

Legislative Assembly

Wednesday, 31 May 2000

ESTIMATES COMMITTEE B

The meeting commenced at 9.00 am.

The CHAIRMAN: For the information of members, this Estimates Committee will be reported by contractors to the Hansard office. The daily proof *Hansard* will be published in two parts tomorrow, part one at 9.00 am and part two at 8.30 pm. This year Hansard ask ministers, members and advisers to make their corrections on the daily proof *Hansard*. Hansard will forward the transcript to the minister's office for distribution to advisers. The cut-off date for corrections will be indicated on the transcript.

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

While there is scope for members to examine many matters, questions 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 are kept brief, without unnecessarily omitting material information. It is the intention of the chairman to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. For the purpose of following up the provision of this information I ask the minister to clearly indicate to the committee which supplementary information he or she will agree to provide. If supplementary information is to be provided, I will seek the minister's cooperation in ensuring that it is delivered to the Committee Clerk by 14 days from today, this day, so members can see it before the report and third reading stages.

If the supplementary information cannot be provided within 14 days, written advice is required of the day by which the information will be made available. Details in relation to supplementary information have been provided to both members and advisers and accordingly I ask the minister to cooperate with these requirements. I caution members that if the 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 14 days.

It will greatly assist Hansard staff 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.

Division 12: Commerce and Trade, \$101 617 000 -

Mr Masters, Chairman.

Mr Cowan, Minister for Commerce and Trade; Regional Development; Small Business.

Mr Q. Harrington, Acting Executive Director, Department of Commerce and Trade.

Mr P. Herlihy, Team Leader Finance, Department of Commerce and Trade.

Mr M.I. Beach, Senior Adviser, Office of the Deputy Premier.

Mr R.J. Muirhead, Chief Executive Officer, Department of Commerce and Trade.

Mr R. Goodwin, Acting Executive Director, Industry Services, Department of Commerce and Trade.

Mr N. Chartres, Executive Director, Office of Information and Communications, Department of Commerce and Trade.

Mr J.M. Loney, Executive Director, Industry Development Division, Department of Commerce and Trade.

Ms L.A. Smith, Executive Director, Corporate Business Operations, Department of Commerce and Trade.

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

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

Ms L. Mackin, Senior Adviser, Office of the Deputy Premier.

Dr S.D. Meek, Executive Director, Science and Technology, Department of Commerce and Trade.

Mr M.G. Stevens, Team Leader, Executive Support Team, Department of Commerce and Trade.

Mr R.D. Grounds, Executive Director, Office of Aboriginal Economic Development, Department of Commerce and Trade.

Mr R.H. Buttsworth, Finance and Administration Coordinator, Small Business Development Corporation.

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

Mrs J. Criddle (Sheppard), Policy Officer, Office of the Deputy Premier.

Mr COWAN: Chairman, I am responsible for 14 divisions. Commerce and Trade is naturally the largest of those, but I wonder if we are going to get some indication from you as the chair on whether we are going to get an indication from the committee as a whole as to whether or not we are going to set some time lines that would permit us to get into those divisions without having to find, at the end of the time that is allocated to my portfolio responsibilities and those I represent in the other place, the prospect of some of those divisions not even being dealt with at all.

The CHAIRMAN: Minister, that is a question for the committee as a whole to decide. I point out that under standing orders we are required to finish here on the dot of 12.00, so as the minister is pointing out, if we do not deal with particular divisions, then that is it, they simply do not get dealt with. I seek guidance from the committee as to whether you would like to allocate a set amount of time to each of the dozen or so divisions that we have before us or whether expeditiously you would like to progress through them.

Mr COWAN: Chairman, I think there should be enough importance attached to the Small Business Development Corporation that they should be given a set time now. Those areas within the department's portfolio responsibilities and the Regional Development Commissions you might care to take as a block. That then only leaves the Perth International Centre for Application of Solar Energy - CASE - but if we could agree now that we would perhaps set aside some time just perhaps prior to 12.00 for the Small Business Development Corporation, I wonder if the committee would be prepared to agree to that?

The CHAIRMAN: Minister, would you like to suggest an appropriate time for Small Business?

Mr COWAN: I would suggest a minimum of half an hour, Chairman. I would suggest that if by 11.30 we are still arguing the toss about division 12, we should at least put all of those divisions and the Regional Development Commissions and the case division and move to the Small Business Development Corporation.

Mr BROWN: Can I suggest an alternative to the minister? I am happy to spend time on the SBDC matters, but my colleague, the member for Kalgoorlie, who will join us a bit later on, is keen to pursue regional development and commerce and trade matters. Therefore I would suggest we expedite the SBDC matters by dealing with it first.

Mr COWAN: That is the one thing that I cannot do, Mr Chairman. George is not here. We could probably have him here within half an hour.

The CHAIRMAN: Minister, could I suggest then at 9.45 we move over to Small Business Development Corporation regardless of how we are progressing in subdivisions and, once we finish that particular division, if necessary we can come back to the one that we left at that point in time.

Mr COWAN: I am comfortable with that.

The CHAIRMAN: We are starting off with division 12 which is on page 207 of volume 1. Minister, do you wish to make an opening presentation?

[9.10 am]

Mr COWAN: I had not prepared one, Chairman. I thought it would be more appropriate if the committee was given all of the time to direct their questions.

The CHAIRMAN: Fine.

Mr BROWN: If I can go to page 229 of the budget papers dealing with the Regional Headworks Development Scheme Trust Account which has a budget estimate this year of \$3m, my understanding now in relation to the four years the trust account has operated is that in the first year - that is, the 1997-98 year - there was \$5m put into that account and in the following three years there was \$3m in that account. Is that right?

Mr COWAN: Yes.

Mr BROWN: That would be a total of \$14m that has been allocated to that particular scheme over the four years.

Mr COWAN: Chairman, I do not have the details prior to 1998-99 in front of me. I only have 1998-99, 1999-2000 and 2000-01. They are the figures I have. I would have to get the additional information, if I possibly can, and provide it if that is what you want. I am sure you would find it in back budget papers. You will know what it is. Do you want me to provide it as supplementary information?

Mr BROWN: No. In terms of that, is there some indication that can be given in terms of the amount that has to come back to the Government because of the way in which some of these schemes are established? Some of them are loans. Some of them are loans which are non-repayable in the event of certain things and some of them are loans to be repayable.

Mr COWAN: Chairman, can I interrupt the member and ask: is this the extension of what you raised in the House?

Mr BROWN: Yes.

Mr COWAN: Chairman, I am pleased to have the opportunity to respond to that and give you the details because it caught me unawares in the House. The references you were making, and the figures, were really grants. You are quite right. The balance of that fund is in loans to industry or to local authorities. They are a separate amount. As an example, from the information I have for 1998-99 there was a \$3m contribution from the consolidated fund and with respect to the payments \$2.759m was allocated in the form of grants and \$627 000 in loans to local industry or to local authorities.

In 1999-2000 again \$3m was appropriated. Only \$645 000 went out in the form of grants and \$2.774m went out in the form of loans to industry or to local authorities. Then again in 2000-01, the year we are looking at for these estimates, we expect that of the \$3m allocation \$550 000 will be allocated in the form of grants and \$4.45m will go out in the form of loans to industry and local authorities.

I might also add that when we do issue loans there are occasions when the recipient of those loans makes an application for that loan to convert to a grant and that decision is taken on the regional benefit and/or the other circumstances that relate to whether or not it would be appropriate to convert it to a grant. Quite often some of those loans to industry and particularly loans to local authorities, Chairman, do convert to a grant.

Mr BROWN: I suppose the question that I wanted answered was: there were three types of agreements, as I understand it - certainly as broken down for me before. One is the straight grant; one is the straight loan and one is the grant-loan or the loan-grant. That is where money is loaned but in the event of X, Y or Z occurring, it is turned into a grant. Some of the loan money is repayable and some of the loan money may be repayable. I would like a breakdown, not now but in supplementary information.

Mr COWAN: We are quite prepared to provide that supplementary information, Chairman, on the details that we have. We would not like to predict because I have no intention of responding to that until we actually get an application for conversion to a grant but we would be quite prepared to provide through the supplementary information processes that detail of those loans which were originally offered which have converted to a grant, and in addition to that the amount of money that has been repaid by those bodies that have been kept on a loan basis and whether or not they have met certain criteria and have begun the repayment of the loan process. We will provide that as supplementary information, Chairman.

Mr AINSWORTH: Minister, at page 209 under "Major Policy Decisions" there is an item for the Marine Environment Strategic Research Fund which I see has got projections of \$2m annually for three forward years. Could you give some indication of what that fund would be likely to be used for and how widespread would be the application of it? The geographic spread, I am talking about.

Mr COWAN: Chairman, I can give you a brief outline. Can I very briefly say that we were approached by CSIRO some time ago, and I am sure Dr Meek will be able to tell us, with respect to the State investing in some marine industry science capability in Western Australia. This is really the outcome of that relationship we have established with the CSIRO to strengthen marine industry science. Perhaps, Dr Meek, could outline the appropriation and where that is going and what it is going to do.

Dr MEEK: The actual full allocation is a \$10m allocation over six years in fact, so it starts as \$1m next year. Then it is four times \$2m for the next four years and then \$1m in the final, sixth, year. That amount will actually be matched by a contribution from the CSIRO marine research division. Overall it is a \$20m fund. The purpose of the fund is to undertake strategic marine research, so fundamental research rather than applied or industrially-oriented research, the concept behind it being that that is a very difficult thing for industry to be asked to fund and also agencies really needed additional funding to be able to work in that very underpinning research, to make decisions about management and about development proposals and so forth.

In terms of the actual spread of the funds, what will happen is that the fund will be set up as a joint venture arrangement between the CSIRO and the State Government, and State Government agencies in conjunction with the CSIRO will determine the priorities for the research over the period of the fund and the sorts of projects. It is anticipated that it will be a relatively small number of extremely large projects which have implications of big chunks of the marine environment of the State. For example, it could be the study of ocean currents. It could be an environmental management strategy of some kind. It would be very much something that has a large area, a large project with large applications over a fairly significant area.

The other consequence in fact will be that there will be a rebuilding of the CSIRO division of marine research in Western Australia in a way in which it brings skills to Western Australia, which do not currently exist in our research community, so it is expanding both the infrastructure and the research capability of the State.

Mr COWAN: Chairman, in respect of the question that the member for Roe asked about how that will have regional application, the task for us is to establish that capability in Western Australia. Once the capability is there, then it will really be the responsibility of industry whether it be the aquaculture industry or another form of marine research that might be required to make application to the established body for work to be done, for the research to be undertaken.

That will depend very much upon that body establishing some relationship and showing a clear demand and a capacity to pay part of it, not all of it. It will certainly be research that is not going to be fully paid for by the taxpayer. There will be a contribution from the private sector. As Dr Meek said, one of CSIRO's responsibilities these days is to demonstrate that it is able to win funds from the private sector, but I think you were indicating whether or not this would have had some application to the demand for mariculture, aquaculture, in areas of the Southern Ocean. Should there be a request for research on data such as current water temperature, current flows, nutrient in the water, a whole range of things, then that is something that, in conjunction with Fisheries, CSIRO would have a capability of performing.

[9.20 am]

Mr BROWN: If I can go to page 209, dealing with again the line item "Online Services - Government of Western Australia" - I am not sure if that is the right line item - I want to ask some questions about online services. In the glossy

that was issued by the Government following the budget, under the heading of "Government's Information and Communications Vision", it indicated there were four phases of the online strategy, technology in schools and teacher training, the educating of parents and other groups to utilise the technology, connecting homes to the Internet and providing tuition and providing Government and private sector services online. Do those four dot points in fact encapsulate the Government's approach?

Mr COWAN: I think they do. I wonder if the CEO can respond to the documentation itself and then perhaps ask Nigel Chartres, the Executive Director of the Office of Information and Communications, to add some comment to that should it be needed.

Mr MUIRHEAD: In broad terms what we are looking at here are the strategies which will bring the State online and this is restricted to getting the State online. There are other issues that the Office of Information and Communications deals with, but those four initiatives are the key ones that we believe will fast-track us there. There has been a revision of the original strategy of the Office of Information and Communications which has five arms to it, but each of those fits into these four strategies, so we do see these as the key ways of moving Western Australia online. We have started to deliver significantly on them with the launch of The Single Doorway to Government, known as Online WA, which provides one-stop access really to all of Government. There have been some significant moves -

Mr COWAN: I might also commend the member for Bassendean as being one of the people who attended the briefing.

Mr BROWN: I also raised in the Estimates Committee the fact that the access was so slow here at Parliament House that we were very pleased that we had the sandwiches so that we had something to do while we were actually waiting for the computer screen to operate. If this is the face of online activity, we had better go back to the quilled pen which will be a lot faster.

Mr MUIRHEAD: Given our responsibilities for the whole of the State, we have checked that and we understand you are about to get a significant upgrade to a two megabyte link here which will speed things up since that presentation.

Mr COWAN: You see, you have got an instant result.

Mr MUIRHEAD: There has been significant work done by Homeswest particularly in new subdivisions, putting in the infrastructure in the ground to enhance Internet connections. The Education Department has already trialled ways of better educating parents, using methods where the kids actually teach their parents, and there has been, as the member will be aware, significant expenditure on computers in schools and training of teachers. Those things are related to getting widespread acceptance and knowledge of how to use the Internet and we believe they are the fundamental steps that need to be taken. I think, unless Mr Chartres has anything to add to that, that encapsulates those areas of the online.

Mr BROWN: In some of the statements that have been made, people have been left with the impression, probably wrongly, that the Government intends to introduce a program which will provide people with computers or computer screens in their homes. I take it there is not any program or proposal to do that.

Mr COWAN: No. The concept is, as the CEO has outlined. Just as we now require fully serviced properties or lots, we will ensure as much as we can that the telecommunications requirements are provided to those particular building sites. There are other programs, of course, that we implement that do deal with the development of infrastructure and the capacity for people to be in a position where they can access the bandwidth that is necessary for data transmission. The Statewide Telecommunications Enhancement Program is an example of that where we have let two contracts.

Mr CHARTRES: Yes, Optus and Telstra.

Mr COWAN: If you could give an outline of those contracts that indicate that we are trying to get up to speed. No, we are not putting computers into homes, member for Bassendean, but we are seeking to improve the quality of infrastructure and accessibility. Can we give a bit of detail on the STEP program, Mr Chartres?

Mr CHARTRES: The State Telecommunications Enhancement Program was a result of a public tender and Telstra and Optus both agreed to sign development deeds and head contracts. Optus have actually signed up and Telstra are about to sign. This introduces competition into the Government data area outside the metropolitan area which will lead to an upgrade in infrastructure. For example, already through the Optus Satellite Solution we have 91 police stations connected and they have bandwidths that they have not been able to have access to before, which has enabled them to deliver much better business solutions to the public than previously.

Mr BROWN: In relation to that, I understand that there are infrastructure arrangements going on such as Ellenbrook where cables have been laid.

Mr COWAN: They have been done in Ellenbrook through Homeswest.

Mr BROWN: Telstra is now rolling out its ADSL network that will provide much greater data transmission capabilities than has previously been the case on copper lines. To what extent will this technology that they are going to introduce in Perth and Bunbury, and then gradually roll out elsewhere, obviate the need for the type of infrastructure that is being put into Ellenbrook and elsewhere?

Mr CHARTRES: Not really. The ADSL solution is to enhance bandwidth from the exchanges in the regional, rural and remote areas. It is not particularly focused on the metropolitan area. There is adequate bandwidth throughout and the

reticulation of housing estates is still required for people to use the Internet, so housing estates, regional areas like Bunbury would in fact have the ADSL solution and other places may have optic fibre or other solutions as appropriate. We are encouraging the carriers, because we have now introduced competition, to put in the most appropriate, cost-effective technology for the particular circumstances.

Mr COWAN: If I could just add to that, I met with Telstra officials only very recently, this week, and the indication to us is that quality improvements will be limited to a household or a premise that is within 3.7 kilometres of an exchange because it does not work beyond that distance. My understanding is that the provincial cities of Western Australia will benefit and so too will some of the subregional centres such as Narrogin, Merredin, Wagin and Katanning, but it will not go beyond those subregional centres in Western Australia. Anybody who is on an exchange that is outside those areas will not have the advantage of that technology and so there are still requirements for us to use perhaps things like satellite technology where that is not going to be available.

[9.30 am]

Mr BROWN: I appreciate that in regional areas where there are smaller populations that is an issue. The Commonwealth has refused to pick up its responsibilities in that regard. I think I will have something to say about that, but I am just trying to ascertain from the department's or the Government's point of view what is the necessity in terms of roll-out in, say, the metropolitan area where that is now being done in places like Ellenbrook and elsewhere, given the roll-out of ADSL by Telstra. Is that going to provide the facilities that are being currently provided by the roll-out or is there still going to be a need for the roll-out notwithstanding ADSL?

Mr COWAN: My understanding is that Telstra are very confident they can give quite a satisfactory bandwidth in any part of the capital city, any of those provincial cities and some of those subregional centres such as those I mentioned. They will have, if I have interpreted the comments made to me by Telstra correctly - and bear in mind they are only one service provider - a very broad bandwidth of 256. That will cater for anybody's requirements in those areas.

With respect to roll-out of infrastructure, we have made our commitment through STEP. We are not service providers as a State. Our task is to facilitate and encourage, cajole - whatever word you like to use - the service providers to make sure services are there. I am not really able to comment with any great authority on what the service providers might do. All I can do is relay what has been stated to me and that is that bandwidth and high speed data transmission is not going to be a problem in the urban areas of this city or in the major provincial cities or in some of the subregional centres as they make use of the ADSL roll-out for copper that already exists.

Mr BROWN: Which should overcome the expense that Homeswest is currently going to.

Mr MUIRHEAD: I think one of the issues that we grapple with in the Office of Information and Communications is that the private sector is moving the technology so fast in all aspects, hardware, software, Internet services, and from what I understand - and we are not experts in laying down the infrastructure - the cost of laying down infrastructure in terms of optic fibre at development stage of property development is minimal. In many ways I think what is being done is building the infrastructure for the future.

At the moment we do not need generally optic fibre to get the services that are coming through the Internet. As we move on into the online services, I believe we will see the demand for much greater bandwidth which will not be able to be delivered through current infrastructure or will be delivered very slowly. That is why we are seeing not only people like Homeswest but private developers putting this infrastructure in place as they build because the cost is not significant at that time. That is why I believe it is being done now for the future, which tends to be coming extremely quickly.

Mr BROWN: I do not have a problem with that. To what extent is the Government or the department putting pressure on the Commonwealth in relation to the remote locations?

Mr COWAN: When we began our discussions in relationship with the Commonwealth over, for example, the Regional Telecommunications Infrastructure Fund, when that was first initiated, Western Australia was a very poor cousin as a consequence of the delivery of funds through that particular service. Its successor, Networking the Nation, has seen a marked improvement in the State's ability to attract funds through Networking the Nation programs. Many of those programs are made available to community-based organisations and the task of the Office of Information and Communications and indeed the Regional Development Commissions has been to facilitate and support community-based applications for Networking the Nation programs.

We have seen quite considerable support coming to this State. I am still not satisfied that it is enough, given the size of the State and given the number of communities, but it is a lot better than it was through the RTIF program. If you recall, that allocated funds to each of the States and territories based on a methodology that took into account population, rural population, the number of rural communities and also area and distance from capital cities, in other words, remoteness. Notwithstanding they were the rules that were applied, you would have to note that Western Australia would be slightly more remote than even more the remote part of Tasmania, distance from the capital city certainly, and that the number of rural communities in Western Australia outnumbers the total Tasmanian population. Taking into account all of those things, we still got substantially less money than Tasmania. So we have improved our capacity to extract funds from the Commonwealth. I am not totally satisfied that we are getting out fair share but it is a lot better than it was.

I do represent the State at the Online Council which is the Ministerial Advisory Council. We articulate Western Australia's case as strongly as we possibly can and we will continue to do so. There are a whole area of issues, whether it be the

delivery of SBS services, whether it be the cost associated with NTL or just some of those issues that provide funds for communities to provide their own product if they want to have an online service. We deal with a whole range of those things as well as infrastructure development.

Mr WIESE: There are something like 10 000 farms out there, all of which under any classification are small business operators. I suspect that something like half of those are not going to be able to access all of the computer technologies and Internets with the current copper wire systems of telephones that we have out there. What is being done to progress and what progress is being made to get them onto what I think is the only way they are going to get access and that is affordable satellite linkages?

Mr COWAN: It has only been in the last year that the take-up rate of computers in homes in the metropolitan area has outstripped the regions. Prior to that the regions were demonstrating a greater use of home-based computers than were their metropolitan counterparts. So there is an interest in Internet services or access.

Mr WIESE: They are now finding that the technology is not suitable for what they want to do.

Mr COWAN: Again I do not wish to sound like a salesperson for Telstra, but they are the people that I talk to and they are really effectively the major service provider that move outside the capital city. They have a satellite service they are promoting very strongly. My understanding is that the cost of that has reduced quite considerably and for those people who are prepared to part with a sum certainly no greater than \$1 000, you would be able to gain access to satellite services that would give you the bandwidth you need for even the most modern computer and the computer-based program. But, yes, if you are talking about relying upon terrestrial services, do not hold your breath. It will take a long time. It will need to be satellite technology. That technology is now available and we are seeing I think in three areas that occur. We are seeing the CDMA roll-out where local authorities are contributing as well as Telstra. We are seeing the new satellite telephone service that is being offered by another company, and seeing as I have bandied Telstra's name around a fair bit in this particular case it is Vodaphone Global Star. Then finally, of course, we have this capacity to provide a satellite dish to residents, and the necessary equipment, at a cost that is affordable. I think that is very important.

[9.40 am]

The CHAIRMAN: Minister, \$1 000 certainly is an affordable sum for the capital expenditure. What about the operating costs? Certainly from where I live, 25¢ every time I want to connect to the Internet; what are the costs if you have to do that via satellite?

Mr COWAN: We have done quite a lot of work in trying to get Internet service providers at local call rates. I do not know how much progress we have made with that. Perhaps if someone has a comment they can make, they can let us know, but again we are constantly articulating the need for the provision of Internet service providers that can deliver access at local call rates. I am not able to report the success rate because, as I say, the State is not a service provider. We can only encourage the service providers to offer that. If Nigel Chartres has any information that would indicate how we are progressing with Internet access at local call rates, perhaps he could tell the committee.

Mr CHARTRES: I cannot give any details of the pricing from the actual service providers but what I can say is the arrangements we have introduced under STEP have brought competition to areas outside the metropolitan area and that is providing pressure on the service providers and the new entrants for reducing costs; that is, both the capital and installation charges and the actual access rates and so on. We believe in the next year those rates will drop even more dramatically.

The CHAIRMAN: Minister, there is the Iridium satellite system that has just gone bankrupt and I imagine there are one or two of their satellites over Western Australia. Has anyone in your department looked at trying to pick up a cheap satellite before they drop them into the atmosphere and burn them up?

Mr COWAN: Chairman, we are told that is a total impracticality, that they were a complete loss.

Mr MUIRHEAD: The problem with Iridium was there was not the take-up rate they needed to have. Unfortunately there were I think two attempts by major corporates to take over that satellite network. Both of them found it uneconomic to do so and unfortunately because of the bankruptcy laws in America that system will be literally crashed, but the new system which the minister referred to is a significantly better system in terms of the requirements for rural and remote Western Australians. On a global basis it is not as good a system because Iridium was a true global system, it did not matter where you were in the world. The new system we have will only operate 200 kilometres offshore, but it would not have been possible to pick up one or two of those satellites and be able to replicate the service.

The phone technology has developed also since Iridium and the phones that work off the Global Star Vodaphone network allow you to also access the local normal mobile network and therefore have a significant cost-saving when you are in reach of a tower as opposed to having to bounce your signal to the satellite, so there have been rapid improvements and if Iridium was not in trouble before, I believe it would have been in trouble when these new products came on the market.

The CHAIRMAN: Members, we have the representatives from the Small Business Development Corporation here. I know, member for Bassendean, you were going to get the call next but are you happy for us to change over to division 23 for 30 to 45 minutes to get that out of the road?

Mr BROWN: Could we finish off just the information technology stuff?

The CHAIRMAN: Okay. Member for Bassendean then?

Mr BROWN: Some of the statements that have been made by ministers relate to affordable Internet access. I take it that is related mainly to regional areas to try and drive down the question of access to the Internet rather than the city or indeed some of the major regional areas where we are just allowing the forces of competition to drive down the cost. Is that right?

The CHAIRMAN: Minister, if you could indicate which staff member was to reply to that.

Mr BROWN: Mr Muirhead.

Mr COWAN: Richard Muirhead can answer that.

Mr MUIRHEAD: Sorry, if I can just make sure I have understood the question, you are asking whether we are focusing only on regional Western Australia to bring down the cost, or right across the spectrum of Internet access in the metropolitan area as well?

Mr BROWN: I understand the STEP program was designed to create some pressure and try and bring greater competition in relation to some of the remote areas that do not have lots of players and to try and introduce more players so there would be some competition to drive down prices, but in the city and in some of the major rural areas there is competition; sometimes a lot and sometimes to a lesser degree, but nevertheless competition. In terms of that, is the Government intervening in those markets to drive down the prices further by way of competition or some other way in the city and in the major regional centres apart from in the remote areas?

Mr MUIRHEAD: Again I think the key issue we are looking at is trying to encourage competition because what we are finding in this area is it is competition that brings down prices. I am aware, for example, that because of the increased use of satellite and data transmission to regional Western Australia now there are some new products which will be launched soon and these products will provide turnkey solutions to particularly remote-based people which will be affordable. The Internet access will not be time-dependent, it will be a much lower cost, and we are looking at working with proponents of those type of systems to provide in some instances some small incentive to get people to take up those systems rapidly. They are systems which use an analog connection. That is, you download your information through a satellite and you send your instructions out along your copper line to the Internet. In terms of providing further competition in the metropolitan area, we are really letting market forces do their job there, which do seem to be running at a rapid rate, and the information and communications marketplace it is a very dynamic area at the moment.

Mr BROWN: At least one of the companies that is looking at the satellite copper line transfer arrangements has been most keen that Government does not move in the area because they believe by themselves they can provide very cheap solutions which will give them the edge.

Mr MUIRHEAD: Because of the impartial position of the Office of Information and Communication we are finding there are often parallel developments amongst some of these private players and that they are not aware of it. Who has the edge at the moment would be a very difficult question to answer and I know we do get propositions by people but certainly any intervention that we have is not linked to single suppliers generally but the level I was talking about, about assisting individual people to get systems in place, would be packages which are available to multiple users. We are looking at some scheme to encourage mobile telephony in remote areas. If we put in place some form of incentive or subsidy, and that has not yet been decided, it will not be limited to one supplier. It will be accessible to all suppliers of that type of telephony.

Mr BROWN: Maybe we cannot get all the way through this information stuff, but the other question I wanted to ask -

The CHAIRMAN: We can return to it, member for Bassendean.

Mr BROWN: Yes. I will ask one more question and then we will go on to the small business stuff, if that is okay, Mr Chairman. In a number of the Eastern States now a number of the clubs and various sort of majors and even through the ACTU are offering Internet computer packages at a very low rental, so you can buy a package which is \$10 a week and for that you get a computer terminal and you get Internet access for a set period of time, whatever it might be, three hours or five hours of whatever it is a week, all thrown in for \$10.

Looking at the new technology that is coming out, I think they are talking about some stuff in the US coming out around about \$US300 which will be a terminal. That is all it will be, \$US300. Is the State looking down the track and seeking to in any way intervene, to try and get that sort of arrangement in Western Australia by some sort of incentive to get at least one club to kick it off or a couple of clubs to kick it off?

Secondly, if so, what is the anticipated take-up rate once that technology becomes widespread? I read a number of articles that are anticipating a take-up rate of 80 per cent in the US if the so-called top boxes - and they are much more sophisticated than that now - were less than \$500, and they are significantly less than that. What do you see the take-up rate being here with those sorts of things? Reading the US stuff, it would suggest it is going to be around 80 to 85 per cent.

[9.50 am]

Mr COWAN: It is very difficult for us to make a predication about that, Chairman. It is also one of those grey areas about where Government actually has an interventionist policy or where it should just let market forces take control. From my position, while I would expect the Department of Commerce and Trade through the Office of Information and Communications to monitor that particular situation and even be daring enough to predict trends and perhaps even encourage some of those trends to be pursued, I do not think we would set firm or definitive policies on those courses that really are decisions for individuals and for the private sector to take.

We would need to be certainly in a position where the office keeps us abreast of what is going on and where they can deliver advice on what may or may not be the best situation, but I really do think that in this particular case you have to draw a line between those areas where there is Government intervention and those areas where we just let market forces take effect. In this particular case, given the volatility and the changing nature of the information era, I would prefer that those issues that the member for Bassendean was talking about were issues that we should be reporting on, monitoring and giving advice to Government but not necessarily dictating the play.

Mr OSBORNE: Minister, on page 217, in "Major Initiatives for 2000-01" there is a dot point 5 where the department says it expects to expand the Telecentre Network from 76 to 90. Of course, everyone who lives in the country applauds the Telecentre Network. It is an outstanding contribution to the quality of rural life.

Earlier in the month I had occasion to spend a couple of weeks in Denmark and I needed to use the Telecentre there. The hours of opening are 10.00 am to 4.30 in the afternoon. Apart from a seniors session on Thursday morning, it seemed that most of the people who were using the centre and who were able to access it between those hours were tourists and people who were unwaged. I congratulate you on the decision to expand the numbers of Telecentres through Western Australia, but is it assumed or has some research been done on the value of expanding the hours of opening of Telecentres so that people who are working might be able to use them in the evening or possibly on the weekends?

Mr COWAN: Chairman, that is one of the critical issues. We do offer financial support to offset the cost of a Telecentre coordinator. We would dearly love to be able to increase that so they could operate longer hours or, alternatively, you could go to the board of the management committee and they could put some flexibility into the hours that are worked.

Mr OSBORNE: It is a local decision, is it?

Mr COWAN: Yes, it is, but it usually hinges upon the amount of money that is available to pay them. I might also say, Chairman, that in certain instances there are groups who, with the authority of the Telecentre committee, are given access after hours, unsupervised access after hours, to undertake the work that they do. That trust system seems to work very well in those very small communities because people know who was there at what time and when they used it and you can very easily trace anything that might or might not have occurred. Not only do we need to expand the Telecentres; we need to provide a greater degree of access to the public.

There is one way we seek to do that; that is, to use Telecentres as a focal point for a co-location scheme that we have trialled. We believe that we can with Telecentres, perhaps community agricultural centres and Land Care coordinators, try to get a co-location of resources where we can, in fact, have secretarial services for all of those various groups provided through the Telecentre so that the Telecentre remains open for a longer period of time and gives greater community access.

We are also finding that in those areas where tourism is a significant contributor to the local economy, people wanting to email friends or to chat to others do not do so during regular hours and, to give access to tourists who want to email Europe or just have a chat to someone somewhere else, we need to have extended hours and a greater degree of flexibility. It is an issue that we have to address. The Telecentre committees need to play a part in addressing that; so, too, does the State Government.

The CHAIRMAN: Members, I now propose to move over to the Small Business Development Corporation. The appropriate division is in volume 3 and it is page 1234, division 23. We will return to those other divisions if you so choose later on.

Division 23: Small Business Development Corporation, \$8 815 000 -

Mr Masters, Chairman.

Mr Cowan, Minister for Commerce and Trade; Regional Development; Small Business.

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

Mr R. Buttsworth, Financial Officer, Small Business Development Corporation.

Mr BROWN: On page 1235 in the first dot point, reference is made to the goods and services tax and the major adjustments facing small business. The question that I would like to ask is: has the Small Business Development Corporation considered anything about the business drop-out rate or the business failure rate as a result of the goods and services tax and, if so, what consideration has been given to that?

Mr COWAN: Chairman, before I get Mr Etrelezis to give you the view of the Small Business Development Corporation, can I say that I am somewhat disappointed that there are companies looking for excuses to say that they are not prepared to continue their business. I am very pleased, however, that that is a very small number of companies - a very small number. While every business will tell you that the GST has its problems, there is not any significant amount of people who have said, "This is my big opportunity to close my doors and blame somebody else for that closure." That is not the case in Western Australia.

There admittedly has been some reporting of people who have said that the GST is just too much and they are closing their doors. I think if we investigated the health of those particular businesses, quite often we would find that there were a lot of other contributing factors to them wishing to go about closure. I am not for one moment suggesting that the application of GST is not a major change. It is. The SBDC in conjunction with the Tax Office, and to a lesser extent not so much in

conjunction with but in association with the GST Start-Up Centre, have been working very hard to get businesses up to speed, but it would be appropriate, I think, for Mr Etrelezis to indicate general trends that are coming through to the SBDC in their experience and at the same time the measures that the SBDC are taking, particularly with your GST Transition Centre.

[10.00 am]

Mr ETRELEZIS: It is quite a timely question given that this is the last day for guaranteed ABN registration. When I say "guaranteed", 31 May was the last day to have an ABN registered to be assured of using that ABN by 1 July. As a consequence of that we do have people queuing at our GST Transition Centre this morning. We have had to ask for additional assistance from the ATO to cope with that. As the paragraph on page 1235 indicates, we acknowledge that the new GST tax system will place some strain on small business in terms of meeting the challenge of change and those measures that are indicated there, such as better bookkeeping practices, pricing policies, adjusting to cash flow and change to cash flow provisions and contract management, are probably the key areas.

In terms of the question asked and what are we going to do to get a handle on those businesses who may not be able to cope, we forecast that this being the most significant tax change for some 60 years in Australia would present these challenges and we took the initiative last November to establish Australia's only GST Transition Centre and I am pleased to say the response to that offer of support to small business has been tremendous. Initially we co-hosted with the ATO some 95 seminars around the State as an introduction to education and awareness and more than 11,000 small business people attended those seminars.

I think that response gave us the encouragement that most small businesses, rather than throwing up their hands and deciding that this is all too hard and will result in failure, are keen to find out more about the system and how they can adapt their businesses to it. Subsequent to the response to the GST Transition Centre, we have had in excess of 8 and a half thousand one to one advisory support appointments or telephone calls throughout the State to the centre and through the ATO we have arranged for in excess of 240 site visits to small business. What we have decided to do is, we have faced the inevitability of the GST and decided that if our small business sector in Western Australia is to adapt to it quickly and responsively, then we need to provide support and appropriate referrals to that small business sector to get on top of the system sooner rather than later.

I am pleased to advise this committee that the response from those small businesses who do run very good businesses is that there is an increasing awareness of the GST. The current registration figures for ABN is now at 2.4m which indicates that most small businesses in Australia are picking up the challenge and whilst there will be some small businesses that will struggle with the new system initially, I think there will be enough support through the private and public sectors to ensure that small business here in Western Australia will be well and truly catered for.

Mr BROWN: I wonder could I get an answer to the question and that was, have any estimates been made about the failure rate or the drop-out rate?

Mr COWAN: We have not made an estimate. We have not done any work that would ask people that particular question and neither should we.

Mr BROWN: SBDC has not done that work either?

Mr ETRELEZIS: No. We investigated trying to get a handle on the impact on the sector and the different sectors within small business. It is very difficult to do, given that this is the first time this tax has been introduced here in Western Australia, without surveying every small business and getting a perception of possible change. There is no other way of measuring the impact of GST until after it comes in. What we have catered for, Minister, is, following the introduction of the GST and allowing a period of transition beyond, say, six months, we intend going out to the small business sector to see what impact it has actually made to their operation, so we have planned for doing some research following the first six months of the introduction of the tax.

Mr BROWN: The other issue I want to raise in relation to the GST is that it has been reported by the Chartered Accountants Association of Australia or some accountants' organisation recently that small business is coming under pressure from big business to absorb the compliance costs and not pass on those costs, and that particularly small business in the services sector, that is, providing services to large business, is being put under that pressure. Has SBDC come across that at all?

Mr ETRELEZIS: We have had some anecdotal evidence of smaller suppliers to larger providers of services having to bear the brunt of some of these pricing changes. However, when you look at the situation very carefully, it is probably only the administrative side that is making them do that. They are not trying to avoid the passing on of GST costs because they can claim that back as an input credit, so the larger providers of services can claim back the GST component from their smaller suppliers as an input credit. We strike the same sort of scenario in the everyday life of small business in providing to the major corporates, and most of these are multinationals, in that there is always pressure brought to bear to strike the better deal from these smaller suppliers, so it comes back to a case of good business management in deciding how you negotiate your contract with this major supplier and that you insist on the service that you provide being adequately priced. We see no change there.

We would be offering support and guidance to those small businesses that do come to us with any instances and if it is completely inappropriate; that is, there is undue pressure or unconscionable pressure being placed on those small businesses, we can turn to the ACCC for some measure of protection there.

Mr BROWN: In the south-west there was a \$400 training grant made available for small businesses. Has the Department of Training and Employment been liaising with SBDC in relation to the uptake of that training grant or training voucher and has it been used on GST training?

Mr COWAN: To my knowledge it has not. Have you had any direct relationship with it?

Mr ETRELEZIS: We worked with the Department of Training to introduce a range of initiatives to encourage more take up of training by small business and this is one of those initiatives that resulted from our input to that training agenda. They decided to pilot up to 1500 \$400 triggers, if you like, for take up of training in the south-west area. We have checked with the Department of Training and all those 1500 allocations have in fact been taken up. When I say taken up, they have received their authority to spend the \$400. They have not yet spent it, of course, and they can do that with a registered training provider.

Anecdotally when we have asked about the issue of GST training, they can use some of that \$400 for training per se, but most of them are choosing to use the \$200 voucher they have received by registering for the GST for that GST assistance at this stage, rather than tap into their \$400. We are aware that some of our BECs in the area, Business Enterprise Centres, who run training for small business by way of either Aussie Host workshops or other marketing and business awareness training, have had their take up of those \$400 vouchers by way of providers running those particular workshops. There is no final result from the 1500 at this stage, but the encouraging sign is that they have been taken up quite enthusiastically and we should see an increase in the level of training for small business in the south-west.

Mr BROWN: The question that has been raised with me by a number of small business people is that the \$200 provided by the Federal Government was very parsimonious, to put it at its mildest. One chap came to see me and I think I raised this in a debate we had in the Parliament. He runs a small business and he and his bookkeeper were off to a GST seminar which was costing each of them, from memory, \$250 for the day, so that was \$500 for a start. That is without actually doing anything internally within the business, let alone spending the time and all the rest of it, and I am just interested that if there is only a small amount, they were using it on the GST training. It will be interesting to see how that goes because certainly the complaint coming to me was that that \$200 amount was insignificant in terms of what businesses had to pay to try and come up to speed with the training that was necessary.

[10.10 am]

Mr COWAN: That is not the only payment that is made, of course. There are other courses or workshops, whatever you want to call them, that have been made available at no cost to the business and quite a number of those were made available. Going back to your point about the Department of Employment and Training's program as a trial of some 1500 people, I assume that when that is evaluated we will be in a position where we can get some advice from that department whether they will extend that, expand it beyond the south-west. We look forward to that, but it is not our particular category of responsibility in this instance.

I think it would be inappropriate to merely focus on the \$200 voucher and say that that was all that was provided by the Commonwealth. I agree that it is not a lot of money. There are a number of other programs that have been provided that business can access and take advantage of. Even so, we recognise that this tax reform and the new tax base is going to impose quite a change on small business, but I am quite sure that most of them are now growing in confidence that they can handle it.

Mr BROWN: If I can refer to page 1234, the first dot point under "Significant Issues". It says -

At a macroeconomic level, small business are likely to enjoy favourable economic activity despite the recent trend in interest rate rises.

That is certainly not small business in the metal fabrication industry, because that industry has declined quite substantially. I am sure the minister is aware, but in terms of that particular industry we have seen a number of things happen of recent date. We have seen the importation of South African labour here to come and do what was essentially a rigger's job, but dressed up as something else when they got the visas, which was pretty appalling. We have seen a lot of work that could have been done in Western Australia being out-sourced and done overseas, so that there does not seem to be any sort of commitment from a number of the resource projects to have much of the local content done here.

We understand that the Kingstream project the Minister for Energy is trying to negotiate and get under way. A lot of the fabrication work will be done offshore. It is very hard to do earthworks offshore, of course, but a lot of the fabrication work will be done there, and so on. I must say, every time I ask about how we are actually enforcing, in State agreement acts, local content and what we have actually achieved out of the local content policy and what is being done, I get vague looks and no answers. The Minister for Energy is most uncooperative and provides nothing, on the basis that it is all commercially confidential.

I also note that the local content unit in the Department of Resources and Development has been abandoned and has been got rid of. That role has been handed over to project officers. Project officers are people who want to get projects up rather than people who are looking necessarily at local content. I wondered in terms of SBDC whether any consideration has been given to this whole issue of local content, because for many I speak to, both those who are suppliers in a manufacturing sense of when the project is being created, and the ongoing suppliers of those resource areas, are missing out. I had people coming to me only recently again who find that products that they were selling are now sourced overseas.

The CHAIRMAN: Member, do you have a question?

Mr BROWN: The question is, what are we doing?

Mr COWAN: Chairman, I think it is a good question. The issues that he has raised have been something that has been taken up by every Government, in my experience, in Parliament, and with varying degrees of success. I recall the development of the North-West Shelf where much of that work was done offshore on the basis that the labour costs were considerably lower. I do not think anyone took into account the through-life maintenance costs that were associated with the work that was done off-shore, or even the re-engineering that was necessary to get those particular products to all fit together; however that is a history statement.

This particular issue with respect to local content is probably better dealt with in the Department of Commerce and Trade's division, because I am sure the member, if he looks at page 213, will find that there is an appropriation for the industrial supplies office, and while the Department of Resources, Development and Energy has in fact changed its approach to industrial supplies and local content, the Department of Commerce and Trade has not, and we might be able to debate that issue about local content a step further.

You made some comment about agreement acts and the need for local content to be included in that. I am looking forward to the day when Western Australia as a State requires companies or corporate bodies or resource developers that are interested in exploiting the resources of this State to not only have to do an environmental management review, but also to have to submit an industry plan, and as part of that industry plan there should be a clear commitment to local content. I think on that basis then we will make progress, because at the moment it is a very one-sided debate, as the member for Bassendean knows.

Going back to the general issue of local content and the buoyancy in the economy which you raised with respect to dot point 1, Chairman, it is true that Western Australia is predicting through the State Treasury reasonable economic growth for this year. There is no doubt that there will be sectors within industry that feel the impact of slackening demand, particularly in commodities, and that they consequently will not win a lot of work. With respect to metal fabrication, we do have a task on our hands to ensure that there is a capacity for us to win local content.

We have dealt, as an example, Chairman, with bodies like Phillips Petroleum in their proposals to bring Bayu Undan on stream. We have dealt fairly extensively with them. About three months ago they, at our request, were prepared to conduct a seminar and workshop for fabricators and people who might be interested in undertaking work for that particular contract. Nearly 500 people attended. We are making some progress. I acknowledge that the level of progress is slow, but with respect to the Small Business Development Corporation, I am sure they would be involved in individual business issues, but in terms of general policy that is probably better related to the Department of Commerce and Trade. George, if you would like to comment on what you have undertaken and what you do?

