible for you to ask Mr Walker if it is proposed that there be a recommendation from the ministry that there be an exemption for the hotel industry in relation to the sale of beer and alcohol.

Mr SHAVE: Well, I would not feel that it is fair on Mr Walker to ask him to - -

Ms MacTIERNAN: You are asking him everything else.

Mr SHAVE: To ask him to pre-empt what is going to be in that report until I have had the opportunity to look at it.

Ms MacTIERNAN: Has the report been finalised?

Mr SHAVE: No.

Mr MacLEAN: On page 491, under major achievements for 1998-1999, final dot point, it states:

Addressed the special needs of a particular group of consumers by working in cooperative partnership with the Office of Seniors to produce and distribute a kit for seniors and information about the rights and responsibilities of residents in retirement villages.

Has the department followed up on the distribution of this information regarding people's rights and responsibilities? If so, what has been the net result of the information kits? Are you intending to do any more work in that direction?

Mr WALKER: Yes. There has been a close and ongoing liaison with representatives of that particular industry, the retirement villages industry. Our staff are working very closely with them. We will be following up in terms of ensuring that people are aware of their rights and responsibilities. It is an ongoing arrangement that will continue.

The CHAIRMAN: Minister, on page 495 under the heading of major achievements for 1998-1999 there is reference to a comprehensive review of telephone advice services being conducted. Does that review include any satisfaction surveys from a consumer's perspective and, if so, the results of those surveys?

Mr SHAVE: During February 1999 consultants Ernst and Young conducted a formal market research survey of callers to the ministry's telephone advice line. The survey canvassed callers about a number of key service issues relating to the quality of the advice provided by Fair Trading as well as their satisfaction with technical operation of the telephone advice. The survey forms part of the extensive study by Ernst and Young into the ministry's telephone advice line service. The aim of this study was to develop world's best practice and standards for the ministry. The results of this study will be used to determine key performance indicators for the ministry's new call centre which is currently under development and the key findings of the survey, which will really be of interest to the member for Armadale, is that 93.3 per cent of people surveyed were satisfied with the services that the Ministry of Fair Trading provides; 43.5 per cent were first time callers to the advice service line, 51.2 per cent had called occasionally and 5.4 per cent were frequent callers - 88.7 per cent of respondents believed that the telephone menu system was easy to follow and understand, 90 per cent of respondents believed the ministry system was better or equivalent to other systems. Only 3 per cent of callers considered that the information provided to them was not clearly explained - and with due respect to those people, some people you just cannot help - 96 per cent of those called rated the staff politeness, courteousness as either good or very good and 96 per cent were likely or very likely to recommend the service provided by the Ministry of Fair Trading.

The CHAIRMAN: Minister, can you just confirm for my purposes that that review or survey was an independent review or survey?

Ms MacTIERNAN: What does independent mean?

The CHAIRMAN: Not conducted by Ministry of Fair Trading staff.

Ms MacTIERNAN: But paid for by? Is that considered independent?

The CHAIRMAN: All right.

Mr JOHNSON: Yes, if it is done independently.

Ms MacTIERNAN: Who paid for it?

The CHAIRMAN: Excuse me, member, you will have your chance in a minute. Is that the case, Minister?

Mr SHAVE: Yes. It was an independent report by Ernst and Young and I would hasten to add that I would hope from the interjections received that the member for Armadale is not trying to impugn the integrity of that firm.

Ms MacTIERNAN: Mr Chairman, I am going to take a point of order that was taken on another committee earlier this week. You are giving the Government quips three to one questions. Now, I mean, at the very least this should be operated like question time with one to the Government and then there is one to the Opposition. I mean, this really is an absolute farce. You guys have got a whole heap of Dorothy Dixes that have been pre-prepared here. I mean, okay, that is fair enough. That is your right to do it but at the very least this should be like question time; one on one. We are not actually getting any opportunity to question really what is going on.

[12.21 pm]

Mr JOHNSON: Further to that point of order, Mr Chairman, if I may, I think the member for Armadale is being a bit unreasonable. If you want to get the Chairman's attention, like you have to do in the House, even at Question Time - -

**[This transcript has been provided by a private contractor.]**

Ms MacTIERNAN: I do.

Mr JOHNSON: I am sorry. I have listened to you. You have to attract his attention by putting your hand up. It is no good if he is not looking at you.

Ms MacTIERNAN: No. I called his name. I called his name, "Chairman", and I do it every question.

Mr JOHNSON: You did not do it last time.

Ms MacTIERNAN: I did.

Mr JOHNSON: You have just done it now but I already had my hand up.

The CHAIRMAN: Order, members. Are there any further - -

Mr JOHNSON: These are not Dorothy Dixes. You seized on a very good question. You have made a meal out of that one.

The CHAIRMAN: Order, members. The Minister, just on this point of order - -

Mr SHAVE: On the same point of order, the member for Armadale is aware that she is entitled to have two colleagues here asking questions and there is no reason why she should have the audacity to try and gag the government members of Parliament from asking perfectly legitimate and decent questions on this committee. It is outrageous.

The CHAIRMAN: Are there any further comments in response to the point of order? The member for Wanneroo.

Mr MacLEAN: I am a little bit miffed that there has been a suggestion that they are Dorothy Dixes. These are questions that people in my area want me to ask. If they have not come to me and directly asked me to raise the issue, then they are issues that I will pass back. I have large retirement villages and I ask about retirement villages. I have a problem with backyard mechanics. I ask a question about backyard mechanics.

Ms MacTIERNAN: I do not have a problem with you asking for questions, member for Wanneroo.

Mr MacLEAN: I am quite happy if the member for Armadale raises her hand to indicate she has questions. I do exactly the same thing.

The CHAIRMAN: Members, there has been enough discussion this morning - -

Mr SHAVE: Can I make - -

The CHAIRMAN: Yes. The Minister.

Mr SHAVE: Can I make a further comment, Mr Chairman? I think you have been very liberal with the member for Armadale. The issue, Mr Chairman, is that you have allowed the member for Armadale, when she has asked a question, to ask about five supplementaries at the same time. If she wants to be particular about what should happen, she can ask one question and we will give her one answer, but it has not been occurring that way, so once again she has been very unfair.

The CHAIRMAN: Members, I will rule on the point of order, if I can, since it has been raised. First of all, no previous points of orders of this kind have been raised with me this week when I have been filling in as a Chairman of the various Estimates Committees. As the Minister has indicated, there is only one member from the Opposition here. All members are entitled to ask questions of the Minister in respect of any issues that they think are important or do impact upon them. As the Chairman in an Estimates Committee, I am also entitled to ask questions and I am not afraid of asking the difficult questions either. Having said that, can we please on with some further questions? We are wasting time. This committee is due to wind up at 2 o'clock today and there are perhaps many more questions that members may want to ask. The member for Armadale.

Ms MacTIERNAN: I go to page 488, Major Achievements. I am quite amazed by this major achievement here.

Assisted the Board to amend the Finance Brokers Supervisory Board Code of Conduct.

I want to ask a series of questions in relation to that point, very similar to the series of questions being asked by the member for Wanneroo and the member for Joondalup. First of all, can you tell us what were the amendments made to the Finance Brokers Supervisory Board Code of Conduct? When were they first recommended and when were they implemented?

Mr SHAVE: The answer to that is the short term changes are expected to be implemented by July 1999, many of the long term changes will require amendments to legislation and are expected to be implemented over the next two years. It will involve a wide range of reforms which will be implemented to enhance the existing legislation and it will provide improved levels of consumer protection.

Ms MacTIERNAN: So the Finance Brokers Supervisory Board Code of Conduct has in fact not been amended yet? Has it been amended it?

Mr SHAVE: Cabinet recently endorsed a range of recommendations and a number of reforms will be implemented quickly and these include amending the Finance Brokers - -

Ms MacTIERNAN: Has it happened?

