



Parliamentary Debates

(HANSARD)

THIRTY-FIFTH PARLIAMENT
THIRD SESSION
2000

LEGISLATIVE ASSEMBLY ESTIMATES COMMITTEE A

Tuesday, 30 May 2000

Legislative Assembly

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ESTIMATES COMMITTEE A

The meeting commenced at 9.00 am.

The CHAIRMAN (Mr Bloffwitch): For the information of members, this Estimates Committee will be reported by Hansard. The daily proof *Hansard* will be published at 9.00 am tomorrow. 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 cutoff 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 discussions of those items for which a vote of money is proposed. We are dealing with estimates of expenditure and that should be the prime focus of this committee. While there is scope for members to examine many matters, 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 can be kept brief, without unnecessarily omitting material information. It is my intention to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. For the purpose of following up the provision of this information, would the minister clearly indicate to the committee which supplementary information he agrees to provide. If supplementary information is to be provided I seek the minister's cooperation in ensuring that it is delivered to the Committee Clerk within 14 days from today, so that members may see it before the report and the third reading stages. If the supplementary information cannot be provided within fourteen days, written advice is required of the day 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 would greatly assist Hansard staff if, when referring to the program statements, volumes or the consolidated funds estimates, members give the page number, item, program and the amount in the preface to their questions.

Division 1: Parliament, \$29 084 000 -

Mr Bloffwitch, Chairman.

Mr Strickland, Speaker of the Legislative Assembly.

Mr P.J. McHugh, Clerk of the Legislative Assembly.

Mr D.K. Carpenter, Deputy Clerk of the Legislative Assembly.

Mr R.M. Bremner, Executive Manager, Parliamentary Services.

Mr D.J. Gilchrist, Manager, Finance and Information Technology Services.

Mr KOBELKE: Are we dealing only with the Legislative Assembly?

The SPEAKER: The practice is that the Speaker answers questions relating to the Legislative Assembly and the President answers questions relating to the Legislative Council, and we do not interfere with each other's budgets.

Mr KOBELKE: I am concerned about the situation in the Parliamentary Education Office and the dismissal of Ms Sheila Mills, someone who I think was held in very high esteem by members on both sides of Parliament. I am not sure whether this question should be related to the Legislative Assembly or the Joint House Committee.

The SPEAKER: It comes under the Legislative Assembly.

Mr KOBELKE: I found the services and support provided by the education office to be of the highest standard. I think it is one of the things of which Parliament can be proud. Therefore, many people were left doubting the wisdom of the decision to restructure the office. Why was there a need to restructure the office and dispense with the services of someone who has a reputation for providing an excellent support service for members and a high standard of education to visitors to the Parliament?

The SPEAKER: In November 1994, a report on parliamentary education by Professor David Black and Dr Harry Phillips, who is now an associate professor, was presented to the then presiding officers. They made a series of recommendations. Does the member want me to detail those recommendations?

Mr KOBELKE: No.

The SPEAKER: They identified a number of deficiencies in the office, including a lack of documentation, a lack of forward planning and a lack of educational input. I have to put that into perspective. It was obvious to all members that we had a very good parliamentary information service and I agree with that. There is a distinction between what one would call a parliamentary information service and an education service. It is on that difference that they reported - the development of an education service. Members will be aware that since I have been the Speaker, the President and I have reviewed all the departments of the Parliament and there has been a major restructure of the administration side of the Parliament. We identified a problem with management - there was a very poor level of management in the Parliament - and adjusted the structure. The second round of changes involved fine tuning what had been done. Members are aware of all the changes that have since occurred. In July 1998, the time had come to look at the education service. In reviewing all these things, we sometimes used consultants as in information technology, our own experience and a whole range of other things. An education review group was formed consisting of the presiding officers, Hon J.A. Cowdell, Mrs June van de Klashorst, Professors Black and Phillips, the Clerks of each House and Sheila Mills. The education review group met three times, I think, and across a period of 11 months looked at the report prepared by Black and Phillips and worked up a proposal for what should happen with the education office. Effectively, the education review group endorsed most of the report. That committee included Sheila Mills. It held a meeting in which the report was adopted. It was a policy decision, which meant that it was the administration's responsibility to implement.

[9.10 am]

Mr KOBELKE: I have some familiarity with the process and the documents in the review. Parliament is not, in any major way, writing curriculum for schools. The role of the parliamentary education office is to provide information on the Parliament to tertiary through to primary-level students, as well as general members of the public. It is a face-to-face, person-to-person role. It requires people with a background in the Parliament and considerable understanding about its operation and history. Such people should also have the administrative skills to structure and run programs so that people from a range of groups and sectors of our community can access that information. The staff change seems to mean that the education office has a different job altogether; that is, writing curriculum. If there were a place for that, I assume it would be better to employ a short-term consultant. I have great concerns that the Parliament has moved away from what members of Parliament on both sides recognise as an important service and is instead focusing on matters such as the development of curricular materials which, while they might be important for a short period, should not be the central role of the parliamentary education office.

The SPEAKER: I do not agree that the Parliament has moved away from providing information, tours and those sorts of things. The education review group identified several gaps in what was being done. One of the recommendations was that the position of parliamentary education officer be created. To give the members some background, once the policy decision was made, the Clerk held discussions with senior people in the Education Department to establish the criteria that should be considered for that position. The Parliament then proceeded with advertising the position. However, before it advertised, it investigated the classification level of the job, which changed from level 3 to level 5. It was a different job. After it was advertised, several members raised issues about Sheila Mills, some to the Parliamentary Services Committee. It was explained to Sheila and David that they would not be precluded from being considered for the position because their qualifications did not contain a particular educational component. They were specifically invited to apply for the position.

Mr KOBELKE: What about the specific educational component that was required?

The SPEAKER: It was an educational qualification, but they were not required to have that. They were told they could apply. The problem the members had was that the advertisement said the position required someone with an educational qualification. David and Sheila felt they were disadvantaged because they did not have that qualification. However, they had a lot of relevant experience and, therefore, it was indicated that they could apply. They were told that their lack of educational qualification was not a bar and their relevant experience would be considered in the appointment.

Mr KOBELKE: It seems that the Speaker is confirming my point that the requirement for someone with an educational qualification points towards the area of curriculum development. As both you and I have teaching qualifications, we have some understanding of the area. I do not see that this is the primary role of our education office.

The SPEAKER: We may differ in that. The new direction of the education department in this place is for it to start picking up the gaps in the process and meeting the needs that were expressed by the Black and Phillips report and accepted and acknowledged by the education review group, including Sheila Mills. The acceptance of the need to change and adjust was unanimous. There was no difference of opinion.

Mr KOBELKE: Whatever may have been the intention, I, and many members of Parliament, feel that this was not managed in a good way and that the Parliament is the loser.

The SPEAKER: The matter has been referred to the Industrial Relations Commission, as is every person's right. Issues will be raised and those things will be explained in that forum.

Dr GALLOP: We were disappointed in the outcome. I think I speak on behalf of the Australian Labor Party members of this Parliament. We were very happy with the service we were getting from Sheila - who played a role in this place - with the many community groups and schools that came into the Parliament. We also feel that our point of view about the quality of service was not adequately taken into account during the considerations.

Mr TUBBY: The Legislative Assembly is moving towards a committee system following the upcoming election, which will take place before the next financial year. Has any allowance been made in this budget for setting up those standing committees?

The SPEAKER: While it is not a specific line item, an item in the budget covers committees generally. We will be able to fund the proposed standing committee system. If the election were held tomorrow and the Assembly had to fund the standing committee system for a full year, it would not have sufficient funding and would need to apply for subsidiary funding. However, the indications are that the election will be held either at the end of this year or early next year. After the election process and the calling together of the Parliament, we will need to fund the system for only a short period of the 2000-01 financial year. We anticipate there will be five standing committees, which will include the Public Accounts Committee and the Joint Standing Committee on the Anti-Corruption Commission, and three portfolio-based committees. A decision about the amalgamation of the delegated legislation and uniform legislation committees will be made, so there may even be a sixth committee.

We have identified that 34 Parliament Place will be inadequate as there will not be enough room to house the standing committees and their staff. We have looked at the budgets that will be needed for the committees. We expect each will be allocated a senior research officer, with another research officer appointed after a short period. The operation will then be reviewed. The funds will be allocated in next year's budget. The Assembly is starting to examine options for accommodations, which include additional leasing. The matter is under consideration.

Mr TUBBY: The refurbishment of the premises will take some time and funds. Are those funds included in this budget, or will a special application to Treasury be required?

Mr McHUGH: We anticipate that when we move from 34 Parliament Place, the building will be sold. The net appropriation takes into account the expected return from the building. Some additional funds are provided in the current financial year for a couple of months of leasing, plus some additional set-up costs. We hope that, together with the sale of 34 Parliament Place, appropriation will fund the changeover to the new premises and provide the necessary systems. Certainly that is not the case for the out-years. The funding that is available in the current year should be sufficient to take us through the current year, particularly given the timing of elections and when the committees will be likely to start operating. However, our assessment of the out-year nominal allocation is that those are nowhere near sufficient to enable those committees to operate in the way that the standing committees have to date. We will approach Treasury about our needs for the forthcoming financial years.

[9.20 am]

Mr KOBELKE: Is that the \$1m referred to on page 969 of the *Budget Statements*, or is that for another project?

The SPEAKER: Yes. The value of 34 Parliament Place is in the order of \$850 000. It has been agreed that another \$150 000 will be needed. We have the money up front, which is perhaps unusual.

Dr CONSTABLE: Has Parliament had to spend additional money to be ready for the goods and services tax? Has that money been difficult to find or was it already in the budget for this year? Does the GST have any impact on members' stationary allowances?