Mr ETRELEZIS: In terms of what we can do at the Small Business Development Corporation level, we have been working very closely with the contract and management services area this year through the Small Business Procurement Advisory Council, which is a very good initiative. As a result of that input we have seen a terrific amount of improvement in the amount of information and access to tender - not only information but also how to tender has come out of the contract and management services as a result. Western Australia now has, as a result of its electronic bulletin board, one of the best systems for a small business to get early notice of what is coming up in the contracting area as far as Government purchasing is involved, and they also can have the capacity, for example, to download tender shells, which is an enormous assistance in submitting tenders. One of the difficulties we faced before was the time and know-how element of small business actually tendering for Government purchasing.

What we would like to do is extend some of those provisions into the major project area and arrange for early briefings on major projects and certainly encourage the State Supply Commission through its local content policy to ensure that small business has equal access to those projects, where applicable, as big providers do. There has been some initiative from our end; more at the facilitative end working with small business in trying to access what is available through the Government purchasing system and through major projects.

[10.20 am]

Mr BROWN: Finally, could I trouble you by way of supplementary information or perhaps just after the estimates if you could provide me with a copy of all the completed surveys that have been conducted by SBDC over the last six months. I know you are pretty open with that stuff anyway.

Mr COWAN: We would be happy to provide that, Chairman, in the form of supplementary information because the SBDC does do a number of surveys and that information I think is readily available.

Mr ETRELEZIS: The results of the survey is no problem. We have some difficulty issuing the actual survey questions because that was initiated through someone who designed the survey and we have to be very careful of intellectual property.

Ms ANWYL: Page 1237, output measures, refers to 250 grants given for the current financial year and a projected 250 for next year. Have all of those grants been allocated for the current financial year, what is the rough value of each and may I have a list of businesses who benefited by way of supplementary please? Are they all 3 332?

Mr COWAN: Chairman, I do not know whether that information is readily available but we will certainly make sure it is provided as supplementary information. If not, can we make it available to you on the basis of supplementary information?

Ms ANWYL: Absolutely. The member for Wagin made a good point. The item several lines down reads 3322. That is just presumably dividing the allocated amount by 250, but I am just trying to get an idea. I have never come across a small business in my electorate that has accessed these. I hope there are lots of them, but for my own information I would just like to have some detail about how it works.

Mr COWAN: You are quite right. That is the average amount of funding that is made available on a per client basis. I wonder, Chairman, if Mr Etrelezis can give the detail of some of those grants and the areas in which they lie so that you can get an indication of the scope of them.

Mr ETRELEZIS: These grants are predominantly in two program areas. The first is the Small Business Improvement Program and the second is the Business Innovation and Development Scheme Program. Under the Small Business Improvement Program a subsidy is paid to a small business after they have used the services of a private sector consultant to conduct four main service areas. The first is some assistance with quality assurance certification, the second is business assessment, the third is marketing by way of a plan, and the fourth is a straight-out business plan. For regional businesses, because the question was asked by the member for Kalgoorlie, there is a concession. Metropolitan businesses get 50 per cent contribution towards the total cost of the service up to a maximum of \$5 000 and for regional businesses that is increased to 65 per cent contribution. For businesses above the 26th parallel that actually increases to 75 per cent contribution because we recognise the extra costs in getting the service provider to those areas.

For the Business Innovation Development Scheme, that is a service where we assist those new inventions and new ideas to come to the marketplace and the scheme is such that a concession is allowed up to a maximum of \$1 500, initially to assist people to get through the early stages of getting an invention to the marketplace. Subsequent to that they then qualify by moving through to the Small Business Improvement Program by way of a business plan, so a combination of those two programs is a result of that allocation for those grant schemes. It is not a straight-out grant to assist with your business as much as it is a subsidy towards a service provision that we deem on application is good for that business to grow or, in the case of the Business Innovation Development, to actually get off the ground. There is some information provided to the minister each year, which I understand is tabled in Parliament, of each grant recipient, how much is provided, and that is by the actual name of the recipient so it is available and we can provide that again to this committee.

Mr COWAN: I would not be providing it, Chairman. I would be telling the committee they could go and pick it up off the table at the House should they want it.

Ms ANWYL: You are retracting your previous offer to provide it by way of supplementary?

Mr COWAN: I am not, Chairman. The information will be available. Rather than say I will not, I would say it is available through the Office of Bills and Papers, but if you want it as supplementary information we can provide it.

Mr BROWN: No, not for the current financial year.

Mr COWAN: No. I usually do it around about November.

Mr BROWN: In relation to the current financial year?

Mr COWAN: We will not be compiling it until October-November, so I am not in a position where I can do that.

Mr BROWN: You would have a record of it on the computer system. Surely your records are better than that. You can just tap it out.

Mr COWAN: Chairman, I am sure I could but I am sure also that the Small Business Development Corporation has its hands full in delivering services to business for things like GST. We do not make any secret of it and it is the first time any Government has ever made available this information. We make it available as soon as we can after the end of the financial year. To start publishing interim lists is possible, but I think I would much prefer, if someone had a specific question about a company that might have been the recipient of business, that we provide that answer. For us to be providing provisional lists every quarter and then upgrade them I think defeats the purpose.

The CHAIRMAN: Minister, just for the sake of clarity, the member of Kalgoorlie I think believes she is going to get supplementary information and you are saying you would prefer -

Mr COWAN: The information, Chairman, we will make available is the number, not the names, of businesses that received assistance, the total amount that was paid and things of that nature. We can do that.

Mr WIESE: The range?

Mr COWAN: Yes, and the range over the different programs. The names of those businesses that were the successful applicants. I would prefer that to be dealt with in the normal way that we do. We publish them for the previous financial year prior to the end of November. I would like to stick to that arrangement. It is a new initiative that we have undertaken, because after all, it is taxpayers' dollars, and we think that is an adequate reporting mechanism.

Mr WIESE: Mr Chairman, could I ask, would that information be available from your Business Enterprise Centres, the same information you table in the House?

Mr COWAN: They should be able to access it, yes.

Mr WIESE: If you have a Business Enterprise Centre in your area, you would have access to it through them as well.

Mr COWAN: Yes.

Ms ANWYL: After November.

Mr COWAN: That is the individual companies. We can give you the details through supplementary information about the business programs, about the number of businesses that succeeded in applications through those programs and the amount of money that was provided. We can do that through the basis of supplementary information.

Ms ANWYL: Yes, that would be helpful. The other point I would simply make is I am interested in some sort of geographical breakdown, not by postcode area or anything like that but just to get an idea of the regions and how businesses are applying from country areas as well as city.

[10.30 am]

Mr COWAN: Chairman, I am convinced that when we supply the information to the research officers provided by the Parliament to each of the members of Parliament, it will give them something to do.

Sitting suspended from 10.31 am to 10.50 am

The CHAIRMAN: We have done 30 minutes or so on division 23 and I know that there are many other divisions that should be of interest to members on both sides, but I invite questions on division 23, Small Business Development Corporation. If there are none, we can move back to Commerce and Trade.

Mr BROWN: There are lots of questions, Mr Chairman, but I suggest we move on. We could take the whole time on small business.

The CHAIRMAN: Let us assume that division 23 then is completed.

Division 12: Commerce and Trade, \$101 617 000 -

Mr Masters, Chairman.

Mr Cowan, Minister for Commerce and Trade; Regional Development; Small Business.

Mr R.J. Muirhead, Chief Executive Officer, Department of Commerce and Trade.

Mr J.M. Loney, Executive Director, Industry Development Division, Department of Commerce and Trade.

Mr C.B. Fitzhardinge, Executive Director, Development Division, Department of Commerce and Trade.

Mr BROWN: On page 208 dot point 2 refers to the diversification of industry. What industries or sectors of industry does Government have a desire to diversify the economy into in the next 12 to 24 months?

Mr COWAN: Some time ago we actually through the department published a list of industry sector policies. They are still valid. I assume they are kept up-to-date. They would be the areas where we have focused our attention. It will not come as any surprise to the committee that it includes a lot of those issues such as food processing, post-harvest handling and packaging of food products, minerals processing. I think in conjunction with other Government agencies there would be other issues there as well such as aquaculture and mariculture, manufacturing, particularly the ETMs, things of that nature, and, of course, services. Services play a very big part in the Western Australian economy. They are a few that I can name off the top of my head. If my memory serves me correctly, we issued 10 industry sector documents and we certainly would see those as the priority.

Mr BROWN: That being the case - and I have gone through those documents - can I ask by way of supplementary information for an update on those documents? What recommendations have been achieved, what recommendations are being worked on either now and in the next financial year, and what the allocation in terms of money is for each of those initiatives when they are being worked on?

Mr COWAN: We would be pleased to provide that by way of supplementary information. I think it is appropriate at this time to indicate that I have requested the department to not only maintain those policies and keep them up-to-date but that they need to be melded into an industry policy for the State of Western Australia. Work is progressing on that so there should not be any difficulty in providing the member with supplementary information which gives the advice he is seeking.

Mr BROWN: The next matter I wanted to raise is on page 211 which is "Advice and information to Government." Is this the area where the cost is for the minister's office? Is that the area where it is in there? Where is it?

Mr COWAN: I do not think that would be the case. My understanding is that the ministerial offices are all met under the Department of Premier and Cabinet. This is the cost to the department of meeting the requirements of the ministerial office in terms of requests or the delivery of services to those advisory committees that have been established by Government under my jurisdiction to provide advice from the industry sectors or private sector on the direction the Government should particularly take, but I would like the CEO, Mr Muirhead, to just elaborate on that please.

Mr MUIRHEAD: Definitely there is no cost there in terms of direct costs to the minister's office. Cost is related to three products in that output area, as listed there, which are ministerial advisory councils and committees, of which there are 15, and examples of that, are committees like the Regional Development Council, the Jervoise Bay Ministerial Steering Committee, the Coordination Committee on Science and Technology. So there are 15 of those in existence which require

servicing, maintenance and in some cases full provision of secretarial services. In terms of ministerials requiring responses, that is ministerial correspondence which comes to the department from the minister's office. It is not material which we generate ourselves. The estimates there of the numbers are based on numbers in the current year with some growth, and policy developments and reviews.

We have listed nine there. Examples of what those would be are things like the e-commerce policy, review of the Aboriginal economic development strategy, industry development policy and others of that nature. So they are the costs of us doing it. The reason that the costs are reasonably significant is in servicing those committees and providing that policy review we take a very wide and consultative approach, making sure that we have vast, diverse community and industry consultation. I think the development on the regional development policy which took over 12 months is an example of that. We always try and be consultative and inclusive in how we go about it, so that is where the cost comes from in those areas.

Mr BROWN: The reason I inquire - and obviously we need to inquire elsewhere - is there seems to be a lot more ministerial officers or electoral officers or something these days. I am not sure how many the minister has these days. Are there two or three?

The CHAIRMAN: I am not sure this is relevant.

Mr BROWN: Anyway, we will take that up somewhere else. The other matter I just wanted to inquire about on that page, just as a note down the bottom of the page, is the FTEs are increasing from 39 to 50. What is the additional work that is going to be taken on?

Mr MUIRHEAD: The estimates there are based on the estimates that we had in the past. There is also some shift in the organisation where positions which have previously been insource specialist skills will be moved over to public service contracts and the positions will therefore go from being externally provided specialist skills to public servants, so partly that will be public servants replacing the contractors who have been doing some of that work.

Mr BROWN: I notice later on page 214 it is there estimated as well that the FTEs will move from 152 to 194. Is that for like reason?

Mr MUIRHEAD: That is correct. That is a similar reason. We have done a full review of the outsource contracting that we are using. In some instances contractors were put on for short term, particularly in some of the areas like Office of Aboriginal Economic Development and Office of Information and Communications which are new areas, and we have made a decision to roll some of those contractors into term public service positions.

Ms ANWYL: At page 209, "Major Policy Decisions", there is an amount of \$2.7m allocated to industry incentives for call centres, the first line item there, and an amount for the next forward estimate as well. My understanding is that there have been two call centres developed in Joondalup. I am not sure if that is accurate. I was wondering what other steps are going to be taken, and particularly are there any other centres that are on the drawing board and if so, where, particularly given that Telstra have flagged they will be down-sizing the number of call centres especially in regional areas?

Mr COWAN: While Mr John Loney, who is responsible for that area, comes to the table perhaps I can just give some general advice, although I see the advice to me from the department says that the items on the opposite page are considered self-explanatory. I will go into that in further detail. There are two call centres, Stellar and Ansett. That particular area of policy direction is still open.

If we receive inquiries from companies that are prepared to establish call centres in this State, then we would consider them on a case by case basis. We cannot continue with that policy for ever but my understanding is that we intend to maintain it for a while yet and whether or not the money is expended will depend on the quality of the application for industry assistance. That is based on the number of seats that are provided and the locality.

Your comment about Telstra is noted and I do not wish to become a spokesperson for Telstra but it seems I have been going that way this morning on the OIC issue. Yes, they are going through a restructuring process but I would be very confident, Chairman, that the total number of call centre seats that will be retained in Western Australia by Telstra would remain the same or grow. We would use this policy to ensure that that occurs.

[11.00 am]

Mr LONEY: The call centre industry is growing very rapidly and the Stellar operation opened on 15 May and the Ansett call centre site works have commenced and we hope that it will be in place early next year, the next calendar year. At any one time there are about three or four negotiations under way with companies who are interested in setting up call centres here so we are looking at locations at Mandurah, Midland, Armadale, Moore and Joondalup so we are concentrating on the outer metropolitan areas and country areas. At any stage, as I say, there are four or five. Sometimes they are successful; sometimes they are not clearly. That is the situation where are now.

Ms ANWYL: If I could follow up, you talked about focusing on country areas. You mentioned Mandurah, Armadale and Midland.

Mr LONEY: And country areas.

Mr COWAN: We do know that Kalgoorlie exists. We do know where it is.

Ms ANWYL: It is the rest of the whole State in fact I am concerned with, not just my own electorate, Deputy Premier.

The CHAIRMAN: Minister, can I ask is the assistance in the form of money to construct buildings? How is the money actually spent?

Mr COWAN: Under the industry assistance policy, Chairman, the money is made available subject to certain conditions. It is generally made available in the form of either an interest-free loan or a concessional loan that converts into a grant subject to the conditions being met. The conditions are usually an investment level by that particular company; a commitment for the employment of staff and there are usually some training requirements there as well. There is certainly a time line as well. We do not expect them to have their final payments converted to a grant until they have been there for perhaps five years. There would be invariably a level of commitment in those areas: capital investment, staff employed, training undertaken and a long-term commitment to that particular area. They are the criteria that we usually look at.

In the general industry assistance programs, we look at the return that the State is likely to get directly from the establishment of that industry. In most instances, if you examine the industry assistance programs that have been made available in the past, the State recovers its money within a fairly brief period of time. Effectively you could say that those industry programs are the State putting money up-front and getting it back over a 10-year period through payroll tax or other stamp duties that are applicable to the relocation of that particular business.

Mr BROWN: On page 208 in the second dot point, reference is made to minimising impediments to business. I wonder what initiatives are elsewhere in the budget figures to minimise impediments to business growth or to business.

Mr MUIRHEAD: I think this section of the report is about what we consider to be the major issues that face industry in the coming 12 months. We know that any impediment to business is a significant hurdle to be climbed, so part of what we do now is working with industry sectors. This comes out in a lot of the industry sector strategies that we have developed, to get them to help us identify what the impediments may be. Freight, for example, can be an impediment in the regions, particularly when you are looking at exporting produce that needs to be in market in a short period of time. Organisations like the Air Freight Export Council which we support are in place to try to provide recommendations on what we should do.

Encouraging infrastructure provision can be everything from services which companies may need and access to things like super computers or interactive virtual environments through to the provision of facilities in the region that may take the form of hard infrastructure. Telecommunications, of course, which we discussed earlier, is a critical element, particularly today. There is a great deal of effort being put in to try to improve telecommunications. It is difficult at this stage to identify all those impediments. That is a rolling process. As we do identify them, we seek to remove them.

Mr BROWN: The same dot point talks about encouraging infrastructure provision and later on there is reference to strategic infrastructure. Has the department a rolling list or an updated list of strategic infrastructure that is necessary for the State and, if so, can it make that available?

Mr COWAN: Infrastructure development stretches right across a whole range of Government agencies, not the least of which would be bodies like Transport, through Main Roads, and through the rail services or even through ports and airports. I am not sure, and I could quite easily stand corrected here, about whether we actually act as a keeper of those other Government agencies in identifying what is necessary, but you have made a good point inasmuch as infrastructure development is a critical part of the process we have to go through to identify needs in different areas and we certainly do that. I think that comes in a regional sense more through the Regional Development Commissions but as a whole of State, the Western Australian Planning Commission through its infrastructure coordinating committee also has a role in undertaking that particular task. Whilst we have specific areas of responsibility through the Regional Development Commissions for infrastructure development in the regions, we certainly have to have knowledge and awareness of infrastructure requirements. We get involved ourselves, for example, through issues such as Jervois Bay. The whole of infrastructure across the whole of State should be the responsibility in my view, Chairman, of bodies like the infrastructure coordinating committee within the West Australian Planning Commission, but we would expect to have input to that,

Mr BROWN: Can I raise a question in relation to that? This is why I asked whether the department has a role in this. The Planning Commission puts out its documents and I have looked at a number of areas and it comes up with a series of recommendations. Then they seem to go somewhere. I am not sure exactly where they go but when I ask questions on them of other ministers, other than the Planning Minister, people come back and say, "Yes, that is a nice recommendation but, you know, we are not doing that and we are not doing this; we are not doing that and we are not doing this."

It is fine for people to come up with recommendations. Not every recommendation you are going to accept but I am trying to find out where it is that people actually say, "This is a recommendation and we see this as in the good of the State, and this is a recommendation that we do not see in the good of the State." For example, it has been suggested in some quarters that there should be a beach in Kalgoorlie. I am not sure whether that has actually been picked up by the regional initiatives fund, to say you put a beach there. I would be very interested to find out how you might do it if you are going to do it. But it has actually been in one of the studies that was done. I cannot recall the study now, but anyway it was contained in that particular study. I think these studies are fine but at the end of the day a study is a study and then decisions presumably are made on sort of a statewide basis to say, "This is more important than that. This ranks more important than that. Moneys will be allocated to this." Where does the department fit into that planning process?

[11.10 am]

Mr COWAN: We certainly do have a role to play. There is no question of that. We are certainly not the lead agency.

I do think, notwithstanding your comments about the West Australian Planning Commission, that is the key area for those coordinated responses to demand. We certainly have an input to that, probably at the sharper end. Where there has been an identified need, we then take that on board. I have already mentioned Jervoise Bay. In order to increase the level of local content the argument that was put to us was that we were losing contracts because we did not have the infrastructure that was necessary. I concur with that and we are progressing with Jervoise Bay.

Similarly, inland industry. Notwithstanding the fact that Kemerton has attracted only three industries to my knowledge in the time that it has been established, and someone can correct me if I am wrong, not all industries want to locate at Kemerton so there has been a constant level of demand for industry to have industrial land available to it in various parts of the State. Something like the Meenaar Industrial Estate east of Northam comes to mind.

When those pressures are applied, the Department of Commerce and Trade and the Regional Development Commission do react to that and then begin the process of seeking to get a priority or an allocation for funds to implement those particular programs, but in some instances it can be demonstrated that those plans and the original concept have been put together and have been considered by bodies like the West Australian Planning Commission. They indicate that if there can be a demand demonstrated for it, those things should proceed.

We usually take them up at that point where identification is made of a need and we have to try and ascertain whether or not there is a demand and whether that demand justifies the use of taxpayers' dollars. Our task is one of responding to early identification by the West Australian Planning Commission and the bodies that they establish.

Mr AINSWORTH: Page 226, Minister, under "Other State Services", you have listed the \$9.5m for Marine Industry Technology Park at Henderson. Could you indicate what the scope of that technology park is, what sort of areas of marine industry that will cover please?

Mr COWAN: Yes, Chairman, that is the training aspect of the infrastructure that is going to be established with the Jervoise Bay facility so we expect there will be a marine industry training centre, one that effectively provides a permanent home for the temporary quarters of the South Metro College of TAFE, which is at the moment operating in a construction shed owned by Austal Ships. John Rothwell is the proprietor of Austal Ships Pty Ltd. In that particular case that lease is temporary and we have decided that if we are going to have a shipbuilding yard of international quality in the Northern Harbour at Henderson, and which employs I might say now in excess of 2 000 people, then the training capability has to be maintained. That will be part of it. There will be other operations there. We would hope that the Petroleum Industry Training Council takes an interest and that it is able to provide training for offshore facilities at that particular area, and in fact I think it will be open to all comers, but it will be a training facility that will be associated with marine industries, including, I might add, defence.

Mr BROWN: Mr Chairman, provision is made on page 209 for the Interactive Virtual Environment Centre. Is this the centre that was recommended in the draft strategy for information and communications technology industry?

Mr COWAN: It was known as a high-performance computer but someone got to the title, member for Bassendean, and they gave it something that gives it a bit of obscurity or a bit of mystique. I am not too sure, but the CEO will be able to tell you exactly what that appropriation is about that.

Mr MUIRHEAD: Yes, I think it is the one that was referred to in that policy. It was called a super computer at the time. It has not just been a name change. At the time we were looking at it, we were not clear about what the level of industry need was. We subsequently called together industry, academia, some of the key drivers for what we thought was a super computer. I should add that at the same time this was happening, technology was moving rapidly in terms of computer development and we found the real need is now in virtual environments.

That is in what is called true three-dimensional computing where with the use of special goggles you can look at something three-dimensionally and rotate it, and that is particularly useful in a number of areas including resource exploration and identification of a resource and how to best access it, and Haptic computing where it is virtual where you can feel the things you are looking at on the computer.

Two other things were instrumental in revitalising this, because it was revitalised. We sought input from the private sector and from academia and we subsequently sought additional funds from the Commonwealth Government and this State was the only one that put forward a proposal, and I do not remember the name of the Commonwealth scheme but I could provide it, which had a consortia which included private sector for one of these facilities. Subsequently we have added a further \$1m in the budget this year which will now see this State getting not only a super computer but one which will specifically operate interactive virtual environments, not in one location but throughout Western Australia. It is likely to be based at the AMTC, the Advanced Manufacturing Technology Centre in East Perth.

Mr BROWN: It is actually referred to in the document as an Interactive Virtual Environment Centre, but obviously the concept has changed since the document.

Mr COWAN: The name has changed. I do not think the concept has changed. It might have grown a little bit, Chairman.

Mr MUIRHEAD: It is what the ultimate outcome of super computing is these days. Virtual environments is what you drive with it rather than just calculations.

Mr BROWN: This document is too long to go through now and I am sure you would not want me to go through it. Could I ask, in terms of this document, the development strategy for the West Australian Information and Communications

Technology Industry, if we could have by way of supplementary information those recommendations that have been accepted and the amount of money allocated to them, those recommendations that have been accepted but no money has been allocated to them yet or there is an amount set in forward years, and those recommendations that have not been accepted.

Mr COWAN: We can do that.

Mr AINSWORTH: Page 215, Minister, the fourth dot point from the bottom of the page refers to draft guidelines being developed for a residential regional headworks scheme. Could you indicate where that has got to and if there is any scope for funding in this current budget.

Mr COWAN: It has got as far as the Water Corporation at the moment and it is something that we need to have those key Government trading enterprises drive. The Water Corporation has been the most receptive of all of the agencies and we will continue to work with them to develop that particular policy. It is quite clear to us that the development of residential lots in regional Western Australia in areas outside the provincial cities has fallen upon Local Government and we are not convinced that that should be the responsibility of Local Government alone and that the cost of residential development or providing services to residential lots is something that should also be accepted by the State. We have to get a whole of Government acceptance of that and because of its importance to regional development, we are leaving it there as one of our major goals.

[11.20 am]

Mr BROWN: Just turning back to the infrastructure question which was on page 208, there has been some discussion of the encouragement of the private sector to provide infrastructure. Presumably that means common infrastructure. Are there any initiatives in the budget to provide some incentives for the private sector to provide common infrastructure, and if so, where are they?

Mr COWAN: I do not know that you would say that there are incentives offered to the private sector to develop infrastructure as much as there are programs where the private sector comes to us and indicates that it has a need for infrastructure and that that infrastructure is probably going to be something that will have public use or common use. As a consequence of that it is one of the roles of the department, in conjunction, I might add, with the Department of Resources Development, to assess the extent of public use and to identify whether or not the State can provide some assistance or offset of the capital cost of that infrastructure development.

Just as an example, in the Jervoise Bay program in our request for proposal, we wanted that to be undertaken by the private sector and we sought a commitment from the private sector to that particular development. That is an example of how we as a State initiate something, provide taxpayers' dollars for it, but because there will be a benefit to the private sector, we expect the private sector to meet part of that cost and we are looking to get that development under way on the basis that it be done with a commitment from the State, from the Commonwealth and also from the private sector.

Mr MUIRHEAD: If I could just add to that, I think - and I know we have talked about it before, but the STEP program is a classic example of that, where there were incentives provided to the private sector to deliver that very important infrastructure, and indeed IVEC, or the Interactive Virtual Environment, is another area where through providing some seed funding the private sector is being encouraged to come in and put its dollars into a facility which will be a common-user facility.

Mr BROWN: On page 208 in the fourth dot point reference is made to the implementation of a whole of Government approach to regional development. There is also on page 209 a regional development policy implementation. One of the issues identified as a key issue, certainly in the north of the State, is the whole issue of fly-in, fly-out operations and the fact that towns which once were quite large are getting smaller and some companies have now changed their rostering systems so that they are ready to move to fly-in, fly-out operations and that has actually closed down those towns.

What policies are being put in place by the Government to address fly-in, fly-out, are there any, and to what extent do you see the denuding of towns in the north of the State in relation to fly-in, fly-out, particularly the non-coastal towns, the inland towns, in terms of that, and in that regard with greater fly-in, fly-out, to what extent do you see that having an impact on places like Karratha, Kalgoorlie and so on?

Mr COWAN: I will get Chris Fitzhardinge to perhaps give some substance to the response. If I can talk generally about it, if I deal with the last point first, there is every prospect that some of the provincial cities in Western Australia can - I would not say benefit from fly-in, fly-out, but I would say can be a base for fly-in, fly-out, which may offset some of those companies that, even though you have a very large town site and all of the facilities that one would expect. You still have people flying in and flying out. But if we are talking about Kalgoorlie, I envisage that there will still be people fly in and fly out of Kalgoorlie and there will be people who fly in and fly out from Kalgoorlie to other more remote locations, and as you know, as the prospectivity of the State seems to be directed towards the north-eastern goldfields, there might be more of that. So that could be an advantage for Kalgoorlie in the long term.

However, we are concerned about fly-in, fly-out. The development of policies that can counteract that are complex. It is not something that you can just deliver a whole range of taxpayers' dollars to ameliorate the situation. You cannot do that. You have to deal with some of the core issues and perhaps probably at some time in the future go back to issues such as royalty structures which indicates that if you are flying people in and out and not contributing to the infrastructure of that area, then your royalty will have to be commensurately higher than they would be if you were contributing through the

normal costs that would be associated with infrastructure development to the infrastructure of the area. Those are issues that I think will have to be dealt with by Government in the future, but with respect to the current issue, I would ask Chris Fitzhardinge to just give a bit of an outline of what is happening, if that is okay with the committee.

Mr FITZHARDINGE: The issue of fly-in, fly-out has been a major item which has been pursued by a number of development commissions across the State and in the consultation that took place as part of the development of the regional development policy, the issue of fly-in, fly-out was raised in a number of locations. There is a response under strategy 6.4.2 on page 37 of the regional development policy which says -

The use of fly-in, fly-out work practices is well established within Western Australia and will continue to be employed to service development projects in regional areas.

That is recognising the fact -

Work will be done in conjunction with stakeholders to examine opportunities for communities to capture more local and regional benefits, such as encouraging the use of regional centres as bases for fly-in, fly-out operations.

But further to that, there are issues that relate to taxation; there are issues that relate to amenity in regional communities; there are issues that relate to education and other services which are key determinants in where people choose to live and work. Part of the broad issue in the regional development policy is to make regional Western Australia a more attractive location in terms of the range of services that are available for people to make a long-term commitment to working out of those areas. It is true that the economy of the State has been skewed by fly-in, fly-out, but it also represents an opportunity by reversing part of the trend to get immediate wins for the growth of regional centres.

The CHAIRMAN: Further questions, members?

Mr BROWN: I was just looking at page 37 of the other document that are copied in this document, rather than the other one that was provided to us. On page 209 in the third line item down, the regional development policy implementation, there is an amount allocated there of \$2.4m-odd for the coming financial year and then so much in the out years. What is that for? How will that money actually be used?

Mr FITZHARDINGE: The actual funding available this year is \$5.165m of a total of \$10.9m over the four years to establish a Regional Development Trust Fund. The Regional Development Trust Fund will be formed to address the 23 strategies contained within the regional development policy and will look at major initiatives involved in ensuring significant progress of the regional development policy.

The guidelines for that Regional Development Trust Fund are being prepared now and it is expected that these will be announced over the next few weeks to allow Local Government, industry and community groups to be able to access funds for major projects and for building capacity to ensure that there is significant progress on the implementation of the regional development policy.

[11.30 am]

Mr BROWN: What sort of funds are we talking about that are going to be made available to organisations? What is the upward amount?

Mr FITZHARDINGE: The indications are that there will be up to \$100 000 available on a round application basis and a lesser amount available on a walk-in-the-door approach. There will be a number of advertised rounds each year for the larger projects and there will be funding available on a continuous basis but at a smaller level.

Mr COWAN: If I can just add to that, the idea is also that we would seek to embrace other Government agencies in some of these major projects that Chris Fitzhardinge talked about where if they had some appropriation funds for a particular issue but that was not sufficient for them to achieve their target, we could perhaps through cooperation, with some collaborative approach, enhance the amount of money by having a number of Government agencies being involved in those particular projects and all contributing some funds.

Mr BROWN: In terms of that fund that you have now indicated, will some funds be allocated for strategic market investment opportunities so people come forward with a proposal for putting forward strategic market investment opportunities to develop those? Will it be used for that purpose?

Mr COWAN: I am quite sure there will be something there somewhere along the line. I might also say that we have a regional office of the Department of Commerce and Trade and the officers within that section spend much of their time developing market opportunities for some of our regional businesses.

Mr BROWN: Will some of those funds be used as incentive packages to attract investors to the regions?

Mr COWAN: One would hope so. We will select the area though of investment.

Mr BROWN: Will some of those funds be used to retain businesses in the regions?

Mr COWAN: Chairman, we would not make a decision based on business retention. We would make our assessment on the commercial reality of that business being able to operate profitably within that area. If I can give you an example, there is Great Southern Wire, the operation in Gnowangerup producing wire products for Western Australia, one of only two producers of that product in this particular State. The other is in the metropolitan area.

If their cost, not so much of operating but their cost of additional capital required to improve services, is relatively high, then we do offset that with subsidies through things like the Regional Headworks Development Scheme. I regret to say it, but that particular company could not access additional power from the grid system in Western Australia and they had to buy a stand-alone generating plant. We did offset some of the cost of that, as well as the cost of improving the quality of the transformer. That did come from the grid system, through the regional headworks fund.

Division 13: Perth International Centre for Application of Solar Energy, \$882 000 -

No discussion.

Division 14: Gascoyne Development Commission, \$1 805 000 -

Mr BROWN: This applies to all of the development commissions so I will ask it once. By way of supplementary information can I have the five main issues each development commission is working on at the present time?

Mr COWAN: Yes.

Mr BROWN: And the allocation in their budget for next year that has been allocated to that main task.

Mr COWAN: We will go through the process of supplementary information, Chairman, and deliver the program statements for each of the commissions over the next year.

Mr BROWN: The five main issues?

Mr COWAN: Yes. We will incorporate those five.

Division 15: Goldfields-Esperance Development Commission, \$1 631 000 -

Mr Masters, Chairman.

Mr Cowan, Minister for Commerce and Trade; Regional Development; Small Business.

Ms ANWYL: Page 625 refers to facilitation of the Goldfield Land Access Group by the Goldfields-Esperance Development Commission. Will that continue? Minister, do you support that process? It is dot point 4 above "Major Initiatives".

Mr COWAN: I have not heard anything to the contrary, so I am assuming, Chairman, that will be continued but I am looking to see whether it is included in the initiatives for 2000-01. Can I take that on as a request and provide supplementary information to the member?

Ms ANWYL: I would appreciate that. Can I ask, given that that has occurred, it was an endeavour to work through Native Title issues which are identified a couple of pages earlier as the most significant issue there. Do you support that process?

Mr COWAN: Of working through Native Title issues?

Ms ANWYL: Of what the Goldfield Land Access Group has been doing. It might be an unfair question if you are not familiar with the details.

Mr COWAN: I am not familiar entirely with what they do, but I am able to say to you that whilst we have an Office of Aboriginal Economic Development within the Department of Commerce and Trade, they very rarely get involved directly in Native Title issues but what we do is get very heavily involved, usually in conjunction with the Regional Development Commissions, where they do have an Aboriginal economic development officer attached to the commission in the negotiated settlement process, where for all intents and purposes Native Title can be set to one side. It may or may not exist but for the purpose of this particular agreement, this is what we want to do.

We put quite a lot of effort and energy into getting parties to reach those particular agreements. I regret, Chairman, that I cannot indicate any measure of success in the Goldfields but in the case of the Gascoyne, in certain instances the Pilbara and the Kimberley there have been a number of records of success where the participation of the commissions has assisted with getting that agreement that allows matters to proceed. The first thing that comes to mind would be in, for example, Broome, the aquaculture centre, in Carnarvon the Fascine development and in the Pilbara some of those projects that have been undertaken by the Gumala group in conjunction with Rio Tinto. They have been facilitated or assisted in delivering outcomes with the commissions.

[11.40 am]

Mr AINSWORTH: Minister, at page 625 under "Major Achievements" dot point 4 refers to the participation by the GEDC in the establishment of the Esperance Marine Institute. My understanding is that that institute is still very much conceptual. It is a documented position paper as opposed to an actual physical presence, but is there any scope for the GEDC to be involved particularly with some finance perhaps from other sections of your portfolio, Minister, to actually have some financial input into the establishment of the bricks and mortar, so to speak?

Mr COWAN: They would need to do that through programs such as the Regional Development Trust Fund or the Co-Location of Resources, if that is an option. I doubt that that would be but the first may be. You are quite right. There has been already a financial contribution to that through the GEDC. A party of people were given an opportunity to visit Port Lincoln to identify opportunities. They were also in receipt of some funds from the Regional Initiative Fund to progress

that particular project. At this particular stage I would have to provide you with supplementary information about the objectives the commission has in regard to that particular proposal and where it is going from here.

Ms ANWYL: In relation to "Major Initiatives", page 625, dot point 5, "Attract new businesses to the Mungari Heavy Industry Estate", last year during this estimates process there was an amount of moneys that had been unspent in relation to that Mungari Estate of about \$150 000. In relation to Mungari and also the transport hub where I see there is a budget allocation of \$110 000, which I think has been carried over for two years possibly now, I simply seek some more information of what is to be done. It may be simplest to deal with that by way of supplementary.

Mr COWAN: There is no additional detail available to me so I will have to take that opportunity, if that is okay with the member.

Ms ANWYL: Certainly.

Division 16: Great Southern Development Commission, \$1 849 000 -

Mr Masters, Chairman.

Mr Cowan, Minister for Commerce and Trade; Regional Development; Small Business.

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

Mr WIESE: I have two questions in relation to page 664. The first relates to the canola crushing plant at Albany. The second relates to the third dot point in the "Major Initiatives for 2001", progressing the partnership for a wool scour at Katanning. Is the minister able to give us an indication, firstly, of what stage the progress of that canola crushing plant has reached and is he able to also then give us information as to what progress is being made on the wool scour and top making plant proposed at Katanning?

Mr COWAN: My understanding is that the Asia Pacific Bulk Terminals have begun site works on those premises. I am advised that that is the case, so the commencement of construction has begun and we are expecting that that will be completed in order to process product next harvest, should it rain and that there is a harvest. With respect to the wool industry, that is a lot easier. Relationships have been established with two Chinese textile mills who are interested in the opportunity. Negotiations are ongoing. Funds of \$5 000 have been allocated. The project has resulted in a new industrial site for Katanning.

Mr WIESE: Could I ask a further general question in relation to all of the development commissions? There was a time when we used to be able to get ABS statistics related to each shire on a shire-by-shire basis giving you information on the value of the production of wool, meat, grain, wines, manufactured industry and that type of thing out of each shire on a shire-by-shire basis. We do not seem to be able to access that now certainly from ABS. Are you able to indicate whether you have tried to do that? I understand you do have some provision of a service along those lines.

Mr FITZHARDINGE: We have recently negotiated access to statistics so that we can give up-to-date information on issues such as population growth, employment, building approvals, road traffic counts, and we produce those by just printing them off the computer as the information comes in. I can provide a copy of those for each local authority in the member's electorate. The other information relates to the provision of information on agricultural statistics and production statistics. These are available at a much wider interval, but as they are made available, they are compiled into a document called "Economic Perspectives" for each region. There will be a major update of the economic perspectives for each of the nine regions in the coming financial year and funds have been made available within Commerce and Trade's budget to produce those in partnership with the nine Regional Development Commissions. We can again provide a copy of those to the member when they are made available.

Mr WIESE: Will the information in those be on a shire-by-shire basis as well as the regions?

Mr FITZHARDINGE: No, the information is not generally available at that lower level. The additional cost involved in surveying and producing those statistics at a lower level is prohibitive, but also some of the statistics because of confidentiality of individual producers are not available on a local authority level. The information can become quite skewed if you try and drill down to that level because of the protection of the confidentiality. In one shire there may only be one producer and the ABS is reluctant to provide that information or they provide it with a different confidence interval and actually reduce the accuracy of the information and that can then skew when you aggregate that information back up again to a subregional or regional level.

Mr WIESE: Can I comment that when you are talking about shire-by-shire and about wool, meat, grains, manufactured industry, I think that is a nonsense.

Mr FITZHARDINGE: With the community auditing work that we do with individual communities we do access information on the major economic outcomes on a community-by-community or shire-by-shire basis. Where a community is going through the community auditing process, we do that to look at what is happening with the local economy, what linkages there are from their local economy and what options there are for downstream processing or what are the areas that are highlighted by the level of economic activity, but generally the full suite of economic activity is done on a region-by-region basis.

Mr BROWN: Just as a follow up to that, the ABS used to provide those statistics, did they?

Mr FITZHARDINGE: They are a combination of sources. The ABS used to provide information; for instance, on apricot growers you could determine shire-by-shire how many people grew apricots and what the value of the production was. You no longer can obtain that information.

Mr WIESE: It was a very helpful barometer of the economic health of our various shires and regions.

Mr BROWN: As I understand it, the Federal Government decided to cut "red tape" by 25 per cent and as a result of that a whole range of statistics have now disappeared, including those statistics that were used by the tourism industry for forecasting. The tourism industry has gone spare about that because it just cannot forecast now. So "red tape" has been cut. There is no question that people have still been filling in forms but it also means governments and developers and industries cannot now get the information.

[11.50 am]

Division 17: Kimberley Development Commission, \$1 465 000 -

No discussion.

Division 18: Mid West Development Commission, \$4 431 000 -

No discussion.

Division 19: Peel Development Commission, \$1 836 000 -

No discussion.

Division 20, Pilbara Development Commission, \$2 046 000 -

No discussion.

Division 21: South West Development Commission, \$8 257 000 -

Mr Masters, Chairman.

Mr Cowan, Deputy Premier; Minister for Commerce and Trade; Regional Development; Small Business.

Mr Fitzhardinge, Executive Director, Regional Development Division, Department of Commerce and Trade.

Ms ANWYL: It is really a question of a general nature. If you look to page 1249, there are two significant funding allocations. One is for the Bunbury Back Beach Project of \$3.59m for next year and there is the Pemberton Hydro-electric Scheme. My question, Minister, is why is it that some of these large amounts feature under the Development Commission budgets as opposed to some of the other heads of expenditure and different portfolios that might just as well account for the nature of spending and how is that process arrived at?

Mr COWAN: Historically the South West Development Commission has had the capacity to borrow. In fact one of the reasons why the Commission has a much larger budget allocation is because it has a level of debt servicing that other agencies do not have because of the borrowings in the past that it was required to undertake. Your specific question about the Bunbury Back Beach is that this particular issue has been around for some 20 years and it seemed to the South West Development Commission that no-one else was prepared to bite the bullet on that and the South West Development Commission indicated that it was prepared to get involved in the redevelopment of that area. In doing so funds were appropriated for that purpose through the Commission.

With regard to the Pemberton Hydro, that is a small tourism-based project or tourism-related and historical project that was decided would be a worthwhile project on the basis of restructuring that the town of Pemberton was going through and as a consequence it was afforded a priority. The South West Development Commission was again identified as the body most able to bring that project to fruition and that is the reason why those two funds are identified within the South West Development Commission budget.

Mr BROWN: I suppose the point made by the member for Kalgoorlie, which has been made to us by some of the Development Commission people, is now that people look and see those capital expenditures have been vested with the Development Commission, why are other capital expenditures which are earmarked for particular areas not vested with their Development Commissions rather than with Commerce and Trade as a whole? I think that will probably be a battle. For example, under the Regional Forests Agreement and the South West Industry Restructure Program, there is \$4.8m this year within the purview of the South West Development Commission which is vested in Commerce and Trade and not the South West Development Commission.

Mr COWAN: I have not looked at that data, Chairman. I think the principle that you are talking about with respect to the ability of commissions to have the capacity to deal in property or to borrow is an issue that five years down the track we now have to address in the review of the Act that confers powers upon the commissions, so that broad principle that you have identified is something that will be addressed in the review of the Regional Development Commissions Act.

With respect to funding and funding from various sources, I usually take the advice of the department about where funds are located. I might say that my task is to secure those funds, not to then have a long-winded debate about whether I have parked them in the appropriate area. To secure the financial resources from Treasury is a task in itself. I am not in any way

concerned so much about where we win them, as long as we can. The comments made by the member for Bassendean, Chairman, are noted and it is true that we do have programs in various areas. It may be that we could be more efficient in the way in which we document that or the way in which we apply that, but I think that we have to really make sure that we can get the money.

I think also you might take into account that under the south-west restructuring funds, because of the decision that was taken with respect to the RFA and the need to restructure the industry, it was determined that the Department of Commerce and Trade was the body with the greatest degree of expertise to handle that. We have assigned four officers to the task of undertaking that restructuring and there would be some appropriation of funds within Commerce and Trade for that purpose. I think that would probably be the item you are talking about.

Mr BROWN: It is. I do not want to labour the point, but it raises the question, if capital works were a specific area met by Government funds, by a direct allocation, whether it is appropriate for those capital works expenditures to be allocated then to the Development Commissions.