Mr SHAVE: Let me finish. I just told you. You do not listen. I said Cabinet recently endorsed a range of recommendations. That is, they approved the legislation to be introduced into the Parliament which will amend the Finance Brokers Supervisory Board Code of Conduct, clarify the definition of client, and strengthen pre and post contractual information requirements to consumers. There will be a requirement for more frequent audits of trust accounts, more publishing of consumer information brochures on mortgage investments, compulsory professional indemnity insurance for new finance brokers' applications and on renewal of existing licences. I will add that there was some reference from someone on the board that suggested that the board was looking at requiring professional indemnity in certain circumstances for finance brokers operating. That is not the government's position. The government's position will be that we would require all finance brokers applying for licences to cover professional indemnity insurance and we would be requiring other brokers on renewal of their existing licences to provide that coverage for the public. This legislation that has been approved by the Cabinet is proposed to be introduced in the 1998-99 financial year and it has been - -

[12.28 pm]

Ms MacTIERNAN: Next month? In two days?

Mr SHAVE: The Code of Conduct will be finished by then.

Ms MacTIERNAN: By when?

Mr MITCHELL: By the end of this financial year.

Ms MacTIERNAN: So the Code of Conduct does not require a legislative change?

Mr SHAVE: No.

Ms MacTIERNAN: Notwithstanding what is written here it has not actually been done yet, has it?

Mr MITCHELL: ...(Inaudible)...

Ms MacTIERNAN: Can I ask now in relation to the board, I understand that the board, Minister, has now decided - quite unrelated to any pressure that has been put on the board - to apply for the appointment of a supervisor to administer the investors funds both in relation to the failed finance brokers, Grubb Finance, and Global Finance? So from the statements that have been made in the press that apparently they are going to be making applications for supervisors but in relation to both of those. What I would like to know, Minister, is have you actually allocated any monies in the forthcoming budget to pay for the cost of the supervisors and if not, why not and have you in fact had any discussions with anybody, and if so, who with, on how much might in fact be required to fund these supervisors?

Mr SHAVE: I did receive some approaches by the press that had talked about a figure of \$50 000 and that a ceiling of \$50 000 had been put on the funds required and I noted your comments in the press where you thought it should be \$2m to have these supervisors appointed and having that divergence there clearly indicates that it is difficult when you are asking someone to do a job to actually ascertain initially what the level of funding will be required and what level will be required. As far as having it in forward estimates I have taken the position that unless you know exactly what is required it would be irresponsible to put into the estimates something that might be insufficient and therefore the appropriate way for the government to handle the issue is to have the department prepare a submission to Treasury and to ask for additional funding to occur subject to the requirement that is there. Now they are currently preparing that submission. As you would be aware, being a solicitor, before these supervisors can be appointed we have to apply to the court and we have to get the court's approval, so those two processes are running simultaneously and I am comfortable with the way that the department is handling the issue. The subject of whose responsibility it is, as you are also aware there is a provisional liquidator been put into Grubb Finance last week and what the department will be doing is working with ASIC and the liquidator to determine what the supervisor's responsibilities are and how they are to be implemented and when I get advice from my department on the funds required to perform that particular function I will be supporting that request from the department and be putting it to Cabinet.

Ms MacTIERNAN: Minister, have you had any discussion with Ashton Reed as to what sums of money might be required, for example, in relation to Global?

Mr SHAVE: I have not been in personal discussions with Ashton Reed but before I receive the submission that I am expecting to receive over the next fortnight or three weeks - and I make the point that the supervisor cannot be put in place until the court approves it - I would expect that all of the people that are currently involved will be consulted by the Ministry. I would expect that it would be irresponsible of them to put up a figure without doing that.

Ms MacTIERNAN: Have you any idea, Minister, of what the figure might be?

Mr SHAVE: I have a number of different ranges that have been put to me and I will wait until the report comes to me before I take a shot in the dark like you do and suggest it is going to be \$2m.

Ms MacTIERNAN: That was for both of them.

Mr SHAVE: Anyone can pull an apple off a tree like you do.

Ms MacTIERNAN: It was based on some discussions with persons in the industry actually. Minister, when will the applications be made for the appointment of the supervisor? Is that underway?

Mr SHAVE: Tuesday of next week.

Ms MacTIERNAN: Is that in relation to Grubb, Global or both?

Mr SHAVE: Mr Walker's understanding is that it is in relation to both.

Ms MacTIERNAN: Can that be clarified by way of supplementary?

The CHAIRMAN: Supplementary information noted.

Ms MacTIERNAN: Just one last question on the Finance Brokers Board. Has the Ministry actually received any complaints in respect of the conduct of board members and are those complaints being investigated?

Mr SHAVE: I think it is fair to say with the publicity that has occurred where people have lost money - -

Ms MacTIERNAN: No, this is not in their role as board members, in their role as finance brokers?

Mr SHAVE: I am not aware of whether they have or they have not.

Ms MacTIERNAN: You are not aware of that?

Mr SHAVE: No, I am not aware of it. I do not have that detail here but if there has been we will provide you with that information and that is as much as I can say about it. There is a lot of people operating in the finance brokers industry and I do not have the names or a list of the exact people that we have had complaints about.

The CHAIRMAN: Minister, just by clarification, are you undertaking to provide that information by supplementary information. That is noted.

[12.35 pm]

Ms MacTIERNAN: Sorry, there is one further one. I note that you say here that a Consumer Note, one of the things that you have actually achieved - -

The CHAIRMAN: Page number, please, member?

Ms MacTIERNAN: Page 491, you actually achieved in producing a Consumer Note for investors accessing the services of finance brokers. One of the things we have been concerned about, and have raised repeatedly in the Parliament, is that there has in fact been no consumer warning. There has been a warning for finance brokers. Indeed, I think as late as April when we checked the website, there had in fact been no note produced. Have we now seen something produced? Could you give us an idea of when that actually came?

Mr MITCHELL: I think that was produced around about the end of April.

Mr SHAVE: I think I actually may have referred to this in answer to your question.

Mr MITCHELL: I think there are some letters going out to a number of people enclosing that brochure.

Ms MacTIERNAN: Minister, do you consider that this is too little, too late, given that there are already at least two companies in liquidation or in the process of liquidation? Complaints have been coming in on a steady basis in relation to these mortgage investment schemes?

Mr SHAVE: There have been complaints coming in about finance brokers on a regular basis.

Ms MacTIERNAN: No, pooled mortgage investment schemes I am talking about.

Mr SHAVE: Both in the term of this Government and in the term of the previous Labor Government and in terms of whether I think the department is acting in an appropriate manner and has acted in an appropriate manner, the answer is yes, I do.

Ms MacTIERNAN: Could you explain, or perhaps the Ministry can comment, why it alerted the finance broking industry in June 1998 but waited until April 1999, until the wheels had really fallen off the wagon, before it actually alerted consumers?

Mr SHAVE: I think you are being a little unfair in suggesting that that brochure was prepared in response to a couple of mortgage brokers going into liquidation when you know very well the consultation and the input into that brochure would have taken a period of time and would have been commenced - -

Mr Mitchell, your good friend, is going to give me the date of when it was commenced. Do you have the date when consultation started on the preparation of that paperwork?

Mr MITCHELL: Unfortunately, not.



Mr SHAVE: You do not? All right. In fairness to the people who prepared it, you do not prepare a very informative brochure like that in a five minute period.

Ms MacTIERNAN: No, Minister, but it does not take you three years.

Mr SHAVE: Well, you say it takes three years. The complaints against mortgage brokers have been going on regularly for a period of time and my understanding of the independent advice I have been given is that every time there has been a complaint they have been properly investigated and I believe the Ministry has acted appropriately.

Ms MacTIERNAN: Minister, you are aware that we are talking not about complaints against finance brokers in general. We are talking about complaints specifically in relation to pooled mortgage investment schemes.

Mr SHAVE: Yes, I know what you are saying. That is one sector of the finance brokers.

Ms MacTIERNAN: That is the issue that has concerned me. In terms of your performance, or the performance of the Finance Brokers Supervisory Board, do you consider that now we have a situation where we have two of the finance brokers in liquidation - we have something in the order of \$200m invested funds at risk - you can say that the Finance Brokers Supervisory Board has in fact performed well in providing consumer protection?