The SPEAKER: Parliament has had to spend some money to get GST ready. It is estimated to be about \$20 000, which has had to come out of the money already allocated. Parliament will be refunded the GST component of members' stationary allowance. If a member purchases \$1 000 worth of stationary, the accounts will come in, the finance department will net out the GST and the member will get a statement which shows that the member has spent \$900 or so. Members will retain the full value of the stationary allowance up to \$4 500. Members are not supposed to spend beyond \$4 500, because it is not the member's money! It does not appear on the member's tax records; it is Parliament's money. Parliament is, in effect, allowing members to buy the stationary they need to run their offices; that is fine. If members spend beyond that, it will become their problem and they had better see their tax agent. In that case they will pay some additional GST. However, whatever they spent is probably a tax deduction.

Dr CONSTABLE: A lot of items of expense which attract the GST, such as advertising, are incurred in an electorate office. From what the Speaker has said, members of Parliament are on their own. I thought a directive or some information would have been provided to offices to assist members to become GST ready. I have sought advice from my accountant and am happy with it. However, the more I talk to him about it, the more complicated it seems to become. It is another burden on electorate offices, staff and so on. It would have been nice if some information had been provided.

The SPEAKER: There is no doubt there will be an additional burden on members and electorate office staff in the way they organise the stationary account. However, that is a requirement for the Salaries and Allowances Tribunal. To keep track of the GST, unfortunately members must wear that. The member suggested that the Government should look at getting some general advice to members. I will take that on board. The Parliament does not necessarily have a tax accountant on staff. However, it is a reasonable request. All the Government can do is provide a guide of a general nature. Every individual must look at his situation and take advice from an accountant.

Dr CONSTABLE: That would be a good start. Some members do not realise they will be in that situation.

The SPEAKER: I am advised there is an additional complication. A lot of it is administered through the Ministry of the Premier and Cabinet, not through Parliament. Perhaps the member should talk to the Ministry of the Premier and Cabinet.

Dr CONSTABLE: No. I am talking about the GST that is attracted on electoral allowance spending. It has to do not with the Premier's department but with members' offices.

Mr TUBBY: If members have expended their \$4 500 allowance for stationary, and there is still six months of the financial year to go, can they continue using their purchasing card and reimburse Parliament every month, and in that way get around the GST?

The SPEAKER: The finance man is shaking his head indicating the answer is no. Unfortunately, the Government is not entitled to extend credit to members.

Mr MINSON: It does get around the GST.

The SPEAKER: It does not, actually, because the allowance only goes up to \$4 500.

Mr BROWN: What is the contract price for the after-hours security at Parliament House in the budget and what has it been in the past seven years? The rates of pay for the contract security officers have decreased because the contract security officers have been forced off awards and onto workplace agreements. They are now paid less than the security officers award. The one group in Parliament House that has gone backwards financially is the lowest paid people in the Parliament - the contract security officers. For most members, it is probably a matter of out of sight, out of mind because they are not often seen. They are here when everybody else has gone home. It seems that no consideration has been given to the workers concerned; it has been a matter of simply looking at the contract price. When I raised this matter with ministers, they said that what happens between a contractor and his employees is no concern of theirs and, frankly, they could not care less - it is too bad if workers are getting the minimum wage at a survival rate. I am concerned about that.

Security officers work longer hours for the same money they were receiving some time ago. At the end of the day, if the Government is concerned about rising poverty, particularly the working poor in our community, the Government and Parliament have a responsibility to ensure that people who are caught in the poverty traps are not assisted by the way Parliament conducts its business. I want advice on the contract price. I want to know the difference between the contract price and the wage rates that are paid. Contract security is a labour intensive job. Money is paid for the labour and a bit of management, and the rest is creamed off. I want to know what the budget allocation is for the contract price for this year. I can then work out the difference between the awful rates of pay for contract security officers and the profit margin. I want to know what has happened to that contract price over the years. Whereas salaries of members of Parliament have been increased by the Salaries and Allowances Tribunal, and salaries and wages have increased for some staff in Parliament House, contract security officers are not in that fortunate position.

[9.30 am]

The SPEAKER: The question was very long and it contained some philosophical statements that I will ignore. Russell Bremner will provide the information because I do not have in my head the detail required.

Mr BREMNER: We have two groups of security staff working in Parliament House: First, the in-house permanent security staff and, second, the after-hours contract staff. I understand the question relates to after-hours staff.

Mr BROWN: That is correct.

Mr BREMNER: We have a contract with Chubb Protective Services at \$17.50 an hour on a flat-rate basis. The contract with New Breed Security, which ceased in December last year, was at a rate of \$19.75 an hour. We have secured a reduction in those rates. I do not know what either company pays its individual contract employees.

Mr BROWN: Is the relevant award taken into account when negotiating these contracts? These people work afternoons, nights and weekends. The contract security officers' award is abysmal, and it does not provide a Monday to Friday rate of pay - that is the company rate. It certainly does not match the rate for weekends. Is there any consideration of the workers in the allocation of those contracts? Does anyone make any inquiries about how they survive when these contracts are allocated?

The SPEAKER: No.

Mr BROWN: Is there any proposed change?

The SPEAKER: No.

Mr BROWN: Why?

The SPEAKER: The Parliament is contracting a service. The member has made philosophical statements. It is great to hear a member stand up for lowly-paid workers. However, I will not intercede and try to give workers a raise; it is not on.

Mr BROWN: The point I am making might have been lost. I feel strongly about this issue. These people are employed under a workplace agreement and they are paid less than the award rate.

The SPEAKER: They must have accepted their agreement.

Mr BROWN: They accept that rate or they do not get a job.

The SPEAKER: If they have agreed, it is not my business.

Mr MINSON: The longstanding practice in this Parliament has been to print questions on notice in the Notice Paper. However, that practice has ceased. I have heard some members express reservations about that. Why was it done and what are the advantages of doing it?

The SPEAKER: The decision was made largely for financial reasons. The cost of printing the Notice Paper is about \$800 a day without the questions on notice. We are saving about \$25 000 each parliamentary year by printing the questions on notice separately.

Mr McHUGH: Although it is not fully operational, we are implementing a system that will enable members to inquire about questions across the board - which questions were asked, when questions were asked and which questions remain unanswered. In association with that, the Ministry of the Premier and Cabinet has developed a system that enables it to take in the electronic questions, to distribute them to ministers and to track them. It will know what is happening at all times. From a parliamentary perspective, we hope that that will produce answers more quickly. The system is being trialled and we expect it to be fully operational by August.

The SPEAKER: The cost of the electronically-produced Notice Paper is \$800 a day. If the \$25 000 were divided by the number of sitting days, one would arrive at a saving of about \$400 a day.

Mr McHUGH: That \$25 000 is the minimum saving. In a year in which members ask more questions, it could double.

Dr CONSTABLE: My question is general, but it is important. Like you, Mr Speaker, I was hoping that there would be an allocation in this budget for the beginning of the planning process for the upgrading and extension of Parliament House. It is disappointing that such an allocation has not been made. Is there any indication of when planning might start? Why has an allocation not been made?

The SPEAKER: Members will be aware that both the President and I regularly lobby the Premier on this issue. However, if we do not receive money, we will not progress. I have pointed out that we need some seed money that will allow at least the planning to be done so we can prepare options. We believe that we are in a good position to brief architects on what is needed. It would then be appropriate to run a competition to encourage people to come up with ideas. One of the difficulties we must overcome is that the operations of the Parliament are spread across five sites. That does not make for easy communications with computers and so on. Bailing out of 34 Parliament Place might be helpful because we will be dealing with one fewer site.

We have 30 lucky members who have an office of their own; 20 offices accommodate two members; five accommodate three members; and one accommodates six members. That office accommodates ministers, and that is their lot. We still have problems with the housing of staff - people are accommodated in corridors and the Sergeant-at-Arms' office is in the entrance of the Parliament. I want to give approval for work on the corridors during the next Christmas break. I will pursue the proposal that, after the election, the new Leader of the Opposition be given a proper ministerial suite, which is his or her entitlement. The Leader of the Opposition should be given accommodation in this building similar to that of the Premier. That will gain us a couple of rooms.

We have a backlog of about \$1m of maintenance work. We want refurbishment work to be done, but we cannot do it. We will scrimp next year to do some minor works - such as renewing carpets and so on. However, the situation is not satisfactory and it is getting worse. We are not saving money because ultimately the cost will increase. Members do not have privacy and adequate facilities, and that is a cost.

[9.40 am]

Dr CONSTABLE: How much seed money do you think you will need to get this ball rolling?

The SPEAKER: A few hundred thousand dollars to run a competition.

Dr CONSTABLE: That is pathetic.

The SPEAKER: I acknowledge that it is pathetic.

Mr BROWN: Can I have the security contract prices for the past five years, other than the last two that were given, by way of supplementary information?

The SPEAKER: I have no problem with that. That will be provided as supplementary information.

Mr BROWN: Last Thursday we attended a demonstration here put on by the Department of Commerce and Trade on Online WA, in which we were most interested until other people used the lines. Then everything froze and Commerce and Trade said that the lines here at Parliament House were pretty awful and asked whether anyone got anything done on the Internet because it was so slow. Fortunately, they were kind enough to provide sandwiches so we ate while we waited for the computer to work. If we were running a race we would not get off the start line. What is in the budget for bandwidth so that when we plug into Parliament House the computers will work on the Internet and Intranet?

The SPEAKER: I accept that the online service is inadequate. We have spoken with the Ministry of the Premier and Cabinet about what is to be done. I will let the Clerk explain.

Mr McHUGH: There are two aspects. One is the internal access which David Gilchrist will be able to expand on. There is also external access for members, which issue has been raised before. We raised the issue of external access for members

to the service provider and we have been advised that the Ministry of the Premier and Cabinet has increased the number of access lines from 47 to 60. It has changed the system from analogue to digital and it is arranging for additional telecommunication lines to be installed. The Ministry of the Premier and Cabinet believes that will solve the problem externally.

Mr GILCHRIST: The infrastructure is being increased today. Tonight at five o'clock Parliament House will be switching over to an Internet connection of much greater capacity.

Mr BROWN: Whenever I seek to access *Hansard* I seem to have continual problems because "error 400" occurs. Is there something wrong with the system in here that causes it to break down?