Mr COWAN: I have the gist of the member's question and will provide him with some supplementary advice about that.

Division 22: Wheatbelt Development Commission, \$1 521 000 -

Mr Masters, Chairman.

Mr Cowan, Deputy Premier; Minister for Commerce and Trade; Regional Development; Small Business.

Mr Fitzhardinge, Executive Director, Regional Development Division, Department of Commerce and Trade.

Mr WIESE: Can I ask the minister, in relation to the Wheatbelt Development Corporation, there is a lot of comments and feelings, in part of that at least, that the whole corporation is too big. It covers too big an area. I think it is 42 or 43 shires. Has anything been done to look at in fact splitting that into two and making it less?

Mr COWAN: That would be part of the review of the Regional Development Commissions Act, Chairman. I will take advice in that review. I think one of the terms of reference given to the review was to look at the boundaries of the Regional Development Commissions. I will take that advice. It does have a large number of shires. There is no doubt about that, and it is a fairly large area. I do not know what the recommendation will be.

Mr WIESE: Mr Chairman, the second question I have relates to page 1 523. You make comment on the completion of a Southern Cross to Esperance regional mineral study. Can I ask, has it been looked at, in fact expanding that further to the west and covering areas of the Great Southern and the Southern Wheatbelt and to do a study of the mineral possibilities in that part of the State? There are indications that there may in fact be some minerals in there. We already have the talc and the gold and the gypsum and that sort of thing.

Mr COWAN: Chairman, I will have to take note of that and provide that information as supplementary information because I am not aware of the extent or the boundaries of that particular study. We will provide that information.

Mr WIESE: The last question I have relates to page 1 528 which is a statement of cash flows. It shows a decrease in the salaries being paid into the Wheatbelt Development Commission. The number of FTEs remains the same. I am wondering why this would show a decrease in salaries. Is there something significant happening there?

Mr COWAN: I have no idea and again I will have to provide that information.

Mr WIESE: If you can provide that by supplementary information, I would be very happy to have it in that way.

The CHAIRMAN: Thank you, Minister. Thank you, staff members and thank you, Members.

Sitting suspended from 12.01 pm to 12.05 pm

The CHAIRMAN: I will commence by reading the Chairman's statement. For the information of members, this Estimates Committee will be reported by contractors to the Hansard office. The daily proof *Hansard* will be published in two parts tomorrow, part 1 at 9 am and part 2 at 8.30 pm. This year Hansard asks ministers, members and advisers to make their corrections on the daily proof *Hansard*. Hansard will forward the transcript to the minister's office for distribution to advisers. The cut-off date for corrections will be indicated on the transcript.

As has been the practice of previous Estimates Committees, members should not raise questions about matters of general concern which do not have an item of expenditure in the consolidated fund. The Estimates Committee's consideration of the consolidated fund's estimates of expenditure will be restricted to discussion of those items for which a vote of money is proposed. We are dealing with estimates of expenditure and that should be the prime focus of this committee. While there is scope for members to examine many matters, questions 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 will assist in the committee's examination if questions and answers are kept brief without unnecessarily omitting material information. It is the intention of the Chairman to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point, unlike this preamble.

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, I do ask that the minister clearly indicate to the committee which supplementary information he or she intends to provide. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the Committee Clerk by 14 days from today so members may see it before the report and third reading stages. If the supplementary information cannot be provided within 14 days, written advice is required of the date by which the information will be made available. Details in relation to supplementary information has been provided to both members and advisers and accordingly I ask the minister to cooperate with those requirements.

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 14 days. It will greatly assist Hansard staff if when referring to the program, statements, volumes or the consolidated fund estimates, members give the page number, item, program and amount in preface to their question.

Division 41: Office of Racing, Gaming and Liquor, \$66,364,000 -

Ms Anwyl, Chairman.

Mr Cowan, Minister for Commerce and Trade; Regional Development; Small Business.

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

Mr R. Sansalone, Budget and Finance Officer, Office of Racing and Gaming.

Ms WARNOCK: Madam Chair, I have a couple of questions for the minister, one relating first of all to Internet gambling and the other one to harm minimisation strategies in the liquor industry. Can I ask first of all, Minister, about the Internet gambling? Can a State Government, or even a Federal Government for that matter, have any real control over Internet gambling and how might they do that if you believe that is possible?

Mr COWAN: Chairman, if it is all right with you I will ask Mr Barry Sargeant to make a comment on that. If you want a general observation, the answer is we will all try, but whether we succeed or not is another matter.

[12.10 pm]

Mr SARGEANT: I think that summarises the situation very well. From the point of view of the State boundaries, the State clearly has the right to licence operators to provide services via the Internet, so it is clearly established that we can stop anybody being licensed to operate Internet gambling services in Western Australia. The State Government has made it quite clear, particularly to people who are interested in going down this path, that they are not just offering licences.

When it comes to regulating or controlling those providers from outside of Western Australia, it is a different exercise. One of the proposals there was for the various State Governments to agree to a national regulatory model so at least the people within the Australian boundaries could be regulated. As you would be aware, the Commonwealth has recently made its intentions clear and one of its first proposals is to introduce a 12-month moratorium on any licences being issued to enable the Commonwealth to investigate its powers in relation to communications powers and no doubt we will also address things such as their financial transactions powers.

They are looking at a 12-month moratorium in order to investigate the consequence and feasibility of a total ban of Internet gaming, but as you will also be aware there are some State Governments who are keen to issue Internet gaming licences and the fear from the West Australian point of view is it will severely undermine the Government's position on poker machines in hotels and clubs.

Ms WARNOCK: The Government presumably has no plans to change that position, Minister, about poker machines in licensed clubs, even despite the heavy lobbying efforts by the licensed clubs who seem to be claiming regularly that they are doing very badly and they desperately need poker machines?

Mr COWAN: Chairman, while I can report that there are diverging opinions amongst individual members of Cabinet, collectively we have not changed our view and the Government position with respect to gambling will be retained.

Mr BAKER: Just a follow-up to the general questions regarding the gambling on the Internet, Minister, can you advise as to whether there are any ongoing investigations concerning individuals and gambling on the Internet?

Mr COWAN: Again, Chairman, Mr Sargeant would be in a good position to answer that question.

Mr SARGEANT: No, there is not.

Ms WARNOCK: At the bottom of page 1159 it talks about significant issues and trends and it talks about development of harm minimisation strategies for the gambling and liquor industries. Minister, I would like you then to look forward to page 1162 where this is considered under "Major Initiatives for 2000-01" and one of the dot points refers to -

A review of liquor industry training that supports the liquor industry meeting the mandatory knowledge requirements.

I assume that basically refers to the same thing and I would just like to know exactly what the Government does intend to do in terms of those mandatory knowledge requirements, relating it to harm minimisation strategies, because if I can just

for a moment enlarge a little and say that as the representative for Northbridge in the State Parliament it is quite clear that because of the difficulties sometimes in the streets late at night with the places that have very late night licences, harm minimisation strategies seem to be either straining at the leash or not working terribly well. There is a lot of street crime arising out of the fact that a lot of people are quite clearly drinking a great deal. I wonder whether this relates to harm minimisation strategies that are not working very well or whether it relates to the liquor industry not being sufficiently well trained in how to deal with difficult customers.

Mr COWAN: Again Mr Sargeant can give some detail to this particular question, but these knowledge requirements are not just associated with harm minimisation. They are also associated with the practical management of a licensed outlet and the expected skills that managers or proprietors will have. You might have had some representation from very small licensed clubs, for example, about the requirements and skilling requirements they have been asked to achieve on the basis that it was asking for too much and it was not necessary given the restricted membership of those particular clubs. Perhaps Mr Sargeant can give an outline of that particular initiative.

Mr SARGEANT: Since the amendments to the Act were promulgated in 1998, we have a requirement that any new licensees and anybody that comes forward to the licensing authority for variations to their licence have to comply with the mandatory knowledge aspects. Fundamentally we do see that they understand what the Liquor Licensing Act is about, that they have certain responsibilities, particularly with respect to juveniles and to underage drinking and also to drunken persons being on premises. The other aspect of the training is to assist people to manage their premises in regard to the consumption of liquor. What we look for from the licensees is a commitment to ensure that not only have they ensured that they or their approved manager complies but then, although it is not mandatory, that their staff are trained in serving and responsible service of liquor.

One of the initiatives we have, we have actually targeted Northbridge and we have based this on the New South Wales model whereby we are asking licensees if they come forward to give a clear statement by a statutory declaration as to what their house policy is in respect to managing their affairs. It even goes down to them giving us some training aspects, what the management does to ensure certain aspects are being undertaken within their premises, that they are members of (inaudible) and what we do with that particular statutory declaration is go back at a later time and assess whether they are complying with that.

If they are not, we consider that they have not complied with a condition under which they have been granted a licence. On that basis, it is very much trying to move the industry towards accepting their responsibilities for serving of liquor. It is a difficult area, I am afraid, and I will make no promises that it is one that we can solve overnight, but we have to get people moving from the point of view of the licensees accepting their responsibility.

Part of our problem is that I do not think many community members accept their responsibility for the responsible consumption of liquor. We often have complaints from the staff members, the bar people, who have to say no to people who may be inebriated or who are not to the drunken stage whereby if someone is discontinued service, someone else will come up and buy the liquor for them. It is a community problem. The community has to accept that it is not just something someone else is going to solve for them. But we are targeting licensees, and frankly, licensees get very annoyed at us because they argue that a lot of the problem comes from the fact that people buy their liquor from other areas; that is, particularly from liquor stores, and they take it home and there is irresponsible consumption.

It does come back fundamentally to a community issue as well, and I repeat, I do not give any short-term, easy solutions to the problem, but I can assure you we are aware of it and as the minister commented, whenever we try and make some changes there is always an element who do not want to comply, but I think even in some representation to the minister we have actually stood firm and said, "No, we will not make any exceptions to those. They must comply." Unfortunately clubs sometimes are the worst offenders, because they get the person who is doing it voluntarily and do not accept the responsibility that they are dealing with an item which can have serious consequences for the community.

Ms WARNOCK: Can I just have a quick follow-up question to that one, to the minister? I mentioned Northbridge before. I represent that area, as is fairly well known. Meetings of Safer WA committees in Northbridge recently have even considered trying to establish a 12-month moratorium on the granting of any more late-night licences. Quite clearly there are going to be commercial objections to that, Minister, but there are some people, including the police in the area, who are so cheesed off at the behaviour of some people in the streets very early in the morning and the interference with other people in the streets, that they have even considered circulating the area with a flyer about trying to put a moratorium on any further granting of licences. This is clearly why I wanted to draw the matter to your attention, Minister.

Mr BAKER: My question relates to page 1172, under the heading "Net Appropriation Determination". There is reference under that heading to the proceeds from the provision of services to the Commonwealth in respect of Indian Ocean Territories. Looking at the figures referred to at the right of that, there is reference to the actual figure for 1998-99 being \$640 000, 1999-2000, 614, then there is a substantial drop-off down to 190. Has that got anything to do with the problems with the Christmas Island Casino, for example, and if not, what is the explanation?

Mr SARGEANT: I would not necessarily call it a problem with Christmas Island. In fact the Christmas Island Casino is closed. It has been closed for nearly two years. In the 98-99 year that did include a large element of the casino operating. In the 1999-2000 year we did have some further support from the Commonwealth to ease the staff out of the exercise. This coming year we will have no support. That is purely in relation to the regulation of liquor licensing on Christmas Island.

Mr BAKER: So we are responsible for that?

Mr SARGEANT: No, we are not responsible. Under the agreement with the State Government we enter into a service delivery agreement and we actually administer West Australian legislation on the Island for which we get reimbursed. So that is reimbursement from the Commonwealth for the expenses incurred in regulating basically liquor licensing on the Island for them.

[12.20 pm]

Mr BAKER: Just a very quick question, if I can. Page 1159, under the heading "Significant Issues and Trends", there is reference to the national competition policy review of the Liquor Licensing Act. Could the minister please indicate whether that review has been completed, and if so, what the findings of that review were?

Mr SARGEANT: No, the review has not been completed. We are in draft three with that review. Some nearly 18 months ago, I think it is, we did have submissions from the industry on it. We have been working internally, working through the issues and also negotiating with the Competition Policy Unit within treasury. We are on draft three for that one and we are not in a position to release it yet. I am hoping that we will shortly be in a position whereby at least the minister can consider that report.

Mr BAKER: There are no general proposals to further deregulate, or to deregulate, so to speak?

Mr SARGEANT: It depends on what you mean by deregulate?

Mr BAKER: Liberalise, loosen up.

Mr COWAN: We have already had a question referred to what are we going to do about our gaming laws and I have indicated to you that notwithstanding the divergence of opinion - I should have perhaps said not just within Cabinet, but right across the spectrum of Parliamentarians - it is not the intention of the Government to change its position with respect to gambling laws in Western Australia. We have noted the contribution that gambling makes to the GDP in States like New South Wales and Victoria. We know the contribution that it makes in Western Australia and we think that that lesser contribution is about the right direction that we should maintain, and that is precisely what we will do.

Mr WIESE: Can I make a preliminary comment and say it is a pity that we are not able to determine which of these items here relate to liquor licensing and which relate to gaming licensing and perhaps which relate to racing. My question relates to page 1163, the very bottom of the page, and it is a follow-up basically on the previous questions from the member for Perth where you were indicating some of the difficulties that you have and where the responsibilities lie for being in compliance with your statutory requirements.

That key effectiveness indicator indicates that the premises inspected that were found to comply with the requirements of the Act and the auditing requirements, that in 1999-2000 you were estimating only 55 per cent comply and you were hoping to get that up to 65 per cent next year, can you give us an indication of what sort of lack of compliance? Are they major, are they minor, because if you took that just at face value, that only 55 per cent comply, that is a serious implication.

Mr SARGEANT: You are correct. When we do have inspectors go out we assess them against the whole requirement, and there are some minor ones. For instance, if they do not have appropriate signage in the front as to who the approved manager is would be regarded as minor, and that, I think, accounts for a number of people not complying. We have had quite an extensive program on dishwashers of recent times to make sure that the dishwashers are reaching the appropriate heat levels. That was one area we found there was a significant non-compliance. From a health point of view we were very interested in that one. It is one which the Local Government health people may also take some interest, but that was the most recent example of non-compliance. 65 per cent is in my experience quite reasonable.

Mr WIESE: Can I comment on that one in relation to the glasses to give perhaps some of those listening an indication of what can be involved in that, where an applicant was looking for a licence for a farm-stay operation and were told that they had to have a dishwasher that washed glasses at 75 degrees when they might wash half dozen a night, three or four times a week, but they could not care less about the plates and the cutlery and everything else that was used.

Mr SARGEANT: Unfortunately it is the restriction of the legislation. We only have control over the utensils used for drinking of alcohol.

Mr BROWN: On page 1162 the second-last dot point on the bottom of the page refers to "Transfer responsibility for licensing of supplies of continuing lottery tickets from State Revenue Department to the Gaming Commission." Is that the licence that requires an agent or a person to sell lotto tickets, or is that something different?

Mr COWAN: It was the subject of legislation this year.

Mr SARGEANT: The answer is no, nothing to do with lotteries. Although the term is "lottery" it relates to if you go to a hotel you can buy those bingo tickets. That is what is being referred to. My legislation does not cover Lotteries Commission at all.

Ms WARNOCK: If I can refer the minister to page 1171 and the section dealing with subsidies and concessions, I look at those figures for subsidies and concessions there and I wonder who gets these subsidies and concessions. Are they WA producers or are they producers from outside Western Australia and what effect will it have here if indeed these subsidies go to outside producers? What are these subsidies and concessions here?

Mr COWAN: Twofold: low alcohol beer and also -

Ms WARNOCK: That is the \$7m that has been mentioned?

Mr COWAN: Also some wine producers. Perhaps Mr Sargeant could give some greater detail.

Mr SARGEANT: It is correct. The majority of that money is to differentiate between low and high alcohol content beer. When the liquor licensing fees applied, a high alcohol beer was levied for a licence fee at 11 per cent and low alcohol beer was 7 per cent, and when that High Court challenge meant that the Commonwealth had to pick that up through the wholesale sales tax, the States agreed to continue to subsidise the beer producers and the wholesalers to ensure that that differential was maintained. The balance of the money is paid for cellar door sales for wine producers in Western Australia.

Ms WARNOCK: The wine subsidy is only for Western Australian wine producers.

Mr SARGEANT: That is right.

Ms WARNOCK: Is the low alcohol beer for Western Australian producers or Western Australian and other producers?

Mr SARGEANT: Western Australian and others.

Ms WARNOCK: In effect that subsidy goes to producers outside Western Australia, or some part of it does.

Mr SARGEANT: Some part of it does but then again some of the Western Australian people export their alcohol to the Eastern States. Both Matilda and Swan Brewery export their liquor outside the State, so they get the benefit of any subsidies paid by the other States as well.

Mr WIESE: Are you able to give us a breakdown of what goes to the wine industry and what goes to the beer manufacturing industry, as a supplementary answer?

Mr SARGEANT: \$7m is that is going to beer.

Mr WIESE: Seven to beer so 3.3 to wine.

Mr SARGEANT: Yes. That has been running a bit high, as you can see. It is just under \$3m to the wine. That is very close.

Mr BAKER: My question relates to page 1171. Under the heading "Completed Works" there is a reference to the liquor licensing information system. Can you just explain what that system is, what it entails, what it does and the benefits, if any, of that system to consumers?

Mr SARGEANT: That liquor licensing system was to replace one which was many years old and it was actually contracted out to an organisation called DBR. There were two reasons why we had to change. One was the basic database system which we were originally running it on had changed, so we were forced to make some changes but more importantly it was an archaic system of people being able to get information and to get information they were having to change screens consistently, so there were some productivity increases to come through from it. It has also meant that we can produce information far quicker.

We do get a number of requests from organisations for postcode details about licences etcetera and we have been able to improve that turn-around service. It was initially being developed in conjunction with our liquor licensing revenue system but as a result of the High Court decision, that element was dropped out of the exercise. It is really to maintain our database of liquor licences and also approved managers.

The advantage the system has at present is that in due course we may be able to actually bring our gaming systems on line as part of it. You would appreciate that in liquor and gaming there is a lot of commonality between the two. Presently we have actually maintained two separate sets of data for an organisation, so the long-term development is that we can enter the data once. It can relate to either gaming or to liquor. That is the intention.

[12.30 pm]

Mr BAKER: There is another question that may be related to this. I am not sure. On page 1172 under the heading "Recurrent Revenue" there is reference to video lottery terminals. There is a series of figures of course. There is a drop-off from 639 to 500 in the current year and 200 in the next year. What is the explanation for that drop-off?

Ms WARNOCK: I am interested in that one as well.

Mr SARGEANT: The drop-off for this current year is just a decline in the turnover but the major drop-off in the budget estimate is as part of the arrangement between the Federal Government and the State Government. Part of the arrangement is that in relation to gambling taxes, because it is not possible to automatically charge the 10 per cent to the consumers, that is actually taken out of the gross win of the gambling operator.

The agreement with the Commonwealth and the States was that the States would adjust their State taxes and in this particular one we are reducing the 5 per cent which the State receives currently down to 2.25 per cent as from 1 July to reflect the fact that they will be paying GST to the Commonwealth which in turn will come back to the State. That is as a result of adjustment for the GST.

Mr BAKER: The explanation in respect of the liquor component as well under the same heading? In 1998-99 it was 988; for the current year nil and for the next financial year, nil.

Mr SARGEANT: Up until the end of 1999 we actually paid all of our revenues into the consolidated fund. Now, rather than give us an appropriation of, say, \$3m, we only get an appropriation of \$1.8m. We actually retain those revenues ourselves. This is all administrative revenue. It does not come to us. We collect it but pay it straight into the consolidated fund. There are other revenues we do retain in our own account.

If you go down to the next area, you will find the revenue we are retaining in this year is \$1.1m. In the second-last line you have GST credits and other revenue. It went from 988 in 1998-99. Then it was \$1m. Now it is \$1.1m so we are retaining it. Therefore Parliament is appropriating less money.

Mr WIESE: My question relates to page 1168 in the operating statements, revenue from taxes, regulatory fees and fines. The budgeted estimate is \$43,200,000. Would you be able to provide us with a breakdown of that, firstly into taxes? What percentage is taxes or what amount is taxes? What amount is fees? What amount is fines? Then would you be able to do that in relation to the racing, the gaming and the liquor separately? For each of the areas can you give us the breakdown of amounts? I would be quite satisfied for that to be done by way of a supplementary answer because I realise it is fairly complex.

Mr COWAN: It can be done now.

Mr WIESE: It will be fairly complex.

Mr SARGEANT: No, it is not. On page 1172 are the only two items we administer: casino tax and video lottery terminals. That is \$43 200 000. That is the break-up of it. The racing taxes paid by the TAB does not come through my office. It goes straight into Treasury.

Mr WIESE: So the fees are the licences. How much of it is licences and how much is taxes and how much is fines?

Mr SARGEANT: That is terminology that Treasury uses to describe that. What I am saying is that we do not collect any fees per se, other than those ones that are listed further down at the bottom there. This is administered revenue; that is, revenue that goes straight to the Treasury. We only collect \$43,200,000 from video lottery terminals. If we were to retain it, it would go down to the lower figure.

We have very few fines. For instance, the infringement notices for liquor go straight into the consolidated fund. The Ministry of Justice collects that. It does not come through my office but if you are offering to give it to me, I would be quite happy to take it but I am afraid it is not one that I do administer.

The CHAIRMAN: I have a question relating to that issue which is the amount of application fees payable by the two-up in my electorate. Where would that be reflected in terms of this revenue? It is an amount of about \$30 000 a year I understand.

Mr SARGEANT: That is paid direct to the Gaming Commission, which is a separate authority, so it does not come into it as such. It is all the other fees that the Gaming Commission charge, not only for two-up but for bingo and for all other permits. The \$1.7m from the casino also goes direct to the Gaming Commission to regulate gaming throughout WA so it is not dependent on the consolidated funds at all.

Mr BROWN: On page 1162, the last dot point on the page refers to the implementation of rebate scheme for gambling operators. What will that actually mean in terms of administrative load?

Mr SARGEANT: The office has been funded to have an audit role in relation to the subsidies for the liquor subsidy. That is the money that goes back to beer producers and cellar door sales. In the overall structure and through reorganising, we have argued that as one of our productivity increases we can handle this internally without any increase in staffing etcetera. It will involve us remitting monthly a rebate cheque for hopefully electronic funds transfer to the Lotteries Commission, to the TAB, to the casino and also to all the racing clubs in WA and the bookmakers who are licensed in WA. That is the extent of that subsidy in relation to the GST rebate.

Mr BROWN: You have to do the calculations on that to work out what the rebate is and then forward it back.

Mr SARGEANT: Because the timeliness is of concern, we will basically have an audit process. We will do a very quick check to see that things look reasonable and then we will just send out the moneys and then we will do a post-audit exactly the same as we do with our subsidies, particularly for wine producers. We process it quickly so they are not out of pocket and then we do an audit after to check; for instance, we had one audit down in Kalgoorlie and not only did we pick up that they were not paying the correct amount to the Commonwealth, but they were actually paying it to the Commonwealth and not to the State so the State was losing about \$1m from that.

We brought that back to the State Revenue through our audit program. We are going to cover it within our existing audit program. I have inspectors going out throughout the State not only for liquor but I particularly have it for gaming as well. So they do go down to Kalgoorlie, etcetera. They have been up north. At the same time they will conduct these audits for us to make sure that people are complying so I am going to absorb it within my current FTE structure.

Mr BROWN: In terms of hours per week or hours per month this is not a great load.

Mr SARGEANT: It is minimal, yes, unless our audits reveal something which we are not expecting, but I do not expect major problems in this area, particularly the bigger organisations. No disrespect, but the only ones we might have to be careful of are some of the bookmakers because they are basically in business for themselves and they probably want to

minimise their Commonwealth taxation so we would be wary of that. The other organisations, I think, would be fairly aboveboard. I do not expect any problems.

Ms WARNOCK: Minister, I refer to the same page, 1162, and the "Major Initiatives for 2000-01, Implementation of National Competition Policy legislation review recommendations." When is this likely to happen? Which have not been implemented? What is the timetable for implementing any of these legislation review recommendations?

Mr SARGEANT: Of the legislation we are required to implement, as I indicated earlier, we have not completed the liquor review. All the other reviews have been released. They have been made available on the Internet for comment. We did not get a priority for this coming Parliamentary session. We have issued instructions to the Parliamentary draftsmen to draft necessary legislation. So without there having been given a priority for next year, I would expect we would have the legislation before the Parliament next year some time, but I have not been given a priority at all.

Ms WARNOCK: So which legislation are we talking about?

Mr SARGEANT: The gaming legislation and the betting legislation. So the Gaming Commission Act has been reviewed. The Casino Control Act has been reviewed. The Betting Control Act has been reviewed. The TAB Act has been reviewed. The Racing Restrictions Act has been reviewed. That sort of legislation has been reviewed. As I said, the liquor has not been completed. We are still in the process of arguing with Treasury on certain points there.

Ms WARNOCK: So you have not had an opportunity to implement that particular section of the review because, as you say, you still have difficulties sorting out where you should go with that.

Mr SARGEANT: Yes, within our own Government ranks we are still sorting out some issues there before it is being released to the public.

Mr BAKER: Just a general question, returning to the issue of your office's harmonisation strategies. You may recall that during, I think, debate last year regarding the then proposed first draft, I think it was, or draft 3 of the "Health, smoking in enclosed public places regulations" the AHA raised some concerns about the practicality of actually enforcing those regulations and also, of course, the impact of those regulations upon trade in licensed premises, liquor, of course. I am just wondering whether or not you are concerned that perhaps your harmonisation strategy should also take into account harms arising from smoking or are you solely concerned with harms arising from the consumption of liquor only, full stop? So beyond that you see it as being an Occupational Health and Safety issue or a Health issue.

Mr SARGEANT: Yes.

[12.40 pm]

Mr CUNNINGHAM: Referring to page 1171, going back to subsidies for gambling and betting agents and bookmakers, just for the sake of getting this question up, is there a danger that Western Australian racing could finish up like racing to a certain extent in New Zealand where there will be no bookmakers in the next two or three years? There has been a great exodus of bookmakers over the last 12 or 18 months. They cannot afford to stand and field. They tell me it is going from bad to worse.

Mr SARGEANT: Madam Chair, the minister has asked the question as to why the high figure. That is mainly the casino. That would be the biggest proportion of it and the TAB and lotteries are the other biggest component of it as well.

Mr COWAN: You can expect an answer but the answer will be really just an expression of opinion. If the chair allows that, then I am quite comfortable saying to Mr Sargeant that he should offer that view.

Mr SARGEANT: I think that the future of bookmakers is going to lie very much in the hands of the codes. Whilst the Government can do things in relation to levies to help them, fundamentally it is for the codes. The reason why I say that, particularly in Western Australia, is bookmakers are currently paying a levy of 2 per cent. That all goes to the codes. It does not come into the consolidated funds so the codes retain that. The codes also charge them fielding fees, etcetera. One of the proposals that has come through the national competition policy reviews from other States is to reduce the bookmakers' betting limit from \$200 down to zero. The racing bodies particularly oppose that, whereas the bookmakers argue that it is important for their survival. There is no doubt the figures indicate the decision of the States to allow bookmakers to go into telephone betting has been a saviour of many of those bookmakers.

Because the codes are opposing the \$200 limit, in a sense they have to ask themselves how important are the bookmakers to their survival. The Government could step in and eliminate it but then through fielding fees and other things and through the rules of racing they could actually reimpose those particular limits, if they so wished. Many of the codes argue that they do not get much from bookmakers but I think they forget just what sort of attraction they are in that regard and it might be a bit short-sighted to eliminate them because I agree it is one of the colours. I was fortunate last week. I was with the racing ministers conference and one of the chores of racing ministers is we have to attend race meetings. I was at the Doomben 10 000 on Saturday in Brisbane. The activity in the bookmakers ring was enormous and that to me is what racing basically is about. To lose that, Australian racing will lose something.

Mr BROWN: On page 1163 under "Output Measures" reference is made to the audits and inspections that are carried out and so on. Right down the bottom of the page in the key affected indicator it is indicated there is a 55 per cent, as I see it, compliance rate. The target is 65 per cent this year. What are the measures that you are putting in place to try and increase that compliance rate?

Mr SARGEANT: Our harmonisation strategies also includes the commitment to these initiatives, but I think having a greater presence we are far more conscious of the fact that we are out there in the community. What I have done in the office, I have done fairly gradually. When I first arrived at the office, I had a gaming division, I had a casino division and I had a liquor division. They all had inspectors and they all did their own thing which meant when the gaming inspectors went out to the country, all they did was gaming.

We now have a situation where we have reorganised the office so that we have only one inspectorial area. When an officer goes out, he goes out to cover all areas so that we can cover the State much wider. We have done a number of audits in relation to TABs and to bookmakers operating outside of the State. We have recently had an officer that returned back from Leinster who was basically a gaming inspector, but he did an inspection at the hotel and a certain number of infringement notices were issued because things were not quite in compliance.

Many hoteliers, because we have not been well resourced in the number of inspectors of liquor, have thought there is no need to worry about it, but it is a different story now. I have inspectors who can cover the whole State and they will go there and they will get much more proactivity because of the fact they go to an area and they can do a whole range of inspections in one go, whereas previously they all had their blinkers on and went down and did one area and then they came back to Perth.

Mr BROWN: In terms of that, if I can ask, what was the recoupment that has been achieved by the inspections in terms of underpayment or in terms of moneys due to the State?

Mr SARGEANT: From the point of view of liquor licensing, the liquor licensees do not pay any moneys to the State. The only fee they used to pay was the liquor licence fee, which was 11 per cent, and 7 per cent of retail sales. With the High Court decision in 1997 which put that to the Commonwealth, the only fee we collect now is an up-front liquor licence fee. It is an annual fee which is paid. If they do not pay that, they basically get suspended or they have their licence cancelled, so there is no requirement for us to actually do the inspections from that point of view. The only other inspection I do is in relation to those wine producers and beer producers who obtain the liquor subsidies. We do inspections of their books to ensure they are claiming what they are entitled to claim.

Mr BROWN: If you go and inspect anywhere, one of the complaints sometimes by industry is that, with occupational health and safety, people will come in and say, "The noticeboard is not wide enough," or, "You have not got a border on it," which is hardly shattering stuff, as opposed to, for example, electric cables being exposed where people are going to get killed. What I am trying to get here is, what is the degree of breach you are finding? Are you finding technical breaches where someone has not complied with Regulation 8221.5 or are you finding fairly substantial breaches? What is your experience?

Mr COWAN: It has been answered before but for the benefit of the member we will answer it again.

Mr SARGEANT: They do include what are called trivial matters and also significant matters. The trivial matters will be whether they have the appropriate signs out the front, but the fact is the legislation requires it to be complied with. If they are not complying, we point it out to them. We do not issue infringement notices for that matter. The two things we are very conscious of are what I have just mentioned; things like the dishwasher temperatures and the general safety and wellbeing of the premises. If you go in and you find in toilets that the cisterns are not working or they are not being maintained, they are the things we are interested in, and we work very closely with the local health inspectors as well in those areas.

Ms WARNOCK: I refer to page 1163 and down there, just under the "Output Measures" the little figure (c) talks about the office undertaking a major restructure during the year 1999-2000. Could you just explain that major restructure? I am not sure that I understood when you discussed it before. What exactly is this major restructure?

Mr SARGEANT: In relation to the member for Bassendean's question about inspectors going out, about the coverage -

Ms WARNOCK: Is that what it refers to?

Mr SARGEANT: That is what the restructure is. We still have the Director of Liquor Licensing but I have eliminated the Director of Gaming and the Director of Casino and I only have a Director of Operations and that director is responsible for administering the inspections of liquor, gaming and casino matters, so we have those economies. For instance, our last workplace agreement will deliver about a 5 per cent pay increase to the staff and part of that pay increase has come from those sort of productivity increases. On page 1159, if you look at the actual cash appropriation for 1999-2000, \$1 567m, we are looking for \$1 573m. It is the third line down. That is in cash terms. We are able to deliver the pay rise and undertake the subsidy inspections in relation to GST without actually making a big demand on the consolidated fund traditional funds.

Mr BAKER: Minister, just a couple of questions relating to the Burswood Casino. I may not have the correct information here but is it the case that casino falls under the control of the Office of Racing and Gaming, or the licence associated with that?

Mr COWAN: The licence certainly does.

Mr BAKER: Is there a condition in the relevant licence to the effect that the casino operator will comply with all relevant, applicable laws, be they Commonwealth, State or otherwise?

Mr COWAN: That is also catered by the Act as well, is it not?

Mr BAKER: That is right.

Mr SARGEANT: There is a Casino (Burswood Island) Agreement Act which requires that the casino does comply, but fundamentally it is structured very much to complying with the liquor and the gaming laws.

[12.50 pm]

Mr BAKER: What about, for example, the Commonwealth Cash Transactions Act? Is there a specific requirement concerning the need for the operator to comply with that Act or is it just caught under a general obligation to comply with all laws in force and any of the operations?

Mr SARGEANT: If I remember correctly, that Federal legislation was enacted after the State agreement was enacted so it is not specifically covered, but I can assure you the Commonwealth has sufficient powers to cover them. You do not need the State's -

Mr BAKER: You do not need to specifically -

Mr SARGEANT: No.

Mr BAKER: I have another associated question. We have had some discussion this morning regarding the development of harm minimisation strategies for, in this case, gambling industries. There have been many complaints, as you are probably well aware, in recent years regarding gamblers who attend at the casino, leave their kids in the car, enter the casino and gamble, etcetera, and return, and sometimes there are devastating consequences of this. To what extent has the development of these harm minimisation strategies taken into account the need to ensure that harm to children through being left unattended in motor vehicles has been properly addressed or reduced? I am just wondering whether or not that is an issue under that strategy.

The CHAIRMAN: I am having trouble hearing you, member for Joondalup. I do not know if Hansard has the same problem.

Mr COWAN: Chairman, the issue is something that again is not one you can direct exclusively to the Office of Racing and Gaming. It is one that does require across-Government consideration. Whilst we would certainly expect the casino authority to exercise some program or some strategy that makes absolutely certain that people are made aware that that particular practice is not just frowned upon but that it should be completely banned, it is not solely their responsibility. It is not solely the responsibility of the Office of Racing and Gaming. I think in this instance, though, we would expect the casino and the Office of Racing and Gaming to take a role - indeed, if not a leading role, close to it - in promoting the necessary concepts about practices with respect to doing that. I think that is about as much as you can ask. We do not have to set regulations or rules with respect to that. We do expect the casino to act as a responsible citizen, just as we expect the Office of Racing and Gaming to support that view and to give support to any action the casino might take to make people aware that that practice is not acceptable.

Ms WARNOCK: Can I just refer to page 1172 now and down the bottom there the GST input credit which is mentioned and the figure of \$205 000? How did you arrive at that figure? What does that represent exactly?

Mr SARGEANT: Being an agency that has to comply, we will be paying GST and we have worked out roughly what our inputs are and we expect that is the GST we will be paying; therefore, we are entitled to recover it. Given there will be a one-month delay, we will be able to recover that GST from the Commonwealth.

Ms WARNOCK: That is your estimate.

Mr SARGEANT: What we will recover.

Ms WARNOCK: Based on your figures for this year.

Mr SARGEANT: Whatever we pay for running our cars, anything that we have to incur GST on - buying the stationery, our computer equipment - we are looking to comply exactly like anybody else. We will be monitoring it very closely to ensure that our invoicing system picks up what GST we have paid and in turn then we will be lodging our returns to the Commonwealth and expecting our refunds to come in in accordance with the legislation.

Ms WARNOCK: Of course, judging by the usually efficient way the Office of Racing and Gaming handles all its affairs, you are totally GST compliant and are confident about that figure?

Mr SARGEANT: Extremely confident.

Sitting suspended from 12.55 pm to 2.00 pm

The CHAIRMAN: Good afternoon, Members. It has now just gone 2 o'clock and we do have a quorum so I declare the committee open and I need to read out my Chairman's statement. For the information of members, this Estimates Committee will be reported by contractors to the Hansard office. The daily proof *Hansard* will be published in two parts tomorrow, part 1 at 9.00 am and part 2 at 8.30 pm. This year Hansard asks ministers, members and advisers to make their corrections on the daily proof *Hansard*. Hansard will forward the transcript to the minister's office for distribution to advisers. The cut-off date for corrections will be indicated on the transcript.

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

While there is scope for members to examine many matters, questions 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 will assist in the committee's examination if questions and answers are kept brief, without unnecessarily omitting material information. It is the intention of the chair 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 I ask the minister to clearly indicate to the committee which supplementary information he agrees to provide. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the Committee Clerk by 14 days from today, so members can see it before the report and third reading stages.

If the supplementary information cannot be provided within 14 days, written advice is required of the day by which the information will be made available. Details in relation to supplementary information have been provided to both members and advisers and accordingly I ask the minister to cooperate with these requirements. I caution members that if the 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 14 days.

It will greatly assist the Hansard staff if when referring to the program statements, volumes or the consolidated fund estimates members give the page number, item, program and amount in preface to their question.

Division 74: Employment and Training, \$242 962 000 -

Ms Holmes, Chairman.

Mr Board, Minister for Employment and Training; Youth; the Arts.

Mr I.C. Hill, Chief Executive, Department of Training and Employment.

Mr K.R. Smith, Director, Financial Management and Analysis, Department of Training and Employment.

Mr L.B. Davies, Executive Director Employment Initiatives, Department of Training and Employment.

Dr S. King, Executive Director Strategic Resource Management, Department of Training and Employment.

Mr J. Eftos, Acting Executive Director, Office of Youth Affairs.

Mr BOARD: We are here for a four-hour segment and in that sense I understand that we will be dealing with employment and training, and then possibly the youth area because it is in fact funded within that budgetary allocation, and then dealing with arts at the end of that. Opening up in discussions and looking at the budget in the Department of Employment and Training, I would like to state on the record this amount of \$347.8m is a record amount of allocation to this area in the State's history. It is \$3.8m, in fact, over the 1999-2000 allocation. That represents the total allocation in the whole of the funding portfolio.

Mr KOBELKE: It varies a little bit from what we have on page 1380.

Mr BOARD: In regard to that amount of money, could I just say that what it really reflects is the increasing expansion in the provision of training and the VET sector in this State. I suppose if you look at it in overall terms since 1995 or thereafter in the last five years, we have seen an incredible expansion of both the number of people taking up Vocational Education Training options in the State and in fact something getting close to 60 per cent of school leavers now are looking at VET options in this State. You see that reflected in the fact that we are approaching nearly 130 000 students, either part-time or full-time, studying in the VET sector and the number of colleges and the number of campuses and also the number of courses that are available through those colleges has expanded directly.

[2.10 pm]

Mr BOARD: We have seen the addition of the Commonwealth funding through the ANTA Agreement over recent years, the early years having a growth factor; in the recent agreement, some two and a half years old now, efficiency gains within the State and this State has a proud record of in fact having the fourth highest efficiency gains in the country in regard to that ANTA Agreement, and we also see the competition factor coming into the provision of training with a greater amount of private training providers and user choice being made available, so that we are up to the stage where about 21 and a half or 22 per cent of training is being met by these registered training organisations, private training providers, and growing. That, I think, provides some discipline to the TAFE sector which is competing in many ways within the training sector to provide training in this State.

On the employment side we see the State continuing its assistance in that regard, some 30 000 people last financial year directly assisted and over 10 000 job seekers and a particular emphasis over the last 12 months on elderly people, those who

have traditionally found it difficult in the labour market, those 45 years and over - I should not use the term "elderly"; I should say mature - in that we have a particular program and nearly 1000 people have been assisted into employment as a result of that program and another 3000 are receiving training assistance as a result of that, so in overall terms the area continues to expand both in its employment initiatives and the allocation of training throughout the State, particularly through the TAFE sector.

The CHAIRMAN: Thank you very much, Minister. We will now commence with division 74 which deals with employment and training and then we will go on to youth. Employment and training first, as per the minister's suggestion, then youth and then arts.

Mr KOBELKE: Minister, the outputs are on page 1383, and you might also like to explain the \$347m which I am sure is correct. It just is not the up-front figure that appears in the budget papers for the total expenditure which on page 1380 is \$330.7m, but turning to page 1383 we actually find that Vocation, Education and Training Services have a real reduction of .5 of 1 per cent. Given that you tend to have increased outcomes, I would like you to explain how that is going to take place.

Mr BOARD: Sorry, which page are we on?

Mr KOBELKE: Page 1380 gives the amount required to fund outputs for the year, \$330.7m, not the \$347m you gave which I assume therefore takes in some other figures. The second part of the question is, on page 1383, the very top figures there regarding Vocation, Education and Training Services, you actually have a reduction of .5 of 1 per cent in real terms and that funding is expected to actually pay for increased outcomes.

Mr BOARD: Firstly, if I could just address the original question, the figure that I quoted at the outset, the \$347m, takes into account the Commonwealth funding for the training sector in Western Australia as well. If you look at the combined amounts, which is what that figure is, it is a record amount for the State.

Mr KOBELKE: I am not disputing that, I am just saying how do you get the 347 from the 330.7. I am sure it can be explained even so I can understand it.

Dr KING: You will appreciate that at page 1380, the top figure you mentioned of 330.7 is, of course, only recurrent. This then factors out the net appropriations component. It then adds in the capital and factors out the net appropriation part of capital and at the very bottom, a grand total for 2000-01, you might see the figure of 242.96. That is really State funding only, capital plus recurrent.

Probably one of the easiest ways is members might wish to refer to page 1404 of the budget papers, the last page of this section, which spells out all the net appropriations components. You will see there that the first bracket in 2000-01 related to departmental and other activity, 10.5, etcetera, they all add up to about 11.5, that first bracket of numbers, then you have got another bracket of numbers that adds up to all the Commonwealth components, including capital, and there are two little funny last items about GST factors, in and out. If you add all those in except the GST you end up with the number the minister quoted. It might be easier, given the mental gymnastics there, if we give you a reconciliation sheet, as it is quite difficult with the appropriations, but that is our calculation.

Mr KOBELKE: If the minister is willing to provide that as supplementary information, I would appreciate it.

Mr BOARD: Yes, that is fine.

Mr KOBELKE: The second part of the question, can I have an answer to that?

Mr BOARD: Could you just restate that question?

Mr KOBELKE: This is taking the figures on 1383, which is the amount needed to fund outputs of vocational education and training services, the very top figures. What we find in real terms is there is a fall of half a per cent in the funding, which does not take account of increased populations, it is just using the implicit price deflator of 2.5 per cent.

Mr BOARD: Are you going to be suggesting through the course of these that these figures do not reflect real terms? Is that going to be the line of your inquiry?

Mr KOBELKE: What clearly is evident from the figures on page 1383 at the very top of the page is that there is in real terms a reduction in funding.