Mr SHAVE: What you have tried to do, member for Armadale, is suggest that it is the State Government's control of pooled mortgage schemes and you know very well that in fact it is the ASIC - -

Ms MacTIERNAN: No, no. You have control of finance brokers - -

Mr SHAVE: You know that we appoint the brokers to have a licence, but you know very well - -

Ms MacTIERNAN: And you could revert their licence.

Mr SHAVE: - - that the controlling legislation comes under ...(Inaudible)...

The CHAIRMAN: Order, members. Order.

Mr SHAVE: You conveniently decide to ignore that in all of the comments you make, both privately and publicly.

Ms MacTIERNAN: You have a responsibility, Minister.

The CHAIRMAN: Minister, is it the department's policy that in terms of the issue for consumer protection, the Government is wholly and singularly responsible for that, or is it Government policy that the consumer must bear some element or degree of responsibility, bearing in mind the old maxim caveat emptor - let the buyer beware?

Mr SHAVE: I was disappointed to read in The West Australian newspaper recently that a journalist had written that a Mrs Brailey or a Miss Brailey had suggested that I had said the investors were responsible for the fact that they lost money. I subsequently went back through Hansard and looked at all the comments I had made on this matter. It is very clear that in all of the comments I made, I had pointed out that the Government is very concerned for people that have lost money. Some of the members of Parliament have relatives who are involved in these schemes - -

Ms MacTIERNAN: Including your good self, I understand.

Mr SHAVE: I then found out - -

Ms MacTIERNAN: Which is perhaps why we are getting a bit of action at last.

The CHAIRMAN: Order, members.

[12.43 pm]

Mr SHAVE: - - that this Miss Brailey has previously lost money in business deals involving mortgage brokers. What people should do, if they are going to make comment of what people's views are, is report those comments accurately. I have said repeatedly, when I have been asked with regard to this question of whether I believe the Government is responsible for the people losing money, that what has happened is there are some people who have not acted in a proper manner, who have been involved in these mortgage funds, and they are the ones that have been deceiving these investors.

As far as the Government taking action against these people is concerned, I have always said that if it can be proved these people have acted illegally, then the Government will take whatever action it can to ensure that they are prosecuted appropriately and I will refer you, Mr Chairman, to some comments that I made on 10 March in the Parliament and the member for Armadale was involved in those debates where I said -

However, I also make it very clear that the government does not take responsibility for the decisions that these people made to invest their funds in mortgages returning up to 12 per cent in interest when the standard interest rate return from other reliable institutions was five per cent.

The member for Armadale then said, "So you say it was their fault?" I said, "I did not say that". I then pointed out that it was my view that they had been deceived by the mortgage brokers and I said on 13 May 1999 on the same subject that those 5 000 investors may lose their money because they put their money with a person they trusted who has deceived them and

that person was not the head of the finance brokers supervisory board. So it is very easy because somebody is behaving in a particular manner, whether he be a real estate agent or a solicitor, some of whom have gone to jail from time to time for manipulating trust funds, it is very easy to point the bone at the head of the board and say he is responsible because someone has behaved in a manner which is either illegal or improper and I do not accept that the board chairman or the members of the board - -

Ms MacTIERNAN: Or the Minister?

Mr SHAVE: - - should take responsibility for people who are acting illegally, just because they have been granted a licence to behave or to be a solicitor. Because I am a solicitor and I decide that I am going to take money illegally out of the trust account I do not believe that the appropriate board or governing body that appoints me as a solicitor should take the total responsibility for me being a dishonest person. That I will not accept but I finished by saying that in all of these circumstances the government is very concerned for the welfare of these investors, contrary to the public comments that the member for Armadale makes and the defacto member for Armadale who wants me to give her \$200 000 to run her business, I am very, very strong on the point that the government will do whatever it can do to assist these people.

The CHAIRMAN: Order members! The member for Hillarys had the next question and he has been waiting for some time.

Ms MacTIERNAN: I just want to ask one final question on that point.

Mr JOHNSON: You have had about six or seven.

Ms MacTIERNAN: Minister, you mentioned there are members of Parliament that had relatives, do I take it that you are one of those members of Parliament?

Mr SHAVE: I understand that a relative of mine has some money in one of these funds and I really would not want that person questioned because they have recently had a stroke and that person did not raise the issue with me, it was raised with me by one of that person's friends.

Mr JOHNSON: Chairman, on page 489 under major initiatives for 1999-2000 the first dot point where you are saying that you will be developing nationally consistent fair trading and other laws governing chattels securities, retail leases and a code of conduct for the retail computing industry, believe it or not my main interest here is in the laws government chattel securities. Can you elaborate a bit more on that as to what you are looking to do there?

Mr WALKER: No, to be honest I am not particularly familiar with the precise details of that but I would be happy, subject to the Minister's agreement, to provide that by supplementary information.

The CHAIRMAN: That is noted, Minister, supplementary information chattels security further particulars. The member for Armadale.

Ms MacTIERNAN: I refer also to page 489, the major achievement listed there is that you have developed a proposal to extend the time limit for lodging of claims against the fidelity guarantee fund. I know the white hot pace of reform at the Ministry, can you tell us how far we have moved with this proposal now seeing it is a major achievement?

Mr SHAVE: It has gone to Cabinet requesting drafting and my strong recommendation is that it be introduced in this year.

Ms MacTIERNAN: It is with the Parliamentary drafts person?

Mr SHAVE: It is has gone through Cabinet.

Ms MacTIERNAN: It has gone through Cabinet and it has been approved by Cabinet?

Mr SHAVE: Yes. It has gone - -

Ms MacTIERNAN: Sorry, when was that, that it went through Cabinet?

Mr SHAVE: Three weeks ago.

Ms MacTIERNAN: A bit of movement at the station.

Mr SHAVE: Well, there you are.

Ms MacTIERNAN: At last. So it has gone to Cabinet and what stage is it at now?

Mr SHAVE: It is with the government Standing Committee on legislation to get a drafting priority because of the bank up of bills because you people are so unreasonable in the Upper House we are trying to determine the priorities and I have asked very strongly that it be given a priority and if you were a little bit more considerate in the Upper House then we would probably get a lot more of these bills through.

The CHAIRMAN: Minister, if I could just ask a related question to that answer, I am sorry to interrupt, member for Armadale. In your assessment to what extent has the Opposition and the Upper House interfered with the government's legislative program and priorities?

Ms MacTIERNAN: Excuse me. Point of Order. Point of Order, Mr Chairman. That question has absolutely nothing to do with Fair Trading. Be reasonable.

The CHAIRMAN: It is a question arising out of an answer from the Minister.

[12.50 pm]

Mr SHAVE: I will try not to be political on this issue, Mr Chairman but the member for Armadale, if I can just raise a point of order in terms of her point of order. The member for Armadale has constantly been saying that the government is not active but it is being inactive with this legislation when it is not achieving anything with the legislation. The operation of the Parliament determines whether we do progress in a satisfactory manner or not and the only thing I was doing, and I raised the issue of the Upper House, was pointing out that the public is suffering on a day to day basis as a result of the obstructions caused by the Labor Party in this Parliament.

The CHAIRMAN: Member, do you wish to continue with that point of order? If you do I will have to rule on it. Do you wish to continue?

Ms MacTIERNAN: No, go ahead. No, I withdraw it. Yes, I have got some more questions.

The CHAIRMAN: I beg your pardon, member. What was your last comment, please, I am sorry?

Ms MacTIERNAN: I am withdrawing the point of order.

Mr SHAVE: What about the fact that you said he was a disgrace, Mr Chairman?

Ms MacTIERNAN: I do not think the Chairman said that.

Mr SHAVE: Well, I heard it. You did not say anything?

The CHAIRMAN: I did hear some muttering. I missed what was said, that is all.

Mr SHAVE: Of course, we do not want it in the *Hansard* without you withdrawing it if you did say it.