Dr CONSTABLE: I also have that problem.

The SPEAKER: Although I cannot answer that question, we will find out what is occurring. There is some good news: Our consultants have advised that the Parliament needs to get beyond all the problems occurring now and develop an appropriate system. Essentially, our business handles documentation and provides access to it for government departments, members and staff who work here. It has been compartmentalised and, to streamline it, we need to upgrade our equipment. We have put the case for something like an \$8m state-of-the-art system which will allow anyone to access documentation. However, it is to be done over a period of up to eight years. We have \$750 000 for each of the next five years to commence that. We are now able to start gearing up to better prepare the Parliament for the future.

Mr MINSON: I have raised informally, and now raise formally, the matter of members of Parliament's computers, in which I have a vested interest. Will there be an opportunity to buy those computers at a benchmark value or something similar when we leave here? It is not that I could not afford to buy a computer, but much information is on those machines which should remain with the member. I have spoken on a number of occasions with people who are computer literate and who tell me no matter what we may do to wipe off what is on the hard disk, it will remain there.

The SPEAKER: It is a similar situation in the electorate offices. These things can be and will be wiped totally. I too had something of an interest in the issue, but there are no plans in place to allow members to purchase that equipment. It has been purchased for the Parliament and presumably new members will get it. However, an undertaking must be made that all information will be totally wiped from the hard drive.

Mr MINSON: There should be an opportunity for us to purchase the computers.

The SPEAKER: I thank the member for Greenough for raising the matter. All we can do is speak with the Ministry of the Premier and Cabinet, which provided the funding to help us provide members with notebook computers, to see whether an opportunity will arise for members to buy the computers. If that were the case, Premier and Cabinet would obviously have to provide some extra funding to purchase new machines.

Mr MINSON: I am not after a freebie. We should be given the opportunity to purchase them for what they are worth.

Division 2: Parliamentary Commissioner for Administrative Investigations, \$2 537 000 -

Mr Bloffwitch, Chairman.

Mr Strickland, Speaker of the Legislative Assembly.

Mr M. Allen, Parliamentary Commissioner for Administrative Investigations.

Mr KOBELKE: What is the progress with the major inquiry that I initiated some time ago into aspects of the prison system and deaths in custody?

The SPEAKER: The questions must come to me. However, we are used to the fact that the Ombudsman knows what he is doing and I do not, so I will defer questions to the Ombudsman!

Mr ALLEN: It is nice to get that vote of confidence at least. With reference to the inquiry into deaths in custody, my office is well equipped to deal with a very large number of complaints quite well and we are dealing with them more rapidly. However, I am not convinced that we are properly resourced to deal with the out of the ordinary, larger, more complex inquiries. There is not a long tradition in this State of the Ombudsman's office undertaking those inquiries; nonetheless we have taken on a couple and the deaths in prison is an example. It has proved to be a more difficult matter than we thought it would be. We have been sidetracked on a couple of occasions by situations in the system such as the riot at Casuarina. I have been unable to devote to it the team that a project of that size deserves. However, we have been labouring away and we can see the light at the end of the tunnel. Although we are a small distance from finishing the inquiry, we are on the last lap.

[9.50 am]

Mr KOBELKE: When did you initiate that inquiry? I can remember it vaguely in the Press, but I would like the date on record. What is the expected date for finalisation of the inquiry? Have you sought additional resources or funding, even if it is only for a limited period, to bring that inquiry to a conclusion more rapidly?

Mr ALLEN: We announced our intention to commence the inquiry at about the end of February 1998 - just over two years ago. When do we expect to have it finished? I am reluctant to put a firm time on it, if only because part of the process requires us to put adverse comment and opinion that might be in a report to those people who have been adversely commented about. Those people need a reasonable period to respond. Just how long they will need for that, I am not sure;

I would guess not less than one month and possibly more. I am reluctant to be too specific. I hope the matter will be finalised and a report totally completed by about the end of August this year.

Mr KOBELKE: Are there any requests for further resourcing?

Mr ALLEN: I have not specifically asked for further resources for that project. I asked for one extra resource for the office as a whole, but, unfortunately, I was not successful in getting it. We have had to make do with the resources we have, which has meant shuffling the decks somewhat. We have managed that tolerably well. We have not had further resources available for the task.

Mr KOBELKE: Are you willing to make a judgment on whether that situation is satisfactory? When you initiated the inquiry on your own motion, it was widely welcomed because what was in the public arena was bits of information which caused great concern about the function of our prisons and deaths in custody. We assumed that you were privy to even more information which led you to make that decision. To be in a situation which is still grinding on over two years later seems, from the outside, to be most unsatisfactory. Are you willing to comment about whether something can be done to make the situation more satisfactory?

Mr ALLEN: I cannot say that I was privy necessarily to more information than were most other people. I was conscious of the fact that it was a matter of great public interest and concern at the time; hence, the decision to start the investigation. It is not satisfactory that it has taken so long. I certainly agree with and accept that. I am not sure that much can be done about that, apart from a more general look at the way my office is set up and resourced.

Mr MARLBOROUGH: With regard to the release of your report some time this year, how appropriate will it be when one considers that within the next 12 months, for the first time in Western Australia, a major prison will be run by a private consortium? I presume that your report will not only have some adverse findings against individuals and the present system, but also will make recommendations about that. From where I sit at the moment, those recommendations will be applied to state-run instrumentalities, because that is what we have. By the time the report is released, we will not be in that situation; a major prison will be being run by the private system. Has the commissioner considered that in his report? If so, can he tell us how he sees the implementation of recommendations when a private system will be tied to a tight budget and to a document which says, "These are the services we will provide for X dollars and these are the outcomes we are happy to provide for X dollars"? Does the commissioner see it as a problem; and if so, does he have any contingency plans to overcome it?

The SPEAKER: The Government is responsible for running a prison system. If there are private operators within that system, I believe it is the duty of the Government to spell out the rules and have the relevant controls in place. It cannot just say that it is not its problem and walk away from it. That is only a general comment and I hope that most members would feel that way. Perhaps the Ombudsman can comment on the specific question.

Mr ALLEN: The member has raised a lot of issues. Essentially, the exercise we have done has looked at what happened in Western Australian prisons during the 1990s up to the present. We have not specifically addressed what might happen if and when private operators start to run prisons. The first privately run prison obviously will start next year some time. I understand that the contract which has been entered into is a public document; indeed, I think it is on the Internet for anyone to look at so one can see the rules under which the operator will operate. I have not and do not intend to speculate about how the private operator will run the prison on a day-to-day basis. That is not part of what I have tried to look at. I am interested in what has happened and why the deaths occurred. Of course, the member will appreciate it is a bit of a moving target, because deaths continue to occur.

Mr MARLBOROUGH: There have been three deaths in the past two weeks.

Mr ALLEN: To be fair, the Ministry of Justice has done a lot of things in recent times to tackle the issue. Whether what it has done is sufficient or the right thing, I will not say. However, the member is correct; there have been deaths. That is why I say that it is a moving target. Every death raises new issues about the way prisons are run in the State. I am not sure I can take it much further than that.

Mr KOBELKE: I turn now to output 3, the telecommunications interception audit. It says that only one officer is involved. I do not know whether the telecommunications interception audit is simply maintaining a filing cabinet on different requests and approvals for interception or whether it is more proactive in terms of following through. What does the role involve? Will one full-time equivalent adequately fulfil the duties which are laid down in the statute?

Mr ALLEN: It is not a matter of keeping a filing cabinet; it is a mixture of being proactive and some fairly routine paper checking. The estimate of one FTE does not mean it is one person. It is several people added together to make one FTE. The number is increasing and is expected to increase in the next 12 months as we take on the same role for intercepts by the Anti-Corruption Commission. It is by no means a purely reactive thing. There are regular inspections of the police unit that conducts intercepts. At the moment it involves three individuals who spend a proportion of their time doing that kind of work. I am satisfied that the resources we have put into it have so far been adequate. We have identified several significant issues about the way the police have gone about their intercepts. We have raised those issues and had them rectified. I am satisfied that we are putting an appropriate amount of resources into it. Time will tell what is needed when the Anti-Corruption Commission starts, but if it needs more resources, we will do our best to allocate them.

Mr KOBELKE: Has the commission put in place protocols or arrangements, given that information will be attached to the process of intercepts which the Anti-Corruption Commission may not wish the commissioner's office to have access to?

Mr ALLEN: We are putting in place with the Anti-Corruption Commission the same kinds of arrangements that we have had with the police. When the police were establishing their interception unit, we were involved. We offered comment about the way they were going to set things up. A number of meetings have been held with the Anti-Corruption Commission so far, and I expect that a number more will be held before it gets its interception facilities up and running.

Mr KOBELKE: The arrangements between your office and the ACC have yet to be finalised?

Mr ALLEN: Yes, but we are working on them.

[10.00 am]

Division 30: Agriculture, \$102 221 000 -

Mr Bloffwitch, Chairman.

Mr House, Minister for Primary Industry.

Dr G.A. Robertson, Chief Executive Officer.

Mr M.J. Marsh, Executive Director, Corporate Services.

Mrs A. Murrell, Principal Policy Officer.

Mr J. Murgia, Manager, Treasury.

Mr R.J. Delane, Executive Director, Agriculture Protection.

Mr D.J. Hartley, Executive Director, Sustainable Rural Development.

Mr B. Thorpe, Director, Rural Adjustment and Finance Corporation of Western Australia.

Mr GRILL: In the budget estimate formats in the past, we have become used to observing that the budget year appropriations for Agriculture are substantially lower than the actual expenditure of past years. This has been due to the need to conservatively estimate commonwealth and industry-sourced revenue. As we have moved to accrual accounting, we have been told that this trend will diminish and that budget year forecasts will be more accurate. Is this now the case? Is the bottom line figure on page 74 for the appropriation and forward estimates an accurate estimate of this year's appropriations?