Mr BOARD: I do not know how you come to that figure.

Mr KOBELKE: You take the price deflator and you add it on to the \$215m, which is quite fair. That is what the Government does. We are looking at maintenance of programs, which means you need to take into account the inflation rate, which is not the CPI inflation rate of 3 per cent but the one that the treasury uses of the implicit price deflator of 2.5 per cent, and it takes no account of increased population and increased student numbers. It simply takes account of inflation only. You are actually reducing the amount of funding and I take it from other parts of the document that you are looking at increased outcomes. How do you do it?

Mr BOARD: If you have a look at the figures, the reality is that in regard to the total net cost of outputs they have gone up \$4.5m in that particular area. You are saying that does not take into account enough in regard to inflation and we suggest that it does. We suggest that that figure will in fact meet the projected area in regard to inflation. In regard to the increased

outputs, we have been meeting those through efficiencies over the last two years. In fact, I indicated in my opening statement that we have had a record achievement in this State in regard to what we have achieved through efficiencies. I will suggest to you though that we are reaching a level at which whilst we may not be completely there, we are reaching a level where that is increasingly more difficult to achieve, and I recognise that, but the reality is there is a \$4.5m increase in the net cost of those outputs and will, we believe meet the training needs with that figure.

Mr KOBELKE: Further to that, Minister, what is the actual dollar amount of the savings from the sales tax abolition from the GST. Treasury said that that has been factored into your allocations. What is the actual dollar amount which was applied?

Mr BOARD: Yes, it has.

Dr KING: I understand, though the director of finance might correct me, it is a \$1.2m reduction.

Mr KOBELKE: That is across the total budget?

Dr KING: Yes.

Mr KOBELKE: In which case if you cannot achieve the \$1.2m saving you will actually be further behind in real terms.

Mr BOARD: If we were not able to achieve those savings that may be the case, but we will be endeavouring -

Mr KOBELKE: Are you, Minister, optimistic that you will be able to in this portfolio?

Mr BOARD: We will be giving it our best shot.

Mr KOBELKE: Not optimistic.

Mr BAKER: Can I ask a question regarding output 2? Page 1392, third dot point from the top, reference is made to the piloting of a small business training grant scheme within two shires in the metro area in the next financial year. Which particular shires are they, or Local Government areas are they, and why were they selected as opposed to others? Reference is made to shires. I find that interesting given we are dealing with the metro area.

[2.20 pm]

Mr DAVIES: The two shires that were chosen were the City of Stirling and the City of Swan. Yes, and the reason for the choice is that it is an attempt to try a different way of delivering small business training which is generally available. It is trying to deliver it in a different way and those two areas had indicated a fairly strong interest and had put submissions forward about some alternatives that might be tried. We thought we would see how that would work and then evaluate that.

Mr BAKER: What will be the objects of these grants? If you could perhaps just provide some more information regarding the grants - what they seek to achieve, what the desired outcomes are.

Mr DAVIES: The desired outcome is to improve the access to small business operators to VET training in a more flexible way. Providing traditional courses, we were getting feedback from small business operators that that didn't necessarily meet their needs, so we have tried a number of different initiatives around the State to try and look at different ways of delivering.

Mr BOARD: If I could just add to that, member for Joondalup. I made a statement in the House in recent weeks that this is an area in which we are very keen to make sure that small business maintains its competitive nature in this State. Often because of the nature of small business, where it has got the shoulder to the wheel, they do not take advantage of some of the training opportunities. Sometimes time is a factor.

We launched a trial in the south-west recently and put half a million dollars into what we are calling the "Small Business, Smart Business Program" and there are \$400 training vouchers that have been made available to up to 1000 businesses who will in fact be able to redeem those training vouchers for themselves or people in their employment to upgrade their skills. That may be desktop publishing, it may be IT skills, it may be advertising and promotional type skills, it may be to do with electronic commerce on which we have got a new course available through TAFE. What we are endeavouring to do is to make sure that those businesses have access and that we give them some encouragement in that regard.

Ms ANWYL: Page 1385, "Output Measures", you give some figures in terms of the volume of student curriculum hours delivered both for apprentices, trainees and other students. I am concerned to have some further detail in terms of the percentage of secondary school students who are being involved in traineeships and apprenticeships versus traditional schooling. There obviously is a trend towards increasing numbers of students, hence your delivery to "Other Students", I would understand there. I have some further questions, but perhaps if you could answer that in the first place. Is it possible to obtain a percentage? We know that retention rates of school students is falling sharply in terms of the figures, but what sort of percentage of secondary school students are actually engaged in these sorts of courses?

Mr BOARD: I am happy to get that information for you by way of supplementary information. It may in fact need to come from the Education Department in terms of that.

Ms ANWYL: If you are providing hours to students, surely you have some tracking mechanism to know where they have come from.

Mr BOARD: I will get you that by way of supplementary information. That will be fine.

The CHAIRMAN: Supplementary information will be provided.

Ms ANWYL: Following on, if I could, from that. You have some figures contained at paragraph (c) on that same page of 1385 and I note there is a forecast increase in the number of traineeships commenced for the next financial year but not apprenticeships. In fact it is my understanding that apprenticeships have declined sharply over the last several years. What makes you confident that they are going to be static and why do we not have an increase in apprenticeships commensurate with the increase forecast for traineeships?

Mr BOARD: It is a question which is actually being, I think, reflected right around the country to that degree and it is the nature of really the wishes of employers and employees to some degree. Firstly there is a changing shift in the marketplace as to what apprentices and trainees are. They tend to be getting older and they are not necessarily the traditional model of school leavers that has always been the case. Secondly, there is a feeling amongst a large number of employers that the prescribed nature of apprenticeships is a little bit restrictive in today's marketplace and that traineeships provide the flexibility both for the employer and the employee and from that point of view there has been a growth in that area.

That is one of the reasons why we believe there needs to be some changes in the Act to reflect the marketplace and where this is going, but I think the overall picture here is that there is a greater number than ever of people taking up training, whether it be apprenticeships or traineeships, and we are confident we will be able to improve that growth. The prescribed nature of some apprenticeships does make it difficult to encourage both employers and employees in that regard and they have taken often the trainee option.

Mr HILL: I just want to make the comment that in fact there has not been a sharp decline of the traditional apprenticeships in Western Australia. That has been the trend elsewhere in other States. Ours has been fairly steady with a slight decline, but there is certainly no growth. We can provide the actual figures of the last five to seven years.

Ms ANWYL: Further to that, certainly in my own region, the Goldfields, there has been a sharp decline, so perhaps there has been an increase in other parts of Western Australia, but I am wondering if it would be possible by way of supplementary to provide some regional breakdown because certainly, as I say, in my own electorate there has been a very sharp decline.

Mr BOARD: I am more than happy to provide that for you.

Mr KOBELKE: I would like to follow through with questions on the same topic if I could, on the same page, 1385. Minister, as Mr Hill said, there has been a decline with apprenticeship numbers and traineeship numbers. In fact the number of apprenticeships completed in 1993 was 3 400. You are now saying we are down to 2 700 in the current year. That is, off the top of my head, something like a 25 per cent decline. To me that is quite steep. Minister, are you concerned about the reduction in the number of commencements and completions on apprenticeships and do you share the statements recorded in the press by Federal Minister Kemp just a few weeks ago about the fact that there was looming a shortage of skilled labour in some of these areas and a need to do something about it?

Mr BOARD: I am encouraged by the fact that overall apprenticeships/traineeships are in fact growing and it is a question of, I suppose, categorisation. It is a question of what you call a particular form of training. If you remove the term "apprenticeship" for some reason and you had one classification for both, you would have an incline in the number of people taking up these programs, but, yes, I think there are reasons to consider the traditional apprenticeship model. I would like to see it more flexible. I would like to see anyone taking up those programs. I do think, though, in the year 2000-01 we have to make that applicable to today's marketplace and the requirements in the skill and the training factor there. I do think there ought to be more flexibility in that to allow a less prescribed nature, particularly on employers, and I think that is where the reluctance has been, but in overall terms I am encouraged by the growth in the training sector.

Mr KOBELKE: I would like to go on to traineeships in a moment if I can, Minister, but still on the question of apprenticeships, for which clearly there is a need there, do you have any figures from the department? I do not know whether you have done another Stanton report in terms of looming needs for skilled labour but can we just restrict ourselves for the moment to talking about apprenticeships and as to whether or not you are concerned about that decline, because 2 700 for the current year is down on the numbers of completions in 1998 and I am certainly concerned. I am wondering if you also share that concern and if so, what figures you have with respect to looming vacancies or needs and what might be done to try and trap more people into the apprenticeships which cover the traditional trades?

Mr BOARD: I do not think you can restrict the conversation just to apprenticeships because there is a changing nature in the workplace, there is a changing nature in the type of skills that are required, there is a changing nature of flexibility there, and I think what you have to reflect here is how we are meeting the training needs for employers and for those wanting to take up the skill level. I do not think we are in a position to force anyone into a traditional training model when the marketplace is changing. I think our job is to make sure that the training that is provided is first-class, it meets the requirements of industry, it meets the requirements of people taking up that training and they have a future as a result of that training. That is where I think this sector is going. I do not think we can look at what were the traditional requirements of 20 years ago.

[2.30 pm]

Mr KOBELKE: You are not concerned that diesel-fitters or those sorts of highly skilled apprenticeships are in a situation where there is a potential undersupply?

Mr BOARD: I am concerned only where we are unable to attract the requirements of industry and the requirements of industry where we are not able to get people into specific trades to meet their requirements, but in overall terms there are many occupations that have changed in the last 10 years.

Mr KOBELKE: I understand that, Minister, but you cannot avoid my question.

Mr BOARD: I do not.

Mr KOBELKE: This State's economic growth; the opportunity for young people to have good long-term jobs. For many the opportunity is through the traditional trades areas. There are reasons why traineeships and opening up new opportunities is great. I have no problem with that at all, but my concern is there is still a need in the traditional trades areas, which is dropping, and I think alarmingly, particularly in regional Western Australia, and your Government seems to see it as not an issue. If you think it is not an issue, that is okay, we move on, but I am concerned and it seems you are saying it is not a problem.

Mr BOARD: I did not say that. I said that what we are doing is we are increasing the number of people in training, we are meeting -

Mr KOBELKE: You are not introducing more apprenticeships.

Mr BOARD: - the training needs through our training profiles and we are endeavouring to get as many people to meet the requirements of industry. I think if you look at the overall picture, it is an impressive one, particularly in this State, and I do believe though if we want -

Mr KOBELKE: There is a decline in apprenticeships.

Mr BOARD: You can call training whatever you like. If you take off some of the prescribed nature of certain apprenticeships, you will find not only more employers wanting to be involved but a greater number probably of young people wanting to take up those. I think they are looking for flexibility, I think they want IT skills in some of those trades; I think they want to have some flexibility, and I think we really need to look at this together and not cement ourselves in the past but make sure that those trades can meet some of the needs of the future, and to do that there needs to be a change in the system.

Mr KOBELKE: Moving to the traineeships that the minister is keen to speak about, numbers have increased quite remarkably, given that the money has been committed and the commitment of the Commonwealth and State Governments, but an ongoing problem is the low completion rate through the last few years with completion rates of 30 or 20 per cent. The figures that you have in this document here indicate 8 000 in the current year with 35 000 completions. I realise that individuals go over a year but just using the same year figures for the purpose of comparability, you are looking at about 44 per cent. In the 2000-01 year again I think there is going to be under a 50 per cent completion rate. This is a matter we discussed last year and was of some concern. I am wondering if you have any views as to how that completion rate can be improved and what are the underlying problems that cause it.

Mr BOARD: I will get Mr Davies to comment but I would say that people come in and out of training, as they do in education these days. We do promote a program of lifelong learning.

Mr KOBELKE: It is a six month traineeship and they do not finish it. They are obviously not getting enough out of it. That is the problem.

Mr BOARD: I am not so sure about that because if that leads to employment and as a result of that training there is a job and a future, then I think we have succeeded to some degree. It may not have been at the optimum level but it is success, but I will ask Mr Davies to make some comments.

Mr DAVIES: Thank you, Minister. I think the issue is about what is an outcome for a traineeship. I think some of the marketing of traineeships has focused on it leading to a job and being an employment program, rather than necessarily all about the skills. People are not always asking us for their certificate at the end of their time because they have got a job. They, therefore, are off and running and they do not come back and follow that up.

What we are trying to do is build into our system that we actually follow them up better and find out what actually happened to them. It is a gap in our knowledge of where they are ending up. Anecdotally that is what is happening. They are going off onto a job and not always asking for the certificate that they are entitled to.

Mr AINSWORTH: Minister, at page 1402 is the capital works program. In fact, it is not so much an item that is there. It is probably more an item that is not there, but it gives me the lead into the question; that is, in the supply of facilities for the DTE sector, what scope is there within your budget to contribute to that particular area of training in a place like Esperance where there used to be a TAFE college, as you would know, which then became part of the Kalgoorlie college which was an independent college and subsequently that has all become part of Curtin University as an offshoot of the Kalgoorlie campus.

The Department of Training and Employment has been a joint partner in the establishment with Curtin and EDWA of the community college on the same general site but one would have to say that while that is state of the art, the actual accommodation for most of the vocational education side is Third World in comparison and certainly Third World in comparison to most of the other regional centres around the coast and inland. Given the state of play when you have got

the various sectors in the education and training system, is there any scope under this budget or a future budget for you to contribute to some of the capital works that I believe are desperately needed?

Mr BOARD: I will get Mr Hill to add some comments but the short answer to that is yes. I would not use the term "Third World" by any stretch of the imagination. One of the things I have taken great pride in, I can assure you, over the last few months is to have a look at the regional areas and in fact the capital works that are going into TAFE colleges right around this State. It is just staggering. Whether you go through the Kimberley, into the Pilbara, into the South-West, into the Peel region or Northam, the extension in capital works in TAFE is an outstanding success.

Your new college in Esperance, I can tell you, is first-class, with a reticulated program both with the university and with the Education Department. Yes, we have some demountables on the existing TAFE campus and, yes, we will be I think looking at how we can improve those services. I will get Mr Hill to add some additional comments.

Mr AINSWORTH: Before you do, and perhaps I should have said this at the start, in referring to the facilities as Third World, I am not referring to the actual provision of training within those facilities because that is very good, particularly under the constraints they have, given that there are demountable buildings and some fairly ordinary situations as far as the staff accommodation and so forth, although they have improved to some degree. It bears no reflection on the people and the programs, only the facilities they have to work in in what was the TAFE part of the campus, Minister. I acknowledge what you say about the new community college. It is fantastic.

Mr BOARD: Capital works are at record levels again. We are looking at priorities throughout the colleges. As you know, they are now independent colleges with those sort of budgets. I am sure that area will be upgraded. It is only a question of time.

Mr BAKER: Minister, my question relates to page 1388 and the dot point appearing at the top of the page. There is reference to the "areas of Specialisation Strategy to provide direction for the continued improvement of the WA TAFE system." It goes on to appear to refer to the need to encourage specialisation and cooperation on the one hand and yet on the other hand competition for each TAFE college. Can you explain the merits of competition and how that works, given that this strategy is also trying to encourage specialisation?

[2.40 pm]

Mr BOARD: On this whole area of competition between public providers and private providers, making sure that we resource our TAFE colleges and they can compete but at the same time we do not want to see duplication to the extent that there is a wastage. Obviously, for example, in regional areas where there are probably less private providers, then we need to provide a wide-ranging set of programs and investment to meet that.

Within the metropolitan region, for example, between our independent colleges such as Central Metropolitan College, West Coast College and South Metropolitan College and so forth, there is a tendency to have specialised programs; programs, for example, where people might have a coastal location. They might specialise in maritime programs, whereas other colleges will offer specialised courses in others. Many of the courses are also generic, whether they be IT courses. You will see hospitality offered through many of the colleges and so forth, so a higher number of students will be reflected right through the colleges, whereas colleges will offer specialised courses depending on the number and demand and people will travel for those, particularly in regional areas.

Mr HILL: If I could make a comment specifically about that, it does read like a contradiction in terms but if you take South Metropolitan College, their Fleet Street operation with maritime aquaculture, that is about specialisation. It is the lead college in the State. The infrastructure requirements and the specialist qualifications mitigate against us allowing that to be duplicated anywhere else, except for aquaculture where we have a second research facility up in Broome but that is specifically for tropical aquaculture, supported by the Department of Fisheries.

Take shipbuilding. Whilst that involves metal fabrication, South Metropolitan College once again, located at Henderson servicing the shipbuilding industry, is the lead college in this State. We would not want to duplicate that. It would just be hugely expensive. That is what we mean by areas of specialisation.

Mr BAKER: And competition.

Mr HILL: With competition the fee for service, if I can just use that expression, is open slather in this State. State colleges respond specifically to enterprises who turn up and want a specific course customised to the extent that you can only do it on a fee-for-service basis, but that particular enterprise may be traditionally dealing with Joondalup, for example, but they decide they have heard about a specific area of expertise which exists now at Bentley which is South-East Metropolitan College. They can do a deal there but it will be on a fee-for-service basis. There is competition there, but there is competition also not driven by us. It is driven by customers themselves. If I can take hospitality in training, for example, we have about four delivery outlets and we also fund through competitive processes the private sector. If there are a group of employers who decide that they do not wish to use the TAFE college but wish to go to a private provider, then the current competitive training market system allows that.

Mr BAKER: Are there any joint-venture style arrangements between TAFE colleges and private service providers?

Mr HILL: Yes, there are.

Mr BAKER: Can you mention an example?

Mr HILL: We have them down in Albany. We have them in Fremantle. In fact there is no TAFE college where it does not exist, not just within Western Australia but also across Australia, so you have a joint venture running between Ford Australia in Melbourne and the Carlisle campus of South East Metropolitan College of TAFE. You have joint ventures running between Woodside and the Advanced Manufacturing Technology Centre which is part of CMC in terms of oil and gas.

Ms ANWYL: On page 1389 the top dot point talks about delivery of services to indigenous people. What figures are available to indicate the number of students who are indigenous in the total outputs as recorded on page 1385? I ask the same question in relation to gender. What figures are available as between men and women for the number of students taking up those services?

Dr KING: If I could comment, I think we need to take that on notice, but just to comment about indigenous enrolments, I am certainly aware that it is a lot larger, the percentage of indigenous people in the TAFEs, the VET system, than say the percentage of indigenous people in the population, but the problem is, as we all know, they are often in the lower level courses and we are working hard to improve that through things like the marketing strategy mentioned on that page, but in detail we would have to get a break-up for you and provide it on notice.

Mr BOARD: Member for Kalgoorlie, could I say the figures that will come through both for female and for indigenous will be, I think, quite impressive in terms of population trends and they have been rising. I will be very happy to provide those figures. Recently when I was in the Kimberley, one of the big eye-openers for me, because I did not know until I got there, was the number of programs that are actually outsourced out of the TAFE colleges into remote Aboriginal communities where it is, in fact, TAFE lecturers who are delivering programs in those remote communities doing the skills for the building of sheds, they do industrial skills programs, horticulture programs, reticulation programs, that encourage and support the development of in fact those communities themselves. So there is a training element as well as an improvement in their surroundings as a result of that. The aquaculture programs are happening out in the communities. That has been a big eye-opener for me, the amount of work that has been going in that regard, and, of course, many of the arts courses are delivered by TAFE in those remote communities as well. I will be very happy to give you figures in regard to the number of indigenous students.

Ms ANWYL: Is it not possible in a process like this to obtain a rough estimate of the number of students who are of an indigenous background? Do you not have any idea without providing supplementary advice?

Mr BOARD: Yes, I think 7 per cent.

Ms ANWYL: I am asking for an estimate.

Dr KING: I think it is roughly 5 per cent against a population figure of three-point-something per cent. We certainly collect that information on enrolment forms. I just do not have the breakdown available.

Mr BOARD: Yes, but it is much higher than population would indicate.

Ms ANWYL: Yes, but you need to factor in age demographics and obviously within that 3 per cent of total population a significant number of Aboriginal people are below the age of 25. So if a significant number of traineeships, etcetera, are being offered to people from a younger age, you need to factor that into your overall figures.

Mr BOARD: Yes, but I can assure the member it is one of the areas we are targeting for growth. You will see that part of our expansion for 2001 will be numeracy and literacy programs delivered through TAFE. I know the Education Department has a very strong program in the delivery of that now but for those that are already out of the system TAFE will be taking up those challenges so our potential for growth in that area will be strong. We will provide it by way of supplementary information.

Mr BAKER: Minister, just a general question regarding "Output 1" on page 1384. Above "Output 1" there is a reference to "Outcome to maximise training and employment for Western Australians". What percentage of TAFE students hail from overseas?

Mr BOARD: I might just talk about TAFE International firstly, which is a program in fact which is twofold, both to encourage overseas students into Western Australia - and I might say that the operations at TAFE International are in fact funded by their success - and also the delivery of TAFE training or export of training into other countries where we in fact have a joint venture in China. We have recently tendered for oil and gas training into the Arab Emirates and we have been discussing with other countries in the world, because Western Australia is building up a very strong reputation, of particular training in certain areas that is required, but in terms of the question, the exact number in percentage terms, I guess it depends on what you call "overseas". Are you talking about a student that has only come here for the very reason of doing a VET training program or are you talking about the number of nationalities or people who may have been here 12 months who are studying the VET system?

[2.50 pm]

Mr BAKER: No, the former.

Mr HILL: There are 823 students studying full-time mainstream TAFE courses and 193 overseas students studying English language courses.

Mr BAKER: Are they considered to be part-time courses, are they, or not?

Mr HILL: No, it is just interesting to group them because a lot of them do the VET course and then move into a TAFE course.

Mr BAKER: What about part-time students? You made reference to full-time students and students participating in English course. What about part-time?

Mr HILL: It is a combination because the fees they charge I think are standard fees. Most of them come in full-time.

Mr BAKER: They are full fee paying students.

Mr HILL: Yes, they are full-paying students.

Mr BAKER: To what extent does the TAFE system seek to encourage or attract foreign students to Western Australia to do these courses to assist in raising revenues for TAFE? I am just curious as to whether you are going out and chasing foreign students like, for example, some universities are or whether you do not have an active program.

Mr BOARD: We do have an active program and that is in fact why TAFE International has been set up under some protocols on a national basis for this. There is a bit of a history amongst other States and particular colleges going out and competing and falling over one another on an international market and through some national protocols that area has been, I suppose, organised to an extent where there is one body that will represent the whole interests of the State for all TAFE colleges and that is TAFE International. Their role is to attract students to this State in a variety of programs and in particular cases to meet industry needs where those industries cannot be met through any other ways.

Mr BAKER: Just one follow-up question: what is the general trend in their performance in attracting these students? I am just curious. What is the rate of increase per year over the last three years?

Mr BOARD: TAFE International have only been established about a decade, about 10 years, and my understanding is that the trend is upwards and continuing upwards.

Mr BAKER: Can you express that trend in percentage terms? I am just curious.

Mr HILL: Ten per cent.

Mr BAKER: Ten per cent during that 10-year period.

Mr HILL: Yes. We are currently generating just under \$8m a year in overseas student fees.

Mr BAKER: Is that referred to in the budget papers anywhere?

Mr BOARD: It would be part of income.

Mr HILL: TAFE International as an operation is self-funding. They are completely self-funding.

Mr BAKER: There would be a surplus though, would there not?

Mr BOARD: Yes.

Mr BAKER: I am just curious as to what that component is as well. Self-funding, sure, but there is a surplus. You mentioned \$8m.

Mr HILL: \$8m. The multiplier factor, using the standard in Western Australia, is \$40m per annum. There is a very intensive marketing strategy. Our largest markets are Japan, Indonesia, Sri Lanka, Hong Kong and Malaysia, Thailand and Taiwan. What we have targeted this year has been Europe and the African nations. In fact in our first foray into Africa we attracted a number of students and that was without any advertising.

Mr BOARD: I might just add to that. I will just read this to you because I think it is relevant -

Revenue from international students amounts to \$7 950 000. Almost 85 per cent of this revenue is derived from students studying in formal award courses with the balance coming from students in English language courses. The English language sector is a significant growth sector at the present time, particularly in Europe where there is growing demand for these courses. Of the revenue received from international students, \$4 700 000, that is 60 per cent, is returned directly to the colleges annually. Additionally, \$1.2m, 15 per cent, is paid directly to agents who recruit students on behalf of TAFE International.

It is a self-funding area which in fact provides revenue to the colleges.

Mr BAKER: Is that recruitment process conducted in-house or is that outsourced to professional recruitment companies?

Mr HILL: The people we employ are people with marketing backgrounds. They tend to be recruited from the private sector. We also use a network in South-East Asia of the Australian Education International Secondment body, who have offices set up and so we have contracts with them. We also appoint agents in different countries and we pay them on a fee for service basis. It is a fairly wide network but our marketing consultants tend to be from the private sector because of their background.

Mr KOBELKE: I would like to ask some further questions on the numbers of apprenticeships and traineeships on page 1385. A great deal of money goes into this which is not in the budget but the budget specifically has allocations which cover the WADOT role in authorising, approving, monitoring such training programs. What I would like to ask, Minister, is firstly are you concerned as to the level of roting of Commonwealth funds? There have been a few celebrated incidents in Queensland that got totally out of control a few years ago. It did not here, but have there been any studies to check as to whether it is a significant problem, here even though it is a very small one, and if so, what actions have been taken to try and overcome that roting where employers simply use the Federal funds under a traineeship as a wage subsidy and do not carry out the proper requirements of the traineeship?

Mr BOARD: I will get some additional comments from Mr Hill but I can say that Western Australia is very proud of the fact that it has not happened here and that we did warn -

Mr KOBELKE: Sorry, it has happened here but only a very limited number of cases.

Mr BOARD: We will talk about the fact there are very limited cases, but I might say that other States have had significant problems and we did not go down that track and we are proud of that. In fact Western Australia I think led the way in putting forward the model which I think is being adopted around Australia.

Mr HILL: The strategy we put into place was we declined in the first instance to approve small business traineeships open slather. That is what got Queensland, Victoria and Tasmania into trouble. The reason we opposed that was because what was being witnessed across Australia was the wholesale conversion of existing employees into training, so you had the ridiculous examples in some other States. Some of the policy and practice we followed was: we insisted on a minimum of 20 hours per week employment required for a part-time trainee because our assessment was you need at least that for any quality of training to come through.

Employees were encouraged to choose industry specific rather than small business programs. Small business programs for traineeships had the most horrific non-completion rates across Australia. We specified a ratio of training staff for trainees and we insisted on that. All RTOs had to auspice training in wholly on the job traineeships. The eastern seaboard made the mistake of allowing wholly on the job traineeships being supervised by themselves. We insisted they had to be auspiced through an RTO.

The outcomes focus and funding arrangements for contracted training providers, the final payment depended on the awarding of qualifications, so it was not just paid out now. We had some cases where we have moved very swiftly. There have been a number of deregistrations by the Training Accreditation Council, but I would like to say that, including in one particular case where in fact we recovered money from an organisation which was in hospitality operating across Australia, the Senate inquiry, which was here the week before last, made comments on the fact that the policies here took a different position and we did not seem to have been caught up with the turmoil of what happened on the eastern seaboard. We have just been selective in trying to manage the process rather than a free market.

[3.00 pm]

Mr KOBELKE: I take it from that response then that there are no warning signs of any medium to high level of that problem here?

Mr BOARD: No.

Mr KOBELKE: On the same issue but moving now to the support of industry in funding training, one of the key avenues for that is the building construction trainee fund. I am wondering, Minister, if you can indicate what your view is as to the usefulness of that model of funding for training in the building construction training industry.

Mr BOARD: Yes, I would like to do that. Can I firstly say I think the provision of a fund to create additional training and support for the building industry is a good one? There is no doubt that this area prior to the fund did not receive the efforts from the employers it ought to have had and as a result of that there were diminishing numbers of those taking up training. As a result of the fund I think we have seen good programs and well-structured training throughout Western Australia. There are some issues in relation to the fund. There are issues in relation to whether that should be continually centralised or whether there should be a number of programs that operate.

There are issues in relation to the BCITC, which I know you are likely to raise as well, but I think the outcomes of what a levy provides in this industry is a good one. I am committed to continual increased training in this area. I am committed to a fund which continues to provide the outcomes of that. I am currently looking at the best ways to achieve those outcomes as a result of the fund. I would not say the jury is out on that. I think there could be other ways in which we can achieve a better objective in relation to that money. That is an issue I am currently looking at, but in terms of the fund or the levy, I think that should continue and I think we ought to use that and make sure it maximises training opportunities in this State.

Mr KOBELKE: My only concern there is that a changed arrangement should be within not only the confines of the Act as amended but clearly the intended use of the Act because there have been rumours for some time that a small opening

that was made for specialised arrangements is perhaps going to be interpreted in a much broader way to really do away with the centralised fund altogether, so I do not know whether you are still considering that option or is there any consideration that you may have to come back to change the legislation if you wish to go to a different model for handling those funds?

Mr BOARD: There seems to be a number of interpretations about the amendments and I guess really I am coming to grips with what the intent of those amendments was and best use of that, but in overall terms let us look at the holistic approach. The holistic approach is we have got reasonable funds, good funds, now coming in to assist in quality training in this State. For anyone sitting in my position what you would want to do is to make sure that you maximise the use of those funds and you get the best quality training and provide the best opportunities. How I can achieve that is basically what I am looking at at the present time. By no means am I hell bent on changing this overnight and nor am I going to be saying I am changing it. I am just looking it.

Mr KOBELKE: Just a final question which moves a little bit off that, Minister, but relating to apprenticeships. The VET Act of 1996 had a clause which repealed the Industrial Training Act. That has not been gazetted, therefore there were problems with respect to meshing the whole new system with the traineeships into the old apprenticeship structure. I know there has been some criticism from industries who really want to use the new traineeships because of that. I am personally a supporter of the Industrial Training Act. I realise there are some limitations. Have you made a decision as to whether you are going to proceed with that repeal, and if not, then do you need to change legislation to try and mesh the new training agenda in with the old?

Mr BOARD: We have just had the Act reviewed by Hon Derrick Tomlinson, as you know, and I have a report that has been presented to me last week in regard to applications of the Act. When I have looked at that and some other issues, I will be considering whether or not I need to amend the Act.

Mr NICHOLLS: Minister, I would just like to pick up the comments that were made about traineeships and apprenticeships, page 1389 and back to 1385, which is where the numbers of traineeships and apprenticeships are that the member for Nollamara was referring to. Minister, could you just clarify for me, my understanding is that apprenticeships are effectively industry driven; that is, that where industry want to create tradesmen or protect their stream of tradesmen or skilled labour, that they undertake apprenticeships, and I just wonder what role Government can play, or what role you think the Government should play, in dictating who takes on apprentices or the apprenticeship scheme? What role do you see Government plays in actually dictating to industry that they should take on apprentices?

Mr BOARD: There are a number of initiatives in regard to this - and I would not use the term "dictate". We like to think that we have a partnership with industry. It starts with Industry Training Councils that provide us with advice on the changing nature of industry and where those needs will be, right down to proactive programs which encourage apprenticeship and traineeships and any form of training in the private sector.

Recently you may have seen that we have strengthened a program which gives priority access to those companies that are tendering for Government business, and that is both building and construction and now moving to goods and services as well, that those who want to sell to Government, whether it be in works or whether it be in goods and services, will need to have a training requirement within their company if they want to access Government purchasing. In a very high profile way we will be rewarding those companies in a competitive sense under the competitive tendering nature, because they will get additional points for their training applications in the tendering process. I think there are something like 500 companies already that have signed up as being part of that process under the priority access program and scrambling to get on board every day by meeting the training requirements. We are acting as a catalyst in that regard. It is a multi-faceted way in which we encourage industry to take up their requirements.

Mr NICHOLLS: Minister, I guess that is fine in areas where you have got large companies. For example, we might talk about Coogee, where you have got a good growth centre and you have got a labour force. They therefore would be well placed. I am more concerned with people or businesses that are small businesses in areas like my electorate in Mandurah, where we have got higher than average unemployment, where historically it has been difficult for young people to break into apprenticeship markets or to access apprenticeships simply because we do not have the type of industry and the employer base that can effectively soak up a lot of young people who are leaving school without pursuing academic streams but who do not have opportunities, with the one exception of Alcoa. Alcoa has been a fantastic employer and in my view has played a major role, but we are now faced in the Mandurah area with a rapid growth in our young population. A lot of those young people do not have access to the more traditional structured training options.

What I can say is that the provision of the new TAFE extension and senior campus I believe will open up a magnificent opportunity for those people, but I am interested specifically in where you see the opportunities opening up for young people in areas like Mandurah where you do not have that industry base and the opportunities that may flow or the barriers that may be put in place for small businesses that are not able to take on permanent trainees who we are encouraging to try and take advantage of regional purchasing options.

[3.10 pm]

Mr BOARD: Why can they not use a group scheme?

Mr NICHOLLS: The group scheme is there, but as I understand it, the companies themselves have to employ trainees, or at least they get rewarded if they take on trainees themselves, not if they actually utilise trainees out of a group scheme, if that is as I understand it correctly.

Mr BOARD: I will get Mr Hill or Mr Davies to add some additional comments, but can I just say, your question broaches between training and actual employment initiatives, and Mr Davies will talk about some of the employment structured ways in which we are getting young people into the workplace, particularly with small business. It is a particular focus of mine, but as you know, there is an explosion of young people doing VET in schools, so that we are not going to have, we hope, as many young people coming out of school who are not pursuing any other academic options without some vocational training which may have linked to work experience, may have linked to even part-time employment, or linking particularly with areas of their choice prior to them leaving school. So that is the new focus in terms of -

Mr KOBELKE: Sorry, Minister, the future though is not in the traditional apprenticeships, because they are not there. The future is in the traineeships.

Mr BOARD: Yes. I am not talking about apprenticeships per se, I am talking about individuals and what their options and needs are in terms of their employment or where their training is going to take place, but I will get Mr Davies to talk about some of the specifics of connecting those young people in that area.

Mr DAVIES: I think if I can just comment on a particular initiative in Mandurah. We identified the number of home-based businesses in WA as the rapid growth area and one of the problems is how do you get people employed in a home-based business. We did an experiment in Mandurah and got the employment agents down there, including the Job Network providers and our Job Link providers and anybody else who was in that area, to focus on placing people into home-based businesses. In a three-month period we placed 120 into home-based businesses by providing a resource kit to those home-based businesses about how easy it was to employ somebody - they were very reticent prior to that to do it - so 120 additional jobs that were not going to be advertised and were not placed anywhere, but we actually went out and targeted them. We just have to look at the way the market is shifting and how we need to adjust the way we target getting jobs and creating jobs in those areas.

On the priority access program, one of the reasons we are going to the goods and services area is because that is where a lot of growth is. Certainly some of the IT industries will be the ones that we will focus on, about how you put traineeships into those industries, how you build a training culture into them and get them to take young people on and train them.

So far in the building industry we have not actually run into problems with the small providers. We have worked with them to show them how they can comply and build a training culture. I think the difference in this particular program in that it is on education, rather than on policing because we do not have resources to be running around checking every employer to see that they are doing these things but we can help them and encourage them to take on a training culture. That is what we will do. Before we go into goods and services, we will actually talk to the industries about the best way to do it because each of them will be different .

Mr NICHOLLS: Can I ask one final question then which I guess is what this is all leading to? What work is being done by the department to start to identify the future job opportunities or the future employment needs or the skill needs of an area? I am particularly talking about my electorate of Mandurah. In that area what appears to be the case is that we are moving away from a reactive process where you looked at whatever was being done as the historical industry and trained people up for it. What I am interested in is how we now are trying to predict the skill needs. What is the type of indicators that we are using and how does that fit in with the direction of training and traineeships or apprenticeships or other forms of training so that people actually are being trained before the need is there, rather than this process of waiting until the need is there before the training happens?

Mr BOARD: That is exactly what our Industry Training Councils are there for and do. The whole training profile which starts with the State Training Board is about exactly that, identifying where the skills are going to be required, who is wanting those skills and the geographic locations for them and producing a whole State profile ahead of the game, five years ahead of the game we hope. It is difficult to do.

Mr NICHOLLS: Minister, can I ask by way of supplementary? I would like some information on Mandurah because my understanding is that the Training Councils are looking at Western Australia and that is fine but in regional areas where we have high unemployment levels and we have a demographic that shows a need for more diverse training, there does not appear to be to my knowledge, clear identification of the skill levels that will create opportunities for people in those geographical areas.

Mr HILL: The industry put in plans that the minister referred to. In addition to that, we do regional-specific analyses and studies. The information we have is fairly extensive and intensive. In regard to Mandurah or Peel, that region, I am very happy to arrange a briefing for you in terms of what the analysis is and why in fact, for example, we decided to invest in Peel stage 1 and stage 2. It is done. It is statewide but there are specific commission studies done which target regions as well - regions and industry sectors per se.

Ms ANWYL: On page 1389 the bottom point makes reference to the group training schemes. I appreciate that they are jointly Commonwealth and State funded but what amount? There is no clear picture in this document about what amount those training schemes do receive. Is there an increase from the current year to next year? . On my understanding, the ones I have contact with anyway have not had a funding increase for quite some time and are having great difficulty servicing their clients.

Mr BOARD: We have some figures here for you.

Mr DAVIES: The State contribution is \$1.135m. That was increased by \$300 000 about two or three years ago. We have changed the funding arrangements to group schemes to encourage them to grow. Although their core funding may have reduced, they have access to the same amount of money as they had before.

Ms ANWYL: Is it acknowledged that they have increasing pressures though financially? I particularly would ask in relation to the GST and whether there has been some attention given to whether that might further increase their costs.

Mr DAVIES: One of the problems we have is that although we fund 15 group training schemes, there are in fact 31 operating in Western Australia at the moment. Although those who are funded may be suggesting that they are under pressure, there are other schemes setting up and running commercially. It depends on what charge-out rates they charge. Obviously in Kalgoorlie at the moment with gold downturns or mining downturns, that will place pressure on them. Most of the group schemes have reserves to cover those sorts of things. They factor that into their charge-out rates.

[3.20 pm]

Ms ANWYL: Just a point of clarification. On page 1391, the fourth dot point talks about 21 group training schemes operating and then it talks about 11 training administration bodies. Are they quite separate bodies? I am a bit confused. You mentioned another number there, so perhaps you had better explain that.

Mr DAVIES: 15, the number that I used, is the number who actually have received core funding which is the main funding. There are another six group training schemes who access just the growth funds. The 11 training administration bodies are the groups that have won tenders to provide the training administration activities which are out-sourced from the department to manage the traineeships and apprenticeships.

Ms ANWYL: Perhaps by way of a supplementary, I could have a list of all of those.

Mr BOARD: I would be happy to provide you, member for Kalgoorlie, with a supplementary on that question.

Mr KOBELKE: My question relates to page 1391 and the priority access program which the minister made a few comments about a moment ago. I was very pleased to hear his comments. It sounded like a very good Labor program that we had which your Government allowed to wither and die, so I am glad to see that it is up and running. I just need some more detail. What are the incentives or the disincentives to companies actually becoming involved and making sure they do provide a form of apprenticeship or traineeship if they are to get Government contracts?

Mr BOARD: The incentive is that if they are competing for a Government contract and they do not meet the training formula requirements for the size of their operation in basic terms, they will not reach under the tendering arrangements the number of points required to possibly win that tender. Training has been elevated. In any tender there is -

Mr KOBELKE: A failure to train incorporates a penalty in the assessment of a tender.

Mr BOARD: Yes.

Mr KOBELKE: Is that operational now?

Mr BOARD: Yes.

Mr KOBELKE: For all Government tendering or only some?

Mr BOARD: It is for all works for \$150 000 and above, and it is to be progressively implemented for goods and services. It will be for all, I think, contracts of \$500 000 and above for goods and services.

Mr KOBELKE: Does it apply to Government training enterprises? We raised this in the House and one of your colleagues was not sympathetic at all but in regional centres - take, for instance, Collie where we had a big public meeting - the suppliers of coal there to a Government instrumentality have reduced their number of apprenticeships. One of the companies there, a major company, has not taken on a single apprentice. It does not mean that they do not want them and need them. It is simply that they are expecting someone else to do the training and meet the training costs and they do not wish to meet their obligations to that extent and they simply wish to pick them up by way of their skilled tradesmen being migrants or trained by other providers. Are they going to be caught by this and be required, if they have two contracts to deliver coal, to actually have apprentices?

Mr BOARD: Under the current Acts of those particular GTEs - we are talking about Western Power and AlintaGas and the Water Corporation; I think they are the only three that we are probably talking about in regard to this - they have a commercial requirement to their boards, so many of these whole of Government initiatives, whilst they may not be mandatory on those GTEs, are picked up by MOUs and understandings between the GTEs, and that is what I understand will be the situation with this, in that Western Power and AlintaGas and the Water Corporation will look at this program. It will not be mandatory on them as far as I understand, but in the spirit of what the Government is trying to achieve, as it does with its regional buying compact, the same process applies; they would accept the challenges of this without being mandatory by its nature.

Mr KOBELKE: A small detail following through from the points raised by the member for Mandurah, in such instances if a contractor of a service actually has apprentices through a group training scheme, that will be recognised within the assessment of the tender?

Mr BOARD: Yes, that will.

Mr BAKER: In relation to the penalty system that you mentioned earlier, I am wondering whether or not that system has been vetted to determine whether or not it complies with national competition policy guidelines and, if not, whether or not you foresee any difficulties in that regard. I understand that the State Supply Commission's policy - it used to be known as the Regional Purchasing Compact - had been so vetted. I am wondering whether or not this penalty system has been vetted or will be vetted in due course.

Mr BOARD: The short answer is yes and could I just say that I think there is often misunderstandings about national competition policy in that it does not prevent a State from trying to do things within the State of State's interest. It has to make sure that it does not give a particular focus or an advantage to a State-based company, rather than, say, to an interstate or a national-based company. In other words, anybody wanting to compete for a contract in Western Australia would be subject to the same rules and therefore it would be satisfied under national competition policy.

Mr KOBELKE: Minister, under the program of choice and opening up the provision of training services to commercial competition, there has been obviously a need to maintain a fair amount of the funding into TAFE colleges and it is something I fully support, but I am wondering if we can have what is the picture at the current time in terms of the percentage of training which is funded from this budget which goes outside the normal TAFE courses.

Mr BOARD: Are you talking about registered training organisations?

Mr KOBELKE: I am talking about the actual money from the budget, from the Commonwealth and State, that goes into the provision of training, paying for student hours, which goes outside the TAFE system, because I think you were looking at about 10 per cent a couple of years ago. I am not sure what the current picture is and what you are likely to see happen over the next year or two.

Dr KING: It is a rather complicated picture because we have the user choice approaches, we have the industry, civic, tenders and so on, the different categories. It is probably best to give 1999 figures because they are more complete. 2000 is still under way. In 1999 if you added up all the industry, civic and other tenders, private provider user choice and public provider user choice - ie, it went to colleges - the total was some \$45m, but of that \$19.3m was public provider user choice. It went to colleges for apprenticeships and trainees.