Ms MacTIERNAN: If it is the *Hansard* - - sorry, Mr Chairman.

The CHAIRMAN: Well, did you make that comment, member?

Ms MacTIERNAN: Did I make the comment?

The CHAIRMAN: Yes?

Ms MacTIERNAN: I muttered that comment, yes.

The CHAIRMAN: Could you withdraw that comment, please?

Ms MacTIERNAN: I withdraw the comment.

The CHAIRMAN: Thank you. The member for Armadale.

Ms MacTIERNAN: Thank you.

Mr MacLEAN: Mr Chairman, do I get a chance in this?

The CHAIRMAN: Yes. The member for Armadale has been complaining about taking time.

Ms MacTIERNAN: I just want to ask some further questions about the Real Estate Fidelity Guarantee Fund. Can you tell us what the current level of funds are, both in the real estate Fidelity Guarantee Fund and the quantity of funds in the Settlement Agents Guarantee Fund, and I am wondering if you could also tell us how much has been paid out this year in those funds?

The CHAIRMAN: Member, just for the record the page number for *Hansard's* purposes?

Ms MacTIERNAN: And the page number is 489.

The CHAIRMAN: Minister?

Mr SHAVE: I will defer to Mr Eaton to give those figures because is obviously the finance man and he has got the figures in front of him.

Mr EATON: Thank you. As at the 21st of May this year in the Real Estate Fidelity Fund there was approximately \$23m and this year there has been \$177 000 paid out of that fund. With regards to the settlement agents there is approximately just under \$7m in that fund and there has been no claims against the fund this year.

Ms MacTIERNAN: And no payments made?

Mr EATON: Yes.

Ms MacTIERNAN: Is there outstanding claims?

Mr EATON: I am not aware of that.

Mr SHAVE: So what you are saying is there was actually no claims?

Mr EATON: Yes, at this stage.

Mr SHAVE: How many claims do you have outstanding against - - do you have detail of claims made? You say \$117 000. Do you have other claims that have been made that are still under consideration and you have a dollar figure for those?

Mr EATON: I am not aware of any.

Ms MacTIERNAN: So you are saying there is actually no claims?

Mr EATON: Paid this year out of the - -

Ms MacTIERNAN: Yes, but you are saying there is no claims?

Mr EATON: - - Settlement Agents Fidelity Fund.

Ms MacTIERNAN: But I think the Minister is indicating that there is no - -

Mr SHAVE: I was asking about the real estate also. You said there was \$117 000 paid out.

Mr EATON: Yes, there has been 16 claims in the real estate department.

Mr SHAVE: Sixteen have been made - -

Mr EATON: Paid this year.

Mr SHAVE: Totalling \$117 000. Are there any others pending that you know of or do you not know?

Mr EATON: I probably do not know. I would probably have to find that out by way of supplementary information.

Ms MacTIERNAN: Yes, could you find that out, including obviously the victims of Dolly Chan and the victims of SHAWSA?

The CHAIRMAN: That is noted, Minister. Supplementary information noted. The member for Wanneroo.

Mr MacLEAN: Thank you, Mr Chairman. If we could go to page 493, Major initiatives, dot point two, the comment there on internet technology. What hot links to and from other government agencies does your web page have and what process have you got to measure the success of the on line service delivery?

Mr WALKER: We are linked with a number of government agencies but we are also, I guess, in very effective terms of service delivery, obviously linked to our regional offices. There are five regional offices throughout the state and what we are hoping to do is to introduce in the coming years an opportunity where people can access a whole range of information. For example, the Mullewa Bowling Club, if they wanted to change their incorporation arrangements, etcetera, they would be able to link in on the internet and as long as they have a printer facility they could actually go and load those forms and they could then forward the forms through so I guess the answer is that we have a number of direct links. Currently, people can obtain information direct from the ministry in terms of the REVS area which is an arrangement for the sale of vehicles to see whether there are encumbrances on the vehicles and also brokers can access through the internet technology business names information as well.

Ms MacTIERNAN: I refer to page 492 and the general funding of the Real Estate Board Chairman, the section on Business Regulation. Part of business regulation, obviously, is the Real Estate Agents Supervisory Board. Last year we asked about the situation with the chief of the Real Estate Board and we understood that there were proposals afoot to increase his salary and I understand that Mr Miller, the previous chairman, was paid an annual salary of \$15 000. Can you tell us what salary is being paid to Mr Dawes for his work?

Mr WALKER: As the member for Armadale is probably aware, the arrangements were altered during the year in respect to the chairman of the Real Estate Board. That was in recognition of the increasing work of that Board and also the fact that as the legal practitioner the Chairman of the Board is not only responsible for board meetings but attends and chairs nearly all of the hearings and is then also responsible for writing up the findings of the particular judicial proceedings. As a result of that the annual amount paid to the chairman for all of those functions is \$50 000 and that has been capped at that level. Also, there is a rider that in the event that the workload should reduce in respect of those functions then that particular amount would be reviewed.

[12.57 pm]

Mr JOHNSON: In relation to that, is the issue of remuneration for the chairman put to the Salaries and Allowance Tribunal for their comments and approval?

Mr WALKER: Yes. Those arrangements were introduced following discussions with the Salaries and Allowances Tribunal.

Ms MacTIERNAN: The salary has now increased threefold. You say that there is an increased workload. Does that indicate that there is an increased number of issues to be dealt with? Can you explain why there is an increased workload?

Mr WALKER: Once again, this is obviously related to the activities of the independent board. I do not attend those boards of which I am not closely associated with, but I do know that the board has been holding more hearings, that some of those hearings have been particularly complex. I am aware of one that took almost two weeks. I do not recall the particular hearing. I know that there are a number of issues that are being addressed by the board, not least of which were changes in legislative arrangements and the like.

Ms MacTIERNAN: There are more hearings, so presumably more complaints?

Mr JOHNSON: It may be that hearings go on longer, more complex matters.

Ms MacTIERNAN: Just a quick follow on from that, in relation to the Sure Sale investigation, has this been the subject of board hearings? Where are we up to with that investigation which started, I believe, in June 1997.

Mr WALKER: I am aware of some of the peripheral issues in relation to Sure Sale. I am aware that there was some recent action, for example, regarding a former chairman of the board, a Mr Miller, who was the subject of court action by another organisation. I am also aware that we are awaiting legal advice from Crown Solicitors Office in relation - -

Ms MacTIERNAN: You are still waiting for that. When was that actually sought? I got that answer about a year ago.

Mr WALKER: I am confident it was not sought a year ago, but I am aware that it was sought some months ago. My understanding was that that advice should be available this week. My understanding is that there have been a number of requests for information in relation to that.

Ms MacTIERNAN: So you would be expecting something in a couple of weeks?

Mr WALKER: I believe so.

[1.08 pm]

Ms MacTIERNAN: Minister, I have looked through in terms of the various projects that you believe that you are going to have to undertake and I cannot see anything that mentions, particularly in the major initiatives which are listed on page 491, I would have thought that one of the areas that you would be required to be doing some work on is the GST surveillance work. Can you tell us what is the required involvement by the Ministry for Fair Trading at the prices surveillance package that is part of the GST? Why have we not seen this feature at all in the program statements?

Mr WALKER: At the moment there is some uncertainty, obviously, with the GST but on the assumption that it will come in there have been discussions that have centred around Treasury. Part of the Treasury organisation has been handling this from a State perspective. I think it is fair to say that at the ministry we are very concerned that we will receive a number of inquiries in relation to the GST but the organisation which has primary carriage for that - and a Commonwealth budget allocation of \$40m - is the ACCC. So, the ACCC have been liaising with State Fair Trading jurisdictions and we have been trying to put in place some preliminary protocols about how people's inquiries will be handled from the very basics such as telephone free call arrangements. Essentially, most of those inquiries will be handled by the ACCC. They have been given \$40m to introduce monitoring. I understand from July of this year they will be monitoring ready for implementation or planned implementation of the GST in 12 months time.