Mr HOUSE: The amount that comes from industry, for example, is a result of the size of the crop in some instances. For example, the amount that comes from the grain industry is an amount per tonne on the size of the crop that comes through the Grain Research and Development Corporation, and it is impossible to estimate that with the sort of accuracy that the member might want or that I might want. However, it has never been less in any year than in the previous year. It has been growing over the past decade or so, and we expect that to be a continuing trend.

Mr GRILL: It has always been very difficult to compare these estimates from year to year, has it not?

Mr HOUSE: Yes.

Mr GRILL: Does the minister think that as the years go on we will get closer to a situation where we can more accurately compare these estimates?

Mr HOUSE: Only if we can resolve with the industry a base payment and then work from there. We estimate the base payment based on the averages of the past few years; and, as I said, it has always been more than that. I do not know that we will ever get a more accurate assessment than that.

Mr GRILL: I note from page 74 that while next year's appropriations are substantially up on this year's estimated actual, the estimate of \$102.2m is only marginally up on the actual for 1998-99. The forward estimates indicate a declining trend in spending from the consolidated fund and a declining cash flow, and the statement of cash flows on page 101 seems to confirm this. Can the minister comment on this apparent trend?

Mr HOUSE: These figures sometimes reflect things that do not recur. The member might remember that in last year's budget figures, there was \$7.5m for the meat industry when we went from the statutory marketing authority to the co-operative. This year's figures include, for example, \$12.5m for the dairy industry. The figure fluctuates on a needs basis, depending on what is the issue at the time. That figure reflects the fact that next year there will be another \$10m for the dairy industry. Then it will depend on what occurs after that. Forward estimates in agriculture are a bit of a guesstimate based on the needs of the day. We have been able to find the money this year for the dairy industry, as we did last year for the meat industry when it was necessary, and for our ongoing programs; however, it is a matter of debate at the time.

[10.10 am]

Mr GRILL: Now that you have touched on the dairy industry, I will ask a question about the \$12.39m in the dairy industry assistance package mentioned on page 78 of the *Budget Statements*. Is this sum for the coming year's commitment to this policy decision brought into the current 2000-01 budget?

Mr HOUSE: Yes.

Mr GRILL: Apart from that mention, there does not appear to be any other line item for that \$12.39m. Given the stability of the appropriation bottom line, something else must have been cut. Are you telling us now that the \$7m or so paid to the meat industry last year and the \$12m that must be appropriated for the dairy industry in the coming year have cancelled each other out and you have come up with the same bottom line?

Mr HOUSE: Not totally. We estimate there will also be a drop in National Heritage Trust funding from the Commonwealth of just over \$3m, which is factored into that figure. We are unsure about that because those negotiations are still ongoing. That comes back to the first question you asked about the certainty of some of these figures. Negotiating with the Commonwealth is never a certain prospect; we have therefore not factored in that figure in this budget. However, we remain hopeful that we will be able to get it which, during the year, will show as a plus in the budget figures. If the \$7.5m paid to the meat industry last year is added to the \$3.2m from the Federal Government, plus \$2.5m in the budget for the Carnarvon soil recovery scheme to replace soil in Carnarvon plantations, that adds up to about \$12m. Your statement is accurate in that one figure cancels out the other.

Mr GRILL: Now that the Commonwealth and the State bring down their budgets roughly at the same time, should we not be able to get over this problem?

Mr HOUSE: Yes, that is a fair statement. We must do better as a State to try to get more accurate and substantiated figures. The feds tend to allocate a bulk figure. They then send in the States like Roman gladiators to fight to the last man standing with the most amount of money. That is not only uncertain for our budget, but also for people on contracts whose salary funding comes from that money.

Mr GRILL: These commonwealth funds require a great deal of hard bargaining when the budget is brought down?

Mr HOUSE: Yes, they do. It is no secret in Western Australia that we believe we have not done as well as we should have. The Murray-Darling basin, for example, has taken a fair lump of National Heritage Trust funding. We are seeking more and I hope this year we will be successful.

Mr GRILL: I will ask you some questions on that later.

Mr MARSHALL: Can the minister enlarge on dot point 5 of significant issues and trends on page 75 of the *Budget Statements* which indicates a reduction in canola production and, in contrast, an increase in barley production?

Mr HOUSE: In the harvest before last the price of canola was between \$405 and \$408 a tonne depending on when it was sold. Last year's price was about \$280. The price had therefore dropped \$125 a tonne. Conversely, the price of barley went from about \$85 a tonne the harvest before last to about \$150 a tonne last year. I have rounded off these figures. In the usual way of the farmer, I suppose we are chasing the rainbow. There will be a turnaround as the price of canola has increased in the past couple of weeks to between \$320 and \$325 a tonne; therefore a bit of that increase might actually swing back.

Mr MINSON: I am very interested and concerned about genetically modified agricultural products referred to on page 76 of the *Budget Statements*. Unfortunately, I could not attend the minister's recent briefing. My first concern is that there has been a lot of unnecessary public hype about this matter. Secondly, there is a danger that countries will push ahead regardless and we may lose the initiative to grow high-yielding crops and so on. However in particular I ask the question about the final line of that paragraph which reads -

The agency is working with the regulatory authorities . . .

Who are those authorities? Is there a real solid plan in place to progress Australia's position in agriculture using genetically modified products? This is a huge issue that could go either way. I note that in the United Kingdom recently genetically modified canola was mixed up with domestic breeds. That might work both ways. It might increase the yields, and people will not care about that as they will be the beneficiaries. Alternatively, it could be treated like the mad cow disease and they will not be able to sell any of them. This is very important to Western Australian agriculture and I am interested in the minister's comment.

Mr HOUSE: I preface my answer by saying that the bottom line is we must satisfy the consumers' concern. A federal regulatory body licences the planting or growing of genetically modified plants and this State has just established a state group. This State will allow trial plots to proceed under very strict conditions, and the state group will make recommendations to the federal body about where and what these plots should be. There is no genetically modified crop currently ready for release. I understand, from talking to scientific people, that it is probably two seedings away. We have therefore about two years in which to make the kinds of judgments that the member is properly asking to be made: Which direction should we take? Should we embrace genetically modified plants? If we should, as 80 per cent or 90 per cent of our primary industry produce is exported, how do we satisfy the consumer that genetically modified plants are safe? We therefore have a fair bit of work to do to ensure that occurs. A number of shire councils are concerned about having trial plots in their areas. I have charged the state group with the responsibility of ensuring that the integrity of those trial plots is maintained. We have implemented an open process so that people can make their own judgments about that. The issue then is about contamination with wider commercially-grown crops, which must be addressed by the committee. We have taken necessary and sensible action to allow the trials to continue to allow us to keep pace with the rest of the world, but not to place any question mark over our markets regarding genetically modified plants or the results of those plants being sold onto those markets.

[10.20 am]

Mr MINSON: The minister is wise to have a proper process in place because due diligence might be very important. As the minister knows, we now have trans-species transplantation of genes, with animal or fish genes, or parts thereof, being grafted to plant tissue. Therefore, an allergy to shellfish could manifest itself in someone who has eaten plant food. Such things seem rather Orwellian, but they may be upon us. The question of liability on the State may arise if we push full steam ahead. It is a big issue, and I appreciate that you are treading with caution.

Mr TUBBY: I refer to the second last dot point on page 75 concerning the wool industry. In some areas of the State we are moving away from merino sheep to the South African fat-tail damaras and other breeds. Is there a concern in Agriculture Western Australia about possible contamination of the merino flock and its wool?

Mr HOUSE: Yes, there is. A number of processors around the world have expressed that concern to us. A fact of life is that producers have been struggling to maintain a living with the price paid for wool and have had to find ways of supplementing that income. A lot of this has been by running fat-tailed sheep or cross-bred sheep with dark fibres. These fetch \$40 or \$50 a head in the sale yard, while wool has been fetching mostly below - well below in some cases - \$3 a kilo in the wool bank. It is a management issue for people on farms running those cross-breed types of sheep to separate them from the rest of their flock. That is easy to say; however, they must do so if they wish to maintain the integrity of the wool clip. Farmers are conscious of that contamination, which is a key issue in the industry. Most have taken some steps in that regard. Some impact will be felt in the marketplace if the clip is contaminated by dark fibres: Purchasers will not be keen to purchase it again, or it will lead to a reduced price.

Mr TUBBY: It is more like hair than wool.

Mr HOUSE: There is a debate about whether it is hair or wool. The member is right.

Mr MINSON: In the same vein, do we take any special precautions in the agricultural areas adjacent to pastoral areas, particularly in the lower Murchison, hard up against the agricultural land where the dorpers are run. I have worked in the Murchison. Once the sheep are loose they are hard to stop. They are halfway to being goats. They will be successful. However, some pastoralists will have some regrets if wool bounces back.

Mr HOUSE: The member for Greenough could be right. It is not an issue for government as the individual must maintain the integrity of the wool clip. Some pastoralists have raised the issue of the next-door neighbour whose fences are not maintained as well as they could be as a result of a couple of tough years. Some people are aggrieved. Government puts in place quality assurance programs, as we have done, makes sure the department makes information available to people and promotes quality management in wool or meat production. We focus our attention on ensuring that people understand the issues involved.

Mr GRILL: The top of page 75 under "Industry and Market Development" reads -

Increased competitiveness in the international marketplace as a result of strong export programs by many countries and reduced trade barriers requires the building of strong supply chain linkages with key customers.

This process is a bit of a mystery to me. We seem to be moving to a fairer and more open market in Australia. However, the United States farm Bill passed through Congress last week, and even some US commentators said it would lead to uneconomic production and lower farm prices. Whenever we appear to transgress on the international level, Europe and America particularly threaten sanctions and state that they will take us to court or somehow redress the situation. On the other hand, I have not seen clear information regarding the way various American and European subsidies apply internationally, and to what degree they transgress the international agreements. Is information available? Why is the Federal Government so loath to take punitive action against these countries, which superficially at least appear to transgress almost every rule in the book? Either we have been misinformed anecdotally or we do not seem to be taking action against these countries.