Mr KOBELKE: That \$45m was out of what total pool of money, roughly?

Dr KING: I do not have the total 1999 calendar year budget there. It would have been in the order of \$300m approximately. Really you are looking at about \$6.2m to private providers for user choice, for traineeships and apprenticeships, and then a share of \$19.5m which went to other competitive programs. We perhaps need to give you a better break-up, but in the end of all delivery, because the colleges win a lot of the competitive tendering in any case, there is only about 11.5 per cent of our total delivery in SEH terms that goes to the private providers. That is a rather long answer, but in delivery terms about 11.5 per cent going to private providers.

Mr KOBELKE: Thank you. There is \$45m out of roughly \$300m which on my figure is about 15 per cent, so about 15 per cent is open to tender and at the end of the day about 11.5 per cent is going outside TAFE. Is that correct.

Dr KING: Yes.

The CHAIRMAN: Members, I intend to adjourn the committee for 15 minutes.

Sitting suspended at 3.28 pm to 3.50 pm

Mr BAKER (Acting Chairman): Order please, members. We are still dealing with division 74. I think all members agree that we should move on to the area of youth in that portfolio. Is that the case? Any remaining questions concerning employment and training?

Ms ANWYL: The answer is no, but within the division there is.

Mr BAKER: Certainly within the division, yes.

Ms ANWYL: Please look at page 1393. It talks about youth policy development and coordination with some achievement and over the page you have some initiatives. What I am trying to work out is exactly what it is that the Office of Youth Affairs does coordinate in, particularly with respect to particular areas of youth needs. I know youth suicide and road safety have been mentioned in the past but I would like to have some clear guidance from the Office of Youth Affairs and you, Minister, as to what you see are the issues involved in coordinating, both for this current year and for next year please.

Mr BOARD: I think one of the major tasks for the Office of Youth Affairs and why it, in fact, was set up is to do three things which were missing, we think, in Government. One was to target that area of coordination. There are so many Government agencies and departments involved in youth and providing services to youth, but we still find there are issues where young people fall between the cracks of their own resolve, and I will come back to that because that is the point of your question, so I will deal with that. The second issue was to involve young people more, involve them in policy-making, involve them in delivering of programs, engage young people through the State; third, to come up with innovative programs which met the expectations of young people, which in many ways did not belong to other portfolios. I think they are the three areas I can best describe as what the Office of Youth Affairs is involved in, particularly raising the profile of young people, raising the awareness of what young people are doing and achieving.

In regard to coordination, it is a question of what is called coordination; if coordination is bringing people together to look at common issues and common concerns. I suppose our biggest achievement over the last 12 months in regard to that is our 17 youth coordinating networks in the State where we have committees set up throughout the State where all the Government agencies come together who have an interest in youth affairs, including the Commonwealth agencies, some private providers and Local Government as well, to discuss those common issues of concern and how they can resolve them, so we have set those up.

We have put some regional youth development officers in place where there has not been, we believe, adequate resourcing from other Government agencies or from Local Government. We have put those in place to make sure that coordination is taking place. Then we sit on a number of coordination committees across Government such as the Youth Suicide Advisory Committee, the Homelessness in Youth Committee. Jim, do you want to add some extra ones?

Mr EFTOS: There are the senior officers with WA DASO, the WA Drug Abuse Strategy Office. There is really a plethora of committees that the department representatives are on in various forms but they are probably the major ones that we are involved in at the moment. There is also Safer WA, a representative on the advisory council dealing with citizenship and multicultural interests, etcetera. There is a great number of committees that we are involved in and providing the youth perspective on the policy development these committees are involved in.

Ms ANWYL: Just to follow on, Mr Chair, I would suggest that sitting on a committee and actually taking an active role in coordinating it are quite different things and my particular question is in relation to issues. Last year during this process, Minister, you said, and I quote -

Yes, I have a commitment this year that we want to make sure that in the question of homelessness of the young people, that we play a stronger role there. We are aware of the Auditor General's report. We are aware of some other reports.

It is one thing to have someone sitting on a committee but do you actively wish to coordinate in terms of certain issues or not, because I would suggest that you cannot say that sitting on a committee is equivalent to coordinating other Government agencies.

Mr BOARD: Can I say, member for Kalgoorlie, we in fact do that. That is why we have created our networks. We have found that, in getting agencies together, it is better to do it on the ground where the action is, where the services are being delivered, particularly in our remote and regional areas where a lot of these issues are highlighted, getting the operators on the ground to make sure they are discussing common issues, they are looking at new initiatives, new programs, how they can share resources, how they can add to each other's areas of influence so that we do not miss people who fall between the cracks; and that is, in fact, what we are doing. I have lived up to that commitment because we have played a stronger role in regard to that, including through our youth grants area, and we are currently working with Family and Children's Services, the lead agency in this area, to provide stronger services for any young person who finds themselves homeless.

Ms ANWYL: There is a crisis in youth accommodation at the moment, particularly in the metropolitan area. Minister, you have been missing in action in relation to those debates we have held in Parliament here, so what is it your agency is actually doing to coordinate the provision of services for young people? You talk about young people falling through the cracks. They are clearly falling through the cracks right now. You gave a commitment in Estimates last year that you would take a stronger role. What is it you have actually achieved in this area over the last 12 months?

Mr BOARD: We have provided a situation in which we believe we are meeting the requirements in that regard. I, as

Minister for Youth, cannot be responsible for every single action that is taken by another Government agency in youth. In many ways I would like to be able to do that. I would like to have the budgets of the Justice Department, Family and Children's Services or Sport and Recreation or the Education Department, but our mandate is to involve young people, to come up with innovative new programs that do not fit those portfolios and to coordinate where these activities are not happening, and I would suggest to you we are fulfilling that role very adequately. Jim, would you like to add?

Mr EFTOS: Just in one area, if I may. I will give you a good example of the sort of coordination role we are playing, in particular in that area dealing with homeless youth. Members may recall the report the Auditor General brought down which dealt with young people at risk and who for various reasons were homeless or unable to live at home. The Auditor General's report actually suggested the Office of Youth Affairs coordinate a working group to consider various recommendations in an interagency forum and we have done that and we are due to finalise the new policy approach as a result of that coordination.

I would think that would be a fairly good example of the sort of role the Office of Youth Affairs can play, because it has an interest in a mandate in the youth area but at the same time it does not have a vested interest, if you like, from an agency-specific point of view and is able to give that across the board approach to some of the policy recommendations in that area. I would have thought that would be a good example of the sort of things we have done in that area of coordination.

Mr BAKER: Minister, I refer to page 1396, the first dot point under the heading "Major Initiatives for 2000-01". Reference is made to the proposed consolidation of the Cadets WA program and the expansion of that program. Minister, historically, who funded cadet programs in Australia prior to the reintroduction of the WA scheme? It was the Federal Government. Is that the case?

Mr BOARD: Yes. The existing cadet structure prior to 1996 was in fact only the military cadets, the Army, Navy and Air Force cadets, which were funded through the Defence budget and there were no other cadet streams. The expansion of the cadets in this State has been twofold; to introduce non-military cadets, which is a whole range of programs now and new programs coming on, such as the Lifesaving cadets and some other new initiatives that we are looking at, and that expansion has been quite dramatic and we have now reached nearly 7 000 cadets and growing at the rate of about 1 600 to 1 800 a year, notwithstanding there are now cadets coming out of the program each year because they have completed three years of training, and a whole range of new programs. I think we are into 150 high schools now throughout the State with the cadet model and we are looking at even further programs which involve particularly indigenous kids, young people. We are looking at programs involving Surf Lifesaving and Royal Lifesaving coming together. We have a new program there.

[4.00 pm]

The CHAIRMAN (Ms Holmes) returns.

Mr BOARD: We are looking at programs that support the sea search and rescue area and we are looking at programs which widen the existing skill base of even the current programs; for example, in Kununurra last week at a new police ranger program, about 70, 75 people attended. I believe half of them are indigenous young people. That will be a mounted horse police program as well as a mechanics program and boats using water police as well, so each of the programs is expanding in its activities. There is a national tender out, a national tender to look at taking the Western Australian model into a national model.

Mr BAKER: Just prior to the Defence Department's decision back in 1996 to defund military cadets, how many military cadets were there? Do you have any idea?

Mr BOARD: There were about 1 500 military cadets in the program prior to 1996. We have brought the school-based military cadets into our program as well now and we are funding those, both on a cash basis as well as the Federal Government providing in kind support. We have tried to produce some equity for that Federal cadet program as well.

Mr BAKER: One further question regarding the military cadets, or I think you referred to it as being the Federal cadet program. My understanding is that back in 1974, I think it was, the then Whitlam Labor Government defunded the cadet program throughout the whole of Australia, the military cadet program, and at that point in time it was costing the taxpayer around \$4.5m a year. Is that your understanding?

Mr BOARD: They did not exactly defund the program. They moved it out of being a school-based program into a community-based program. The end result of that was they went from 100 000 cadets in Australia to 15 000 and most of those cadet programs were being supported in independent schools. The ones that managed to stay in schools were in independent schools. The community-based programs really were struggling for survival. I think the point here though is that regardless of what people think of the C word "cadet" and whatever you want to call it, there is a need for a life skills program for young people and there is a need for training of a structured nature because young people are asking for it and demanding it - not all young people, by any means - and it is not the panacea, it is not the solution, but it is a good alternative for many young people who are finding what their needs are in terms of training.

I suspect that it would be good for employment in the future and the fact that it has expanded so dramatically and it is, in fact, being looked at now as a national model as other States have taken up that program, I think we will see a national youth training program which has a life skills component, whatever people want to call it, which gives them the sorts of training that I think is outside the school system which for many of them is very important for their future.

Mr BAKER: I accept all you have said, Minister, but what I suppose I am really asking is what can we do to reinstate the numbers back to like the good old days in 1974 when the system changed from being a school-based Army or military cadet system to one that was community-based, given the obvious merits, as you have indicated and as everyone here agrees, of the cadet system?

Mr BOARD: The reason we moved to a school-based system rather than community-based was because our society is changing. There are many families where both parents are working or there is only one parent at home. A lot of young people may have difficulty accessing after-school activities that are not school-based so we wanted to put our program where the young people are themselves and, as a result of that, we have seen a great deal of growth. The fact that so many schools have taken up this and been very keen to see it at the school, I think, is a demonstration that the program is working.

Mr BAKER: Sure. To what extent, if any, does the State Government receive any Federal assistance for these cadet programs?

Mr BOARD: We do.

Mr BAKER: Can you quantify?

Mr BOARD: Yes. There was a one-off grant for \$300 000. I will get Mr Eftos to clear that up. There is no ongoing relationship at the present time. They will fund the military cadets as they usually do. At the present time there is no ongoing commitment from the Federal Government to State-based cadet programs, but that is what we are endeavouring to do as part of this national model.

Mr BAKER: You are seeking a commitment in that regard.

Mr BOARD: Yes.

Mr EFTOS: There was an obvious inequity where the Commonwealth was providing resources to cadet units under the military system and parallel with those were the cadet units that were being established by the State Government. There was an obvious funding anomaly there where you could have a Defence Department sponsored cadet unit not receiving any funds from the State. As a result of that, an agreement was reached with the Commonwealth that, where there was a military cadet unit that was established under the Commonwealth program, that was school-based, then the State Government would provide a \$75 per cadet per year funding arrangement and the Federal Government would provide the difference, which is around \$500 or \$600 in kind support which covers things like transport, uniforms and the seven-day annual camp that cadets do at a military establishment. If you added all of that together, it came pretty close to the sort of funding arrangements that were in place for the State-based, State-funded community-type cadet program.

As a result of the work that Western Australia has done in encouraging and developing the cadet model, what has happened is that the Federal Government have funded what the minister was alluding to as far as the \$300 000 was concerned. It is funding through the Australian National Training Authority for the development of curriculum and training packages that are accredited nationally for cadet training within the States and the Commonwealth. That is occurring right now and we are expecting that training program and curricula to be available early in the new year. The Federal Government has also funded a contract whereby there will be the development of a national cadet program and that also will be occurring some time in the new year as well.

Mr NICHOLLS: I would like to follow on with the same issue, the same dot point, on 1396. Minister, more specifically I would like to know who made the decision and what the reasons were for requiring the removal of rifles to be taken from cadet units and the prohibition of allowing Army, Navy or Air Force cadets to use rifles for guards or for their ceremonial activity. Minister, I have to say I just find it absolutely pathetic and I would like to know whether or not you or your department had any role to play or whether or not you have had any explanation as to why this decision was made.

Mr BOARD: I think you will find, Member, that was a national decision. I will get Mr Eftos to explain exactly how that came about.

Mr EFTOS: The weapons policy with regards to cadets really only applies to military cadets because it is part of their traditions and ethos. The Federal Government has developed a weapons policy, and I would be more than happy to forward on a brochure that outlines what that policy is, if you so desire. But what it effectively means is that there is weapons training and there are safety procedures with regard to weapons and my understanding is that there are also weapons to be used for ceremonial duties. If there is a decision that has been taken at a local level, then I am not aware of that. But the point I really would like to stress is that it is an area that I do not have any responsibility in at all because it is driven by Defence Department policy and we are not party to the discussion or have any input in that process at all. What I have outlined to you is my understanding of what their policy outlines.

Mr NICHOLLS: Thank you, Mr Eftos. My understanding is different. My understanding is that, in fact, the local areas did not have any say and have no control. In fact, in some parts cadet units had purchased their own plugged rifles. These are not rifles that can be used to fire weapons. These are for ceremonial purposes. My understanding is that the Army or through the armed services all of those weapons have been confiscated or removed against the will in some cases of the cadet areas on some spurious and quite ideologically bent process that seems to be driven by an ethos that these rifles or these weapons are somehow bad for society.

I find it abhorrent that we have this sort of national edict being imposed, but I also am concerned, if I understand you correctly, that at a State level we were not asked to contribute to that policy and we have not had any role to play in respect to trying to facilitate a better outcome; that is, where those units wish to use plugged or disabled weapons for ceremonial purposes, they have not been given an opportunity to do that, even in situations where they have purchased those weapons, either through fundraising or through other means. They have all been removed and I find that quite disgraceful.

[4.10 pm]

Mr BOARD: I think there are two answers to that: one, the State was not consulted; two, this is a Federal Government responsibility through the Defence Forces and through those three cadet areas. Our involvement was to give additional funds to those military cadets. Quite frankly, we have been struggling to make sure that people understand what the ethos of the cadets is for the last three years and it is not about military rifles. It is about quality training and it is about first-class quality training. It is about leadership skills. It is about comradeship. It is about people developing a structure that they want to be part of and one of the areas of concern in the community is in fact exactly what you have said, in that the cadets are only about marching and rifles.

That is not the case at all and the reality is that cadets are about young people getting life skills training which is very, very important to their future and I would hate to think that there is an argument that this whole area of cadets is about weapons. It is not. I can assure you that on a national basis when we have talked to other States who are very keen to take up the cadet model or a life skills model, one of their fears was in fact that area, that they would not be able to sell it to their communities because people would think that all it was about was rifles. I have to say to you that those decisions were made at a Commonwealth level.

I can understand why they were made. It is not where we are taking cadets and it is not what young people are requiring of cadets. I have to say to you that 90 per cent of the expansion in cadets in this State has been non-military cadets because that is the expectation in the community and for this program to survive and grow we have to make sure that people in our community understand that cadets are about the sorts of training we are providing through cadets and not necessarily linked into a military regime.

Mr NICHOLLS: Minister, with all due respect I do not accept that. I speak from a position where as the local member I helped facilitate the establishment of one of the few new Army cadet units prior to all of the funding and support coming in 1996. That happened in 1992-93 and I will say at that time it was very difficult to get the Federal Government or in fact anybody to try and support the establishment of a new cadet unit. However, those young people who choose to go into a cadet unit that has military links, whether it be the Army, Navy or Air Force, do so, I believe, on the basis that they have a choice between a non-military cadet unit and one that has military links. Prior to 1996 they also had that opportunity in Mandurah as well because the SES through the local school there actually had an SES cadet unit, so I speak with some degree of knowledge about the process of establishing those units.

The point I make to you is that I find it objectionable that some faceless person who happens to now reside in Canberra, or somewhere else in this nation, makes a decision that says that a young person, my son or daughter or your son or daughter, who happens to want to go into a military linked cadet unit can do so now, but they are not allowed to actually train or, for ceremonial purposes, use a rifle. I find that objectionable because I did not have any choice in the decision. I did not hear any public debate about it and I definitely did not hear any comment or concern or lobbying coming from Western Australia in respect of that decision, and I am concerned that it appears that there is no real effort to either reverse or to facilitate those units that would like to use those disabled firearms doing so, rather than this ideological bent about how it is hard for the community to accept. I put it to you that a lot of those young people have concerns because they can no longer use it and one of the things that I think we need to guard in our cadet unit structure is that we do not go through some process of nanny statism where we apply some values that have been -

Ms WARNOCK: Member, please. We are supposed to be asking questions of the minister here. For God's sake, this is a lecture about militarism!

Mr NICHOLLS: - developed at a national level and applied to our youth in this State.

Mr BOARD: That is fine, member for Mandurah. I do not think I can be accused of nannyism in regard to the cadet program at all.

Mr NICHOLLS: I actually was not referring to you. I was referring to whoever -

Ms WARNOCK: Why do you not write to the Defence Minister, Member?

Mr NICHOLLS: Can you wait your turn?

The CHAIRMAN: Order, members! I would just like to say that I will not accept people making statements. We are here to only ask questions and I prefer to stick with my list of members who are sitting here waiting to ask questions. I am trying to be fair from the chair to allow members to have a flow on of questions if they wish, so I do not feel that I am taking away their opportunity to ask questions. However, I certainly will not put up with statements and I would now like us to move on. Minister?

Mr BOARD: I think I can conclude the member for Mandurah's point by saying this. If there is a concern amongst some cadet groups because of that Federal Government decision, then they have not made that representation to me and if they did, I would take up the point on their behalf, but that has not been raised with me by those units and if it is, then I would encourage you to make contact with me.

Ms WARNOCK: I have one brief question, Minister. I am concerned about youth in the inner city and I am on various committees involving youth in the inner city. I am interested whether the Office of Youth Affairs is doing anything to try and coordinate young people's activities, facilities for young people in the inner city, and I refer the minister to a report, I believe done by Colin Penter in about 1992, which talked about drop-in centres and venues of various kinds for young people in the inner city, and I ask, have the recommendations in this particular report, if the minister is aware of it, been acted on in any way? If not, perhaps the minister could simply tell me whether the Office of Youth Affairs has any part in coordinating activities, venues and various facilities for youth in the inner city.

Mr BOARD: We could spend the rest of the afternoon talking about that particular area because it is a particular focus and one in which we want to play and are playing now a stronger role in through the local councils, through Vincent and Cambridge and through the City of Perth. We are in fact involved in a number of facilities, as you know, that are being met through both our grants programs; the skateboarding facilities and so forth; through YACWA who we fund and have increased their funding to provide additional information for us in this regard.

We are doing it in a multifaceted way, through arts as well, and we will talk about that in another area, and through our Youth Advisory Councils which sit on those three councils as well, plus our Youth Coordinating Network Committee that we have for the city region. Maybe Mr Eftos could tell you more about that. We are working with other Government agencies and the Safer WA Committee in regard to drop-in centres and facilities for young people. The proposal for the major facility in Leederville we have grant money for, as you know, and are providing support there.

Mr EFTOS: Member, since we instituted our grants program there have been a large number of organisations based in your electorate, for instance, who have been recipients of grant funds, and if I could just pick one or two of those as an example of the sort of activities that we are funding. There was the Society of St Vincent De Paul to run a school holiday camp, for instance, the Children's International Summer Village, also to run summer camps, and to assist the Association for Services to Torture and Trauma Survivors also to run camp activities. The City of Perth, for instance, to run a series of youth events at City Farm. I could go on and list all of those. I think they are good examples.

[4.20 pm]

Mr BOARD: We have funded five tenders for a self-harm and youth suicide prevention program. I think the Youth Charities Trust won the three metropolitan tenders for that.

Mr EFTOS: That is correct.

Mr BOARD: I think they are actually located in your patch, are they not? Within the resources that we have, our coordinating program is probably spending as much attention on that area as any other geographical area in the State.

Ms WARNOCK: Yet, the minister will note, if I might draw his attention to it, that a two-page story in *The West Australian* just last week, I think, talked about the problems that still exist among young people in the inner city, and I am aware of all those groups that work in that area because I work with them as well, but there is still huge concern about the number of young people who come into the city, have absolutely nothing to do and who get into trouble largely because of that. Does your office, Minister, have any intention of say funding a youth drop-in centre or any other kind of facility for people in the city itself, and, if I might add, do you support the suggestion made by your colleague, the Minister for Education, about a school for -

The CHAIRMAN: Can I just ask what line item and what page of the budget you are referring to?

Ms WARNOCK: Several. I am talking about several different pages.

The CHAIRMAN: It does not seem to be attached particularly to -

Ms WARNOCK: No. 1396 mentions the Youth Affairs Council of WA and I thought it was perfectly proper to ask the minister a question about that. I am not looking for a very long answer, nor am I seeking to make a lecture about it myself. I am just looking for the minister's views about the problems in the inner city.

Mr BOARD: We will fund and encourage others to fund anything that works in regard to a drop-in centre. If, for example, a single drop-in centre and a particular location could be found that would actually resolve a number of these issues, then we would be there that quick it would make your head spin. The reality is that there are 20 different opinions on what will work for young people in this area. It is a multi-faceted approach and it is providing activities and venues. A lot of young people, as you know, do not want to go to a drop-in centre or facility and they might go once and never come back again. It is a question of providing a whole range of activities and programs and preventing young people, I suppose, from feeling as though they have to do something antisocial.

There is nothing wrong with young people coming into the city and there is nothing wrong with young people being in groups. It is antisocial behaviour that is not acceptable and what causes them to be antisocial is the issue, and if that is because there is a lack of activities in the city, then that is what we have to provide, more activities. That might be a question of their availability to performances, their access to other venues that are existing. For example, and I know it is not in this budget year, but we are looking at a program at the moment that will access a large number of young people into various arts venues and performing arts and things of that nature at a much discounted rate to try and provide more access for those people. So it is not always one location that is going to resolve the thing, it has got to be a comprehensive program.

Ms WARNOCK: I agree with that.

Ms ANWYL: Page, 1395, "Output Measures", a couple of lines down, 12 programs and initiatives are referred to. Perhaps by way of supplementary, so as not to take up time, I could have a list of those and details of the evaluations that have occurred.

Mr BOARD: I am happy to provide you with a list by way of supplementary.

Ms ANWYL: Particularly the evaluations that have occurred, because that is what is referred to there. I have just got a series of brief questions. Page 1394, the first dot point refers to, and you have just referred to it again now, Minister, the Community and Peer Support Program which is, I think, designed to combat youth suicide, particularly. The two regional areas; I know my own electorate was a recipient of one of those. Absolutely nothing has happened in relation to that, so I have a concern in relation to how you evaluate these programs. It was announced in, I think, the last budget. Is that a matter of some concern to you? Anglicare was the successful tenderer in Kalgoorlie-Boulder and there is a youth suicide prevention group. We do not know what Anglicare are proposing to do with that money, which presumably can be carried over, I would hope.

Mr BOARD: Yes, it is. That money, to my knowledge, has not been expended. Is that correct? Yes, Anglicare did win that but have not commenced the program yet and that does concern me greatly. Centrecare in Derby won the other tender, and I might say, we had difficulty with people even applying for the tender in that remote location, but Anglicare won that and they have not commenced the program. We are concerned about that. I have some notes here -

Mr Eftos: Discussions with the Manager of Community Services revealed that Anglicare had hoped to co-locate the pilot program with a new project they hoped to get under way looking at accommodation for women. As this project has failed to get off the ground, Ian Carter, the CEO of Anglicare has undertaken to get this program started as soon as possible and to provide a revised time frame and project plan to the Office of Youth Affairs.

So we are monitoring that at the present time and I would be happy to get back to you in regard to progress with our negotiations with them.

Ms ANWYL: In relation to your total advertising budget, are you in a position today to let me know how much that would be? If not, could I have that by way of supplementary information? I am also interested in any other cost associated with promotion other than advertising, and also consultants' fees.

Mr BAKER: If I can please, Minister, just a point of clarification. Are you differentiating between advertising per se and the provision of information, because there may be an overlap? What do you mean by "advertising"? Perhaps that could be clarified.

Ms ANWYL: Moneys paid for advertising.

Mr BAKER: How do you define advertising as opposed to, for example, the provision of information?

Ms ANWYL: I do not think it is for me to define it. I think it is for the minister to define it.

Mr BOARD: If you could just be a bit more specific. Many of these questions we have in fact answered as questions on

notice about advertising budgets, what we are spending on various programs. There has been a whole series of questions on notice in regard to this and I think you may have most of that information in your possession.

Ms ANWYL: I refer you to the Estimates Committee of last year, because you were able to provide a specific amount, \$148 000, last year. I do not think it is up to me to define the meaning of advertising. I am happy to do that, but I would have thought that particularly if the questions have already been answered on notice, then you would have some sort of definition yourself. I simply mean moneys that the Office of Youth Affairs is expending on advertising in the media or promotion of some other kind. I am familiar with the fact that you have a lot of in-kind support from the major media outlets, including *The West Australian*, of course, but I am specifically interested in other advertising expenditure which is not in kind.

Mr BOARD: Yes. I am happy to provide you with what we have expended on advertising. I think you will find that it is quite a small amount through the Office of Youth Affairs.

Ms ANWYL: The other one was consultants' fees, and as I said, I am happy to take those by way of supplementary.

Mr BOARD: I am happy to do that.

Mr BAKER: Minister, reference is made on page 1396 to the major initiatives for 2000-01. In the fourth dot point from the bottom you refer to the establishing of a governing council for the Leadership College. Can you just indicate which particular groupings within society the members of this governing council will be drawn from? I assume, for example, from cadet units, from church groups, etcetera, but if you could perhaps provide some further information.

[4.30 pm]

Mr BOARD: The governing council for the Leadership College?

Mr BAKER: Yes.

Mr BOARD: They will be people in our community who are prepared to give up their time and commitment to providing encouragement and support to the development of leadership in our community and to the further establishment of what the plans are for the Leadership College. Could I just say that the Leadership College will be officially opened within a few months. We are currently going through the fit-out. The delay has really been due to issues in relation to the Heathcote site. That has delayed the opening of that but there has been \$1m spent on the refurbishment of that building which, in fact, has not come out of our budget but has come out of what will be the money that comes out of the Heathcote site, or wherever it comes from as a result of negotiations that are currently happening there.

We are putting some resources into the fit-out. The college, in fact, is about encouraging leadership. Leadership is not an elitist term. I will put on the record that we are targeting young people in particular. We will be targeting people who want through their own experiences to be able to provide support and advice to others. It may be young people who have offended. It may be young people who have had difficulties in their life. They may have been on drugs and been able to get through that and provide leadership. It may be people who are already in leadership situations who want to extend themselves. It is a repository really of a whole range of programs that are currently available, both in Government and in the private sector, and a repository for exchange programs and international conferences; a repository for those wanting to take advantage of the Leeuwin or other leadership type programs. It will be a place that will encourage people to come, especially young people. It is now an accredited college. I think it is the only college in the country that is accredited to certificate IV of leadership. That will be Government run and controlled until such time as we put in the governing board or the council which will then take over the reins and we hope at some stage for that to become a self-sufficient leadership program.

Mr BAKER: Leading on from that, I understand that the Leadership College of course will offer a broad range of leadership programs. How is your department going to get this information out to the community, to tell them what is on offer through the leadership programs? Do you have some sort of a strategy in place to inform the public about what is on offer through these programs?

Mr BOARD: Within the limited advertising budget that we have?

Mr BAKER: I am sorry, Minister; I was referring to the provision of information.

Mr BOARD: Of course the Internet is our most powerful tool. Obviously there is already a network of people who we fund and support through the Office of Youth Affairs who are involved in leadership programs: scouts, guides and cadets obviously, right through to the Duke of Edinburgh award. All of those are already very much aware of the program and are taking advantage of the program, and the private sector of course, but it will be part of our youth Web site and of course part of the Government single window Web site. I do not think we will suffer from lack of information about it.

Mr BAKER: I was concerned that there had to be a thorough information program, Minister. That is all.

Mr BOARD: There will be.

Mr KOBELKE: I would like to ask a question specifically on budget matters on outputs 3 and 4. I will start with output 4 on page 1394. What we see there is that the total cost of outputs falls by 6.4 per cent in real terms. This particular output is the one that covers the cadet programs and a number of other areas. Given that you are going to expand the cadet program, I assume there is more money in that subpart of the budget, so which parts are actually going to be cut? Is it because of a reduction in the community service grants or what?

Mr BOARD: No. In fact there are no cuts. The reality is that that 1999-2000 figure reflects an advance that we asked through Treasury out of the 2000-01 budget of \$500 000 to come forward because of the projected growth in a number of our programs, cadets being one and youth advisory councils being another with much stronger growth than we anticipated. In fact, we had an advance of \$500 000 come forward.

Mr KOBELKE: Minister, you are not making much sense to me here. What you are saying is that that \$6 250 000 estimated was not what actually was set in the budget last year, are you?

Mr BOARD: No. That is correct. In fact there is actually \$1m difference between this year's budget and last year's budget in terms of allocation to the Office of Youth Affairs.

Mr KOBELKE: One specific issue is the fourth bottom dot point in the middle of the page, the fourth above "Major Initiatives". Can we actually have what it cost for that part of the project, collecting and collating and firing the 288 000 signatures of WA school children on tiles?

Mr BOARD: I am more than happy to provide that. You will find that the majority of the costs of that program was in fact funded from outside the Office of Youth Affairs. I think Lotteries played a significant role, but I can give you a breakdown of that project.

Mr KOBELKE: Finally turning to output 3, we find that the youth policy development coordination actually has in real terms a 20 per cent increase in budget. I am wondering if the minister can explain what are the new initiative there.

Mr BOARD: I will get Mr Eftos to explain it in a little bit more detail but it does not actually signify a change in what we are allocating to the totality of the programs. It is just a more realistic application of what it costs to run those programs within the administration which was actually part of the initial budget of the program.

Mr EFTOS: I do not think I could really add much more to what the minister has just said. It is a reflection of the true administrative costs associated with those two outputs. In the past they were contained in just one output which did not really accurately reflect what the real cost of administering those outputs was.

Mr KOBELKE: The last point, Minister, is that the performance indicator seems to be a bit deficient. We have the normal one there being based on the quality of policy advice received by the minister but there is no performance indicator to suggest to us the number of photo opportunities or photos of the minister that will appear in publications or the number of media launches which will be funded by the budget. You are not going to increase the number of parachute jumps, are you?

Mr BOARD: I have to say that I have only ever done one parachute jump and I can assure you it will be my last. You are looking at a person who is scared of heights. I only did that to support the cadet program.

Mr KOBELKE: Very noble.

Mr BOARD: It was, I can assure you. We are proactive. There has been a number of launches. I might say, because it has been the subject of a bit of media which has been raised by the Opposition or by yourselves -

Mr KOBELKE: That was the object of it all surely.

Mr BOARD: No. One of the ways in which not to spend a lot of money on advertising is to get the media to do it. If the media can promote and support your program, then that is a good thing because you let young people and you let the community know about that program. I would put to you that that is the responsibility of any Government minister. If the media choose to support that and they choose to promote our program and we are proactive in that regard, I am very proud of that. I do not back away from the fact that, yes, we have had a number of launches but they have been because we have had a number of programs to launch.

Mr NICHOLLS: Minister, on page 1396, I would like to know actually who was responsible for making the decisions on the weapons withdrawal, if you could provide that by supplementary information.

Mr BOARD: We will approach the Commonwealth and ask them.

Mr NICHOLLS: On the last dot point, when you say "implementation of the youth rally project" I presume you mean the continuation or expansion of the youth rally project.

Mr BOARD: That program was with Family and Children's Services.

Mr NICHOLLS: I understood it had actually been transferred to you.

Mr BOARD: That is correct.

Mr NICHOLLS: What I want to clarify is: are you actually continuing the program as it was created or are you changing it or are you developing a new program in addition to what was the previous program?

[4.40 pm]

Mr BOARD: I suppose the best answer I can give to you is that we are evaluating the program. I have no intention either way at this present time. We are evaluating. I think it has been a successful program. It may need to be supported more. It may need to be targeted a little bit differently. We are just looking at that at the present time, but it does fit with a lot of our objectives and we are trying to encourage and support young people, but it could be that it could lead to a more extensive program rather than what I think is a reasonably narrow focus at the moment.

Mr NICHOLLS: Minister, can I ask you whether the program as it exists at the moment will continue its links with Rally Australia whilst it is being evaluated and, if so, will the youth who are involved in the current program actually be supported through the next financial year as the evaluation goes on?

Mr BOARD: I think the short answer to that is yes. It may change in its focus a little bit, but there is no intention to move away entirely from where we are at the present time.

Mr EFTOS: Member, the model that has been established for quite a while will continue. I think it will be safe to say, though, that we are trying to perhaps refocus it and perhaps realign it a little with some of the other programs that we are involved with in the office and that is to do with things like road safety and making that connection with it all.

Mr NICHOLLS: Heaven forbid we had a policy decision to say that young people are not allowed to drive rally vehicles, but I am more interested in the link with the sponsorship ties that were built up over the years whilst the program was with Family and Children's Services because I believe the strength of the program was actually the amount of private involvement and sponsorship and therefore the ongoing commitment of those industry people to the development of young people and of course the development of the program.

Mr BOARD: I think you will find one of our strengths in the Office of Youth Affairs is actually the resources we can attract, both from the private sector and support in kind and in financial contributions to what we do. It is quite considerable in real terms. We are not going to let that go by any means.

Ms ANWYL: I have a couple of brief questions. 1392 is the output 3 dealing with youth policy development. There is of course over \$1m allocated within the Department of Family and Children's Services' budget for the second time next budget, dealing with Family and Children's Policy Office. I am wondering what liaison occurs between the two. Is there some overlap? I hope there is a close relationship between them. What youth policy areas are you working on at the moment?

Mr BOARD: In fact, as I mentioned earlier, it is one of the areas that we are developing more strongly. Mr Eftos has some up-to-date information on recent initiatives.

Mr EFTOS: We have had a good relationship with the Family and Children's Policy Office. In fact as soon as that office came into being, one of the first organisations they visited was the Office of Youth Affairs to find out what linkages we could develop. I suppose the demarcation, if I could put it that way, is really the areas the Office of Youth Affairs deals with, which is primarily those aged between 12 and 25, and the Family Policy Office has a mandate which is far broader than that, so that is really the connection and we are quite aware of that demarcation and we are working to coordinate programs in that area.

Ms ANWYL: At page 1 396 there is mention made of the Youth Media Survey. I could not find any other reference to that. We know that these surveys have been distributed and you are receiving responses. How many of your staff are involved in collating the responses to that? Is there any outsourcing of that issue and can you provide a rough estimate of costs involved in that process?

Mr BOARD: Yes. The survey has been closed. There were 13 000 responses. Keeping in mind it took between 30 and 40 minutes and there was no onus on any particular young people to fill it out, they were only invited to fill it out, we thought 13 000 was a considerable response. The majority of this has been paid for by sponsors again, Australia Post, Lotteries, Marlow's, CDA Cyclops Brainstorm, the Electoral Commission and other Government agencies, Ministry of Sport and Recreation, Arts WA and the Ministry of the Premier and Cabinet. In terms of staff, obviously there were staff leading up in some coordination aspects through the Office of Youth Affairs. The actual survey in many ways was driven by the media and the chairperson of that was Mr Ray Della Pollina.

Ms ANWYL: Minister, if I could stop you there, I know the history of the matter. I am more concerned with what is going to happen now that it is closed off. You have these results.

Mr BOARD: There is a contract in place for an agency which has expertise in collating to bring that survey into place and that is Westrek who are going to manage that project.

Mr EFTOS: Their management fee is around the \$30 000 mark, but that will include the cost of doing the data entry as well. They are actually going to be going to a specialist data entry organisation to do that function.

Mr BOARD: When we receive that information, then we will go through a consultation process, including Government agencies, including all our Youth Advisory Councils. That will come down to forming what will be our youth strategy.

Ms ANWYL: Will the results of that be available to the Opposition?

Mr BOARD: Yes, they will.

Mr AINSWORTH: Page 1396, Minister, under "Major Initiatives", the fourth dot point -

Continued development and expansion of the Youth Advisory Councils network.

What do you have in place as part of that continued development for monitoring of support for Youth Advisory Councils, the support by their host Local Government Authority, and is there any liaison process to assist where a problem might occur after a Youth Advisory Council has been in place for a time? I think the connection between the senior council, if you like, and the Youth Advisory Council is a very important one.

Mr BOARD: Is your question what support do our Youth Advisory Councils get from Local Councils or Shires?

Mr AINSWORTH: No. My question is, is there a process within your department, after a Youth Advisory Council has been established, for monitoring its progress and if it becomes apparent that there is a difficulty, lack of cooperation, call it what you like, between the host Local Government Authority and that particular Youth Advisory Council, is there a mechanism in place, a liaison process, to help overcome those difficulties where they arise?

[4.50 pm]

Mr BOARD: Yes, because we have staff within the Office of Youth Affairs who are specifically allocated the task of liaison, coordination and the growth of the Youth Advisory Council network. They have their own Web site. They are visited regularly. They have regional conferences as well as a statewide conference, they apply for grants on a regular basis and receive them, and they are very proactive. They are also part of the role for our youth development officers who are in our regions now and, quite frankly, it is a matter of keeping up with the initiatives that are coming through their Youth Advisory Councils. They do come in various shapes and sizes, I must say. They are an initiative of the Office of Youth Affairs. They are not an initiative of Local Government, although I must say there were a number of Local Government authorities that already had youth councils in place when we started this process; not enough, but they are now part of the network. They do come in various shapes and sizes in terms of, in particular, the support given to them by local authorities. In the main, that is growing in support.

I think when we first started this process some people thought it will go away in about six months or so and it was going to be a bit too hard for some local authorities. I think they now realise that not only is it part of a very strong network of voice for young people through the State, but it is providing the local authority with a great deal of information about young people and what their needs and desires are in the local region.

I think it is one of the more prominent programs we have in place. It is giving young people a strong voice and what it is doing, and this is a bit of a sleeper, is giving young people a lot more publicity in their local regions about what they are doing and achieving through community newspapers. I do not think you can pick up a community newspaper in the city or a regional newspaper these days without seeing some reference to young people involved in Youth Advisory Councils and I think from that point of view it has been one of the more successful and stronger programs we have put in place.

Point of Order

Mr KOBELKE: I am wondering if we can actually move on. We have spent nearly three hours on one and that means only about an hour left on the other division.

The CHAIRMAN: What is your point of order?

Mr KOBELKE: I am suggesting if there is consensus across the committee, we could finish with this division and move on to the next division. We will only have about an hour left for that whole division.

The CHAIRMAN: I was going to raise that myself. I have just two more questions on my book to clear and then I will be asking the committee if they would like to move on.

Mr KOBELKE: Perhaps we could be very brief so we could move on.

Mr NICHOLLS: Madam Chair, I have about three questions to ask.

Mr BAKER: I have one question.

The CHAIRMAN: Could the members keep their questions as brief as possible please?

Committee Resumed

Mr BAKER: Minister, I refer to page 1396. The second-last dot point on the page refers to the establishment of a statewide skate championship as a major initiative of the year 2000-01. What do you mean by "skate championship"? Are you referring to skateboards or in-line skating or a roller-skating championship?

Mr BOARD: Can I just say there has been a tremendous expansion in skateboarding and skate facilities, and this has been an initiative of both the Office of Youth Affairs with the local authorities and through the Skateboard Association of WA. Most of those facilities have been built through our grants program and they have attracted additional funding. I think there are 30-something in the State now and some of them world class facilities I might say. They are wanting to have some State promotion. In-line skating actually happens on those things as well, and it is often used for bikes, so it could be a multifaceted championship.

I think the important thing is that we really want to give some recognition to that sport which is growing in popularity. We have managed to get a lot of these young people out of dangerous situations into a more structured and safer place for them to skate. Not only that, but it is a meeting place and a lot of them have structured other programs which relate to that location as well. It is just another opportunity, as raised by the member for Perth, that you have to address. To give recognition to the strengths of that new program, a State championship will take place.

Mr BAKER: Just as a follow-up, Minister, are you aware that -

Mr KOBELKE: Madam Chair, we really are out of time.

The CHAIRMAN: Member, there is no time actually laid down for this and I just ask the member to keep your questions brief.

Mr BAKER: What is the other portfolio we have to deal with?

The CHAIRMAN: We are dealing with culture and the arts.

Ms WARNOCK: \$66m we are going to get through in an hour.

The CHAIRMAN: With respect, Members, we have been dealing with employment and training between 2.00 and 3.30. We then broke for a quarter of an hour. We came back at 3.45 and we have been dealing with youth for one hour.

Mr NICHOLLS: The member for Perth has just been here for the hour.

The CHAIRMAN: Member for Mandurah, if you would keep your questions short it would be very much appreciated.

Mr BOARD: Members, I am in your hands but I do indicate that the arts is a big portfolio area that we do need to examine.

The CHAIRMAN: Perhaps you could keep the answers brief as well.

Mr BOARD: Yes.

Mr NICHOLLS: Can I then just go through and ask you the questions I have here, page 1396, fourth dot point, the establishment of regional youth development officer positions in Kalgoorlie, Margaret River, Manjimup and Derby. Can I ask whether or not there is any plan to expand the number and in particular are you looking at such a position in the Peel region and if so, when is that likely to be advertised or pursued?

Mr BOARD: Those positions were established because in those particular areas there was a very strong need for a person which was not being provided through any other mechanism to help bring a lot of youth initiatives together and to make sure that our coordination and a lot of our programs were hitting the ground. If I felt that was not happening in the Peel area and there was a lack of any other Government support down there, then we would need to look at that. That has not

been evidenced so far and we do not have the resources to put youth development officers into every shire in the State. These were to meet particular needs that were not being provided. A lot of local authorities have youth officers and a lot of other agencies fulfil this role. In these particular locations that was missing.

Mr NICHOLLS: Can I then interpret that by saying you do not believe there is a need in the Peel region, therefore that has not been considered? You have not quite given me the qualification.

Mr BOARD: I am not saying there is not a need for youth services or youth support. It is a question of whether we have to put a particular officer in place to meet that need or whether it can be addressed by another means.

Mr NICHOLLS: Minister, the next question I have is in respect to the Road Smart Youth Road Safety grant scheme. Can you just explain to me whether this is working in conjunction with the in-school training program or the planned in-school training program that the Office of Road Safety and I believe the Department of Transport are trying to facilitate?

Mr BOARD: This is a brand new program. In fact it was only put in place a few months ago. Yes, it does coordinate through the Department of Transport and through the Education Department as well.