Ms MacTIERNAN: Is there any legislation, Minister, to be introduced that involves the Ministry of Fair Trading? I understand that there is some legislative package that is being promoted. That is the information that we are getting from the Leader of the House; that there is some GST surveillance legislation being introduced into the Parliament.

Mr SHAVE: I would expect that if there is some legislation to come in that it would probably come in in one deal initiated from the Premier's Department. I cannot give you that as being an absolute fact but I am happy to have my staff confirm that as being so or otherwise.

Ms MacTIERNAN: So, the Premier has not discussed this with you?

The CHAIRMAN: The Minister is undertaking to provide supplementary information to answer that question.

Mr JOHNSON: On page 485, the final dot point, leave entitlement liability. I know it is an issue with many government departments and I note that you have reduced the liability hours by 14 per cent. Can you give us a bit more information on the leave entitlement liability?

Mr SHAVE: I will let Mr Walker discuss that in detail but there has been a number of directives coming out from the Premier in recent months regarding this issue. It not only applies to Ministry of Fair Trading. All government departments have been asked to get their leave entitlement requirements out of the way and brought into line. In fact, the CEO of DOLA is, in fact, taking some time off, I think over the next several weeks, to try and resolve the issue that he has down there. So, what we are saying to the CEOs is that they certainly should have their levels of entitlement in line and that is to be used as an example and a guideline for senior management and other staff to do exactly the same thing. We are not keen on banking of leave that has occurred sometimes in the past. Mr Walker might like to comment specifically now on the Ministry of Fair Trading situation.

Mr WALKER: The requirement is, as the Minister said, for all agencies to reduce their leave liabilities by 10 per cent. That is actually in dollar terms. There is across the public sector quite a bank up of leave. I am pleased to say at the ministry that we are confident we will achieve that. It is not achieved without constant surveillance. You have to be vigilant with it.

Mr JOHNSON: Over what period of time are you confident?

Mr WALKER: Within this year we anticipate we will probably achieve about a 15 per cent reduction. The target is 10 per cent. That target is given by Treasury in dollar terms and so that does get a bit more challenging when you have EBA agreements. For example, if there is a 3.5 per cent salary increase automatically your leave liability goes up 3.5 per cent notwithstanding no one has any extra leave. So, it is a challenge. We are confident we will meet that. It is something I am particularly keen to address because it does lead to general management day to day issues if left unaddressed.

The CHAIRMAN: Minister, just a further final question on the same issue. Can the Minister just give an example of a policy which has been put in place to reduce the leave liability hours by 14 per cent? Just an example of one policy. I am curious as to how you propose to go about attaining that objective.

Mr WALKER: A couple of examples; firstly a directive that staff with particularly long service leave accrued - anyone that has more than one entitlement - we are saying that that should be clear within a particular period of time. The other thing is we are giving some people the option to cash out. Now, of course, we do not want people cashing out and not having the benefit of leave because obviously it is designed to refresh staff but if people do have a particular sum of leave then they will cash that out. With our case, we did get some assistance in view of the restructuring and voluntary severance, some of those people who are taking voluntary severance have had accrued leave and they will be paid out.

The CHAIRMAN: What about time in lieu, Minister? Is that one of the policies, or not, that can be used to acquit this.

[1.15 pm]

Mr WALKER: The time in lieu does not actually address the leave liability but something we have done in our enterprise bargaining agreement is that people will be able to take leave in smaller bites. For example, with long service leave, people do not have to take the full entitlement, so people can take smaller bites at their discretion and that helps both parties.

Ms MacTIERNAN: I refer to page 494. I have a question of a general nature to you, Minister, in relation to your portfolio, and this relates to basically the consumer advocacy roles of the department. I understand it is the intention of the Attorney General to abolish the Small Claims Tribunal. The Small Claims Tribunal clearly is a key consumer complaints body. Minister, what reports have your department prepared in relation to these proposals to abolish the Small Claims Tribunal? What is your view of the abolition of the Small Claims Tribunal?

Mr SHAVE: As I recollect, a memo was sent 18 months ago from - -

The CHAIRMAN: Order, members.

Mr SHAVE: In that - -

Ms MacTIERNAN: I am advised that I sent a memo.

Mr SHAVE: The department expressed the view that they would like quite obviously to see that people would still have access on a local basis through the local courts and in discussions that I had with the Attorney General I expressed that view and he assured me that people having claims that were dealt with on a local basis would still have the capacity to have their cases heard and they would not be disadvantaged, and that is where we are today. If you were to ask me about the specific legislation and the way it will be framed, you are aware that it does not come under my portfolio. It comes under Minister Foss' portfolio and he is a very capable Minister, so he has my full and total support, and I am confident that the legislation when it comes forward will recognise the views that my department have, and which I have, that people should still have the capacity and access that they have now to have their complaints heard and adjudicated on without incurring significant increases in cost.

Ms MacTIERNAN: Because of the absolute importance of a Small Claims Tribunal as part of a consumer protection regime, and given your role as the person responsible within Cabinet for consumer protection, notwithstanding the change of the department's name, are you telling us that having examined the proposed changes you are prepared to support the abolition of the Small Claims Tribunal?

Mr SHAVE: You did not listen to what I said. When you asked if I looked in detail at the proposal, I have told you that I have not. The Minister has important legislation forwarded to me and until he does that I cannot comment on that. What I have said to you is that when it does occur I will take into account all of the concerns that you have raised, and that I have, to ensure that people are properly protected.

Ms MacTIERNAN: Minister, can I put it to you that - -

Mr SHAVE: If it does not provide those sureties for me then I would seek to request that changes are made.

Ms MacTIERNAN: Minister, a proposal has gone to Cabinet, has it not? This has received Cabinet approval?

Mr SHAVE: The actual legislation - -

Ms MacTIERNAN: No, not the actual legislation; the in principle decision to abolish the Small Claims Tribunal.

Mr SHAVE: Yes. The Minister has put that to Cabinet.

Ms MacTIERNAN: It has been approved by Cabinet.

Mr SHAVE: Cabinet has been advised by the Minister that the Minister intends bringing legislation to the Cabinet and when we get that legislation we will then scrutinise it and determine whether or not all of us are going to support it. Let me add that all of the legislation that comes forward is not necessarily supported by all Cabinet Ministers. Even if it is, if it goes to the party room and the party room does not support it, then it does not get into the Parliament. To make suggestions of what might happen in the future and request me to determine that is quite unfair and is not something that I can do. Cabinet may approve something but then the party room may say they are not going to agree to that change, so you really need to wait until the legislation comes forward.

The CHAIRMAN: Minister, just a follow up question on that point, is it the case that the government proposes to abolish the Small Claims Tribunal and do nothing to set up a consumer redress mechanism in its place or is the government proposing to expand the powers of the local court to assume essentially the same duties, functions - -

[1.22 pm]

Ms MacTIERNAN: He does not want to get involved in the detail he said.

The CHAIRMAN: - - duties, functions and responsibilities of the tribunal?

Mr SHAVE: I said until I look at the actual detail of the bill, and as you would appreciate member for Armadale, I read these bills very closely when they come forward I have not seen the legislation and until I do there is no point in me commenting but in answer to what the Chairman has said it has never been the intention to just abolish so that people are not going to get any support.

Ms MacTIERNAN: We all know that.

Mr SHAVE: When you say we all know, some members of Parliament go out and rant and rave to the press and say people are going to be disadvantaged, they are going to be left without anywhere to put their case forward. The argument being put forward by the Attorney General is that the issues can be handled by the local courts more effectively and in fact consumers will be protected as they are now if it is done on a local basis.

Ms MacTIERNAN: Do you support that argument?

Mr SHAVE: We will see when the legislation comes forward.

The CHAIRMAN: Minister, just a follow up question. I will be very brief. I apologise member for Armadale. Does the Minister believe that it is in the interests of consumers in rural areas for them to have to travel to Perth to have consumer claims addressed through a tribunal, such as the Small Claims Tribunal, or is it your view that it is more appropriate that the local court nearest to where they live have jurisdiction to deal with the concerns and issues that they have against traders?