Mr HOUSE: I do not think the member is misinformed at all. He gave an accurate summation of the problem. I do not think we are tough enough and we give in too easily in many of those circumstances. Plenty of examples exist with imported product. For example, the Phillippines has started to make serious threats about reducing the number of live cattle we supply to that market. It is an important market for us. We would not let their mangos come here because of the quarantine and disease threat. They do not accept that and feel aggrieved. I do not want to put words in the member's mouth, but I think he asks whether good information is around to enable us to determine how America is subsidising a tonne of wheat, for example.

Mr GRILL: That sort of thing.

Mr HOUSE: It is a good question. I am not sure of the answer. If there is such information, it would be good to make it public. If the member leaves it with me, I will provide supplementary information, which would be good to publish. The Australian Bureau of Agricultural and Resource Economics might have it, and I will get Bruce Thorpe at the Rural Adjustment and Finance Corporation to seek it out and make it publicly available so farmers can make a judgment.

Mr GRILL: That would be excellent. To follow up on the last part of the question, has the minister discussed the matter with his federal colleagues? Are they prepared to be tougher in the future, and what is holding them back?

Mr HOUSE: In fairness, I have discussed it with the member's colleagues as well, such as former Senator Hon Bob Collins,

for whom I have the greatest respect as a former Minister for Primary Industries and Energy. A feeling is evident in Canberra that they have set the standard, which they will not weaken. They hope to drag everybody to their level eventually. As the member is aware, this is an American election year and we are seeing a Democrat Congress trying to get a Democrat nominee elected as President when he is behind in the polls. America is a big and very strong economy and we have trouble getting over the top. The lamb issue in America was a crucial test on our toughness; we made a stand and did not win. The salmon issue in Canada was another example, as was the dumping of soft wheat into Indonesia, which has been an important market for us. A number of examples can be raised in which we had nothing with which to fight back.

[10.30 am]

Mr MARSHALL: Dot point 4 of the issues and trends on page 75 refers to opportunities for the Western Australian grains industry to strengthen its position in the light of the global deregulation of grain markets. Will the minister enlarge on those opportunities and tell us if any have been introduced so far?

Mr HOUSE: It is a very good question. I have strongly supported the new Co-operative Bulk Handling Ltd restructure proposal. The member will know I gave my second reading speech to the Bill in the Parliament so that it could be debated during the next few weeks. I have also strongly supported an amalgamation of CBH and the Grain Pool of Western Australia. I feel that we are duplicating some work and adding costs to farmers. The object of those institutions is to deliver the best possible price return to farmers and obviously to keep costs to a minimum. We have a bit of work to do on the structure. We are having discussions with the Grain Pool and CBH on how the restructure might occur and we are providing them with some support to do it. My position is no secret: I have strongly advocated an amalgamation of the two groups. That debate has a little way to go and we must make some changes, as we have indicated with the CBH legislation. That is the first step in that direction. The member will be aware that the Australian Wheat Board has changed the way it operates. It has taken farmers a little while to get used to that, but it is starting to bed down.

With regard to opportunities, it is pretty easy to buy grain and on-sell it into a captive market. I feel that we need a little more of what I call the chill wind of competition. I am not for total deregulation, but we need to look at making sure that the Grain Pool is doing the best job it can and selling our grain for the best price. There should be niche marketing into specific markets. For example, the racehorse industry in the Middle East consumes a lot of oats. There is a niche market there at container-size level. It is not big but it is an opportunity. Niche markets also exist in Indonesia in the aquaculture industry, which would take lupins instead of chick peas as it does now. Plenty of examples exist where we could do a bit better. We do not add any value to any of the Grain Pool's acquired grains at the moment. An example is lupins, for which a better price and added value could be obtained by dehulling lupins. There are a number of examples where people must work a bit harder and a bit smarter. The price of lupins three years ago was about \$195 a tonne; this year it is about \$125 a tonne. If farmers are able to pick up an extra \$10 a tonne by dehulling, it represents about 7 or 8 per cent of \$125 a tonne, which is a substantial increase in value and it would go into the farmer's pocket. We need to do more of that. To be frank, we have not worked hard enough on some of that.

Mr MARSHALL: It is easy talking about it - what counts is getting it to happen.

Mr HOUSE: We have been working hard with the Grain Pool and CBH to make sure they do these things in the future.

Mr GRILL: On page 75 reference is made to various prices for different wool. The passage indicates that the demand for broad wools is pretty flat and that for under 19 microns it tends to be quite good, but it is very good and historically high for low-diameter wool of 16 microns or below. I would have thought that price trend was clear a long time ago. What steps have been put in place by Agriculture Western Australia and others to ensure that we develop towards producing a greater per cent of our wool in the lower micron arena? How much wool are we producing? Has there been a change in those segments over the years and are we heading in the right direction?

Mr HOUSE: We have started a program called WoolPro. When the member has been travelling through the bush he may have seen some signs on WoolPro farms. We have used commercial farms as demonstration and experimental sites all in one, working with groups of farmers in each region to try to target the best possible return for them, whether it be lower microns, more kilos per hectare or whatever. The focus of the WoolPro program has been to do exactly what the member has asked. We have been working very hard with farmers. For example, about a month ago I met with a group of farmers and farm advisers in Tambellup. We had a morning session about what they wanted us to do in the future. Some very good suggestions came out of that session. For example, there is much more focus now on quality. A lot more studs are using artificial insemination, so we are getting the best possible rams spread over the greatest number of ewes, and we are getting the results quicker. Wool production has declined by about 30 per cent over the past decade, and the price has been low for that time. It has meant that many people have switched to cropping, to the production of fat lambs or to something of that nature. The drop in the breeding flock has not been as great as 30 per cent but much lower. What has gone out of the flock is the older, what we used to call, dry sheep.

Mr GRILL: Are there any indicators or figures on whether these programs are working and producing larger quantities of finer wool?

Dr ROBERTSON: Work was done at the Great Southern Agricultural Research Institute at Katanning a number of years ago on the heritability of finer wool. A significant number of growers attended the meeting to which the minister referred. They have been selecting for finer wool now for some 10 years and have moved their microns a couple of microns finer across their flock during that time. Very few bona fide wool growers in Western Australia would not have shifted their microns by at least one in the past seven or eight years.

Mr MINSON: The second dot point on page 76 refers to new market opportunities for horticulture products. As someone who has recently bought some land at New Norcia, I am interested in the future of the olive industry. As I travel around the State I seem to see huge quantities of olives being planted. Some 15 000 trees were planted on the Greenough flats last year and there is talk of more going in this year, plus what is going on around Gingin and other parts of the State. I know Agriculture Western Australia is doing a good job with research, support, advice and so on, but is the department playing any role in trying to develop markets? The private sector will obviously take up some of the slack, particularly with the big plantations that are being set up for investment opportunities, some of which have started to get involved quite aggressively in buying into retail names. However, there are now a lot of small producers who will put in five or 10 hectares, which will not warrant their own brand name or harvesting and pressing facilities. I am concerned that we will wind up with a situation in three or four years from now when a lot of these plantations start to produce in which either they will be at the mercy of bigger operators or the market will not exist. Is Agriculture Western Australia looking at the demand of the future along with encouraging planters?

[10.40 am]

Mr HOUSE: I do not have the figures at my fingertips but we import into this country nearly all the olive oil that we use. Next time the member is in the supermarket with his wife he should look at the price of olive oil; it is very expensive.

Mr MINSON: She insists on buying it.

Mr HOUSE: There are huge local market opportunities. With regard to the market - the member has outlined an area of the State with which he is familiar, the southern part - a lot of olives are being grown by individuals and by groups. Many of them are associated with the wine companies. One example to illustrate the point is Alkoomi, which is owned by Merv Lange. It has planted a lot of olives and they intend to use the same marketing people and market the olive oil with their wine. He has told me that it will be able to make good use of the existing sales chain it has in place to get the product into the market. I would think in the same way that people who have planted vineyards and have their wine crushed by people who own a winery and/or who just sell their grapes to a winery and make their profit from selling the grapes and not wine, a lot of olive producers will do exactly the same thing.

Mr MINSON: So a big factor in olive production will be the access to cooperatives, so that they can expand? A lot of the processing appears to be expensive equipment.

Mr HOUSE: Yes.

Dr ROBERTSON: I would like to add to that. It is our estimate that in Australia enough olive trees have been planted to provide, when they get to their full potential, twice the amount of oil that Australia currently imports.

Mr MINSON: That is what is causing me a bit of difficulty at the moment.

Dr ROBERTSON: The good news is that olive trees will take a number of years to reach their full potential. We are looking at eight to 10 years before the potential is realised. Therefore, it will not happen tomorrow. The focus of our work now and for the next 12 months will be working with groups of olive growers and supporting them in the development of co-operatives. Two groups have already started to work towards creating a cooperative. We will assist them to begin to look at export markets. While the price of oil on the domestic market is very high for the early producers, it will not be long before there will be a glut on the local market and producers need to look for export opportunities now.

Mr MINSON: I notice that olive trees grow in the most unbelievable places around the world. I am not really au fait with its ability to withstand salinity in the ground water. The problem of salinity and its solution seems to go through cycles. For a while we used deep drainage; then the answer was to replant everything; and now people have suddenly rediscovered deep drainage. It seems to me that the truth lies somewhere in between and it has to be targeted to the type of country concerned. I understand that the olive tree is a deep rooted tree and I think we should be concentrating on using trees or plants that have a commercial return as part of the solution to the salinity problem. Instead of planting a tree that looks nice - there is nothing wrong with that - if we develop, dare I say it, genetically modified plants that are deep rooted which can withstand salinity, they could have a big future in Western Australia. Olive trees, blue gums, mallees, or whatever we decide to plant - if they can be used to lower the water table - may not produce as much as a tree growing in ideal conditions, but they will nevertheless be an incentive for people to plant deep-rooted plants that give a commercial return as well as just looking nice. I wonder whether any work has been done on olive trees and how they might be adapted in Western Australia?