Mr EFTOS: It is a pilot program. It has been run in conjunction with our office and the Office of Road Safety and the Department of Transport and it came about as the result of a Young Road Users Taskforce that we facilitate in our office. What it is really aiming to do is to provide small grants at the local level so that the community and primarily Youth Advisory Councils and young people themselves can take ownership of addressing the issue of road safety. Who actually gets involved in that will really depend on what happens at the local community and whether they find a consortia of groups to put together a proposal to come up and seek funding through the grants program, so it really could include anyone as long as there is a common theme of working with local groups to provide initiatives to address road safety.

Mr NICHOLLS: What I am trying to do is ascertain exactly what the parameters are for this grant scheme. Could you give me an example of some of the things that may have already been funded or approved?

Mr EFTOS: The program was launched only some weeks ago and the first lot of grant applications are still being worked up so I really cannot answer that at this stage.

Mr NICHOLLS: There have been no grants approved at this stage?

Mr EFTOS: No.

Mr NICHOLLS: How much has been allocated in total?

Mr EFTOS: \$100 000.

Mr NICHOLLS: How many rounds of grants will be given?

[5.00 pm]

Mr EFTOS: They are \$5 000 grants so we will try to manage that process so that it extends over a period of time which gives everyone an opportunity to participate.

Mr NICHOLLS: My second group of questions deals with page 1404, the project that is indicated at the top, which is "Disability Services Program". I would like to ask, first of all, can you identify - is it not one of yours?

Mr BOARD: It is within the Department of Training and Employment.

Mr NICHOLLS: It is part of this section that flows on. What I really want to ask is, how are you linking Disability Services into your youth program, or are you simply piggybacking on the back of Disability Services? Is this actually something that is being done specifically for Disability Services as part of your youth training or is it just part of TAFE itself?

Mr BOARD: What you have addressed on page 1404 is new works within TAFE colleges and within the training sector and that is to me a Disability Services program.

Mr NICHOLLS: My question is what are the Disability Services programs? Could you provide that answer via supplementary information?

Mr BOARD: I will get you that information by way of supplementary.

The CHAIRMAN: The supplementary information will be provided.

Mr NICHOLLS: Thank you.

Division 75: Culture and the Arts, \$66 653 000 -

Ms Holmes, Chairman.

Mr Board, Minister for Employment and Training; Youth; the Arts.

Mr A.J.M. Bryant, Acting Director General, Ministry for Culture and the Arts.

Ms A. Lucas, Acting Executive Director, ArtsWA, Ministry for Culture and the Arts.

Mr A.R. Dodge, Director, Art Gallery of Western Australia.

Ms D. Allanson, Chief Executive, Screenwest, Ministry for Culture and the Arts.

Mr R. Palmer, Chief Financial Officer, Ministry for Culture and the Arts.

Dr L. Allen, State Librarian, Library Board of WA.

Mr D. Hounsome, Director Operations and Contract Management, Perth Theatre Trust.

Ms WARNOCK: Minister, I refer to page 304 and the grand total down there of \$66 653 000. My first question refers to the Nugent report with which I am sure the minister is familiar. I ask: what is the exact and full financial agreement between the State and the Commonwealth over the increase in funding as per the Nugent report for the Symphony Orchestra, WASO, the WA Opera Company, the WA Ballet Company and Black Swan? What arrangement has the Government made with the Commonwealth over the increase in funding and how does that relate to what is in the budget there?

Mr BOARD: The total financial implications are State \$4.5m and the Commonwealth \$4.4m and that is over a four-year period. The implication for this particular budget in this year for the State is \$1.7m and the financial implication for the Commonwealth is approximately \$1.2m, but I can give you the exact figures as they come through.

Ms WARNOCK: Can the minister tell us how much each of these companies will receive from the State in this financial year?

Mr BOARD: Yes, I can tell you that. As a matter of fact I will ask Allanah Lucas to do that. She has those figures in front of her exactly broken up.

Ms WARNOCK: Symphony Orchestra, opera, ballet and Black Swan.

Ms LUCAS: The total with additional funding for both State and Commonwealth for the WA Ballet will be \$1 429 000, for the Symphony Orchestra it will be a total \$5 580 000, for the opera it will be a total of \$1 488 000 and for Black Swan it will be \$972 000.

Ms WARNOCK: Over what period is that? Is that over the one year?

Ms LUCAS: No, that is per year.

Ms WARNOCK: That is per year. That is fine. How much will be allocated by the State to the four companies in this financial year 2000-01 and is this going to be allocated on January 1, 2001? What percentage of the four-year commitment will go into the companies in this first year?

Ms LUCAS: The first year will be \$1 732 500 from the State and \$1 198 750 from the Commonwealth. Because the companies tend to work on a calendar year, in this financial year in order to adjust to the calendar year the full amounts will be available by the end of the 2000 calendar year ready for 1 January start for the companies in 2001.

Ms WARNOCK: If I could just follow up with one more question related to the Nugent report. In answer to a question in the other place, the minister responded that Nugent-related funding would be sourced by the ministry from the Treasury. Can you confirm that all financial commitments under Nugent will be new and additional finance from outside the ministry budget and will not impact on funding to other arts activities?

Mr BOARD: Yes, there is no intention to reflect on any other arts funding. If I could just give you the history of this: our budgetary cycle is, in fact, ahead of other States, as you know. There was no commitment to the Commonwealth and as a result of our Treasury negotiations the applications to the Nugent will be sorted out through supplementary funding. I have already made a commitment that the sources of funding to meet the aspects of the Nugent inquiry will not require me to cut any existing funding within the Arts portfolio and I stand behind that commitment.

Mr NICHOLLS: Minister, just in respect to libraries in Western Australia and funding, I am trying to interpret the actual funding -

Mr BOARD: What page are we on?

Mr NICHOLLS: Sorry, page 305 under "Recurrent Appropriation by Agency". If I interpret this correctly, I am assuming that that funding is the global funding to provide services to public libraries throughout Western Australia. I simply want to ask: is the amount shown there under the recurrent funding the global amount that provides services to all public libraries? Is that correct?

[5.10 pm]

Mr BOARD: Basically, yes, that is correct, although I will get Dr Allen to add some additional information about how libraries are resourced outside of this as well.

Mr NICHOLLS: That is really where I am leading to, my question. Outside of the Government recurrent funding are there other funding resources that are available? The second issue is specifically in reference to the book purchase policy or provision policy, if I go back one or two years ago, there were concerns raised about the amount of new books available to put into the public library system. Can you give me an indication of what the current policy is in respect to new books and can you quantify the number of new books or the level of new purchases that were provided last year and what the estimated number is for the coming year?

Mr BOARD: I will get Dr Allen to give some additional information, but just in general terms, in regard to the - 94 public libraries, is it, throughout the State. It was 90 that we had the special program in. Yes, 236. There is a partnership between, of course, the Local Government authorities and the Library Board of Western Australia in regard to that and the general provision is that the State provides books and the actual libraries are run by the local authorities. You will find that that partnership in general terms has been very successful. I might just say in the presence of Dr Allen that I think we have an outstanding library service throughout this State and I think the partnership that has been built up is a very good model. I will get Dr Allen to reflect on the new book additions and how that is travelling in the State.

Dr ALLEN: Thank you. To just comment on the global allocation that you have there, of course, it is not broken down in terms of actual moneys that go to support public libraries. In fact, there is a whole range of programs in there, such as oral history and Battye Library and local studies support and all the rest of it. It is quite an integrated system. In terms of new books, I cannot actually give you the exact number that we purchased, but perhaps I can reassure you that our acquisitions budget for this coming year is the same as it has been for the previous year.

Mr NICHOLLS: Can I say one of the issues that I am interested in is the implication of the GST and the ability to purchase new books. I would like to know what sort of level of new books we have purchased or that we are estimating that we will purchase. I am also interested in talking books and provision of talking books for people who have visual impairment, and in reference to that, is there a specific allocation that is provided in the budget for those literacy or resource books or products that are specifically for those people who have sight impairment.

Dr ALLEN: In terms of the GST, like everyone else, there were a lot of investigation and predictions there. Some of the GST impact would on the face of it look like it would lead to buying less books, but then you have got this complicated input credits and claiming back. At this stage I guess all we can do is plan our purchasing cycle and monitor that as we go along because you can claim things back.

Mr NICHOLLS: You believe that the input tax credits will allow you to actually buy the same number of books, effectively.

Dr ALLEN: We are not sure, and in fact only last week we had an interesting debate with the Tax Office trying to find out whether the charge we make to Local Government for lost and damaged books should attract GST or not. We are feeling, actually, we should move to far more free services. So I can't give you a specific answer on that, but certainly probably in about six months we would. In terms of the number of books that we will be able to buy, we do actually have a couple of other projects that are coming to fruition. We have just completed a major tendering process for library materials internationally for our almost \$8m budget. That is leading to us having panel contracts and all sorts of very interesting terms of trade. We are hoping that between the GST and the state of the dollar and our new tender, all these things will enable us to continue to purchase the same amount, if not more.

Mr NICHOLLS: Can I just qualify, I am assuming that you had a wholesale tax exemption in purchasing books before, therefore that you could get them without wholesale sales tax.

Dr ALLEN: I think when you come to what we have paid for books, our contracts are actually large and often overseas and they are based on cost plus. I guess it is a competitive deal because we buy so much

Ms McHALE: I do not know whether there is a wholesale tax on book.

Dr ALLEN: There are some taxes.

Mr NICHOLLS: Could I just ask, Minister, are you prepared to provide for me by way of supplementary information the number of books that we have purchased and also the number of books or talking books or other products that we have purchased for people who have sight impairment or other disabilities that allow them to access literacy products even though they have those impairments or disabilities?

Mr BOARD: Yes, I certainly can provide it by way of supplementary information, but we also talk about items in libraries, because there is a movement obviously to increase the number of items and they may not necessarily always be books. They may be videos, CDs, tapes and so forth, and of course movement on the Internet as well, but we have been increasing and bringing up our ratio of books in the State in general terms. We have still got some way to go in that regard, but I think we have made very strong strides in the last few years to increase the number of books in our public libraries throughout the State and I think from that point of view it has been a very strong program.

Ms McHALE: From the analysis that has been done within your portfolio, can you indicate what the impact of the GST is likely to be on attendances at performances in WA?

Mr BOARD: Let me say that the work that the Ministry for Culture and the Arts have done in preparing both the agency and people in our community for GST has been quite extensive in the number of workshops and programs that have been mounted in regard to that. In regard to attendances - and I assume you are talking about the Art Gallery and the museums and attendances at performing arts.

Ms McHALE: The Art Gallery and the Museum are typically free, and unless you are going to impose a fee, which I assume you are not, I am talking about either paid exhibitions or theatre, music, dance, those performances and art forms where there is actually a cost to attend.

Mr BOARD: No, I have got to say to you, Member, that I do not think the agency had conducted -

Ms McHALE: You have not done that analysis?

Mr BOARD: I am not sure how we would. The reality is that like everybody, whether it be attendance in any other area, it is subject to the strength of, I suppose, the performance and attracting people to that. If you are suggesting that the GST would change people's habits about what they attend because of the nature of the GST, I suspect that will not be the case.

Ms McHALE: You are not going to fall into Peter Foss's trap and say that those people who go can afford it anyway?

Mr BOARD: No. What I am going to say is that those people who attend the arts - in fact we will have a very strong program to encourage more people to attend the arts, as you know, in general terms, and we have a very strong program to encourage more and more young people. We are hoping to come up with a program which sees discounted rates for young people right throughout the State.

Ms McHALE: But you have not done any market research or focus groups on the impact of the GST.

Mr BOARD: No, we have not given specific market research, because the amount of money that would be going into that market research I think is best served in some of our other programs.

Mr BAKER: Minister, I refer to the third dot point under the heading "Major Initiatives for 2000-01" on page 319. I am not sure if the minister is aware, but the City of Joondalup has expressed an interest in constructing a performing arts centre adjacent to its council chambers in the City of Joondalup. Apparently the centre has formed part of the overall grand plan for the inner city centre for some years. I am just wondering, Minister, whether or not the council could access, for example, the Arts Venture Capital Fund or any other fund administered by your department to provide financial assistance to ensure that this centre becomes a reality.

Mr BOARD: The answer to that is that coming up in the next few weeks we have a major strategic session to look at capital requirements in the performing arts in particular in Perth and in this State where we may be realigning some companies, where we need to invest greater funds. Obviously the City of Joondalup will be part of that. As it is, there are requirements in other areas as well for either new facilities or upgrading of facilities. I hope to have a strategy prepared in regard to that by September of this year. It is an extensive program. The Arts Venture Capital Scheme was established in 1996. What sort of funds do we have in that capital scheme at the present time?

[5.20 pm]

Ms LUCAS: Strictly speaking it is not for capital planning or projects.

Mr BAKER: It is not, despite its name?

Ms LUCAS: Yes. It is more venture capital in terms of business.

Mr BOARD: It is not a capital works scheme in that sense. What I am talking to you about is where we will be investing funds into capital works or where we will be seeking additional assistance through the Treasury into capital works. That will be a major thrust through arts this financial year.

Mr BAKER: Minister, just a general question which relates back to that question in part I suppose. It seems that many State Government departments and agencies have a policy now of taking the services to where the people are. We have seen that in health, for example, with the establishment of the new Joondalup health campus. I am wondering whether or not culture and the arts has a similar policy statement to take these sorts of initiatives or these programs, the museums etcetera and culture generally, out to where the people are, rather than expecting the people to travel into the CBD.

Mr BOARD: I think you will find that that is already happening. What is not in this arts budget and could easily have been is \$30m on the Maritime Museum in Fremantle and another \$8m on the Geraldton Museum, all coming into arts but in fact funded at this stage through another process. If you look at the performing arts centres that are being built in our public schools and independent schools in this State, I think there are over 30 of them now in Western Australia, and how we may be able to connect those with the performing arts and have regular performances through those theatres. We have seen that work during the international arts festival. I think we could build a strong program to see that on a regular basis through the State.

We have a number of heritage buildings through the Minister for Works and other areas that need I think better usage in the city and in other parts of this State. It may be that they may have an arts focus. To answer your question, it is not a defined policy but it is our thrust at the present time to get more out into the region. If you have a look at what is happening in our country regions, in our regional areas, I think you would be encouraged by the growth in the whole arts fraternity in those areas.

Mr BAKER: If I could finish off, the problem in Joondalup is that we do not have a suitable venue. This is the whole problem. Of course we can use the basketball courts and what have you but they are not really suitable. I think in due course approaches perhaps will be made by your department.

Mr BOARD: That will be considered amongst our other needs and where we are putting our capital works this year.

Ms WARNOCK: I have two questions about touring, Minister. What amount of devolved or direct State funding via country arts or other touring bodies will the four major companies receive for touring in 2000-01? That is the first matter. The second matter is: what percentage of devolved or direct touring funding is going to these four companies and what percentage is going to other WA based companies? What is the total number of other WA based non-major companies being funded by the State to tour within WA? I am trying to get a picture of touring outside of the metropolitan area.

Mr BOARD: I will get Allannah Lucas to assist us with that but I might say to you that one of our outcomes which has not been published in our negotiations through the Nugent inquiry was that Senator Alston has agreed to look at touring funds into Western Australia, this requirement for the major companies crossing boundaries. They are now taking into account the particular geographical requirements of the State.

I think that we will see additional Federal funding and support for touring within Western Australia and I think that is a great outcome. It does not appear in the Nugent report because it has been subsequent to that but it is something that has been negotiated with the Commonwealth. On the specifics of your question, I might get Allannah Lucas to add some additional information.

Ms LUCAS: I think in answer to the major companies, it is a little bit complex because they share a fund to go touring or to use it for touring purposes. There is up to about \$200 000 - and I could provide the actual details later - which would be shared between the ballet and the opera and the symphony orchestra. Because Country Arts has been the peak body for touring in Western Australia, it provides some funding for the children's or the young people's theatre companies. Again it ranges between \$20 000 and \$50 000 each.

The other way in which our companies get to tour around the State is through a menu-based program which is then user-driven by the regions buying in and Country Arts then supports the difference in cost between metropolitan and regional touring for those companies. Further details could be provided as supplementary information.

Ms WARNOCK: Could you provide further details as a supplementary?

Mr BOARD: I am more than happy to.

Ms WARNOCK: What State funds in the current financial year and in the next financial year have been allocated to finding, moving and securing a new home for the WA Symphony Orchestra and where will that site be?

Mr BOARD: The home for WASO I believe will be a very exciting outcome and a positive initiative for the State. I am probably not in a position to be able to talk about it exactly because there are some competing issues in regard to that but currently we are negotiating with the Commonwealth in regard to their assistance and not just through the arts portfolio but

also through the training portfolio, as we believe that WASO has huge bonuses, both for tourism and training, particularly using digital transmission. We would like to see all of those come together in a common venue, as well as a playing venue obviously.

Our negotiations at the present time are focused on bringing those together and would see outside support from Government as well. That is at an early stage of negotiations. I think WASO has two years before they are required to move from the ABC.

Ms McHALE: No, it is less than that. It is December 2001 I think at the latest.

Mr BOARD: Eighteen months, yes. We believe we will have a program in place long before that to meet their long-term needs. If there are any interim requirements, there will be a plan for that as well.

Mr AINSWORTH: Minister, at page 315 under output 3, "Museum Services" I notice under the heading "Quality", "Collections stored according to appropriate standards, 5 per cent" which by inference means that 95 per cent is not stored to appropriate standards. I am just wondering what that means in terms of the longevity of some of the items and what steps might be put in place to raise that extremely low percentage which I see has not changed in its target percentage. To me, as a bit of a museum buff, it is a bit of a worry.

Mr BOARD: Thank for you bringing that up, member for Roe.

Mr AINSWORTH: It is dear to my heart. I remember one Labor minister who got rid of some very special veteran cars at a low price - that is another story - and they were museum items, too.

Mr BOARD: I think what we are referring to here are the deeper dungeons and bowels of the museum, where much has been stored down there for a long period of time. Some of it has a height restriction in terms of its shelving. Some of it is in a sort of fluid which by today's standards may be seen as a bit outdated. As a result of that there has been a program which has now been put in place. For example, there are 164 000 fish specimens which are stored in 43 000 glass jars.

This is just fish specimens alone. They are to be moved into a tunnel area which will meet standards and \$97 000 has been available for the fit out of the tunnel and installation in storage systems. These jars have a fluid inside them which may have been acceptable practice over previous years, but is no longer acceptable practice, so we have put in place a program which will gradually see a movement of all of that storage into a more acceptable standard. If you were to apply the total top international standard to what has been housed there over a 100-year period, as it were, there is a long way to go to reach that level and that will require a huge amount of resources, I might say. With the competing nature within the arts portfolio, I could not allocate all of that within one or two financial years, so it will be a program that will take a number of years before that percentage is up to the acceptable level.

[5.30 pm]

Mr AINSWORTH: As a follow on to that, are there any important items that are deemed at risk at the moment because of their storage? Is there any concern about deterioration of important items or is that relatively stable?

Mr BOARD: None has been brought to my attention in terms of risk to the items themselves, no.

Ms McHALE: Minister, I have a number of related questions on the capital works budget and if I could perhaps just make sure I understand it, there is \$4.2m allocated for capital works, and I am on page 304, and it is split up in the column. Item 187, Perth Theatre Trust, is \$1.2m. Is that for the Perth Theatre Trust or is that actually the Academy of Performing Arts?

Mr BOARD: I am sorry. I am just trying to find where you are.

Ms McHALE: Page 304 under "Capital" we have \$4.2m capital works. My question is, you have \$1.2m for Perth Theatre Trust. I am really trying to find where the money is for the Academy of Performing Arts. I thought it was perhaps \$1.2m under Perth Theatre Trust, but it is not, so where is the Academy?

Mr BOARD: It is actually in the Department of Training's budget. It is a point in question because the arts is a recipient in general terms of large amounts of money through the training portfolio, including the Academy, and as an Arts Minister I might say that I would love to see, including the money for the two new museums, \$38m, them in this budget so that we can explode the arts, but in fact they are being funded through other areas. It is like all of the training that takes place in the arts, particularly in regional areas, with brand-new capital works. I was in Broome the other day for a \$2.2m extension of the TAFE college. Most of that is for arts and so forth right around the State.

Ms McHALE: You have explained that. If I can then go on, and this is now to the capital works for the Art Gallery, I have to say that I am very disappointed to see that there is no commitment to the Living Centre Program. I do note that you launched it this year and you are going to relaunch it in 2001. I would ask why you are relaunching something that has already been launched and what has been the Government's attitude towards funding the Living Centre.

Mr BOARD: I mentioned a little bit earlier that we will be having a major program that we will be taking back to Cabinet in about September of this year. The Living Centre at the Gallery will be part of that, but it will also be part of an overall program that I will be putting before Cabinet in regard to upgrading the whole Cultural Centre and a number of other buildings that fit into the Cultural Centre and the usage of that Cultural Centre.

Ms McHALE: There is no capital works expenditure over the forward estimates for that.

Mr BOARD: No, because that program is not in place yet.

Ms McHALE: There is no financial commitment to the Living Centre.

Mr BOARD: There is not yet.

Ms McHALE: Why do you say that a major initiative for 2000-01 is the relaunch of a campaign which was already launched in the previous financial year?

Mr BOARD: My answer to that is that I believe the campaign stalled.

Ms McHALE: That was because of lack of support from the Government, not from the business community.

Mr BOARD: I am not sure that I would say that. I think the program that was launched at the time was to raise funds from the private sector and other sources which would be matched by Government and that particular program that was launched to raise funds from other sources seemed to lose some momentum. I believe we can get that back on the rails as part of an overall initiative and from that point of view it will be relaunched and I think will gain some momentum.

Ms McHALE: I have just one more question related to capital works, but I think you are being unfair on those people who put their hearts and souls into raising the money for the Living Centre because it was not a lack of will on their part.

Mr BOARD: Can I clarify that? I am not being unfair to them. I think they have done a fabulous job. I think it needed to gain some momentum outside of that group and I believe that we can achieve that.

Ms McHALE: How much did they raise?

Mr BOARD: Just over \$1m.

Ms McHALE: There is no commitment in the forward estimates to rehearsal and performing space for the WASO and yet they will require a new home during the financial year 2001-02, so what is the WASO expected to do in that hiatus?

Mr BOARD: You know that the WASO is also a Commonwealth funded group.

Ms McHALE: Yes, but you have made statements about finding them a home.

Mr BOARD: Yes.

Ms McHALE: There is nothing on the budget.

Mr BOARD: Because there have been no decisions made. It could have been a \$10m home. It could be a \$30m home and again might require various levels of funding from different groups and different agencies and from the Commonwealth. Whilst we are doing those negotiations, we are unclear as to what will be the requirement in terms of the State funding for that. When that is clear, we will be approaching the Treasury for those funds.

Mr NICHOLLS: Minister, before I ask my first question I would like to say that Mandurah would seem like a great venue for a WASO relocation. My question relates to page 305. I am specifically interested in funding to the Maj and/or the groups that are using that venue as their home base. Does that funding come out of global funding that goes to the Perth Theatre Trust or is there another line item that I have not been able to identify?

Mr BOARD: It comes under the Perth Theatre Trust fund.

Mr NICHOLLS: Could I ask how much funding currently is directed to the running of that facility and also I am interested in the groups that utilise that facility as, if you like, their home base.

Mr BOARD: I would be very happy to provide that. I do not think we have the break-up of His Majesty's right here, but I can provide that by way of supplementary for you.

[5.40 pm]

Mr NICHOLLS: If you could. Can I also ask, just as a flow-on in respect to ticketing, I notice in the last dot point on

page 305 you are looking at new methods for delivering services, increasing presumably the access to venues and the sale of tickets. I am interested to know whether or not the Internet is a realistic option for people to be able to access tickets that are available and, secondly, are you looking at expanding the number of locations where people can get tickets from? I am particularly interested in people who are in rural or remote areas or rural and country areas who do not necessarily have the convenience of being able to go and stand outside a box office waiting for a major performance or a major event to happen and be able to get good tickets.

Mr BOARD: The answer to all of those things is yes, but it is a question of how it is achieved. The Government, as you know, made an announcement last year about the sale of BOCS, which is going through final negotiations with a group called Ticketek, and that looks like being a good return to the State as a result of that. Their plans for expansion and what they will deliver in the State will be considerable and I understand that the community will be able to access tickets in a much more accessible way than what was previously available.

Mr NICHOLLS: What is your estimated time before this transition takes place?

Mr BOARD: We are really in the final stages of negotiation.

Mr NICHOLLS: Before Christmas?

Mr BOARD: Definitely.

Mr NICHOLLS: Thank you.

Ms WARNOCK: Minister, what moneys are allocated in this budget to the development of contemporary rock or other youth-focused music, and are any moneys to be spent on the performance of rock or other contemporary music in regional areas?

Mr BOARD: You have one of my diaries there, have you? It is a pet subject of mine because -

Ms WARNOCK: I just want a brief answer.

Mr BOARD: Bad luck. I believe that we have not done a good enough job in recent years about encouraging and supporting contemporary music, particularly young contemporary music and particularly contemporary music in regional areas in this State. Having said that, I do not think it has been entirely a Government responsibility and I would say that I think those people that make money out of the contemporary music industry have not invested enough money back into promotion and support of contemporary bands, particularly young contemporary bands.

I intend doing something about that this year. We have been negotiating a program. You will be familiar with the #Freezer program in Victoria. We are looking at a program which we think is stronger than that which encourages and supports regular performances in country regions, supports and promotes bands; particularly I want to see school-based bands. Putting my youth hat on, I can tell you there is a big gap between Blue Light discos and young people being able to access hotels and things of that nature.

Getting back to one of your earlier questions about facilities and activities, this is an area where we can play a very strong role in supporting young bands playing to peer groups in a supported activity and encouraging skill development both on the stage and behind the stage and a whole range of activities that are associated with that. You will see that program launched this year and I am very keen to promote that area as a strong focus of what we do through the arts.

Ms WARNOCK: Thank you, Minister. Can I ask another one? I can see time is creeping on rapidly. What financial commitment is there within the ministry budget to support Community Access Television?

Mr BOARD: I will put that on notice and come back to you.

Mr BAKER (Acting Chairman): Minister, a quick question. Returning to the issue of a new home for the WASO in due course, I mentioned earlier that the City of Joondalup is seriously considering once again constructing a performing arts centre. I understand that last week -

Ms McHALE: (inaudible) but the WASO will not get up in Joondalup.

Mr BAKER: You have raised that point, but the City of Joondalup is very serious about this. They have had discussions with the orchestra and I know there are concerns perhaps about distance factors, but given the extension to the Mitchell Freeway, the train service, etcetera, I would have thought they would not be real concerns. Let us assume the City of Joondalup agrees to fund or build the centre without any State funds or Federal funds and let us assume they agree to build it to the specifications of the orchestra. Is it more likely than not that the orchestra would consider relocating up to the Joondalup City Centre, at no cost to the State Government?

Mr BOARD: I think the answer to that lies with a lot of negotiation. Firstly, I do not make decisions on behalf of WASO.

Ms McHALE: The member for Joondalup does not either.

Mr BAKER: It is a matter of having an open mind on these issues.

Mr BOARD: We negotiate with them about what their needs and requirements are as well, so from that point of view all options - all options - are open and I would not necessarily exclude any option, whether it be Mandurah or Joondalup. However, the issue is about really making sure the location for WASO maximises its potential. Let us face it, the Western Australian Symphony Orchestra is one of the outstanding orchestras in this country. It not only has a national but an international reputation and I believe it has a huge contribution to make, both in a training aspect and in a tourism thing. Where the location for that is best achieved is really a matter of further negotiation and how we attract the sorts of funding for a major facility, a major teaching, training and performing facility, and that is in its stages, but I would not exclude any option at this point.

Mr BAKER: Thank you.

Ms McHALE: The allocation to the Perth Theatre Trust for this year is close to \$3m and yet the management of it has been contracted out to Ogden International and when it was initially contracted out the idea was that it was, in fact, going to be much more economic and efficient, and yet it appears the Government is in fact having to invest yet more money through the Perth Theatre Trust. Can the minister indicate what the current cost is to the Government of the management by Ogden International of the Perth Theatre Trust and do you consider the \$3m invested is, in fact, an outcome you would have expected through the contracting out of that service?

Mr BOARD: Can I just say that we have been delighted with the outcome of that service and we are also delighted with the increase in the number of performances in that area, and I think you have to relate performances to the cost in that particular area. We have some figures here. I am just racing to them now. For example, in the 1998-99 year there were 659 performances held. In the 1999-2000 period it looks as though they will achieve 738 performances when 700 in fact were targeted.

Ms McHALE: Are you talking about His Majesty's, the Concert Hall - - -

Mr BOARD: All four - the Perth Concert Hall, His Majesty's, Theatre Playhouse and Subiaco Theatre. The audience figures have risen correspondingly by 400 000.

Ms McHALE: 400 000?

Mr BOARD: 400 000.

Ms McHALE: For those four?

Mr BOARD: Yes.

Ms McHALE: Can we have a breakdown of those figures through supplementary information?

Mr BOARD: Is there anything you want to add now?

Mr HOUNSOME: The audience figures are 400 000. It is not an increase.

Ms McHALE: It is not an increase.

Mr BOARD: Sorry.

Ms McHALE: What is the increase?

Mr HOUNSOME: The target, as you will see in the budget papers, was 390 000 for audience attendance and we are going to exceed that this year.

Mr BOARD: Sorry, I did mislead you. The figures have risen correspondingly to over 400 000, but we can provide you with that supplementary information, member for Thornlie.

[5.50 pm]

Ms McHALE: So what is the cost to the Government of the contracting out to Ogden International?

Mr HOUNSOME: Are you asking the question about the management fee or are you asking the question about the total operation?

Ms McHALE: I am asking the question about how much money is going from the Government to Ogdens for the management of the facility.

Mr HOUNSOME: I think it would be best to take that on notice and give a specific figure.

Mr BOARD: Yes, I am happy to provide it to you.

Ms McHALE: Supplementary.

Mr BAKER: Supplementary information noted.

Ms McHALE: Finally, if I can just get one more in, two financial years ago there was a loan of \$500 000 to Barron films for *Kings in Grass Castles* and, if that money was not returned, the intention was that it was to be, I suppose, deducted from the overall arts budget. Can you now tell me whether in fact Barron made the profit or whatever to ensure that that money was not deducted from the arts budget?

Mr BOARD: I can tell you it was not deducted. That is the first thing. I will just read what I have here -

Treasury's advance of \$500 000 was made to Screenwest to invest in this production undertaken by Barron Entertainment. The primary objectives were support for a production of a WA story by a WA company, the \$500 000 triggered \$10m in production financing for the WA producer and prime time broadcast for the production of the national Seven Network.

I understand now that is to be considered a grant. Do you want to add to that?

Ms McHALE: So Barron has not paid it back?

Ms ALLANSON: It was never a loan to Barron Entertainment. It was a Treasury advance to ScreenWest and ScreenWest invested those funds into the production under our normal terms and conditions for investment which required Barron Entertainment to provide on a pro rata basis any returns back to Screenwest. That has not occurred because the production has not yet achieved a level of sales to enable them to do that and therefore the way in which they have used the funds has been entirely within the terms of the funding arrangements.

Mr BOARD: So that is still up to negotiation, I understand.

Ms ALLANSON: Yes, it is up to the ongoing market performance of the project. However, as there has been a request by Treasury in relation to repaying the advance, we currently are negotiating with Treasury with a view to converting that advance into a grant which would be on the basis, I guess, of supplementary funding.

Ms McHALE: So the \$10m funding that the program attracted all went back into the production of it.

The CHAIRMAN (Ms Holmes) returns.

Ms ALLANSON: Yes, the production was made. It was a successful production and the funds met its primary objectives of triggering the actual production.

Ms WARNOCK: What new ministry activities are planned to be outsourced or contracted out during the coming financial year and what will be the net benefit or cost of this contracting out?

Mr BOARD: I have no plans to further contract out any of our current activities.

Ms WARNOCK: Thank you, Minister. Can I follow that up by a question from page 322 which talks about the decline in FTEs? If you look three-quarters of the way down the page, you get a decline in FTEs. There are 36 in 1999-2000 and it is estimated there will be 10 for the next budget. That is in "Venue Management", is it, and is that because of contracting out? Is that what that is about?

Mr BOARD: I am advised that is specifically to do with the sale of BOCS.

Ms WARNOCK: That is to do only with the sale of BOCS?

Mr BOARD: Yes.

Ms WARNOCK: Thank you.

Ms McHALE: When is the sale of BOCS likely to be considered?

Mr BOARD: It is imminent. We are going through the last phases of negotiations now.

Ms McHALE: How many tenders were received?

Mr HOUNSOME: We would not normally declare the number of tenderers while we are still in a negotiation phase as it would reduce our bargaining position with either the preferred or reserved tenderer, so that information has not been disclosed. We would anticipate closing negotiations very soon but the point at which we transfer the business to whoever buys it will need to be planned carefully to make sure that at the point at which we are dealing with all of those shows that are partially sold - some of them a way out from now - we have complete confidence in the data transfer so that the public and promoters for whom shows we are selling have a cast-iron guarantee that things will go smoothly. So there are really two considerations. There is signing the deal and then making sure it happens sensibly which may take a few months.

Ms McHALE: What protections, if any, exist for smaller WA arts companies if BOCS is privatised, sold off?

Mr HOUNSOME: We have made as a condition precedent of the sale the signing of a ticketing agreement that sets out the conditions under which the purchaser must ticket the four principal venues of the Perth Theatre Trust and we have made sure that all of the conditions under which BOCS operates, those things which are considered to be industry best practice, are placed in that ticketing agreement. It is a very thorough document and it gives us control over the behaviour of who we are selling the business to.

Ms WARNOCK: I will be quick, but I note that there are only two minutes left. On page 323, Minister, what is the master plan for the Perth Concert Hall precinct, how much will it cost and is it in the budget anywhere?

Mr BOARD: There has been a plan done for the Perth Concert Hall, one of which, of course, has the relocation of WASO. I will just read this to you because it is directly relevant -

The master plan was presented by Cox Howlett and Bailey Woodland at the Perth Theatre Trust Board meeting on 25 August last year. The plan provides three options for redevelopment. Option 1 includes a new glass northern entry portico with main foyer incorporating an internalised street with glazed roof, option 2 includes all of option 1, plus provision for the Western Australian Symphony Orchestra administration and rehearsal recording hall and option 3 adds a drama theatre which would replace the playhouse. The cost estimates are \$17.8m for option 1, \$23.5m for option 2 and \$32.9m for option 3.

If I could say to you that one of the main provisions there is the relocation of WASO which we see as a major priority for the State Government so what happens to WASO and the final negotiations there would determine the final outcome of what happens at the Concert Hall, but can I also say that the Concert Hall upgrade is a matter for our major strategic planning which I mentioned before that we will have a strategy for for September.

The CHAIRMAN: Thank you, members.

Sitting suspended from 6.00 pm to 7.04 pm

The CHAIRMAN: For the information of members, this Estimates Committee will be reported by contractors to the Hansard office. The daily proof *Hansard* will be published in two parts tomorrow, part one at 9.00 am and part two at 8.30 pm. This year Hansard ask ministers, members and advisers to make their corrections on the daily proof *Hansard*. Hansard will forward the transcript to the minister's office for distribution to advisers. The cut-off date for corrections will be indicated on the transcript.

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

While there is scope for members to examine many matters, questions 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 are kept brief, without unnecessarily omitting material information. It is the intention of the chairman to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. For the purpose of following up the provision of this information I ask the minister to clearly indicate to the committee which supplementary information he agrees to provide. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the Committee Clerk by 12 June 2000 so members may see it before the report and third reading stages.

If the supplementary information cannot be provided within that time, written advice is required of the day by which the

information will be made available. Details in relation to supplementary information have been provided to both members and advisers and accordingly I ask the minister to cooperate with these requirements. I caution members that if the 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 by 12 June 2000.

It will greatly assist Hansard staff 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.

Division 79: Works, Services, Citizenship and Multicultural Interests, \$27 311 000 -

Mr Masters, Chairman.

Mr Johnson, Minister for Works; Services; Citizenship and Multicultural Interests.

Dr P.R. Schapper, Chief Executive Officer, Contract and Management Services.

Mr J. Tondut, Director, Contract and Tendering, Contract and Management Services.

Mr P. Stafford, Manager, Financial Services, Contract and Management Services.

Mr KOBELKE: My questions relate to matters on the bottom of page 167. The West Australian Building Management Authority, I say as by introduction, under its various names, and CAMS being one of the most difficult budgets to ever understand because of the interplay between two different entities. It may be getting a little easier simply because they have been pruned down so much that we have small amounts of moneys, but point (d) on the bottom of the page there, can we have some explanation please as to why the Peel Health Campus amounts are in here? I understand that the note relates to the fact that they are being held out so that the figures actually have some meaning, and I can accept that, but why do those particular two amounts come under this budget?

Mr JOHNSON: Certain WABMA costs have been omitted from inclusion in the calculations for the cost performance measures. In the cases of Peel Health Campus and the Welshpool depot sale, the costs, although forming part of the overall output costs for accounting purposes, are balanced by external revenue or allocations and are not used in the delivery of WABMA services. I can go on and tell you a bit more, if you wish.

[7.10 pm]

Mr KOBELKE: I understand that bit, but when there are so many other agencies that also use the WA Building Management Authority in various ways, why are these particular ones highlighted, or is it that the Western Australian Building Management Authority has actually been pulled back so much that this is the only job that it has done in the period?

Mr STAFFORD: The reason why those costs and the associated revenue have been isolated is that whereas the WABMA is used as the vehicle for undertaking the State's major works building program, all of the normal activity that falls in that area is what is referred to as "administered" and therefore does not come under one of the outputs within the budget framework. In the case of Peel, that is a controlled activity of the WA Building Management Authority, but it is of such a size that given that the other \$250m of payments are in the administered area, this one, if it was added in, would make the relatively look rather odd.

Mr KOBELKE: Just to make sure I am clear on it, the administered area of WABMA is quite limited. I think some heritage issues you specialise in. I am aware that is under the administered area, whereas all the rest you contract to the other Government agencies to oversight or supervise those particular constructions.

Mr STAFFORD: The actual payments associated with the full works program; that is, the schools, police stations, etcetera, all fall within that administered area.

Mr KOBELKE: I understand that, but what we are saying is Peel Health Campus was different, in that it was actually brought in under your own roof, so to speak.

Mr STAFFORD: That is right.

Mr KOBELKE: So what I am asking the minister then is what were the reasons why a different approach was taken, whereas perhaps major works and other hospitals, if the BMA is involved, would have been under that different category, or was this the only major health issue that the BMA had really involvement with over this period.

Mr STAFFORD: It is the only major item that has the delivery dollars located within the WABMA framework.

Mr KOBELKE: I think I understand that. My question really is why was the Peel Health Campus brought in in that way when construction of schools and other Government buildings with different agencies was not.

Mr STAFFORD: The reason being that in the case of the Peel Health Campus the asset and the liability are very much a part of the Western Australian Building Management Authority, whereas in the case of the schools, etcetera, those will all be reported under the respective agencies that we are doing the work for.

Mr KOBELKE: Thank you. I accept that, but what I am coming back to the minister on is why the decision was made initially to pass this project over rather than it remain as a Health Department project which was controlled by WABMA, because it could have been handled that way, I assume, but for some reason the decision was made not to leave it in the control group but bring it under direct administration of the WABMA. That may be a decision that WABMA had nothing to do with, it was simply asked to do it, in which case it was the decision of the minister or Cabinet.

The CHAIRMAN: Minister, you may have to put some information by way of supplementary.

Mr JOHNSON: Or we take it on notice. I am not quite sure how long it will take to get that information.

Mr KOBELKE: Are you willing to provide a supplementary answer to that?

Mr JOHNSON: It depends whether we can get it done in time or not.

Mr KOBELKE: It is nothing to do with the finer details of the costings. It is simply a matter of why that policy decision was taken to treat the Peel Health Campus differently from what you treat a whole range of other building projects for different Government agencies. I am sure there is a good reason. I would just like to know what it is.

Mr JOHNSON: Yes. It may be the same reason that your Government used, I think, in the past for certain projects. They used WABMA for that, did they not, for certain projects?

Mr KOBELKE: They did a lot more. The BMA did a lot more. They have been farmed out and the structure has changed a little and that has been a gradual process over many years.

Mr JOHNSON: I do not understand it though. Your Government did much the same thing. They used WABMA to do one or two projects that may not have normally fallen within certain portfolios. But we will get you the information as supplementary.

Mr KOBELKE: Thank you. Minister, in exactly the same area, the loss of sale of Welshpool depot of \$3.4m in 1999-2000, can we have some explanation as to how that loss was incurred? Was this the lot that was sold to RADOC?

Mr STAFFORD: Yes, this is the ex-BMA works depot that has now been transferred to the Department of Land Administration to dispose of. As a result of that it is now no longer appropriate that it be on our balance sheet. That has necessitated the need for us to raise an expense to take it off the balance sheet.

Mr KOBELKE: It was transferred to DOLA without DOLA actually paying what was the book value of the lot back to WA Building Management Authority?

Mr STAFFORD: It was transferred to DOLA in their role as, if you like, a real estate agent for the State.

Mr KOBELKE: DOLA did not actually take ownership? They were just simply managing the sale on behalf of the Building Management Authority?

Mr STAFFORD: That is correct.

Mr KOBELKE: The result of that sale was that you lost out on the \$3.4m?

Mr STAFFORD: At this stage the site has not been sold. It is still in that middle ground where DOLA are pursuing a sale for it, but for all intents and purposes it is no longer an asset controlled by WABMA.

Mr KOBELKE: Can I get some details as to how that loss of \$3.4m was worked out? Was a valuation done quite recently or was that the carrying value on your books which may have been a valuation of some time ago?

Mr STAFFORD: That is correct, that was the book value at the time the transfer arrangement with DOLA was entered into, which was a relatively current valuation at that time.

Mr KOBELKE: I am still not clear as to whether the \$3.4m write-off is simply to get it off your book or that there is a fairly clear picture that the Government is not going to actually be able to realise the value of that asset and therefore there will be a loss to Government.

Mr JOHNSON: I do not think you can prejudice what the asset will sell for eventually. I think Mr Stafford already explained that this is a book adjustment. It is an accounting issue. The property is still in Government hands and it will sell for what it sells for.

Mr KOBELKE: What I am keen to know then is if they can sell it for the \$3.4m, then which Government agency will take that as credit and show that they have actually gained the \$3.4m or whatever it is sold for?

Mr STAFFORD: That money would go back to the consolidated fund via Department of Land Administration.

Mr JOHNSON: As I say, it does not matter who sells it. The money is going to stay in the consolidated fund.

Mr KOBELKE: In terms of your agency, Minister, it means you have lost \$3.4m. I realise it is an accounting procedure.

Mr STAFFORD: That is exactly what it is.

Mr KOBELKE: Most Government agencies, even when it is transferred between DOLA and another agency or Homeswest and another agency, usually fight pretty hard to maintain that capital value because they have lots of other good things they can do with it.