Mr SHAVE: That is the position being put forward by the Attorney General and people in rural areas would say that that has merit and that they would rather have it dealt with on a local basis, and I think anyone with any knowledge of airfare costs between here and Broome or here and Karratha would understand when you have got a \$700 claim and an airfare return might cost you \$1000 that you are better off having the matter dealt with in Karratha or Broome than you are in Perth.

Ms MacTIERNAN: Can I ask a follow up question to this because I have to say that I am absolutely alarmed that the Minister responsible for consumer advocacy would have such little knowledge of how the Small Claims Tribunal operates. You are going in there on behalf of consumers into the Cabinet and you do not know that one of the most essential features of the Small Claims Tribunal is that they can actually, unlike the local court, hear one part of an action in one part of the state and the other part of the action in another and that in fact the very great merit of the Small Claims Tribunal is the fact that if they have got a dispute in Albany they will go down to Albany and take evidence from the consumer down in Albany and they will come up to Perth and take evidence from the other side and that this is a flexibility that is not available in the courts. Now, Minister the fact that you are totally ignorant of that reality of the way the Small Claims Tribunal operates is of great concern to those of us that are interested in consumer protection.

Mr SHAVE: Some people would argue that there is a better method of addressing that issue on the basis of being provided by the Attorney General and if you want to argue with him about which is the better method in terms of the legal logistics of it then I suggest you do that.

Ms MacTIERNAN: Minister, I was just saying that you obviously were labouring under a complete misapprehension as to the way in which the - -

Mr SHAVE: No, I was not at all. Let me say this, Mr Chairman, if I have got an action pending in Karratha affecting me where someone has deceived me and part of the evidence is heard in Karratha and I have then got to hire a solicitor down in Perth to find out what the other side is doing and to have representation - -

Ms MacTIERNAN: You cannot hire a solicitor in the Small Claims Tribunal. Strike two.

Mr SHAVE: - - representation or advocate, call them what you will, Mr Chairman it seems to me that what the member for Armadale has done is highlighted how disjointed the current process is.

The CHAIRMAN: Members are there any further questions on this division? Member for Wanneroo.

Mr MacLEAN: Just a very quick question. Page 493 major achievements 1998-99, dot point 2, carried out consultation process involving stakeholders, for the accreditation and audit process to allow private industry to certify and vary measuring instruments, that is scales, etcetera. Could you outline the progress of the adoption of this uniform trade measurement - -

Ms MacTIERNAN: We have done this before.

Mr MacLEAN: That was different. This is about the actual scales.

The CHAIRMAN: Have you completed the question, member?

Mr MacLEAN: No, I have not. Could you outline the progress of adoption of the uniform trade measurement legislation and for the accreditation and certifying of people to measure?

Mr SHAVE: The member for Armadale is suggesting that what the member for Wanneroo is asking is the same question that was asked before. It is not the same question, it is referring to the same dot point but specifically what the member for Wanneroo is asking is what has the Ministry been doing in terms of audit processes and verification and certification of the way the measuring of the instruments is taking place and that is an entirely different question to the question that the member for Armadale asked in respect of suggesting - -

Ms MacTIERNAN: It was the member for Hillarys.

Mr SHAVE: You followed it up with a very cutting question talking about the fact that I may have been talking to hotel proprietors about a section of the legislation. So with regard to the auditing and the certification and verification that the member for Wanneroo has asked about I am more than happy for Mr Walker to respond to that.

[1.29 pm]

Mr WALKER: Members will probably be aware that the legislation initially envisaged that government officers would go out and do all the measuring of these instruments once a year, which is quite impractical and very expensive. There have been arrangements made where changes to the legislation can occur where people can be accredited to do that particular work. We are currently discussing those arrangements with people in the industry. Generally, I think it is regarded as a good idea. Some people obviously would prefer to keep the current arrangements but that is proceeding and those arrangements will be captured in the report to the Minister and subsequently, one would assume, through legislative change.

Mr JOHNSON: So the industry could monitor itself in that respect?

Mr WALKER: Yes. The role will essentially shift. Instead of a ministry operative going out and doing all the work, people will be accredited to do that. There will be certain time frames so that people who use those scales would engage others to come in on a regular basis and measure and basically test the scales or other instruments within the appropriate professional standard.

Mr JOHNSON: What people would be accredited? You say they would not be ministry people. Who do you have in mind?

Mr WALKER: Scale manufacturers, for example, and others who attain the necessary qualifications and certifications.

Mr MacLEAN: Can I just ask a quick follow-up question?

The CHAIRMAN: You can, but I will just remind members that I think there was a consensus that perhaps this division could be put to the vote at 1.30. It is up to the members. All right. The member for Wanneroo?

Mr MacLEAN: Yes. No, it is all right.

Ms MacTIERNAN: Do not worry. The consumers are used to getting short-changed. They are not going to worry too much about this.

Mr MacLEAN: Let me ask this part of the question. This does not impinge in any way on Fair Trading and other organisations going out there and doing spot checks on the scale and on petrol pumps and all those other things. That will still be done. There will still be prosecutions if they come up short?

Mr WALKER: Yes, absolutely correct. We are not going to abandon consumers. We are going to make sure that appropriate mechanisms are in place to do that.

Mr MacLEAN: So instead of having people going around checking that the scales are weighing right after they have been serviced and using up all that valuable resource, you will actually be able to put more people out in the field checking that they are not - -

Ms MacTIERNAN: Hundreds of them.

Mr MacLEAN: Actually, it is only about two, is it not?



Mr WALKER: That is correct. We have a limited staff. What we will be doing is spot audits. Unlike the current arrangement where, because it is in-house, and because we have the State to cover, it tends to be routine, it tends to be very predictable. What we would rather see is some other arrangement where we are not quite as predictable and where we can act in everyone's best interests.

The CHAIRMAN: The member for Armadale?

Ms MacTIERNAN: You may not have this information on hand, but there has been a great deal of concern that central to the huge losses that are being incurred by investors arising out of these pooled mortgage investment schemes has been the conduct of licensed valuers. One particular valuer, whose name I have raised with you on several occasions, Mr Ron O'Connor, is at the heart of many of these valuations. Can you tell me now, are there any investigations going on into the conduct of Mr O'Connor and have any charges been laid against Mr O'Connor?

Mr SHAVE: The answer to your first question is yes. To my knowledge, no charges have been laid at this stage but there are ongoing investigations into his activities.

Ms MacTIERNAN: How long have these investigations been going on?

The CHAIRMAN: Mr Walker, through the Minister.

Mr WALKER: The investigations have been taking place over the last few months. The Ministry was asked by the Land Valuers Board to inject additional resources into that area, which we have done.

Ms MacTIERNAN: How much extra resources?

Mr WALKER: I think there are about three people currently working on that particular case and at this stage we anticipate a report will go to the Land Valuers Board next month.

Ms MacTIERNAN: How many people have you now got working in the finance brokers business unit? You have only had one for the last few years. Do you still only have one person working in that whole area of finance brokers, notwithstanding the level of losses that have been sustained?

Mr WALKER: We do not have only one. Perhaps you mean one investigator?

Ms MacTIERNAN: Investigator, yes.

Mr WALKER: At the moment there is one investigator, but the restructure provides to pool the investigators so that we will have a significant number - I think about eight investigators - that will be, in terms of service industries, available to work and to attack all hot spots.

Ms MacTIERNAN: But there is still only one person at this time, working on those investigations?

Mr WALKER: That is correct.

**Division 55: Western Australian Electoral Commission, \$2 390 000 -**

[Mr Baker, Chairman.]

[Mr Shave, Minister for Parliamentary and Electoral Affairs.]

[Dr K.W. Evans, Electoral Commissioner, WA Electoral Commission.]

[Ms F. Colbeck, Deputy Electoral Commissioner.]

[Mr G.J. Harrington, Manager, Corporate Services Branch.]

The CHAIRMAN: Thank you. The member for Fremantle?