Dr ROBERTSON: The olive tree is a moderately salt tolerant species. It will grow in areas that are marginally saline. A significant proportion of olives that have gone into the medium rainfall areas of Western Australia have gone in with the farmer intending to use them as part of this management plan against salinity.

Mr MINSON: That is being done, is it?

Dr ROBERTSON: Yes, that is being done.

Mr MINSON: I would like to contact you externally if I may, so that I can talk to those people.

Mr GRILL: Referring to page 75, the Minister refers in the last dot point to exports of lamb increasing and that market prospects are encouraging for the industry. A couple of the developments are then mentioned. For some time we have been importing either genetic material for fat-tail lambs or fat-tail lambs themselves into the State. How well have those

programs being going? To what extent have fat-tail lambs being taken up by farmers? What proportion are they of exports now? Are fat-tail lambs obtaining a premium on the market? Is it likely that, if there is a premium, that the premium will continue into the future?

Mr HOUSE: Nearly every livestock ship that leaves for the Middle East now has some component of fat-tails on it. I am aware of one recently which had 5 000 on board. In percentage terms, we are talking five or 10 per cent, depending on the size of the vessel. They have been moderately successful. They have not been embraced by everybody per se, but there are some people who have seen it as a real opportunity. One of the problems has been to breed enough numbers. What we are currently producing is really first, second and third crosses at this stage. There are not a lot of pure fat-tails around. There are a lot of different breeds, as the member is aware.

I was in the Middle East earlier this year when the first shipment in 11 years of Western Australian sheep arrived in Saudi Arabia. I know that the member is aware that the market was reopened. It was significant that we needed to be there. A group of farmers was with me. The indications given by the Saudi Arabians was that there would be a premium - that could be seen in the marketplace - but it is not a huge premium. It was interesting to talk to people who were buying the sheep. They bought them in ones, twos and threes. The most fascinating thing was that a lot of the buyers said they preferred the Australian merino because of its lack of fat content. I am paraphrasing a bit, but the general indication we got from the people at the sheep markets was that the younger generation was happy with the pure bred merino because of its lower fat content, but the older people were more traditional and wanted the traditional fat-tail sheep because it was something that they had always used. Members should bear in mind that in that market they buy the sheep in ones and twos. As an aside, one person bought one of each. He said that the fat-tail traditional sheep was for his parents and the merino was for him. I think there is a market opportunity. The premium is probably about \$4 or \$5 a head, but that could change as the pure bred sheep come through. I do not think it will be huge, but every dollar counts.

Mr GRILL: Is there any particular breed in Western Australia at the moment that seems to be doing better?

Mr HOUSE: The awassi would be the most prominent of the breeds in numbers, but there are small numbers of damara and others. However, the awassi would be the largest number. That is probably because of the program started by Dr John Lightfoot in conjunction with a Kuwati gentleman called Homaizi -

Mr GRILL: Yes; I was around at the time.

Mr HOUSE: The member would remember some of the details of this because he was the minister.

Mr GRILL: It was a bit fraught really.

Mr HOUSE: In the long term it has proved to be a good initiative. There were a few pains and problems along the way which I am sure the member had to deal with. I certainly did - the release of the sheep was an issue when I became the minister. In the long-term one would have to say that it has been a good program.

[10.50 am]

Mr MARSHALL: Page 76 refers to new market opportunities for horticultural products. What point is this State at with the export of wildflowers? Are there any controls on pickers? Are any new varieties being exported? It has been a while since we discussed this.

Mr HOUSE: Dr Robertson will expand on this as he knows more of the detail. Wildflowers are a growing industry in Western Australia. Western Australian wildflowers are well thought of around the world, especially in the Middle East and Asia, where people living in apartments do not have the opportunity to grow their own flowers and want something different. They have many dried arrangements of Australian flowers. Dr Robertson will talk about some of the new varieties. A couple of years ago, the Government put \$500 000 into the horticulture industry to give it a kick, which proved to be a worthwhile experience. The industry has a good, strong association. The problem is getting the product out of the State at an economic price. The cargo space on aeroplanes is limited and fresh flowers must compete with high-priced products like rock lobster. The flowers tend to get left behind while the rock lobster is put onboard.

Dr ROBERTSON: The original export of flowers from Western Australia was wild-picked flowers. Pickers are licensed by the Department of Conservation and Land Management. Over the past 10 to 15 years, the number of licences has declined and the cultivation of wildflowers has grown, particularly at the moment. The main exports are the verticordias and wax plants, which have markets in Europe and Japan. Over the past couple of years, the department has released some new varieties of waxflowers which have different colours and characteristics. I was talking to one grower-exporter a couple of days ago and that business had increased by 20 per cent this year, due to the new plant varieties it has been able to grow. The industry has a lot of potential for the future and we hope it will continue to grow.

Mr HOUSE: The Government has allocated \$400 000 in this year's budget to support that program.

Mr MARSHALL: Is the production and export of wax plants unlimited? There are a lot of backyard growers of wax plants and Geraldton waxflowers down my way. Could it get to the stage where there are too many growers or is there a wide market for them?

Dr ROBERTSON: The critical issue is ensuring that the market chain is tied up. Wax plants are used mainly as part of flower arrangements. Therefore, retail florists in other countries want wax plants of a similar nature every day of the year. It is a process that the industry needs to undertake as a whole or in cooperatives. The flower export industry in Western

Australia is now well-organised. It works on a state and national basis to develop those markets and ensure that supply equals demand. Growers must cultivate the demand and then the supply. In any one day, the market is sensitive to the amount of material in it. It would be very easy to crash the market if too much product were put into it one week but not much in the next.

Mr GRILL: Page 76 of the *Budget Statements* mentions the deregulation of the dairy industry and refers to adjustment in the industry. The Minister for Primary Industry has announced that, apart from the \$10m coming from the eventual disbursement of the assets of the Dairy Industry Authority, a state-funded adjustment package of \$27m will be provided. This sum is detailed in the table on page 78. It seems that of that \$27m, \$12.39m will be disbursed this year. I am not aware that the Government has indicated the projects to which this money will be disbursed. I asked this question a couple of weeks ago. Are you now in a position to indicate where that money will be applied?

Mr HOUSE: I am more than happy to give a broad indication, although I would like to give a specific indication. The Government gave an undertaking that it would work with the industry to identify the best possible targets for that money. Those discussions are ongoing.

Mr GRILL: Who do you mean by "industry"?

Mr HOUSE: A group of about seven or eight people represents each zone of the dairy industry. The dairy industry is broken up into the Harvey region, the Pemberton region and so forth. A group of about seven or eight people - I am not exactly sure of the number - comprises the presidents of each zone area. The Government has been working with that group to try to identify what the targets should be. In broad terms, about half of the \$27m has been targeted at the processing sector. There will need to be new investment in new technology to make the most of the available milk. It is still the subject of some debate whether the technology should be used to turn the product into powdered milk or cheese. It looks like cheese is the likely opportunity at this time, but that still needs to be worked through. About half the money is targeted at the processing sector. The question is then how it should be distributed. The processors are keen to make sure it is applied to the best possible area. The dairy industry covers a wide area, from just outside Armadale through to Walpole. One of the things that concerns me is that the freight component as a percentage of the price of milk will be one of the larger costs. Under the new structure, the price of transporting a litre of milk to wherever it must go will be a substantial cost factor. The member would be aware that some of the Capel dairy farmers are disadvantaged by the new arrangement. By company arrangement, some of their milk is sold at market milk prices. The Government has agreed it will pick up the difference during this period.

Mr GRILL: How much is that and how long is the period?

Mr HOUSE: It is \$2.23m over three years.

Mr GRILL: Is that additional money?

Mr HOUSE: It is part of the \$27m total, and will be paid over three years. The percentage of that over a 12-month period is factored into this year's budget. Another \$10m will go towards farm business analysis and planning. A number of dairy farmers have been looking at their total business: How it is structured and whether they stay in the industry or plant an orchard instead of running dairy cows.

Mr GRILL: What will the \$10m go into?

Mr HOUSE: It will go into farm business analysis and planning and the implementation of that planning. It is a two-tiered package: The farmer will be given funds to hire people with expertise to help them identify what he could do and he will also be given assistance to implement those decisions. If a farmer identifies that he wants to plant an orchard, money is available to help with planning and structuring. Assistance is available for dairy workers who might be displaced from the industry. It is hard to estimate how many that will be or how much money will be needed. Money is also provided for the transition of the Herd Improvement Service of Western Australia into the new private-company structure.

Mr GRILL: It appears that half the money will go to the processors. Page 76 states -

However, it will also make the Western Australian dairy industry more attractive to investors contemplating manufacturing milk products for export.

If this arena is becoming more attractive, why is so much money being given to the processors and so little to the various producers? The producers are suffering pretty badly and it appears that they will continue to suffer for some time.

Mr HOUSE: More than 60 per cent of the milk produced in Western Australia is turned into manufactured products such as yoghurt and ice-cream. The vast majority of that is exported internationally. Western Australia competes in the marketplace with the New Zealanders, the Dutch and now the Chileans. We need to be competitive or we simply will not be able to sell our product. The conventional thought among dairy farmers is that if the money is given to the processors to upgrade the efficiency of the plants and to provide opportunities for products that are currently not produced, such as certain types of cheeses, the farmers will be placed to get the milk off the farm at the best price and into the marketplace competitively.

[11.00 am]

Mr GRILL: Is the minister indicating that, by and large, the farmer groups are happy to see this money go to the processors?

Mr HOUSE: As the member puts it in those words, I would say that there is broad acknowledgment that it needs to go into

those areas in order to give them the opportunity to sell their milk. Most dairy farmers are looking at an after 1 July scenario. To them that means, "What do we do with our milk and what price do we get for it?" Understanding that the majority of milk goes into an exported product that has to be manufactured, yes, the dairy farmers believe that is the best chance for them.