Mr JOHNSON: We own a lot of property. The Minister for Works owns Fremantle Prison. It is a lovely building but it is a liability as far as maintenance goes.

Mr KOBELKE: I think that is why it was transferred to you, so you could look after it.

Mr JOHNSON: Exactly. If you like, we are here to facilitate many of the Government departments.

Mr MINSON: Minister, in the "Major Achievements" section on 168 there is a list of major achievements for 1999-2000. There is mention of the online contract management electronic system that is now in service within WABMA, and then if you go to the major initiatives for the coming year the first dot point refers to an upgrading online contract management. I seek clarification. That is all about the management of the contracts. Has the system evolved to the point where you now call and accept tenders the same way, so can people lodge tenders electronically and get all the information and so on as well?

[7.20 pm]

Mr JOHNSON: The last part of your question obviously in relation to the electronic lodgment of tenders is still very much an integral part of this system. It is to make life easy for people who want to gain access to Government contracts. It will save people posting stuff, it will save a lot of duplication, travelling time, all sorts of things, and it will be easier to ensure they are lodged on time. We occasionally get the odd person who lodges a tender and they are one minute late and we have to reject that tender, so the online tendering process is a wonderful initiative for Government and for the small business people.

Mr MINSON: It talks about contract management and on the major achievements in 1999-2000 it refers to, "Consultant contractor claims, update project budgets, cash flows, programs, submit progress reports." The clarification I am seeking, is it not just about management but about calling tenders, in other words getting the details of tenders you are calling for, and lodging tenders? You can do that electronically.

Mr JOHNSON: Absolutely, yes. In fact in future what companies will be able to do is they will be able to get up to three months' notice of any upcoming tenders and they will then be able to plan their businesses far better. Once they have decided they want to go for a particular tender, they can lodge it electronically and then once the tenders have been decided on, then that is advertised on the bulletin board as well to show the successful tender and the cost of that tender. I think it is a very good, open and accountable way of -

Mr KOBELKE: Is it fully implemented?

Mr JOHNSON: Yes.

Mr KOBELKE: My question relates to the dot point on top of page 169. This is the Department of Training and Employment's priority access policy commenced with WABMA piloting its roll-out in the building industry. Minister, I would like to know how successful that roll-out has been. Is it now implemented across the whole of the building industry or just some segment of it? How are we going?

Mr JOHNSON: This is actually on a six-month trial that we are promoting to see how it will work. What I do not want to see is a reduction in the number of apprentices that are required within the contracting system. There is a difference between traineeship and apprenticeships. I am all in favour of the policy that the Department of Training and Employment have come up with to ensure there are more traineeships in place and providing it does not reduce the number of

apprenticeships there are, then I think everybody will be very happy, but we are looking at a six-month trial. We are not at the end of that six-month trial yet.

Mr KOBELKE: When did it commence, Minister?

Mr JOHNSON: This was about two months ago.

Mr KOBELKE: Are there specific details set out in a booklet or a small memorandum that perhaps we could have provided to us?

Mr JOHNSON: Yes, there are indeed. We can get that for you by way of supplementary information.

Dr SCHAPPER: It is really under the responsibility of the Department of Training. They have administrative control over this program and they are in charge of its implementation and administrative things.

Mr KOBELKE: Minister, it sounds, in terms of the explanation given by the Minister for Employment and Training, that it is sort of a revival of an excellent Labor initiative which has lapsed under your Government, so we are very keen to see you bringing it back. I just want to know whether you are actually going to make it work as effectively as it was when we were in Government.

Mr JOHNSON: You always take the credit for the good stuff.

Mr MINSON: Are you sure it was effective? Minister, you are about to make a mistake, I am sure.

Mr JOHNSON: No, what I was going to say is that we will always do whatever we can to encourage companies to facilitate apprenticeships and traineeships, and that must be good for our young people.

Mr KOBELKE: It certainly is, Minister, and we would want to encourage that, but the fact is the Government has not had a policy of doing that through its contracting and if it takes into account in awarding contracts the record of the people seeking the contract with respect to training, then that is excellent, so we would certainly hope you would proceed with it but we would like to see the details to be able to gauge how effective it might be.

Mr JOHNSON: A brochure exists which comes under Employment and Training. We can certainly try and get one of those for you. It is not under my portfolio as such but we will try and facilitate that.

The CHAIRMAN: Minister, can I suggest maybe the member should make the effort himself because you do not have the ability, as we are investigating this particular division, to make a commitment on behalf of another department. That would be my suggestion.

Mr JOHNSON: Yes.

Mr MINSON: My question is a pretty general one and it comes as a past minister and responsible for CAMS and its name. The WA Building Management Authority had to continue to exist for a period of time and it was all to do with works under way and contracts we had signed and where we owned things privately and there was title to the land, not just Crown land but there was actual title to the land and it was to continue, but I think it is nearly four years since we set CAMS up, and probably it is a question more appropriate for the CEO to answer.

How much longer will WA Building Management Authority continue to exist and why cannot we merge it into Contract and Management Services because that was the initial intention, but we are four years down the track and WABMA still exists? It could continue to exist but that was never the intention and there may be some very good technical reasons why it does continue to exist.

Dr SCHAPPER: Yes, I am familiar with the issue. There has been a number of attempts, I think you may be aware, between officers from Contract Management Services and Treasury to resolve those very issues. There are quite major hurdles within the Public Works Act. WABMA is established as a statutory authority for the purposes of being able to borrow moneys and undertake various works. There is no appetite for creating CAMS as a statutory authority in the same way.

Mr MINSON: So this will probably continue to exist.

Dr SCHAPPER: I expect this would continue, yes.

Ms WARNOCK: I refer the minister to page 169. Like my colleague, the member for Nollamara, I note how much of the WA Building Management Authority's function has reduced, but I am intrigued to see that the Fremantle Prison is still part of the Building Management Authority's work and also the Percent for Art awards. Because of my particular interest in art and my admiration for this particular program, I am wondering how much has been spent on the Percent for Art program

in 1999-2000 and how much will be spent in 2000-01. I think this is a good project. I think this was a Labor initiative as well, as I recall. It has certainly always been part of our policy, but I am just interested in how much has been involved in those two years in question. Can you help me, Minister, or can your advisers give me some information?

Mr JOHNSON: You have asked for a specific amount in monetary terms.

Ms WARNOCK: Yes, I am interested in how much has been spent in 1999-2000 and how much will be spent in 2000-01. Perhaps the minister could give us a picture of how widespread this particular project is and where we can find the evidence of it.

Mr JOHNSON: It would be across all of our capital works programs, but the actual figure you are asking in dollar terms we do not have with us tonight.

Ms WARNOCK: Could I ask that it be provided as a supplementary? I would be very interested to see whether you could help us with a figure for that.

Dr SCHAPPER: There could well be a problem because they are not our funds. It is 1 per cent where possible of the capital commitment by departments where we manage the program.

Ms WARNOCK: I understand that, but surely somebody must have a figure written down on a piece of paper somewhere.

Mr JOHNSON: Yes, but we may not be able to do it as supplementary. It may take a bit longer than that.

Ms WARNOCK: That is all right.

Mr JOHNSON: We may have to go further afield.

Ms WARNOCK: I would be very interested to have those figures and I am prepared to wait.

Mr JOHNSON: Can I suggest on this particular one I think it would be better if you put it on notice to us because I cannot guarantee we would get it to you by the date that the chairman has indicated?

Ms WARNOCK: Of course; that is right. There is a limited time.

Mr BROWN: I have a couple of questions which I am happy to receive the information by way of supplementary information, particularly on the first one. The first one is on page 168 under the heading of "Major Achievements", the second dot point down where it says -

WABMA has implemented Procurement Guidelines to facilitate local involvement in major regional capital works projects through WABMA personnel based in regional areas.

Can I ask for details in the various regions of the amounts spent in those regions by the authority in financial years ending 1999-2000 and can I ask of that total amount spent in those regions, how much went to local companies? Could that be provided to me so I can see the effect that that policy is having?

[7.30 pm]

Dr SCHAPPER: "Local" meaning regional; local to their region.

Mr BROWN: Yes, local to their region.

Mr JOHNSON: 90 per cent of the work went to local and regional businesses in the regional areas. I am not sure about 90 per cent of the actual dollar terms, but we can give that to you as supplementary information.

Mr BROWN: That is fine. The second point that I have is on page 164 under "Significant Issues and Trends" the last dot point on the page says -

The goods and services tax will affect construction projects through its impact on contractor cash flows. This is expected to particularly affect subcontractors and will require increased attention by WABMA in the progress of its contracts.

There are two separate questions and you can provide this by way of supplementary information again. The first one is: exactly what processes does the authority intend to implement to ensure subcontractors are not going to be impacted on by the cash flows created by the imposition of the GST? Could those details be provided by supplementary information?

Mr JOHNSON: Yes, there would not be any difference here. Yes, we comply with the national guidelines. I do not know

whether we can give you any more information than that. There has been no specific arrangement put in place in relation to GST with specific subcontractors.

Mr BROWN: The other question just in relation to that - and again I am happy to have this provided by way of supplementary information - is that there have been occasions where contracts have been let to primary contractors who have not paid their subcontractors notwithstanding the fact that the subcontractor has completed the work on contract, on time and on budget and the primary contractor has just put the money in his pocket and nicked off and that has, of course, caused litigation to be undertaken by the subcontractor. I am aware of the guidelines that have been used in the use of statutory declarations and the very careful way in which that system is being manipulated by primary contractors to make sure they are not signing false declarations but at the same time to get the money and at the same time avoid paying the subcontractors. What is the Government doing in terms of security of payment for subcontractors in those circumstances?

Mr JOHNSON: What I am doing as the minister probably responsible in this area is actually monitoring what is happening in Queensland and New South Wales where they have brought in legislation for security of payment to subcontractors. At the moment, as you say, we are running with the statutory declarations that the head contractor has to sign to say that they have paid their subcontractors when they apply for payment from the Government. If those people are signing things and they are untrue, I would have thought they were probably guilty of perjury, for a start.

Mr BROWN: They do not do that. They very carefully use some words to avoid being caught for perjury.

Mr JOHNSON: Yes, but if you have a head contractor that is determined not to pay the subcontractors in some way, I think all the legislation in the world may not get around that, but we are certainly looking at bringing in some legislation. I foreshadow that to you now and I know you have a keen interest in that area, but I want to make sure what we bring in is good and workable legislation. It has only recently been brought in in Queensland and New South Wales and to some extent it is still a trial period for them. We are literally monitoring what is going on over there and if that is the system, then I am very happy to mirror that system because I have a genuine concern that subcontractors should get paid for the work and for the goods they supply to a head contractor.

Mr MINSON: Before I do ask the question the minister might be interested to know that at a ministers' council meeting in I think the end of 1996 Chris Schacht was the minister federally. The ministers' council agreed that we should as a matter of priority develop uniform legislation to cover the matter you were just discussing, so you might like to store that away in the back of your mind for the next ministers' meeting.

Mr JOHNSON: I think Queensland and New South Wales are not quite the same. They are not completely uniform at the moment, so they have not started off very well.

Mr MINSON: What has happened over the years is there has been the collapse of the occasional major builder which leads to the pack of cards syndrome. You will remember that a few months before the last Federal election where the Government changed I think two or perhaps three major building contractors fell on the east coast and it led to an enormous number of subcontractors going broke and because they could not pay him, he could not pay her, and it just led to near chaos. That led to this consensus that national uniform legislation, whether it be by template or by consistent legislation, being developed so that we could stop this problem of contractors taking the money and running and leaving subcontractors in trouble. The question I really want to ask is related to the Fremantle Prison. There was a business incubator project started there about 1996-97 and I am just wondering whether that has continued, whether it has been a success and so on.

Mr JOHNSON: It has certainly continued. It is there at the present moment. I am not quite sure how you measure success; success to us as the landlord, if you like, or success to the users.

Mr MINSON: I suppose if it is continued to be used, is one. The other thing is how many successful businesses graduate out of there?

Dr SCHAPPER: I do not think we know. It is not our responsibility. We have just simply provided a property at good rates and it is not our program and it is not a performance that we monitor.

Mr JOHNSON: One of those cases where the freeholder does his best to help everybody in the community, including Government agencies and organisations.

Mr KOBELKE: I would like to just get further clarification on a matter raised by the member for Greenough with respect to the ongoing assistance of the authority. The member for Greenough was the minister at the time the Bill went through establishing it. I remember being involved with him in the debate, so I thought his question was a very good one and important one and Dr Schapper in responding indicated there was no appetite for making CAMS a statutory authority, if I understood correctly. I am seeking, Minister, some understanding of what are the impediments to such a move. Is it just a political decision, and the Government has every right to do that, or are there a number of structural difficulties in actually setting CAMS up in that way?

Dr SCHAPPER: Most of the activities of CAMS are in the line of those of an ordinary line department of the budget sector.

Most of the work we do requires us to have no more powers than the Public Sector Management Act and the FAAA and therefore I would perceive it as being inappropriate for most of the resources of CAMS to be governed by regulations and legislation which do not really relate to most of their activities. There are occasional projects, and perhaps Peel Hospital is one, where special borrowings had to be raised. Those borrowings could not be raised under the powers of the Health Department, whereas WABMA has such powers and so is used as a vehicle for funding such projects. It would only be in that relationship of raising private capital to fund special projects of that kind that the statutory role is required.

[7.40 pm]

Mr KOBELKE: What you are saying is it is your considered view there would be no net efficiencies in actually closing down the authority and moving its powers into CAMS and enhancing the power of CAMS and therefore the level of accountability that CAMS would have to go through.

Dr SCHAPPER: I do not think it makes any difference whatsoever to the level of accountability or transparency. It might perhaps tidy up the budget pages but it makes no difference at all to the operational activities of the department.

Division 80: Contract and Management Services, \$14 970 000 -

Mr Masters, Chairman.

Mr Johnson, Minister for Works; Services; Citizenship and Multicultural Interests.

Dr P. R. Schapper, CEO, Contract and Management Services.

Mr J. Tondut, Director Contract and Tendering, Contract and Management Services.

Mr P. Stafford, Manager, Financial Services, Contract and Management Services.

Mr KOBELKE: My first question relates to a dot point on page 273. This is the fourth dot point down which talks about -

Minor supplier charges are being applied to offset some of the costs of marketing and managing these contracts.

I would like some details as to the structure of those minor supplier charges.

Dr SCHAPPER: Consistent with what is happening in many other jurisdictions, and it has been in place for a long time in New South Wales, it is being introduced in South Australia and in some instances it has been in place in Western Australia for a number of years as well as in many other countries, we are seeking to implement contracting arrangements on a fee for service basis. Part of that fee relates and is applied to suppliers themselves. There are two reasons for this. One is it is recognised that these supplier arrangements are of immense value, not only to Government operations but also to the contractors on the contract itself.

It is not a one-way stream of benefits. There is distinctly a two-sided benefit equation. There are, as I say, huge benefits to industry. A lot of the costs we incur in relation to a major contract, such as the master media contract or the public relations contract where there will be a couple of hundred contractors, is in actually promoting and implementing the contract across Government and in Government at any one time we estimate there are more than 10 000 buyer points, 10 000 people with authority to actually raise a minor contract with one of these contractors. Therefore, the promotion activity of our department has, as I say, immense value to the contractors because it basically gives them a foot in the door to 10 000 buyers without any advertising on their own behalf whatsoever. We have basically taken on the mantle of their advertising costs and some of their management costs as well for what is potentially millions and millions of dollars worth of business.

To help manage the contract, and as I say, much of the management cost of the contract is actually promotion across Government, we seek to get partial cost recovery from the contractors themselves in recognition that they are making major business savings by being on the contract. We do not believe it is appropriate the taxpayer be funding private firms' advertising costs.

Mr KOBELKE: Thank you for explaining the reasons and the general set-up of the scheme. The other part of my question was, what is the actual rate being charged and what is the total amount being raised in the current year and for the 2000-01 year?

Dr SCHAPPER: The rates vary hugely from one contract to another. It depends on the complexity and the cost of running the contract. For the contract associated with public relations, we are seeking to recover around about \$75 000 - that is for a contract with a turnover of about \$10m - so it is about, in this case, a little over half a per cent and we seek to recover costs from contractors. For a sole contractor or a small business operating on that contract it would be a cost of around about \$75 per year which is absolutely nothing like what it costs them to list themselves in the Yellow Pages. We think it is a very modest cost. A major contractor or a large business might pay between \$350 and \$1 000. We believe those are very

reasonable charges compared to what the benefits are that they are getting and the turnover of the contract. Typically speaking, across all of our contracts the charge would range from zero through to typically maybe 2 per cent of turnover. In the United Kingdom where this is a universal practice it is 4 per cent.

Mr KOBELKE: And the total revenue raised both for the current year and the next year.

Mr TONDUT: I do not know it exactly. I think it would be in the order of about \$1.5m to \$2m in the coming financial year.

Dr SCHAPPER: That is on a total contract turnover of all of our contracts of about \$700m so it is very minor.

Mr KOBELKE: That money comes to account for CAMS.

Mr TONDUT: Yes.

Mr KOBELKE: When is it actually levied on the individual contracts, the first point of contact or a fixed time each year?

Mr TONDUT: The arrangements vary on a contract-by-contract basis but typically each quarter, sometimes it is half yearly, the return of turnover is obtained and then the supplier fee is calculated on that.

Mr KOBELKE: Is it possible, Minister, to have a list of the types of contract it is applied to? Is it every single contract or is it only really the master-type contract?

Mr TONDUT: No, it is what we call common-use contracts which apply across Government for Government agencies all to have access to.

Mr KOBELKE: So is that a short list you could give now or is it fairly lengthy?

Mr TONDUT: There are about 50 or 60 contracts in that.

Mr KOBELKE: Is the minister willing to give that as a supplementary?

Mr JOHNSON: Yes.

Ms PARKER: Minister, I note on page 272 and then further over on to 273 of the significant issues and trends that in fact the advent of Internet commerce and electronic marketing really dominates those points that you have raised there and over on page 278 on the "Major Achievements for 1999-2000" there is quite a bit of comment there about the ProcureLink service, the SalesNet and that in fact the Internet is anticipated to be a significant way in which people access information and also tender for contracts. How much business are you doing through electronic commerce presently and have you positioned the agency so that it can in fact cope with the increasing proportion of business that will be done through this means?

Mr JOHNSON: Yes, certainly the agency can handle whatever business comes through e-commerce. In fact we welcome it. The benefit about e-commerce is that it is a very secure system for the suppliers to use. The actual amount that you ask in dollar terms -

Ms PARKER: In many industries the proportion is going ahead in leaps and bounds. Is that the experience of your agency as well?

Mr JOHNSON: Yes, it is.

Ms PARKER: Is the take-up rate fairly dramatic?

Dr SCHAPPER: Yes; for example, one service which has now been around for a little over year is the Government electronic bulletin board which is used to list all Government contracts. It has 97 Government agencies on there, I believe. On any one day it would have 50 to 100 tenders listed on it. We require suppliers to register to use that simply for tracking purposes. There is no fee associated with registration. Inside 12 months more than 15 000 businesses have now registered for that service and Contract Management Services now distributes between 60 and 70 per cent of all of its tender documentation through that facility electronically rather than hard copies through the post. So there is a very substantial take-up at that level at least.

Ms PARKER: And you are confident that in fact you will be able to cope with the trend toward the use of electronic means to access the services of the agency.

[7.50 pm]

Mr JOHNSON: Absolutely; we welcome it.

Mr KOBELKE: Minister, my question is on page 276. The third dot point relates to the Merchant Services contract with the Commonwealth Bank and I am wondering if the minister can give us any indication of the percentage reduction in the credit card interest rate which that has provided. Obviously it is going to shift from time to time. I do not know whether the bank can change it whenever it changes its general rates or whether the agreement means that there is only a review over a fixed period, biannually or every year. Can we have some understanding of what are the actual arrangements there in terms of what is the percentage in which the credit is below the market value and do we also have any dollar amounts as to what the potential savings are?

Mr JOHNSON: I know we got a very good rate with them, but the actual savings -

Dr SCHAPPER: I could not say what the overall savings are, except that prior to this contract there were departments on various merchant fee rates, including anything up to 4 and a half or 5 per cent. If we achieve a 1 per cent reduction across Government, that would equate to about \$40m. I believe that the rate we have negotiated here is less than 1 and a half per cent. I am not sure that has been finalised as yet.

Mr KOBELKE: Can I just clarify that the Merchant Service contract applies only to where people are paying their bills to Government or does it apply also for the use of credit cards by Government agencies?

Mr TONDUT: There is a separate contract for the credit cards that Government employees use.

Mr KOBELKE: But this one is where people actually pay their bills to Government agencies using a credit card and the fee is charged to the Government for that facility.

Mr TONDUT: That is correct.

Mr AINSWORTH: Minister, page 284 under "Major Achievements" dot point number 4 talks about the development of a Buy Local program. I am assuming that that includes what I know as the regional preference clause in tendering which in itself has some limitations. I am now being very parochial in talking about my home town of Esperance, but we happen to be in a part of the State which includes the Goldfields and everything north of it whereby the zoning for regional preference is a 400-kilometre radius of wherever the tenderer happens to be located, whereas in the south-west of the State the radius is only 200 kilometres and we find ourselves in a situation where a tenderer from Kalgoorlie can still outbid or underbid a local tender by a very small margin - in one recent case I think it was point 8 of 1 per cent - and has the potential to have the contract when really they are quite well outside our area. I just ask you: is there any plan to revise those boundaries and perhaps make it so that it is really a genuine reasonably local regional preference as opposed to one that just excludes the metropolitan area or major centres a long way away?

Mr JOHNSON: I know the contract you are referring to. I am sure you will be delighted to know that I will be coming to Esperance in the latter part of next week, I think it is. I am travelling all round the State basically promoting and talking with small business people in all the regional and rural areas and more importantly than talking to them, I am going to listen to them. We are holding workshops throughout the whole of the State, not only in the regional areas but also in the metropolitan areas, because I tabled in Parliament last week, you may remember, our draft Buy Local policy and to a great extent that would probably come under the next item, the State Supply Commission, because that is the agency that is dealing with it.

You mention zones and where businesses are in relation to where they can do the business. Some people say the zones are too small. Some people say they are too big. I think it is an opportune time to actually come and listen to people again to see what they believe is fair and equitable because I can give you this pledge: I will be listening to what they have to say. There is a six-week period where they can put submissions in. Once I have been and spoken with them and listened to them they have got six weeks to put submissions in and then we will be collating all that information and then I will be taking to Cabinet a Buy Local policy.

It may even be a different name, I do not know. Somebody might come up with a different name to it, but the whole purpose of it is to try and ensure that - and I have to say first of all, we have done a tremendous amount since we have been in Government. By out-sourcing a lot of the work a lot of private businesses have gained a lot of work in the regional and rural areas, but I believe you can always improve on that and that is what we want to do in this instance with the Buy Local policy, but it is important that we have some input from the regional and rural areas so that we know exactly how to go about coming up with the new policy.

Mr AINSWORTH: Chairman, if I may, a quick response to that. The regional preference clause as it applies at the moment is of huge benefit in almost every case to local tenderers, but I believe that either the boundaries need to be adjusted or you need to look at a two-tiered preference percentage, so that, as in the case I have outlined to you, being less than 1 per cent variation between the lowest and the second-lowest tenderer but one being truly local and one being 400 kilometres away, there could be scope within the existing rules or the new rules that you might come up with, some ability to adjust that preference in a two-tiered fashion so that truly local businesses get a better chance than they are currently getting under the rules as they stand, but I look forward to your visit.

Mr JOHNSON: The new rules will not be what I come up with, it will be what you and the people come up. You make some very good points.

Mr AINSWORTH: I am putting in an early bid.

Mr JOHNSON: Yes. I would like you to put it in writing, I would like you to be at the gathering in Esperance, because I think the input that you will have will be very useful.

Mr KOBELKE: Can I ask, Minister, what is your timetable for hopefully having that finished, that process?

Mr JOHNSON: A rough timetable is a six-week submission period to give people plenty of time to come in. It is going to take a little while to evaluate them all and then come up with what we believe is an overall consensus of opinion from the regional and rural areas. I would think probably around about August, September. I want to push it, because I do not believe in hanging around. When I am given a job to do I like to get on and do it, and this is a very important job, I believe, for small businesses, not only in regional and rural Western Australia, but also in the metropolitan area. Small businesses are the backbone of this State and this country and I want to make sure they get the maximum amount of business they can and contracts that they can from this Government.

Mr BROWN: In answer to a number of questions recently I note the Government is using facilities managers. What is the policy in relation to using facilities managers and are facilities managers, where they are used in the regions, applying the preference for purchasing? That is, when they allocate tenders or call for work, do they apply the preference?

The CHAIRMAN: Minister, could I just ask, what are facility managers?

Mr TONDUT: I was just going to ask for a point of clarification on that myself. Do you mean managers managing facilities such as buildings or is it a broader question than that?

[8.00 pm]

Mr BROWN: I will answer it in the terms of the answer that was given by the minister, which in fact actually sought clarification. Probably you wrote the answer, with due respect to the minister, but it says, "I will assume that Mr Brown is referring to building facilities management contracts, hence the answer to the question is," etcetera, and it then says "CAMS". In relation to CAMS there are five facilities managers. So it is in that context.

Additionally other ministers have answered the question. Fortunately this has not gone to the Premier's Department. He would probably want to give it the same stock answer which tells you absolutely nothing other than what the weather is and then it is wrong. At least there is an answer from individual ministers on this, but to the extent that it has been answered from CAMS, and it has, what is the policy and do we find that these facilities managers are in fact applying the regional buying compact? So there are two questions: what is the policy on using them and are they applying the compact?

Mr TONDUT: I can answer in response to the building facilities managers, so I will focus on that. Generally speaking, the building facilities managers only look after the metropolitan buildings and the large number of Government buildings that are throughout the State are actually managed by the CAMS regional offices. The building facilities management contracts do focus on the metro area. They do go into the surrounds, like Mandurah, for instance, which does fit into the boundaries of the regional buying compact. Where that does occur, yes, the contract requires that they apply the same principles of the regional buying compact and therefore apply the preference.

Mr BROWN: What is the policy on using facilities managers? You might recall, if I could just ask you, this was an issue because there were a number of small businesses who thought that they were not treated very well by some facilities managers, and thought that the process of them being one step removed from the chance of getting Government work was actually prejudicial to their interests.

Mr TONDUT: The contracts for the building facilities management that looks after the metropolitan buildings have a very strong encouragement for use of small business in the actual delivery. Each contractor is primarily a manager of the facility with the delivery being primarily through contracted out work. In the existing framework there are over 1000 local small businesses registered and used by the facilities managers.

Mr BROWN: So they call contracts for the work?

Mr TONDUT: Yes.

Mr BROWN: One of the issues that has been raised with CAMS in terms of the procurement policy was the purchase of WA made products rather than the use of WA made services, because there has been occasion where I have had, and Dr Schapper may recall, people in the manufacturing industry who have had contracts with Government departments finding that those contracts have been lodged with other companies who then import the stuff from overseas. What is the policy in relation to WA-made products as opposed to products that are made overseas then imported and then the importer-

Mr MINSON: What about interstate?

Mr BROWN: For the purpose of this question I am particularly concerned about overseas.

Mr MINSON: Because I think, just by way of interjection, that discriminating between the States is actually illegal, even though Victoria and New South Wales make a profession out of it.

Mr JOHNSON: The regional buying compact and the price preference is always prevalent. We are also governed, to some extent, by the National Competition Policy. We have to ensure that there is value for money, but you have to take all those things into account when you evaluate the tenders. If you are talking about one specific instance you might like to give me the details of it and I will look into it.

Mr BROWN: This was in relation to uniforms for a Government department.

Mr JOHNSON: When was this?

Mr BROWN: 18 months ago, I think. I do not know. Time goes that quickly. 18 months, two years ago. Fire Brigade, I think it was.

Mr JOHNSON: I think you are digging in the past now.

Mr BROWN: No. I am not digging in the past. I have only been shadow small business for a couple of years and it has been in that time..

Mr JOHNSON: Are you aware of any instances in the last 12 months where that scenario would be the case?

Mr BROWN: Of course, as you know, you have to push a lot of these companies before they will actually say anything because most of them are not prepared to say anything because they are fearful of losing the work, so they will never let you raise anything using their name. People who complain about not being paid within 30 days who are micro businesses who do work for Government say, "We now wait for 60 days in some instances," but if you say, "I need a name," they will say, "No. If you use my name, I am dead meat. I am not prepared to have my name used," so we know that people will not raise their name. They are just not going to raise their name in these things, and they have told us that, whether you go to micro businesses of one person or two or three or whether you go to small businesses of 10 or 15.

Mr JOHNSON: Can I suggest that the draft by-local policy will address a lot of the concerns you have raised here tonight because suppliers, small businesses, throughout the whole of Western Australia can put in their submissions of what they believe should be within the Buy Local policy. That will be mandatory. There are different areas where you cut off the preference deals, you know: if it is really regional, if it is Western Australian, if it is Australian, and then you go to worldwide of course. We are not interested in worldwide. We are interested in region, Western Australia, Australia.

Ms PARKER: Minister, on page 276, "Major Achievements for 1999-2000" and then it goes on to "Initiatives for 2000-01", the final dot point for the 1999-2000 period refers to a project that was undertaken with the Schoolteachers' Union, CAMS and the Education Department, and then in the initiatives for the following year talking about the outcomes of that project to be transformed into preferred options. What was that project, what were the outcomes, and more specifically what were the benefits that were established that would cause you to follow on and make it a major initiative for the following year?

Mr TONDUT: The project relates to the support facilities at the school level and whether there are better ways of being able to deliver the various support mechanisms right throughout the education system. CAMS has worked closely with the Ministry of Education in workshopping with a whole range of stakeholders who are involved in that process and looking at all the good ideas that have come out of it with a view to improving the way the support facilities at schools are delivered. There is a wide range of solutions that are being looked at jointly between -

Mr KOBELKE: By "support services" you obviously mean maintenance, utilities. Do we also go to actual human services to students or not that far?

Mr TONDUT: It covered the full ambit of what traditionally is called building facilities management, the building maintenance, the property services.

Mr KOBELKE: Not human services such as special guidance officers or nurses?

Mr TONDUT: It covered things like the relief teachers and the process for how that is organised and the process for office facilities, how printing is done, those sort of things, so it covered a fairly wide range. Some very positive and good ideas came out of it and each of those have been looked at jointly.

Ms PARKER: They will be implemented through the following year?

Mr TONDUT: Yes.

[8.10 pm]

Mr KOBELKE: Minister, my question relates to matters at the bottom of page 280 where we have (c) there -

Expenses of \$3.9m in 1999-2000 associated with the closure of Supply West have not been included in the calculation of cost measures due to the distortion this would introduce.

I accept what the footnote is saying and I do not wish to get into why that is there. I would want details as to what constituted the \$3.9m expenses and is part of the \$3.4m lost on the land included in that or is all of that additional to the loss on the value of the land?

Mr JOHNSON: It is not related to the book loss on the site of the land.

Mr KOBELKE: Is it possible to have what were the major constituent parts of that?

Mr STAFFORD: Yes, the expenses referred to there would include the recognition of the obsolescence of a lot of the stock that was on hand at the time that Supply West was sold to the private sector. There was a realisation of something in the order of \$1m of obsolescence on stock. There would have also been a recognition of the difference between the book value of the assets that were sold other than the stock and the price that was obtained for those assets.

Mr KOBELKE: Would any of them be fixed assets such as the building?

Mr STAFFORD: No, the building is a leased building, as was the land. The building is a leased premise. No, it would be things like forklifts, lifting equipment, things like that.

Mr MINSON: Minister, I refer to two outcome statements which are really the same, "Value for Money in Government Procurement and Contract Management," on page 277 and 279. I have been concerned for a long time about the whole question of this judgment of value for money. It is a very difficult, often nebulous, sort of a concept. I am sorry, this really crosses over with the Supply Commission area again. That is the question of in the awarding of contracts, you have to look at a number of criteria. One of them is value for money, and that is not just price as you know, and there is the other problem of the points that people accrue for having done previous work satisfactorily.

The difficulty that has arisen over the years, and I cannot speak for the last three years but prior to that, was those people who were given Government contracts and were given good points. They might have done eight Government jobs and been given points and so when they come up for reassessment for another contract, they are just a shoo-in. I think architectural services is an excellent example because value for money is just about impossible to judge and if you have had half a dozen Government contracts and they are big ones, say hospitals and a high school, you cannot miss. How does a new operator in the area land a Government contract without tendering ridiculously low, and if they do then they system will go over the top of them because someone will say, "They obviously cannot do it for that amount of money so we will not give them the money," and they do not get the contract? I notice on page 279 under "Output Measures" in the bottom section there is -

Development of Government electronic market. System under development in 1999-2000.

I do not know whether the system has now evolved to the point where we have, firstly, become a little more sophisticated about value for money and, secondly, how we would get over this problem of allocating points for having done work for the Government satisfactorily before because obviously where one heads to with a system like that is half a dozen people will do all the major constructing and half a dozen companies will do all the major architectural works. It is a real difficulty for Government and a minister to resolve. I am just interested to know whether you have been able to make some sense out of that.

Mr JOHNSON: I hope I have. What is in place now is there are different levels. Take the architect, for instance. There are different levels of competence and past experience and past works that they have done for Government. You mentioned half a dozen companies would be doing the big architectural work and that is probably true, but they would have worked their way up through the points system. When I say "points", a new architect coming in would be most sensible to tender for the lower scale of work.

Mr MINSON: Even if they are competent. This is the difficulty.

Mr JOHNSON: Yes, but who is to say they are competent until we know what sort of work they can do. Their best bet is to tender for the lower value amounts to start with, the smaller jobs, and once they have done one or two of those and they are seen to be competent and have done good jobs, then they move to the next category and so on so forth. I think there are something like eight or nine levels. There are five in the building at least. With the biggest projects I would suggest you would not really want to take on board somebody who has just come from somewhere else with architectural qualifications and look at them too seriously.

Mr MINSON: What I have been thinking about recently is obviously all the work is not Government work. There is a lot of private work out there. Is there a system or is there room in the system for allocating points to the size and success of jobs carried out by, to carry on the analogy, architects? If they build an R and I Tower or whatever it is called these days, build it successfully and it has not fallen over, that surely ought to be taken into account if they want to build something half the size for Government.

Mr JOHNSON: That certainly is taken into account. I thought in your original part of the question you said somebody who had just come in and was starting up, but certainly somebody who has done a lot of projects in the past, not necessarily Government but private enterprise, that is definitely taken into account now.

Mr BROWN: On page 281 under the heading of "Major Achievements" the fifth dot point refers to the increase in the number of contracts that CAMS has let through its regional offices. What percentage of Government contract work does CAMS look after and, obviously by inference, what percentage of Government contract work do the departments still look after without going through CAMS?

Mr JOHNSON: CAMS do about a billion dollars worth of goods, services and buildings.

Mr BROWN: About a billion so that is about one-sixth.

Dr SCHAPPER: No, about a quarter. There is about 4.2 billion dollars in total but a lot of that includes GTEs. If you want to take out the GTEs, it would be substantially larger than a quarter.

Mr BROWN: The Government "information" says that six billion dollars goes out in contracts to the private sector so I have used that figure.

Mr JOHNSON: We say 4.5 billion dollars. 4.6 billion dollars is the figure that we put out. So this is about 25 per cent.

Mr BROWN: Some of the literature needs to be changed then, I would think, Mr Chairman. It is about a third. Is that right?

Dr SCHAPPER: About a quarter. To make sense it really needs to be adjusted for the GTEs to be taken out. There is a lot of work done there.

[8.20 pm]

The CHAIRMAN: GTEs being Water Corporation -

Dr SCHAPPER: Government trading enterprises.

Mr JOHNSON: Western Power and the like.

Mr BROWN: Yes. The reason I raised that is that I was asking a series of questions on a regular basis asking for details of contracts and your predecessor wrote to me and said all this is available on the CAMS Web site, but it obviously is not available on the CAMS Web site because CAMS do not do it all.

Mr JOHNSON: All of CAMS' contracts are available.

Mr BROWN: Yes, all of CAMS' contracts are but not all of the Government contracts which I was interested in.

Mr JOHNSON: I think a lot of the agencies are putting it on the Web site now, from what I understand.

Dr SCHAPPER: Certainly all the agencies are required to put all their tenders on the electronic bulletin board. It is a very strict Government policy. What the level of noncompliance is I do not know. I think the Supply Commission is taking steps to do some auditing on that.

Mr BROWN: They should all be on there.

Mr JOHNSON: They should be.

Dr SCHAPPER: It does not include the GTEs.

Mr JOHNSON: No.

Mr BROWN: The GTEs are not on there.

Dr SCHAPPER: Not on the bulletin board.

Mr BROWN: On page 273 in the second dot point it reads -

Common use contracts, which utilise the collective purchasing capacity of Government, continue to provide high levels of savings.

Can you give us an example of how those savings are achieved?

Mr JOHNSON: With common use contracts the turnover was \$779m in 1999-2000 and that is anticipated to go to \$850m in 2000-01 and the savings go from \$100m in 1999-2000 to \$105m in 2000-01.

Mr BROWN: Yes, but how were they achieved? That is what I am trying to find out. How were the savings achieved?

Mr TONDUT: Using an example, let us look at the purchase of personal computers for Government. There is a common use contract where by pooling the buying of personal computers, which is running at about \$50m a year at the moment, we are able to establish a panel of suppliers and through those panel of suppliers prequalify them and negotiate standing offers from them. So the first savings that are achieved are the standing offers that the prequalified panels provide. The other area of saving is because we prequalify the panel, a quoting system is only required to access from the panel and therefore Government agencies do not have to go through a full public tendering process to make their purchases. The savings are twofold; firstly, by using the purchasing power of Government to negotiate good prices and, secondly, saving Government from having to go through repetitive public tendering processes.

Mr BROWN: The common use contracts in that regard you say are \$890m last financial year?

Mr JOHNSON: \$779m in this 1999-2000 year and that is likely to go to \$850m in 2000-01.

Mr BROWN: These are contracts where in fact instead of having a whole range of small contracts you have one large contract. Is that right?

Mr TONDUT: Very often it is a panel of suppliers; multiple contractors on the one arrangement but a contract arrangement normally with a panel.

Dr SCHAPPER: In many cases these contracts do not actually achieve the lowest price that we could if we were purely price-driven. These contracts are designed to achieve a better deal than individual departments would otherwise be able largely to get on their own terms, but these contracts are also designed to address other aspects of Government policy such as buying local.

The PC contract that John mentioned, for a start, is designed to provide support to the local assemblers. I think there are 13 local assemblers on the panel. We could probably get a better price if we bought straight out of India, but we sacrifice a little bit of the price benefit in recognising other aspects of Government policy and a lot of those other aspects relate to local businesses and small businesses.

Mr BROWN: Yes. I must say it is hard for some small businesses to actually see that there is a benefit in that, particularly when they are small businesses and they cannot compete, simply because of their size, for these large contracts.

Mr JOHNSON: We do encourage small businesses sometimes to form a consortium to be able to access some contracts that very small businesses may not be able to access normally. It is not a Government policy of aggregation of contracts, which is the question that has been asked in the past. There is no policy for aggregation of contracts, but we do encourage, and we assist in some instances, the small businesses to form a consortium so that they can access some viable Government contracts.

Dr SCHAPPER: 80 per cent of our contractors are small or medium enterprises. There is a deliberate slant in that direction.

Mr BROWN: Yes, I understand that. They obviously would be, but what percentage of the work goes to them?

Dr SCHAPPER: If the CAMS work is any indication, it would be somewhere between 75 and 80 per cent, by value.

Mr TONDUT: I think it is fairly close by value or by number.

Mr BROWN: What is your definition of a small business? Manufacturing under 100?

Mr JOHNSON: Less than 199 is the SME standard calculation, small and medium, so less than 199 employees.

Mr BROWN: That is a big small business in the Western Australian context, a very big small business.

Mr TONDUT: We have acknowledged that and that framework, although it is helpful to be guided by the Australian Bureau of Statistics on this, we are also looking at redefining our definition for our own purposes.

Mr BROWN: Yes. I think the other definition that is used for medium sized business is fine, but small businesses, under 10 in retail and service industries and under 100 in manufacturing industries, I think, is the standard definition of small business, certainly not up to 200.

Mr KOBELKE: With respect to these common use contracts that are outlined on page 281 and the actual dollar amounts given by the minister, would it be possible to have the actual areas of those common use contracts and the breakdown of the amount in each area? They are the figures you have already given, Minister, at the top of page 281, the \$779m and the \$850m in the coming year for common use contract arrangements.

Mr JOHNSON: There are about 50 or 60 such contracts, but we can give you that information by supplementary information.

Mr BROWN: Perhaps the only other question I would ask, like the previous questions, if I can, going back to that previous dot point, is, to what extent is the Government Procurement Policy being used as an industry development policy?

[8.30 pm]

Dr SCHAPPER: It is very substantial and at several levels; not only the whole of Government contracts, which I have already explained quite unashamedly do not go necessarily for the lowest price in recognition of industry policy, but also the CAMS country network. There is a network of 14 offices from Esperance through to Kununurra almost solely designed to ensure that the work that arises from the regions is kept within the regions. If we did not have the existence of those country offices, and they are a substantial resource, we would find in many instances Government departments seeking purchasing initiatives from their head offices which are invariably located in Perth.

We would find most of those purchases therefore being undertaken from the metropolitan area rather than the regional areas, so the CAMS country network is designed very substantially for regional and small business policy delivery at a regional level. We have the whole of Government contracts and I say, the slant there is associated with Western Australian and small business and we have the CAMS country network which is associated with regional development and small businesses in the regions.

Mr KOBELKE: This is on page 282, the very top dot point. It was mentioned that -

CAMS worked with the Department of Commerce and Trade to establish the State Telecommunications Enhancement Program.

When was that program established?

Dr SCHAPPER: Parts of it are still being signed. There is an Optus component. There is a Telstra component. I do not think the Telstra component is formally signed yet, although it has been agreed to and the Optus component was signed five months ago.

Mr KOBELKE: Is it possible, Minister, to have those parts of the program which are already in place or about to be put in place in terms of the name of the contractor and what is the general value of the contract?

Mr JOHNSON: We can certainly get you some information, whatever we can, by way of supplementary information.

Mr BROWN: On page 282 the dot point appearing under the heading "Major Initiatives for 2000-01" it says -

CAMS has maintained an active involvement in the development and promotion of Channel 31 with TAFE purchasing 400 hours.

I know TAFE purchased 400 hours and Channel 31 was very pleased with that, and the Department of Commerce and Trade made a small purchase of advertising from Channel 31. Given that Channel 31 is in fact a local television station, a community television station, non-profit, designed to promote the arts and give local NGOs and other people an opportunity, what is happening about directing further advertising to Channel 31, given the fact that when we raised this matter in the Parliament previously with the Deputy Premier, it was indicated that steps would be taken to ensure Channel 31 got work.