Mr McGINTY: Thank you very much. Minister, my questions really flow out of the Mission statement which is on page 410:

The agency's mission is to maintain and enhance the integrity of electoral systems.

And also the second dot point under Significant Issues and Trends:

The Commission is committed to the improvement of the effectiveness and efficiency of electoral procedures through the use of appropriate information technology and other innovative procedures.

As at today's date, the electoral enrolments in Rockingham and Mandurah, two adjoining electorates, are these: at Rockingham, it is 23 392; Mandurah, 13 181. If you take the largest and the smallest between country and city, Eyre has an enrolment of 10 086. Wanneroo has an enrolment of 33 666.

[1.36 pm]

Mr SHAVE: It is more than that now.

Mr McGINTY: No, it is not; it is at today's date. Taking those figures, Minister, I ask prior to the 1996 election did the Premier and the Deputy Premier reach agreement and announce that WA would see electoral equality within a 20 per cent tolerance by removing the artificial weighting between city and rural electorates?

Mr SHAVE: When you say the Premier and the Deputy Premier arrived at that figure, my understanding was that they did in fact - -

Mr McGINTY: Can I bring it to you then, after the 1996 state election did you announce that the government would introduce an electoral amendment bill to bring in a form of one vote one value to the Legislative Assembly to give effect to that promise?

Mr SHAVE: I think that was also stated in - -

Mr McGINTY: Do you intend to honour those two commitments?

Mr SHAVE: When you say "to honour those two commitments", circumstances change and I cannot pre-empt until the legislation comes into the lower House how the Parliament will vote on this issue.

Mr McGINTY: Is the fact that Labor holds only four of the 23 country seats the primary motivation for your breach of this election promise?

Mr SHAVE: No.

Mr McGINTY: What is your motivation?

Mr SHAVE: You are saying it is my breach of the election promise. As I said to you, we will deal with the legislation when it comes before the lower House. If you are asking me does the government have a concern with regard to the representation of the country voters, the answer to that is yes. If you are asking me has the government had strong representation from country voters over the last two years in regard to this issue, the answer is yes. If you are also asking me does the government intend considering all those representations that have occurred over the last two or three years since those original decisions were made, the answer to that is yes also.

Mr McGINTY: I have a follow up question to that. Does the government intend to introduce legislation itself to give effect to those two undertakings?

Mr SHAVE: At the moment, as you are well aware, the Labor Party has introduced legislation in the upper House which I am told from newspapers reports will pass that House. How the lower House deals with that legislation - -

Mr McGINTY: Is government going to introduce legislation itself?

Mr SHAVE: I will answer the question. How the government deals with that legislation in the lower House will be determined when it gets there. If you are asking me whether I think it is practical or sensible to have two sets of legislation dealing with the one issue running simultaneously, in view of the fact that the Labor Party is hell bent on obstructing most legislation that goes to the upper House, Cabinet has not made that decision but it would be my view, as a member of Cabinet, that to introduce similar legislation in the lower House while there is a bill in the upper House is counterproductive to the operation of the Parliament.

Mr McGINTY: I ask you, Minister, whether the government has any intention prior to the next election of introducing its own legislation to deal with this issue.

Mr SHAVE: I made the point to you.

Mr McGINTY: The answer is no, is it not?

Mr SHAVE: Let me answer the question. I do not ask you how to put your questions. Do not tell me how to answer.

Mr McGINTY: Are you going to introduce legislation or not?

Mr SHAVE: Everything is fairly straightforward. I have the right to answer the question as I see fit. I would only be reiterating what I said to you a few moments ago. It would seem to me counterproductive to introduce legislation relating to vote weighting into the lower House when there is already a bill in the Parliament that is looking evaluating that issue.

Mr McGINTY: I will pursue this issue because it is capable of a fairly easy answer. After the 1996 election you said that the government would introduce legislation. Is that promise still current?

Mr SHAVE: When you say it is a promise, the government at that time made a decision to do that and - -

Mr McGINTY: And you announced it.

Mr SHAVE: The government may have made a decision to do that at that time. If circumstances have changed - -

Mr McGINTY: What has changed?

Mr SHAVE: - - between that time and the current time, then it may well be that the government may have a different view. A government at times makes decisions at that time which it sees appropriate.

Mr McGINTY: Do you intend to introduce legislation or not?

Mr SHAVE: You have got to be a repeat record, member for Fremantle. In answer to that question that you just asked me, go back through the Hansard - -

Mr McGINTY: Are you going to introduce legislation or not?

Mr SHAVE: Go back to the Hansard for the three previous answers and that is the answer to this question.

Mr McGINTY: What are the changed circumstances that have led to this broken promise?

Mr SHAVE: When you say "the changed circumstances" - -

Mr McGINTY: No. You said "the changed circumstances".

Mr SHAVE: I believe it is a very good point that the member for Fremantle makes and I would like to elaborate on that. There are some changed circumstances and the changed circumstances are these; that in the last three years people in rural Australia and rural Western Australia believe they have been badly disenfranchised in terms of decisions that have been made. I have a view that if there is a level of vote weighting which allows country people to get decent representation, and in view of the economic circumstances that persist at present in rural Western Australia and rural Australia, if a government makes a decision to do something, then re-evaluates that situation, they have every right to do that.

Mr McGINTY: What are the changed circumstances?

Mr SHAVE: It is not unlike deciding that you are going to do something with a budget, that you are going to build a high school, and then three years later you find that the circumstances have changed. You re-evaluate the situation. The clear message, Mr Chairman, that rural Western Australia is putting to the government of Western Australia is that they are not being heard and they are not being properly represented. Mr Chairman, the interesting thing is that the changes to this electoral Act are not coming from people in the metropolitan area. I might have got one letter from one group of people suggesting that there should be a change to the current representation of country people in Western Australia in the last 3 years. I have probably had 200 from shires throughout rural Western Australia pleading to allow them to have a reasonable level of representation. When you are judging the level of representation that people should have in this Parliament do you just equate it to numbers or do you equate it to isolation? Do you equate it to productivity? We know what the attitude of the Australian Labor Party is towards country people. They want to take their representation away from them. We will be letting the people in Kalgoorlie and Burrup and Eyre know exactly what the Australian Labor Party is trying to do to them before the next election. They will have to live with that.

Several members interjected:

[1.43 pm]

Mr SHAVE: The member for Fremantle is welcome in my electorate to tell the people of Alfred Cove that I am not a suitable representative and they are not getting proper representation because if he goes and advertises ...(indistinct)... Mr Chairman, it will be more votes for me on less ...(indistinct)... ...(indistinct)... So, I am not concerned about the position that the member for Fremantle takes. What we have here is the Australian Labor Party, as it usually does, wanting to centralise government in the City of Perth and in centralised systems in Canberra but disenfranchises rural people. Let me say, Mr Chairman, there are a lot of people in the suburban areas of Perth and Sydney that actually recognise that rural Australia produces a lot of the wealth in this country and the sooner the Australian Labor Party wakes up to that and starts addressing issues like native title that are crippling this country, this country will have some chance of going forward. At the moment it has no chance as a result of the actions of our political opponents.

Several members interjected:

The CHAIRMAN: Order, members!

Mr SHAVE: Mr Chairman, I hope you will bear with me for digressing slightly but it is important that in the correct context of this debate - -

Several members interjected:

Mr SHAVE: - - this debate that people understand what actually happens to this country and where the wealth in this country is produced.

The CHAIRMAN (Mr Baker): Order, members! Minister, are you aware of any comparatively recent High Court challenges alleging that the integrity of our State's electoral system is not satisfactory? If so, the results?

SPEAKER: Good question, Mr Chairman. You are as bad as he is.

The CHAIRMAN: The results of that or the actual decision in that matter.

Mr SHAVE: Well, I do not have that detail here in front of me but my understanding is that the West Australian electoral system at present is legal and is being administered properly.