Mr GRILL: The minister might remember that when members were debating the Dairy Industry and Herd Improvement Legislation Repeal Bill, the Capel farmers received the bad news that they would receive 21¢ a litre for their milk. Have there been any developments since then that ameliorates that scenario, or are they still looking at very low prices for their milk?

Mr HOUSE: Yesterday morning I spoke with Danny Harris, the president of the Western Australian Farmers Federation milk section. It is fair to say that there has not been a resolution of those issues at this time; however, the dairy farmers are still hopeful they will be able to resolve them.

Mr GRILL: Apparently some bad news has come out of New South Wales in regard to milk prices. Is the minister aware of that, and can he provide us with any further information?

Mr HOUSE: Only to the extent that I have read reports in the Press about the low prices that have been offered to dairy farmers, but nothing more specific.

Mr GRILL: Is the minister aware that the New South Wales Government has suggested that the process of deregulation should be suspended until some of the price problems can be worked out?

Mr HOUSE: It has not communicated that to me officially. No, I was not aware that was the case. Did its Minister for Agriculture, Hon Richard Amery, make an official announcement about that?

Mr GRILL: The problem with New South Wales at the moment is that the Labor Party has broken itself into country Labor and other Labor.

Mr HOUSE: Is that like the left and the right? Or the National Party and the Liberal Party?

Mr GRILL: I understand that the NSW minister is calling for a moratorium on the deregulation process. Has the minister heard anything about that?

Mr HOUSE: No. I heard that one of the newly formed farmer groups had said something like that, but I was not aware that the minister had said that.

Mr GRILL: Perhaps I need to clarify whether their minister was involved in that, but that was my understanding. On that subject, could the minister tell us what will be the function of the Dairy Industry Authority replacement body; that is, Dairy Western Australia? Will it require future consolidated revenue appropriations? Why cannot these functions be performed under contract by the privatised area Herd Improvement Scheme of WA? In other words, why are two separate bodies needed?

Mr HOUSE: Frankly, I do not think two separate bodies are needed. The final move will be to have one body, I am certain of that. No, it will not need CF funding; the Government has been very clear about that. It will have a pool of money to provide whatever functions it needs to provide; that is still to evolve. There are health requirement functions for the testing of milk, for example, that might be conducted by a privatised DIA, but may also be done by contracting that out to the Health Department. However, an implementation group is working through those issues at the moment and is trying to resolve what its absolute function might be. At the end of the day, it will not have Government involvement or a CF allocation. I am convinced it will have enough money to perform its own functions. Those functions might be to promote dairy products as much as they might be to quality control, for example.

Mr GRILL: Will the Herd Improvement Scheme of WA have any Government or CF funding?

Mr HOUSE: No, it can stand on its own two feet and has been doing so for some time. It was kick started with a small government contribution - I think you were the minister at the time - and has been going its own way since then.

Mr MARSHALL: I refer to a dot point on page 76 of the *Budget Statements*, concerning the major expansion in the wine grape plantings. It appears to me that people are planting grapes out of the traditional growing areas that were known to have the requirements to get a good product. Geraldton has grapes, Baldivis, Lake Clifton has a small area, and people are looking at research to see whether they can be grown in Pinjarra, which is near my electorate. What changes have been made through research as to where grapes can be grown?

Mr HOUSE: To the best of my knowledge, there is no limit to where grapes may be grown anywhere in the world. The member might be aware that grapes are grown near where I farm in Gnowangerup; another vineyard has been established just south of me at Borden. However, I presume that one can grow grapes just about anywhere. The quality of the wine is the issue, not where one grows the grapes. An experienced person like you and the chairman would be able to work it out.

Mr MARSHALL: When we toured Europe, we were told that the vines had to be grown on slopes because of the drainage. In various areas over my lifetime I have been told that there were special areas needed to get the right quality wine. Vineyards seem to be popping up everywhere to grow grapes for wine.

Mr HOUSE: To maximise production and quality, yes, the member is absolutely right. The department has run a program to identify areas suitable for grape growing. It has tested some areas to establish those facts so that when people inquire, it can give them some basic information.

Mr MARSHALL: Does the minister know if the department has done any testing in Pinjarra?

Dr ROBERTSON: We supported a small group of people in that district who were looking at planting grapes, but I do not know whether they went ahead with it. The department is involved in a program at Collie where it is testing the quality of grapes for a community group that is assessing the feasibility of a wine grape industry in that area. Two issues are involved with grapes: One is growing the grapes and the second is making the wine. In the past, a lot of the folklore was that good quality grapes could not be grown in warm temperatures. That was because wine cannot be made in warm temperatures without refrigeration. Now, with controlled fermentation and a very high degree of science in wine-making, quality wines can be made over a wide range of environments.

[11.10 am]

Mr MARSHALL: It has become widespread in Western Australia. Are similar vineyards also spreading out in New South Wales, Victoria and South Australia?

Mr HOUSE: It is probably better to provide detailed supplementary information rather than having a rough guess.

Mr KOBELKE: The minister mentioned the soil recovery program in Carnarvon following the cyclone. How much of the funding involved is in the current budget and how much is in next year's budget? Has any money been taken from the budget, or was the funding topped up through the emergency program?

Mr HOUSE: It is covered by a \$2.5m allocation of new funds in this year's budget. None of it came out of the old budget.

Mr MARSH: Current expenditure is about \$700 000 - that is cash out the door. The program is expected to be completed by the end of June.

Mr KOBELKE: Therefore, a flow over is not anticipated into the 2000-01 budget.

Mr MARSH: Not at this time.

Mr KOBELKE: Are Agriculture WA officers involved in the management of this program, or has it been handed over to the local committee that is administering a range of relief programs?

Mr HOUSE: It is being managed by a local committee. That committee is chaired by Mr Ross Donald, who is also the chairman of the Rural Adjustment and Finance Corporation board - the legislated board. Mr Marsh is the Agriculture WA representative on that committee. The shire president is also a member.

Mr KOBELKE: Who has the final say about issues such as the priority properties are given for soil recovery, the amount of soil provided and the source of the soil?

Mr HOUSE: The local committee.

Mr MARSH: The project is managed by Agriculture WA through the regional director, and has an overseeing committee to ensure that all the various interests are considered.

Mr KOBELKE: Is that working satisfactorily, or have concerns been expressed about people not having their cases given the priority requested?

Mr HOUSE: I cannot say whether priorities have been fulfilled to everyone's satisfaction. If the member has administered a scheme like this and everyone has been happy with the outcome, I am impressed. There is always someone who thinks it should be done differently. I have not heard any direct complaints but, if the member can provide details of complaints, I will attend to them.

Mr KOBELKE: Given that it had to be done quickly, was there any need to go through formal contracting arrangements for cartage and the provision of soil? How was that handled?

Mr MARSH: The committee is operating under the State's declared emergency rules. The acquisition of supplies involved getting the best price at the time without going through the tender process. We set what we believed were reasonable prices for the services required. The contractors who accepted those prices were signed up to deliver. That process has been audited and been given a clean bill of health.

Mr KOBELKE: Was it a single contract or multiple contracts? Who won the contract, and what was its scope and the value or rate paid for the fulfilment of the contract?

Mr HOUSE: I am happy to make that information available. There is no secret about it, but it has not been completed. Does the member want the figures to date or is he prepared to wait until the job is finished?

Mr KOBELKE: I would like the figures to date and further information about the projected total cost.

Mr HOUSE: I will provide that as supplementary information.

I told the committee very clearly that the opportunity to contract needed to be well known and that it should advertise

widely. I understand that was done. Although the job had to be done quickly and some contractors had equipment on the spot, I wanted to ensure that everyone had the opportunity to tender. Members should bear in mind that we were facing dire circumstances and we had to act quickly. Some decisions had to be made and we used equipment close by.

Mr KOBELKE: The point of my question was not that I have heard complaints about this process. However, I have heard complaints that months after the flooding near Esperance many issues had not been addressed, but that Agriculture WA was not a primary agency. There is some talk about the potential of a major locust outbreak in the spring. How is that being monitored? Has a special allocation been made in the budget, given that we may need to undertake eradication programs to hit the pest at the right time during its development cycle?

Mr HOUSE: I monitored the situation on my farm the weekend before last by walking across a paddock. A swarm of locusts flew up, so our assessments are accurate. I do not trust the scientists completely; I use my own judgment.

We have a contingency fund within the Agriculture Protection Board. We have allocated about \$500 000, but it might cost more than that. We do not know how large the outbreak will be - that depends on weather conditions and so on. If we need more than \$500 000, we will have to find it. With other outbreaks in the past, such as apple scab and similar emergency situations, we have had to find more money if we needed it. We will make a decision about the source of those funds at the time depending on the amount required.

Mr GRILL: Page 76 refers to new market opportunities for horticultural products - mainly fruit and vegetables - being expected to arise in the near future with the admission of mainland China and Taiwan into the World Trade Organisation. I note the remarks of the United States President that allowing China into the WTO will revolutionise world trade and will be good for the United States. I find it hard to understand how it will help Australia. I would like it explained, especially given that Taiwan appears to produce many canned fruits and vegetables.

Mr HOUSE: Does the member have any easier questions? I understand that China was admitted into the WTO a couple of weeks ago.

Mr GRILL: That is correct.

Mr HOUSE: I presume that opens up greater market opportunities. I do not have a specific answer, so I will take the question on notice.

Dr ROBERTSON: Both China and Taiwan have largely banned the import of many fruit and vegetable products in the past on the basis that they are produced within those countries. They have also had bilateral arrangements - particularly in the case of Taiwan with the United States. In the past 25 or 30 years, the majority of fresh food going into Taiwan has been imported from the United States. Of course, the United States provided reciprocal military support to Taiwan. Under the terms of their proposed admission into the WTO, China and Taiwan will be required to allow other countries the same access they have previously allowed preferred trading partners. We believe we can get a significant amount of agricultural produce into Taiwan. Taiwan was a major producer of tropical fruit and vegetables, pig meat and a number of other agricultural products. However, it is rapidly running out of land and its agricultural production has been declining by 3 to 4 per cent each year for a number of years. It is the only country of which I know that has an agricultural strategic plan which is reducing the agricultural sector and taking land out of agriculture for other uses. With 20 million people and a declining food base, but with a growing population, growing wealth and a significantly reduced dependency on the United States, we think Taiwan represents a very important opportunity for Western Australia.