They do not want charity. They are happy to take the advertising, but it has been very difficult to get that work. I think Media Decisions or one of those companies has the common use contract for advertising and there has not been too much Government advertising come into Channel 31, so what is intended in terms of the industry development policy of ensuring a small amount of the \$160m in those advertising contracts is, in fact, directed to Channel 31?

Mr JOHNSON: I think probably the advertising policy would be down to Premier and Cabinet. The policy would be with them, not with CAMS. We may well be asked to implement contracts by way of advertising through our multimedia contracts, campaign and non-campaign.

Mr KOBELKE: The point is, Minister, the statement is to maintain an active involvement in the development and promotion of Channel 31. How is that to be done if it is not by trying to influence a bit of the advertising?

Mr JOHNSON: I have some good news for you. CAMS is buying 150 hours for a start.

Mr BROWN: 150 hours of advertising or 100 hours of television?

Dr SCHAPPER: Television time.

Sitting suspended from 8.36 pm to 8.52 pm

Division 81: State Supply Commission, \$1 442 000 -

Mr Masters, Chairman.

Mr Johnson, Minister for Works; Services; Citizenship and Multicultural Interests.

Ms C.M. Gwilliam, Acting Chief Executive Officer, State Supply Commission.

Mr C.A. Knox, Manager Policy and Accreditation, State Supply Commission.

Mr M.K. Braganza, Manager Financial Services, State Supply Commission.

Mr BROWN: Mr Chairman, on page 1316, the second dot point appearing under the heading "Significant Issues and Trends" reads -

Enhancing transparency and accountability will continue to be a key focus of the commission.

Given that is a key focus of the commission, does that mean Government contracts are now available for inspection?

Mr JOHNSON: I just want to clarify how much information. Summary information is already available on the bulletin board and I am looking at addressing other information that we may be able to make available, certainly.

Mr BROWN: The reason I am asking is from my perspective it is difficult to understand what is in those contracts that is commercially confidential. For example, if you enter into a contract with Coke to provide you with so many pallets of Coke, they do not tell you what the formula is for Coke, which is the most highly controversial piece of information. They do not actually write that down and give it to you. Likewise, if you enter into a contract with a pharmaceutical company, they do not give you the formula for Disprin or Aspros or whatever else it is they are providing because that is their intellectual property. What is it in these contracts that is commercially confidential?

Mr JOHNSON: If we were buying Coke and there was a contract for Coke, we would tell you how many cans we had bought, how much we paid for them, how many pallets they contain and so on and so forth. We would not be able to tell you the ingredients of Coke, obviously.

Mr BROWN: That is right. We would not want to know.

Mr JOHNSON: I accept that. We are looking at how we can increase the amount of information that could be available on the bulletin board certainly. I believe there are very instances where commercial confidentiality would be a major issue and it could well be that at some future date it may only be information that would be deemed in the interest of the State that would remain confidential.

Mr BROWN: It has never been clear to me in terms of this. If not you, Minister, maybe one of your officers can give me an instance of where currently in these contracts there are matters which are of commercial confidence? I cannot see it. I cannot see it in any of these Government contracts.

Ms GWILLIAM: I think for the vast majority of contracts you are right. There are not the commercial-in-confidence issues within them and for a lot of those the information is readily available. The interest is often in a handful of contracts where there are commercial-in-confidence provisions wherein the supplier wishes to invoke commercial-in-confidence or the State in terms of State interest. The minister has flagged that as an issue he wants to give attention to, how we can better make it clear to suppliers that we would prefer to have transparency and then try and detail in which cases the issues of State interest should be protected, but how we can make that very clear and then a process for dealing with it, and that is what we are looking into now.

Mr BROWN: Can I ask you just from your experience then, what particular issues is it that people want to hold in confidence? That is what I cannot grasp.

Ms GWILLIAM: Suppliers tend to want to hold in confidence intellectual property.

Mr BROWN: That is not in the contract, is it?

Ms GWILLIAM: It is a matter of how the documentation has been prepared. When you have an environment where you can rely on commercial-in-confidence and the FOI process, you can often put more information forward than maybe you would if you had a far more transparent process, so people have been a bit more prepared to document methods, processes, which maybe in a different environment they would not. You would do that in discussion or you would do it separately.

Mr JOHNSON: And indeed the way they calculate their costings for a particular contract, but as Ms Gwilliam has said, I and the State Supply Commission are looking at minimising the number of times that clause will be used at some future date because I agree with much of what you say. I believe there are cases where there need not be commercial confidentiality clauses in a contract. It is up to the contractor to put in their tender the information they are prepared to have made available publicly. I believe the time will come when it will simply be whatever is in the interest of the State will be deemed confidential.

[9.00 pm]

Mr BROWN: Could you give us an indication of what that is? Where would it be in the interest of the State to keep something commercially confidential once you have entered into a contract?

Ms GWILLIAM: The issues that we are currently looking at are security issues where it may be inappropriate to be releasing certain information, so that is in a handful of cases.

Mr BROWN: Like what?

Ms GWILLIAM: Issues to do with police operations where you may not wish to have the contract details revealed. I think at the moment they are the main ones we are thinking of, at the security end, and where potentially if you are dealing with a highly limited market you might be getting a price which the supplier is saying will only be provided if it is kept confidential. Those issues would have to be considered in terms of whether the State interest is such that you would agree to those terms, when you are dealing with oligopolies or duopolies in the marketplace.

Mr JOHNSON: Because then it would be deemed in the interests of the State. If we can actually get an advantage for the people of Western Australia by a special deal that a corporation may be putting forward that they would not normally put forward in the commercial area, then obviously that would be to the advantage of the State to have that confidential if that was part of the contract.

Mr BROWN: That is a commercial decision made by the company. Either they want the job or they do not.

Mr JOHNSON: I take your point, but we have to look at what are the advantages to the State. I can see their point of view if they want to offer a ridiculous price and they can afford to do that for some obscure reason, but if that price was known throughout the commercial world they would probably get a lot of angry private customers, if you like, who would want the same sort of price they give to the State. In that instance it could be deemed that it is in the interests of the State to observe that commercial confidentiality, but these are the areas we are looking at because at the end of the day I would think there would be absolute minimal times when commercial confidentiality should be invoked.

Mr BROWN: Was State Supply Commission involved with the Corrections Corporation of Australia documentation in relation to the private prison?

Ms GWILLIAM: I am not sure. We would have to take that on notice.

Mr BROWN: That is okay. I just make the observation that the Attorney General has said, and I have not checked this but I assume it is correct because he said it, that that complete contract is on the Web. I find it difficult that if a contract for a whole running of a prison is publicly available and on a Web site, what else is confidential if that whole contract is open and available?

Mr JOHNSON: I am told you are quite right. I am told it is on the Web site and it was part of the legislation that it had to be on the Web site, that it had to be made public. We are getting there. If you know you can structure your bid accordingly, then you will gain the business obviously. I do not think we have got a problem. I think we are probably thinking to a great extent along the same lines.

Mr BROWN: You are coming to our position.

Mr JOHNSON: I think you are probably coming to our position. We actually invoked the FOI. You just dreamt it up. You never brought it in when you were in Government.

Ms PARKER: Minister, on page 1316 under "Significant Issues and Trends" the third dot point there refers to the complexity of contracting and makes the point that it continues to increase and it is becoming ever-more critical that agencies have appropriate risk management mechanisms etcetera. What support has been given to those out there seeking the business, in helping them with that ever-increasing complexity so that in fact it does not become either a disincentive or a hindrance to particularly the smaller operators in then being able to participate in the process.

Mr JOHNSON: I have been reminded that it is the role of CAMS and the certificate of excellence that they are promoting as well which I think is going to help a lot of industries certainly, but the Commission will work towards developing a framework that also supports the chief executive officers in meeting their accountabilities within the contracting functions.

Mr BROWN: Earlier on, when we were on the other section, it was mentioned in the CAMS area that Government not only looks at the purchasing arrangements but it looks at industry policy arrangements in terms of CAMS. I wonder in terms of the State Supply Commission whether it also looks at questions of public interest in contracting. Maybe let me explain what I consider to be in the public interest.

The CHAIRMAN: I think it would be good if you did explain. I am not quite following you at the moment.

Mr BROWN: The newspapers have been reporting in recent times and all sorts of studies have been showing that there is a larger and larger divide between the haves and the have-nots in our society. When we look at what is happening in the United States where, despite the huge wealth in that country, we are seeing very significant shifts between the haves and have-nots and that is reflected in crime, prison rates and all sorts of things there.

One of the things we are seeing in the United States of course is an increase in the working poor, which is contrary to public policy and it is having quite a profound social effect in all sorts of ways. One of the things we are seeing here with contracting is that when contracts are let in many instances we are seeing people transferred from the Government sector into the private sector where the wages and conditions of employment are considerably lower. For example, with the CCA contract for the transport of prisoners and so on, the prison officers who were performing that work were on an hourly rate of something between \$16.60 and \$18.60 an hour. The CCA people who are taking over that work under their workplace agreement will be on \$12.40 an hour, so the rate has gone down \$4.40 an hour at the lowest and up to \$6 an hour at the highest, which means that the rate for the people doing that work has actually gone down between \$160 and \$240 a week. Those people who are now being employed by CCA Australia doing that work will be considered, I am sure, to be people who are in the lower end of the wages spectrum.

In addition to that, there will be 100-odd casual employees who go into a pool who will be picked up as and when necessary, so they will have no permanent employment but they will have ad hoc employment. All of that in terms of the State has meant considerable "savings" but in terms of the social fallout, it is quite significant, particularly as, for example, the CCA employees or prospective employees have now been trained but their training has come to an end and they have not yet been employed by the Ministry of Justice. They are sitting home at the moment, twiddling their thumbs, without pay and without work.

That has quite a social effect. I do not know if that is actually understood by anybody, but that has quite a profound social effect. The point of my question is: in the allocation of contracts in a consideration of these matters, is the public interest taken into account and, if so, what is that public interest in terms of these matters? Is it simply short-term savings without the broader social questions being looked at or is it in fact the wider public interest test being looked at, given the way in which society is being divided between the haves and the have-nots?

Mr JOHNSON: In general terms, the Buying Wisely policy does look at the public interest. What you have been saying here tonight in relation to this particular statement - that particular question or, rather, the background you gave, I would have thought you should have been asking the Ministry of Justice.

Mr BROWN: I did.

Mr JOHNSON: What did they say?

Mr BROWN: What you said.

Mr JOHNSON: I am sure they did not say, "Go along and see the Minister for Works and Services and he will tell you a different story." CAMS acts as a principal for Government agencies very often. The terms of reference are very often down to those particular agencies. In that instance, those would have been the terms of reference by the Ministry of Justice.

Mr BROWN: But the State Supply Commission looks at, as I understand it, and I may be wrong, sort of ethical questions and all sorts of other issues in relation to contracting and so on. That is my understanding of it. Therefore I raise whether this is one. Let me give you another example. When the buses were privatised, the bus drivers lost about a hundred bucks a week. Basically their wages went down about \$100 a week. There have now been disputes in the private bus companies where there have been complaints from the operators of those companies that these disputes are about bus operators, trying to get back what they lost as a result of moving from the public sector to the private sector. As a result of the contracting

arrangements, what we find is disputation because people are unhappy about having to work for \$5 000 or \$6 000 per year less doing the same job. Are those public interest questions considered at all? Are they totally not even taken into account?

Mr JOHNSON: Once again I am sure you have asked the Minister for Transport this question, have you, or does he have that to come?

Mr BROWN: I have raised it with the Minister for Transport who has been somewhat cagey about trying to admit that there has actually been a reduction but it is agreed now that there has been.

Mr JOHNSON: Certainly we will make some comments from State Supply.

Mr KNOX: I just point out that any significant contracting initiative of Government requires a procurement plan to be undertaken by the department. That is for contracts in excess of \$1m, or for any particularly complex or sensitive contract which includes all contracting out initiatives of Government. The procurement planning guidelines which are issued by the Commission stipulate that they must look at both the social and economic benefits of those contract arrangements. Those procurement plans are submitted to the State Tenders Committee for their approval and vetting prior to the tender being awarded.

In respect of the competitive tendering and contracting out policy, that is still a Government policy but it is administered by the Ministry of Premier and Cabinet, with input from the State Supply Commission in all areas, including the areas of ethics. I would suggest a final point certainly in respect of the Government's policy with competitive tendering and contracting out: redeployment is not mandatory under those requirements and in fact it is the responsibility of the proponents to motivate and engage and recruit those employees across into those contractual terms and conditions.

From a Government perspective we ensure that those conditions are maintained in respect of sickness benefits, leave entitlements, etcetera, but the decision is entirely up to the permanent employees of the Government department to accept those job offers. There has never been a requirement where redeployment has not been an option if they did not want to take up that offer.

[9.10 pm]

Mr BROWN: Who assesses that social impact?

Mr KNOX: It really depends upon the nature of the contract. There have been contracts where we have sought independent economic advice in respect of the State, but have also taken into account social benefits to the State. The State Tenders Committee, which has representation across Government, acts as a peer group, if you like. They can also call upon independent expertise to assess those benefits, but certainly departments are required to outline those within their procurement plans.

Mr BROWN: Presumably you have seen a number of those plans.

Mr KNOX: Yes, I have.

Mr BROWN: Can you tell me if one of the issues they address in those plans is in fact what is the difference or the expected difference between the wages and conditions of people once the transfer takes place as opposed to what the wages and conditions are when a person works in the public sector?

Mr KNOX: That issue cannot be specifically addressed because at time of planning a contracting initiative you are not aware of what offers may be put forward by the proponents. Overall it is about the wellbeing of the employees being protected, but at that point in time you would not be aware as to whether they were not going to get better conditions than were currently being provided from within Government. If you look historically at some of the contracts, for example, the contracting out of Mailwest, they were significantly better. Employees were far happier, undertook small business operations, and were far happier to move out from a Government institution of mail sorting into their own private small business, so it really just does depend upon the contract, but, as I say, at the point of putting forward a procurement plan you cannot really discuss wages issues and employment conditions.

Mr BROWN: That is done before it goes out to contract?

Mr KNOX: Yes.

Mr BROWN: What about when the tenders are put in? Is that then assessed when the tenders are put in?

Mr KNOX: It is.

Mr JOHNSON: The Tenders Committee would look at that.

Mr BROWN: Then does the Tenders Committee look at what the proponent is, especially in a labour contract like, say, the CCA contract which is basically all labour? There is a bit of capital in it, but basically it is a labour contract. Do they look at the issues of labour costs and do they look at the issues of what people will be paid and how they are structuring the contract? You do not want it to fall over.

Mr KNOX: That certainly is an issue. However, again I would point out that what precedes the award of contract is the award of preferred tenderer. Without being too technical, you will basically have tenderers who have responded to the business and there will be a preferred tenderer who on a value for money basis, which has both social and economic benefits, presents the most attractive offer to the State. At that point in time the Tenders Committee would approve the department's recommendation for a preferred tenderer.

The process that is then undertaken is what is called due diligence which is undertaken on behalf of both the Government of the tenderer and vice versa. The tenderer basically, metaphorically, kicks the tyres, but really has a good look at the operation of the agency and at that point then the final details of the contract are negotiated. During that phase of negotiation, the Department of Productivity and Labour Relations is involved, DOPLR, in respect of ensuring those sorts of terms and conditions are met.

Mr BROWN: Which terms and conditions are met?

Mr KNOX: In respect of conditions of engagement, of employment, etcetera. The expectations of those terms and conditions of engagement are outlined, by the way, in the competitive tendering and contracting out guidelines, but not in respect of the actual salaries that are being paid. The agency also seeks generally actuarial advice in respect of sick leave entitlements. Sick leave entitlements, for example, are transferred across. What the agency will look at is the monetary value in transferring that liability to the proponent. That is done during the negotiation stage and then finally the contract is awarded. It does not necessarily have to go back to the State Tenders Committee for award of the contract.

Mr BROWN: Minister, thank you for allowing the explanation. By way of supplementary information can some information can be provided on the social impact issues and the way they are adjudged at various stages, so I can have a look at that and the degree to which that matter is approached. The other issue is in relation to the people who will be employed by the contractor and is the social impact also looked at in relation to the people who are left; that is, the people who do not elect to transfer across? There are not too many prison officers, for example, who are busting their necks to take a reduction in pay of \$160 to \$240 a week to go out to join the private contractor, so there will not be any going across, but there is a number who are doing that job who will find it very difficult to slot in elsewhere in the Prison Service, people who have been there 20, 25, 30 years, men, generally around the 54 to 60 age group, who will find now the fact that these jobs have disappeared. They are not being offered redundancy because they would take it, so I do not know how they are going to go. You say their wages and conditions will not be dropped and they will be kept in the public sector somewhere, but is that social impact looked at in relation to existing employees?

Ms GWILLIAM: Yes. The agency management do discuss those issues with the staff. The issues of remaining, opportunities, career prospects, transfer opportunities are all canvassed directly with the staff prior to deciding, early in the procurement planning process, which way the agency is moving.

Mr BROWN: Can I venture to suggest that is not done?

Mr JOHNSON: I think probably that is something you would have take up in this instance with the Ministry of Justice. We are happy to give you supplementary information on the question that you asked prior to the last comment that you made, and we cannot comment on that. That is down to the Ministry of Justice. We can give you supplementary information on the level of social and economic considerations that are taken into account when we look at this type of contract, but we cannot give supplementary information from another agency.

Mr BROWN: In that regard can you specifically address the issue of employment conditions, and the lowering of, in relation to where it leads from the Government to the private sector?

Mr JOHNSON: I am happy to put what notes we can together, but I am not guaranteeing that I can answer all your question there as supplementary information because, as I say, there are contract specifics. I will certainly do what I can and as long as it is taken on that basis, then I will give what supplementary information we can.

Mr MINSON: Minister, I only have one question to do with something close to my heart, very close to the heart of the Minister for Regional Development and also very close to the heart of the previous minister. It is the question of regional and local buying compacts. They are mentioned here as "Significant Issues and Trends" and also in "Major Initiatives for the coming year to implement the Buy Local Policy to Support Local and Regional Purchasing". I have discussed this with you previously and also in the last few days since you made the ministerial statement. I guess the direct question I have is, since these regional buying compacts and policies go to Cabinet, and they have in the past and they have been endorsed by Cabinet - I think the Minister for Regional Development and myself co-sponsored such a thing to Cabinet some five years ago and it received unanimous support. But then CEOs and their buying officers across Government make a profession almost out of making sure they do not implement it. My question is, and I am serious about this, will you

consider taking to Cabinet a minute which makes it mandatory on all ministers when drawing up performance agreements with CEOs - a specific requirement with penalties - to implement this policy, because unless you do, you, like myself and the minister before me, will fail?

[9.20 pm]

Mr JOHNSON: Yes, I will consider it.

Mr KOBELKE: Minister, my question relates to page 1322. This is "Output 3, Complaints handling services". We notice that there are 30 complaints estimated and I suggest there will be the same number in the forthcoming year. Can we have some idea of what the category of complaints are? What are the nature and type of complaints that make up those 30 complaints?

Mr JOHNSON: Most of the complaints come to the State Supply Commission. There are not many of them. Half of them are unsuccessful tenders who feel that they may have been unfairly treated, but there is a system that is implemented before it comes to the State Supply Commission. If an unsuccessful tenderer feels aggrieved, they are encouraged to try and work through the tender or the unsuccessful tender with the agency's CEO to show where perhaps they have gone wrong or they have not advanced the benefits that they could have by, for instance, invoking the price preference or the regional buying compact. If they still feel aggrieved, it goes to the State Supply Commission.

Mr KOBELKE: That is the 30. Up until then it is not counted as a complaint for this purpose.

Ms GWILLIAM: No, it is not.

Mr JOHNSON: Not a full complaint, no.

Mr KOBELKE: I am trying to get an idea of the categories of complaint.

Mr JOHNSON: Yes, we are talking about people that initially feel a bit aggrieved and they feel they have been unfairly treated or they are not quite sure why their tender was not accepted.

Mr KOBELKE: If they are sent off to a CEO of an agency and they do not come back, it is not in these numbers. The ones that do not come back from that process are not in this 30.

Mr JOHNSON: That is right, because very often the CEO of the agency can actually explain to them where they went wrong in their tender and why they missed out on their tender.

Mr KOBELKE: Are there any other categories of complaint other than aggrieved tenderers?

Mr KNOX: Perhaps I could respond to that. It is a service provided by the Premier in a Government purchasing charter to suppliers. The Supply Commission acts as an independent body to review those supply complaints. Generally in respect of complaints it is to do with issues such as a perceived bias in a specification, poor tender evaluations by suppliers or perhaps lack of policy application. The Supply Commission only gets involved in the complaint once the grievance-handling process is exhausted within the agency because it would be pointless getting involved as a third party without the supplier and the agency actually undertaking that business themselves first. A lot of the complaints are in fact referred by the commission at the point of a telephone advice so, yes, 30 end up formally lodging a complaint in writing. However, a substantial number of those would, I am sure, be resolved between the CEO and the supplier.

Mr JOHNSON: I think at the end of the day there are about a dozen that end up still unhappy and that is out of thousands and thousands of contracts.

Ms GWILLIAM: In terms of formal complaints we run at about 30. To the year to date we at 14. The facts are that most of them are about the tender process. We do get complaints about policies but more than half are about tender specifications and the tender process. In dealing with the complaints often it is a matter of explaining the application of policies and the application of the tender process and it could be quite valid. Sometimes there is room for improvement.

Mr KOBELKE: I am concerned that you dropped the timeliness from 85 per cent to be handled within 45 days down to 50 for the forthcoming year. I realise you have a note there referring to the fact that there is greater complexity in the nature of the complaints, but it seems to me that we should be trying to handle them in the same time.

Ms GWILLIAM: You are right. We do try to handle them promptly. Unfortunately we suffer delays at the point of the supplier in terms of how quickly they will get back to us with information to support their claim. Also, of course, agencies need to take time in responding to us about their side of the occasion. We also have to get legal advice on some of the issues and so with the increase in complexity with contracting, it tends to mean that the nature of the complaints we get also require more detailed investigation and handling. There is certainly no intention to delay the time line, but it is just a recognition that it is taking longer.

Division 82: Office of Citizenship and Multicultural Interests, \$2 616 000 -

Mr Masters, Chairman.

Mr Johnson, Minister for Works; Services; Citizenship and Multicultural Interests.

Ms B. Robbins, Executive Director; Office of Citizenship and Multicultural Interests.

Mr R. Sharp, Acting Manager Corporate Services; Office of Citizenship and Multicultural Interests.

Ms WARNOCK: Minister, can I ask how much exactly is the minister going to be spending this year on actively fighting racism in this State and where exactly will you be concentrating your efforts in this particular field?

Mr JOHNSON: I cannot give you a finite figure in fighting racism for this coming year. It is an ongoing function of OCMI and my ministry certainly to fight racism, but I cannot give you a figure.

Ms WARNOCK: You do not have any allocation from the Federal Government's enormous \$11m promise of a few years ago. You do not have an allocation from there at all or a particular allocation for particular programs directed at specifically that issue.

Mr JOHNSON: Yes, there are quite a few programs that the State implement. One classic example is Harmony Day. We spend quite a lot of money on Harmony Day and it is a very successful day. It is so successful that I feel quite proud that Western Australia took the lead role with its "living in harmony" policy, so much so that the Federal Minister and the Federal Government took it up and wanted to use their own Harmony Day which is a national day now. I cannot give you an actual figure. It is very difficult. It is such an ongoing thing. Our citizenship strategy is all part and parcel of fighting racism. It is literally ongoing every day. This is the whole purpose of citizenship, in my view. Harmony Day is a wonderful example and that is why we are encouraging the community to take part in the submissions because at the end of the day we do not necessarily want it to be a Government policy. We want it to be the people's policy. It is their policy, Western Australians' policy, to encompass everybody; not any individual ethnic groups or predominantly Australian groups, whatever. It is everybody. That is the whole point of citizenship.

Another fantastic area where we spend money every year is Oz Concert, and I know you go there regularly and I am sure you agree with me that it is a fantastic concert. I believe part of the purpose of Oz Concert, it promotes the talents of people from all parts of the world. It is a sell-out, as you know. There is very rarely a spare seat and it is free, totally free. Anybody in Western Australia can go to Oz Concert. They might have a job fitting in, in future, because it gets fuller every year, but it is a wonderful example. So to say what amounts of money are we spending on fighting racism, I would suggest that a tremendous amount of our budget encompasses the fight against racism.

[9.30 pm]

Ms WARNOCK: Does the minister have any concerns over students with temporary resident visas and their peculiar difficulties in getting into special language classes?

The CHAIRMAN: Could I just ask the member to indicate whether the issue she is raising is in any way referred to in division 82?

Mr JOHNSON: I do not think it is, Mr Chairman.

Ms WARNOCK: All of it is to do with the minister's portfolio and if you want to look at the figure, \$2 616 000, you can look at that. I am asking is any of it spent on this particular matter. I also want to go further into the refugee matter.

Mr JOHNSON: I do not believe it is actually contained in the budget figures here at all, but I work very well with the member for Perth on most things, particularly in this portfolio, and everywhere I go the member for Perth is and it is always great to see her. When you say these temporary visas, you are talking about temporary protection visas that have been issued by the Federal minister to the illegal immigrants.

Ms WARNOCK: That is right. There is an enormous amount of trouble for these young people with English languages classes.

Mr JOHNSON: There are not that many young people, but you have asked a general question and I will give you a general response. I do not condone anybody who comes to this country illegally. I believe that those people who are coming illegally are actually jumping the queue and taking the place of those refugees who would normally be accepted into this country under the humanitarian scheme. Australia has a fantastic record as far as accepting refugees under the humanitarian scheme worldwide. We are probably the best in the world for our population. There is no question about that. It is not my decision to grant them temporary protection visas, it is the Federal Government's.

Ms WARNOCK: I know that.

Mr JOHNSON: Once the Federal Government and the Federal minister has allowed them the temporary protection visas for three years, which is his decision, his prerogative, then that is where I come in, once they are here. We have had something like 252 refugees who came into Port Hedland recently. I think some more came about a week ago. We could be looking at up to 1500 of them from not only Port Hedland but Woomera coming here to Perth. That is a lot of people to take in all of a sudden.

Ms WARNOCK: What is the cost going to be, Minister, to WA?

Mr JOHNSON: That is a good question, and I wish I knew, because at the recent ministerial conference every State minister and Territory minister put forward the recommendation that as a ministerial council we set up a strategy committee to look at the costs that would be borne by the States by the Federal minister's decision to issue these temporary protection visas. Unfortunately the I think we were about 8:1. The States were all unanimous, the Federal minister said no, so that did not take place.

I believe once the temporary protection visas have been issued and the people come into Perth - the Federal minister says that they can go and get a job. He gives them just over \$200 a week, I think, as their subsistence amount. They bus them, up till now, to the corner of Newcastle Street to the backpackers hostel and I believe they have people from Centrelink waiting for them to help them fill in their forms and I think Medicare come along shortly afterwards. That is fine as far as the Federal Government are concerned, but I have to say, I believe we have a duty then to ensure that those people are not just left to wander around the streets left up to their own devices. Ninety per cent of them cannot speak English, so I believe they would have a tremendous job in finding a job. If you cannot speak English I do not think you can get a job or you will be taken advantage of.

There is a cost to the States. We do not know what it is at this stage. It is something that we are trying to look at in dollar terms. We believe we know some of the cost in social terms, because I believe that if you cannot help these people access English language lessons - which is normally paid for by the Federal Government for normal refugees, as you are aware.

Ms WARNOCK: Yes.

Mr JOHNSON: They will not give them that facility, so who is going to give it to them? Somebody is going to have to give it to them because otherwise they are going to be left to wander the streets. I think once they are here we have to try and assimilate them into society as best we can, because I have a concern that if we do not help them in some way, then they will be very prone to the criminal element in our society. They may have different cultures than we do. I know for a fact in the UK a lot of their refugees simply think it is quite normal to go into the shops and steal. I would hate to see that happen here in Perth, and I think without the assistance of the Commonwealth, the States will have to do something and the States will end up paying financially for some of that assistance.

Ms PARKER: Minister, on page 199 at the top of the page under output 2, "Support and Information to the Community", there is a reference to the provision of services to the community generally through peak community organisations, and certainly my experience of the ethnic and cultural organisations is that of very energetic and committed people who are working to improve the quality of life not only for their own membership, but also I think it is important for us to remember that they improve the quality of life of the broader community as well by the awareness that they increase through their activities. What services that are being provided are valued as a priority by Government and how will the Government support the further development of these support services?

Mr JOHNSON: I think one of the major ones that the Government has done recently is the online multicultural communities facility which enables people from many associations, many community groups, to be able to access each other, to be able to talk to each other, not only from the regional and rural areas with people in Perth or people in Sydney, but people worldwide. Through the online communities program, though the Internet online service, they can, for the price of a local phone call, access their own Web sites, and as you are aware, a 70-year-old Polish lady did not find it too difficult to design her own Web site for the Polish community. They now, I believe, record conversations with the Polish community not only here in WA or Australia, not only in Poland, but throughout Europe, in America, and these are the benefits of them.

I think it is a wonderful facility for all communities. You are aware I launched the Online Communities Program about two weeks ago. I did it from Geraldton and linked it up with Perth as well to show that you could do it from a regional area to Perth. I think 45 Web sites were launched that day, and within two days of that launch we had telephone calls and applications and requests from 108 other communities to access that facility. So it is a success, it is an achievement, and I think we can only go forward there.

To get 108 requests within two days of launching it means people took a great interest. As you are probably aware, you can go into the Web site, you can talk to somebody in America, you can go into a private chat room and you can have a conversation. It is much cheaper than a phone call and you get an immediate response. I think Australia Post will only be delivering parcels one day because everybody will be sending emails or going into a Web site.

[9.40 pm]

Ms PARKER: Minister, we were both present with the member for Perth recently at the launch of the Panda Aged Care Community Services, which is a joint service that has been funded by the Federal Government to provide community care packages to senior citizens of the Chinese and the Vietnamese community. I see that sort of activity by these community organisations that are referred to in this part of the budget paper as a real maturing in the services that are being provided by these community organisations through funding capacity, through Governments. Are there any particular areas that you see are a priority in terms of supporting those peak organisations in developing the type of services that they provide in responding to issues and trends in the community?

Mr JOHNSON: Yes, certainly. We encourage, very much encourage, the communities to seek grants from the Office of Citizenship and Multicultural Interests for all sorts of programs. One is the new Language Service Policy where we are trying to encourage people to access grants for that, and I think that would help in the member for Perth's earlier question. There is over \$300 000 worth of grants per year which come through the Office of Citizenship and Multicultural Interests. It is a very small agency but I believe the agency maximises the benefits of the budget allocation we get for the benefit of the community.

Mr KOBELKE: Minister, two questions if I may. One is at page 195, the amount required to fund outputs for the year. We notice there is actually a 29 per cent drop there in real terms and notes in other places indicate that is because there has been a reduction or the conclusion of a particular program, the Centenary of Federation. I am wondering if you can give some further details as to what is going to be cut because of that major reduction in funding.

Mr JOHNSON: Nothing is going to be cut. Are you talking about the Centenary of Federation?

Mr KOBELKE: What I am saying is there is a 29 per cent reduction in your funding from this year to next year. Notes further back give some hint as to why that is, and I am asking if you can actually explain why there is that reduction.

Mr JOHNSON: You mentioned earlier, and you are quite right, it is very much to do with the Centenary of Federation grants. That actually ends on 31 December 2001. The Centenary Federation Committee has expended \$2.5m in the Centenary of Federation grants so far.

Mr KOBELKE: Over how many years is that?

Mr JOHNSON: Rounds 1 to 4 will be distributed prior to 30 June 2000 and that comes to \$2 460 603. The balance, which will be available for round 5, will be distributed between 2000 and 2001 and the exact figure would be \$1 039 397 - if you want the exact figure.

Mr KOBELKE: Are there other reductions which help constitute that drop of 30 per cent?

Mr JOHNSON: There are no other reductions.

Mr KOBELKE: The second question, if I may, is to go on to see if the minister can give some clarity as to whether or not he is moving away from the use of the term "multicultural". The department is the Office of Citizenship and Multicultural Interests which is a chance for the Government to give emphasis to citizenship, but when you look through all the various issues and trends and descriptions, you find that the word "multicultural" is used, but not in a really proactive way of promoting multiculturalism but rather just acknowledging it, because in one case there was a national advisory council which had that title. In one other place it is relating to the fact that there are multicultural communities with the online program you have already mentioned, but much more emphasis on citizenship. I just wonder, Minister, what you and your Government are seeking to achieve by the promotion of citizenship and, it would seem, the downplaying of the concept of multiculturalism.

Mr JOHNSON: I disagree with you. I disagree with your inference that we are downplaying the multicultural interest part of the portfolio. In fact, nothing could be further from the truth. We spend an awful lot of time and an awful lot of the budget in encouraging multicultural groups. I personally spend a tremendous amount of time, as I know your colleague does, with nearly all of the multicultural groups that are here in WA. The inference that we are downplaying that and working more on the citizenship is wrong, but what I want to say is that we believe no matter what country you come from - and people come and live here from nearly 200 different countries - we value the diversity of our population. We value everybody's culture that they bring here.

We all benefit from it and this is accepted by the Government absolutely and has been reaffirmed by the Premier with the WA ONE which is our multicultural policy. But, notwithstanding all of that, I believe and the Government believes that there is an overriding area of citizenship that encompasses everybody. We are the only State in Australia that has a minister responsible for citizenship in that sense of the word. We are not talking about naturalisation. We are talking about citizenship, whether it be individuals or whether it be corporate citizenship. We are trying to encourage people to do some voluntary work, take part. We are encouraging businesses to acknowledge citizenship within their organisations. This is not just a nice airy-fairy sort of title. We are deadly serious on it and this is why we are trying to encourage people to tell

us what they believe we should have as a citizenship policy; not a Government policy but a people's policy, one that reflects all of what they believe should be our policy of citizenship, being a good citizen.

Mr KOBELKE: What are the processes you are going through to pool together that listing to the community?

Mr JOHNSON: We are having workshops. We had one recently up in Wanneroo, which was about six to eight weeks ago, where we launched the discussion paper. We have it on our Web site. We had a symposium last year, of course, which was a very heavily attended one. This was before I became the minister, but that was, if you like, the initial seed where it started from. About 300 or 400 people were at the symposium. We encourage people to think about citizenship in the workplace, in their homes, in their schools. We are encouraging children to think about citizenship in a very positive way because they are our future. Does that answer your question?

Mr KOBELKE: It does, but it also leaves me thinking that you are not really committed to actually promoting multiculturalism. You recognise it as a de facto element of our community, but you are trying to change the language away. I just wonder how much that is mixed in with your support and encouragement of One Nation. You really do not want to use the multicultural word; you would rather talk about citizenship.

Mr JOHNSON: I wondered when you would come up with that one, John. That is not very kind of you.

[9.50 pm]

The CHAIRMAN: If I can interrupt there, Minister, to point out that I have two people waiting for questions. We have 10 minutes. We have to finish at 10 o'clock. I am tempted to ask the member for Nollamara to again go back and refer to the relevant part of the division.

Mr KOBELKE: I am happy to give the minister the opportunity to answer.

The CHAIRMAN: I am trying to point out that we do have other questions. Minister, over to you.

Mr JOHNSON: I want to make the point. The member for Nollamara is trying to look for some sort of banner line tomorrow. He is not going to get it from me. If he wants to talk about One Nation, his party benefited more than the Liberal Party did at the last Federal election. On the preferences of One Nation, they won marginal seats federally. If you want to get into that debate, that is fine, but I do not think it is the appropriate place here.

The CHAIRMAN: I think I will give the call to the member for Ballajura.

Mr JOHNSON: She is much nicer.

Ms PARKER: Thank you, Mr Chair. To the minister -

Ms WARNOCK: Dorothy dixers.

Ms PARKER: There is not a dorothy dix at all. I am offended at the suggestion actually, member for Perth - seriously.

The CHAIRMAN: Order, members! Thank you.

Mr JOHNSON: Let me assure you I have issued -

Ms WARNOCK: We have just had a whole afternoon full of them.

The CHAIRMAN: We are wasting time, Members.

Mr JOHNSON: I have issued no questions whatsoever to anybody.

Ms WARNOCK: No. I understand that perfectly but I had an afternoon full of them and I nearly went insane.

The CHAIRMAN: Member for Perth, do you want to ask a question?

Ms WARNOCK: Yes, I do.

The CHAIRMAN: I invite you to cease your injecting and allow the member for Ballajura to speak.

Ms WARNOCK: Excellent. I shall.

Ms PARKER: Thank you. I ask this with all sincerity. Minister, on page 201 of these budget papers, at the bottom of the page under "Major Initiatives for 2000-01" there is a reference there to the sponsorship of the Ethnic Communities Councils

of Australia's conference. Certainly the Ethnic Communities Council here in Western Australia is a valuable organisation in the community because of the role that it undertakes with its membership, with the Government and also with the broader community. What sponsorship will be provided to the Federation of Ethnic Communities Councils of Australia for their conference in Perth in November, later on this year, and what benefit do you see to the broader community by the Government using taxpayers' money to support what I consider will be a very important conference?

Mr JOHNSON: That is a good point and I am delighted to respond to that one, a very positive response. We take it very seriously and we take a great interest in the ECC, the Ethnic Communities Council, here in Western Australia. I meet with them and I am delighted that we are going to have the annual conference here in Perth. The FECCA conference this year is in November. They have a \$40 000 grant to host it here in Perth. I could not quite remember what the annual grants were that we gave to the Ethnic Community Council but they get \$80 000 a year. I do not think we are diminishing our views or, if you like, our association as a Government with any of the ethnic communities. I think we are giving them more money now than they have ever had and we are delighted to see the work they carry out.

Ms PARKER: Minister, as a supplementary, part of my question was: what do you anticipate to be the benefit to the people of Western Australia by sponsoring this conference and the benefit of having it here? What will be the overflow to the broader community? There is a real benefit that I see in the work of these community organisations, not only for their membership but also the influence that they have on the rest of the community by extending the understanding and appreciation by other people of their own culture.

Mr JOHNSON: You have almost answered the question for me and you are absolutely right. I think the benefits are enormous, the flow-on benefits to the general community from many of our multicultural groups, and the ECC is a particularly active group, as I am sure you and the member for Perth would know. I know the member for Perth had a heavy involvement and I am sure you have as well. I think once again it outlines to other Western Australians exactly what is happening, and the flow-on effects are marvellous.

Mr KOBELKE: Where does the \$40 000 come from - from page 205 or from somewhere else? Does it come out of the \$300 000 or a different item?

Mr JOHNSON: No, it is above the \$300 000. The \$300 000 I think is the annual figure that we have.

Ms ROBBINS: The \$300 000 is the annual community citizenship grants program. In addition to that, we have a number of grants to other incorporated bodies. The ECC has an annual grant of \$80 000 per year.

Mr KOBELKE: Where is the \$40 000 in these documents?

Ms ROBBINS: The \$40 000 is estimated. It is in the grants and sponsorship program. We had double the funding in the year 1999-2000 because we had a carryover - it is rather complicated - of \$1m. We were able to provide more than our \$300 000 in that year.

Mr KOBELKE: Is the \$40 000 the minister has spoken about to be found out of the \$300 000 or somewhere else for this coming year?

Ms ROBBINS: For the coming year, it is over and above the \$300 000, but in the category there that is listed, "Grants and Sponsorship Program".

Ms WARNOCK: Two quick questions. Does the minister have a view about the disbanding of the Asian police squad and its effect? I know it is not in your portfolio but it is obviously of interest to you, is it not?

Mr JOHNSON: It is definitely not in my portfolio. I think, member for Perth, that is one you should ask the Minister for Police. It is very embarrassing for a minister to make comments on another minister's portfolio.

Ms WARNOCK: Certainly. Minister, the other matter is: is there a State-sponsored business migration scheme and, if there is, does it have any connection with your portfolio - a State-sponsored business migration scheme as opposed to a Federal?

Mr JOHNSON: It does not come within my portfolio. I think it comes under the Small Business Development Corporation which is within Commerce and Trade, I believe.

Ms WARNOCK: Thank you. At the base of one of the pages here it talks about your revising and reviewing the community relations strategy. That is the Living in Harmony one that you talked about before. Where should it go? Do you have a view about where it should go. You are obviously going to be looking into that. I know what it has been about. You do not need to tell me what it has been about. You told us about that earlier this evening and I have read a great deal about it obviously over several years but when you say "reviewing and revising" do you feel it should change direction, Minister? Is that what the reviewing and revising is about?

Mr JOHNSON: I have just been reminded that a paper is actually going to WACAMAC this week which I am sure you are aware of.

Ms WARNOCK: Yes.

Mr JOHNSON: They are going to consider that paper. I am sure they are going to come back to me with their views. It is a question of me listening to the community again, not for me to make a direction myself. They are going to come back with their ideas on future directions.

Ms WARNOCK: Would you have a strong view yourself about where that particular strategy should go? I am aware that you are relatively new in the portfolio but you have been out and about a fair bit and you must have some idea about whether or not it is working? In a sense, this is, I suppose, part of my question earlier on. What are you actually doing about fighting racism? You have told me you are doing a lot of general things. Do you have any view about a specific direction that police should head in?

Mr JOHNSON: I am reminded again that a schools policy has been implemented in relation to your question. But in the general context, as I said, it is going to go to WACAMAC this week; in fact, I think tomorrow. They have a meeting. I am asking them to tell me what they believe so that we can see which way to go. I am a person who takes the view that I like to listen to people more than talk to them. It is not just what I think; it is what everybody else thinks. I will take great note of what this particular community will have to say to me.

The CHAIRMAN: Minister, you used the term "WACAMAC".

Mr JOHNSON: WACAMAC, yes.

The CHAIRMAN: What is that?

Ms WARNOCK: An advisory council for the minister.

Mr JOHNSON: It is the West Australian Citizenship and Multicultural Advisory Council.

The CHAIRMAN: The final question from the member for Ballajura.

Ms PARKER: Thank you, Mr Chair. Minister, on page 198 under "Major Initiatives" the second dot point makes reference to publications and promotional materials to support Government agencies to meet the needs of their diverse clientele. Certainly the great diversity of background that we have of people living in this State does present a significant challenge to Government agencies to respond to the diversity of their clients, but it is a very critical issue. Could you give me some detail about this material that is being referred to here? Is it already available? Who is it targeting and how? If it is not already available, what is the time frame? I actually think this is a very critical need in supporting Government agencies to respond to these clients.

[10.00 pm]

Mr JOHNSON: There are a couple of responses to that, basically. The Language Services Policy, which I am just reminded will be launched in July, will be a major step forward. How to Work With Interpreters is another one; a Migrant Services Directory. We are looking at all sorts of things. These are just some of the things. If you would like some more information, I would be happy to give it to you.

Ms PARKER: Would you provide that to me by way of supplementary information?

Mr JOHNSON: Yes, I can do that.

The CHAIRMAN: Thank you, Minister, thank you to advisers and staff.

Committee adjourned at 10.02 pm