Mr JOHNSON: Minister, you have just told us the reason that you feel that at the moment certain matters have changed and that rural Western Australians believe that if any change was to happen now they would not get fair representation. Is it not fair to also say that the bigger rural areas - - a member would possibly have to have a fewer number of electors anyway to be able to service it because of the distances travelled. That is very similar to some local authorities where you have councillors who represent a smaller number of people because they have got a larger area to cover.

Mr SHAVE: Yes, but I do not know one rural member of Parliament that has expressed a view over the last 10 years that by enlarging their electorate they could adequately service that electorate. Most of the comments that take place in this Parliament say that the electorates are too big and that it is difficult for them to adequately service their electorates. I have received hundreds submissions in the last 12 months to 2 years from shires - both in Labor and Liberal electorates - urging the government not to reduce their representation and in every case I have had representations from the County Shires Association, from individual shires right around the State. I have a file full of representations urging the Government not to change that representation.

Ms MacTIERNAN: Minister, I am struggling to comprehend this. I am trying to work through the blancmange that you have presented here. When the member for Fremantle asked you to articulate the changed circumstances, that which has happened since you made the electoral promise that you would introduce legislation to amend it, and you said there were changed circumstances. Now, the best that we could actually find out about that was that there was some sort of economic crisis in rural areas. So, there is an economic crisis. Obviously rural wealth has declined. Yet when you were actually defending the reason for vote weighting, later on, you said one of the reasons to support that is that there was more wealth produced in the rural areas. Do you see that there is a little bit of a disparity here? On one hand you are saying, "We are now actually going to move from our original position which was to improve the situation. We are not going to do that any more because the country areas are getting poorer but then the whole reason for having a disparity is that the country areas produce more wealth than the city." Do you see the conflict in your logic?

[1.51 pm]

Mr SHAVE: No, not at all.

Ms MacTIERNAN: You do not?

Mr SHAVE: No, not at all.

Ms MacTIERNAN: So if the country areas are poorer - -

Mr SHAVE: Are you going to explain for me or do you want me to explain?

The CHAIRMAN: Could the Minister answer the question, please?

Ms MacTIERNAN: Is it that they are poorer or is it that they are richer?

The CHAIRMAN: Order, members.

Mr SHAVE: When is the last time you went out in the bush and spoke to some people in country areas?

Ms MacTIERNAN: Probably last week.

Mr SHAVE: I bet.

Ms MacTIERNAN: Well, you ask Murray Criddle. I am out in the bush all the time. Wherever he is, I am there.

Mr SHAVE: Mr Chairman, there are two issues.

Ms MacTIERNAN: I also visit Tammin regularly.

Mr SHAVE: Mr Chairman, there are two issues. The first issue relating to wealth produced in rural Western Australia and rural Australia is undisputed. What people realise is that most of those people that understand income and money flows and government - - it is undisputed that most of the wealth in Western Australia is produced in the rural areas. Most of the income comes from our exports. Those exports are located in rural Western Australia. That is going to continue and the development of those areas is going to be critical to the future of this state.

The issue that the member for Armadale then raised about the hardship that people are having - - people are having hardship. We have had a very, very strong - -

Ms MacTIERNAN: What has that got to do with - -

The CHAIRMAN: Order, members.

Mr SHAVE: It has got a lot to do - -

Several members interjected:

Mr SHAVE: What the electoral system should recognise is that if there is going to be development in those regional areas it is critical to the future of this country that those areas have some sort of a voice in the Parliament when decisions are made -

Ms MacTIERNAN: Absolutely.

Mr SHAVE: -- as to whether funding is required for development. The result that we get every year in this Parliament when we hear the leader of the Labor Party or the leader of the government stand up in this Parliament - whoever is there - they say, "Canberra is not giving us enough money. Canberra is taking this off us. Canberra is taking that off us." The reason for it is that Canberra does not worry too much about us because we do not have a strong level of representation in the Federal Parliament in terms of numbers. The numbers come from the city on the east coast and it is unfortunate that we have that low level of representation and that is part of the reason Western Australia does not always get a fair deal.

Ms MacTIERNAN: Well, why did you make these pledges in 96?

Mr SHAVE: Mr Speaker - -

The CHAIRMAN: Order, members! Order, members!

Mr SHAVE: That is no different to rural Western Australia requiring that it has a decent level of representation - -

Ms MacTIERNAN: Well, why did you tell a lie in 1996?

Mr SHAVE: - - in this Parliament.

The CHAIRMAN: Order members!

Mr SHAVE: No-one told a lie in 1996.

SPEAKER: You did though.

Mr SHAVE: No, we did not. At that time that was the government's intention. Since that time - -

Ms MacTIERNAN: I see. You can make any promise you want. You just change your mind and then you can actually change - -

The CHAIRMAN: Order, members, please. We are running out of time. Order, members!

Mr SHAVE: Since that time circumstances have changed dramatically in rural Western Australia.

SPEAKER: I am surprised that you and the electoral commissioner would hold your head up - -

Several Members Interjected:

Mr SHAVE: Rural Western Australia believes that the level of representation they have at the moment is as low as it should be. Now, they have put that argument forward. They have made those submissions - - Mr Chairman, the point that is being put forward by rural Australia and rural Western Australia is that they want to maintain their current level of representation. I have received one letter from metropolitan Perth - it probably came from a member of the Opposition - saying that they want the electoral system changed so that more members occur in the metropolitan area and if we are going to have a debate publicly with the electorate over whether there should be more representatives in Parliament from Perth or whether the status quo should be maintained in rural Western Australia, the current government is happy to have that debate going up to the next Parliament. We will tell the people of Perth that we believe that rural representation in Western Australia should be maintained and the Labor Party wants to reduce that representation - -

Several members interjected:

The CHAIRMAN: Order, members! Order, members!

Mr SHAVE: Mr Chairman, the member for Fremantle talks about equality. I say this to you, Mr Chairman; that the people in my electorate have far better access to me than someone sitting out the back of Karratha - -

Ms MacTIERNAN: That is not what they tell us.

Mr SHAVE: - - has to getting access to their members of Parliament. The logistics are that people in rural Western Australia and Australia are somewhat disenfranchised most of the time - -

Ms MacTIERNAN: What about Mandurah?

Mr SHAVE: - - and Mr Speaker - -

Several Members Interjected:

The CHAIRMAN: Order, members!

Mr SHAVE: It depends, Mr Chairman, how you term equality and this government is going to look at the legislation the Labor Party has brought in and we will evaluate it and we will make it - -

Ms MacTIERNAN: What about Mandurah?

SPEAKER: Did they include the abolition of the Upper House?

Mr SHAVE: Well, I think that - -

Several members interjected:

The CHAIRMAN: Order, members! Has the Minister completed answering the member for Wanneroo's question?

Mr MacLEAN: No. I have got a question.

The CHAIRMAN: Related to this, is it?

Mr MacLEAN: No, I have got a question.

The CHAIRMAN: The member for Wanneroo.

Mr MacLEAN: That was an interjection on what was going on. How is the Electoral Commission going to balance out the growth in the north and the south? At the moment the state seat of Perth has about 20 000 people in it - -

Ms MacTIERNAN: And Mandurah has 11.

Mr MacLEAN: I have 34 000 people in my electorate.

Mr SHAVE: Perth has got nearly 23 000 people.

Mr MacLEAN: No, Perth has got 20 000 people. So how are we going to balance out the vote? In six years time Wanneroo will double its population which means there will be a 150 000 people. Now the only reason Wanneroo has low numbers of voters in it at the moment is because most of them have not reached their two year limit before they can apply for citizenship. That is about a third of my population, are not citizens. The other percentage are yet to turn 18. So I am going to have phenomenal growth in my electorate plus the numbers of people coming into my electorate and we can only change the boundaries every second term of government.

The CHAIRMAN: I am sorry, members, the time is now 2 o'clock. I am required by Standing Orders to put this division to the vote.

Ms MacTIERNAN: We want him to answer that.

The CHAIRMAN: I am sorry, member, Standing Orders overrule the wish of the Committee at this stage. The question is that the vote for division 55 be recommended.

*Committee adjourned at 2.00 pm*

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