[11.20 am]

Mr GRILL: I accept that explanation about Taiwan, but it does not cover the situation with mainland China. Do some special features exist there?

Dr ROBERTSON: Mainland China has a market particularly for some of the high quality fruit, for example grapes and plums. Good opportunities during the Chinese New Year coincide with the Western Australian stone fruit season. It has been difficult to get produce into China because of a unilateral ban on it. Western Australia has been exporting plums into China. However, in the main, they have been taken into Hong Kong first, disappearing from the Hong Kong market and been taken up the Pearl River at night in small boats. Those unilateral "You cannot bring anything in" policies will reduce significantly under the terms of China's accession to the world trade agreement.

The member for Eyre no doubt is aware that in gaining accession, China had to deal with many of those unilateral anomalies in its trade policy. It had to clear them with all members of the World Trade Organisation which had the opportunity of identifying unfair practices. China was required to produce a plan to address them. Theoretically, at this stage, fresh produce from Australia will have significantly greater access into China.

Mr GRILL: Are you saying in short that with the inclusion of China into the World Trade Organisation it must abide by the international standards and rules?

Dr ROBERTSON: That is right. If, for example China were not allowing in plums, Australia would be able to negotiate conditions for plums to be accepted into China.

Mr GRILL: China is another country that has seemed to be a law unto itself. Despite that, it seemed to receive preferential trade arrangements with the United States. What are the prospects of policing these international rules and standards?

Dr ROBERTSON: The issue is exceptionally complicated. Over the past four years Australian agriculture has made significant gains under the world trade agreement. In the order of 400 new markets have been opened up for agricultural products that did not previously exist, while not much more has come into Australia. That which has come in, such as pig meat and salmon, has had a very high profile and been debated considerably. In fact, no salmon has come in yet, although its importation is possible.

Under the WTA, countries must justify any barriers they implement. They must be scientific barriers and countries must agree to a program of reducing cash tariffs as they occur. It is very much up to the trading partner to negotiate if it believes it is being unfairly treated. That is a major challenge with which the Federal Government must deal in the future.

Mr GRILL: You indicated that the amount of land being used for agriculture in Taiwan was decreasing. Is that the case with mainland China?

Dr ROBERTSON: The statistics on that are difficult to obtain. However, anecdotally, expansion of cities in China is supposed to be taking in the order of 100 000 hectares of land a year out of agricultural use. The intuitive answer is yes, but the data is not well known.

Mr KOBELKE: Mention is made at page 81 of a representative in Taipei to develop Western Australia's and Taiwan's bilateral interests in the agricultural, fishery and food sectors. Is the cost of that office met totally out of the agricultural budget, or is it shared with the Department of Commerce and Trade? In how many other countries in Asia are special representatives situated to promote agriculture, fisheries or the food sector?

Mr HOUSE: We share the cost of that representative with Commerce and Trade, I think, on a 50/50 basis. We had a similar arrangement in Indonesia.

Mr KOBELKE: Which potential markets were targeted by having representatives in those two countries as opposed to other countries in South East Asia where there is also potential to increase trade in the agricultural sector?

Mr HOUSE: It is a good point and an issue about whether departments such as Commerce and Trade pay enough attention to agriculture. My friend and colleague and I have had some debate about that. We targeted Indonesia, before the Suharto regime was toppled, for a couple of reasons: Firstly, it is a large importer of our products now, particularly live cattle and grain. Secondly, we felt that because of the population nearing 200 million and Indonesia being our nearest neighbour we needed to put in some special effort.

Taiwan became a target after foot and mouth disease occurred there. In round figures, I think it is about our fifth largest trading partner. It is much more of a contributor to our trade wellbeing than most people appreciate.

Mr KOBELKE: Do you mean fifth largest in total exports or primary products?

Mr HOUSE: It is something of that order for Western Australia's primary products, but I will clarify that. I am not certain I have given the member the right answer. Foot and mouth disease in Taiwan gave us an opportunity to target the pork industry there which was centred around exports to Japan. As soon as foot and mouth disease occurred Taiwan made a couple of decisions. The end result of that was to close down its pig industry. We were then approached by some Taiwanese producers who were exporting to Japan to establish here in Western Australia. I guess that is why it started. However, we send a lot of rock lobster to Taiwan. With Japan, it is our largest market; and therefore provides a huge financial return for us. I will provide the exact figure during the Fisheries hearing. We sell to Taiwan grain, a lot of barley for the breweries and a lot of wool for scouring. It is a big market.

Mr KOBELKE: To what extent were you successful in getting Taiwanese pork producers to relocate part of their production in WA?

Mr HOUSE: We have been reasonably successful in getting pork into the market in Japan via their association.

Dr ROBERTSON: We still do not have any investment in Western Australia by Taiwanese producers. However, a number of large Taiwanese food companies came to Western Australia four to five weeks ago and they are still considering that opportunity.

Mr HOUSE: I think the company with which we are dealing got into some difficulty and ran out of money.

Mr GRILL: It seems to me that some time ago at least, our representative officers overseas were arranged on a somewhat fragmented basis, some being controlled by the Ministry of the Premier and Cabinet and the others by Commerce and Trade. Has there been any rationalisation of that, or are we still operating two systems?

Mr HOUSE: You had better ask the Deputy Premier because I am not certain.

Mr GRILL: This question may have been asked previously. I refer to the expansion of wine and grape planting in Western Australia. The director gave us some fairly sobering information a while ago about olives. What is the prognosis for the huge plantings of vineyards in Western Australia? Is it similar to the prognosis for the olive industry?

[11.30 am]

Mr HOUSE: The conventional wisdom is that wine production will triple by 2004. That means that probably 95 per cent of that will have to be exported within a short time frame, and in about three years' time that must start to move out of the country. I envisage there will be some real difficulties in the wine industry. Some brands of Western Australian wine have

good market penetration. However, a number of investments have gone into new brand names that might not be recognised as well as Leeuwin Estate might be recognised around the world, and I think there will be real difficulty. Tripling the production of anything will create problems.

Mr GRILL: Will the Government play a role or will it leave this up to the individual producers?

Mr HOUSE: No. Denis Horgan from Leeuwin Estate is the current president of the Wine Industry Association of WA, and as recently as Sunday I had another discussion with him about that issue. We help the Wine Industry Association in a number of ways at the sales end, which is what the member for Eyre is focusing on, and not at the production end. We have been working with the association to establish markets. The association had a permanent executive officer, and is looking to re-establish that position. Assistance has been offered through the Department of Commerce and Trade and Agriculture Western Australia. The first thing the association needs is a permanent executive officer. Interestingly, some of the solutions for the funding of those positions lie in the Horticultural Produce Commission Amendment Bill that passed through the Legislative Council last week.

Mr GRILL: There was some opposition to that.

Mr HOUSE: Yes, there was. We got it through and the Labor Party supported the Bill in the end.

Mr KOBELKE: Not all of the minister's colleagues did though.

Mr HOUSE: A lot of investors who invest in the wine industry do not play any responsible role in the future promotion of the sale of that product. Dr Bill Smith who lives in the metropolitan area, or wherever, invests \$40 000 and expects to get a return, but he does not expect to contribute either his time and expertise or any more money to marketing that wine.

Mr GRILL: The minister is right. However, many of those schemes are now tax effective so investors get a return in the first year.

Mr HOUSE: Absolutely, and with no responsibility. The small producers, which include a lot of the guys down my way, have invested their money in a small grape growing operation.

Mr GRILL: I have relations and friends in the same situation.

Mr HOUSE: The member for Eyre would know. I think they will pay a hefty price for the influx of money from people into a tax deductible scheme. I said to Denis Horgan the other day that we need to find a way to extract money from them when they invest their money. If they invest \$40 000 into a scheme, a percentage of that should go into a fund for future promotion of the product.

Mr GRILL: That is a good idea, otherwise a lot of them will be badly burnt. I think the minister is saying that the Government has to play a bigger role.

Mr HOUSE: Government has a role. However, the wine industry is not a poor industry. It has attracted a lot of dollar investments from people with a lot of money, and the industry must play its part.

Mr GRILL: Does the Government intend to endeavour to bring in a scheme where investment is made in the market?

Mr HOUSE: The Government is working with Denis Horgan and the Wine Industry Association to activate the new opportunities in the Horticultural Produce Commission Amendment Bill 1999 to see whether we can come up with an acceptable scheme. Under that Bill a majority of growers must agree to a scheme.

Mr GRILL: Is it 75 per cent?

Mr HOUSE: It is a simple majority plus regulation by the industry, so it is a bit less than 75 per cent agreement. It is still an issue.

Mr GRILL: Will that be one of the schemes that will receive top priority?

Mr HOUSE: The Department of Commerce and Trade already provides the association with money directly for those promotional schemes. Agriculture Western Australia runs stands at trade shows and things of that nature - they occur all over the world - and wine producers have been part of those, when they wanted to be.

Mr GRILL: There has been a lot of talk about opening up new markets. Years ago when I was Minister for Economic Development I was in Japan promoting Western Australian wine. Has there been any success in that arena in places like Japan and China?

Mr HOUSE: Yes. In places like Japan, where our markets were very small only a decade ago, we are now exporting substantial amounts, although I cannot quote the figure off the top of my head. Wine producers in Australia have done well in penetrating a lot of markets. Australian wine is pretty well thought of in the United Kingdom which has a number of outlets for Australian wine. In particular, a group called Oddbins, which is one of the well-known shop names in London, has been successful.

Mr GRILL: I notice in London that even some quite good restaurants sell a generic wine from south eastern Australia. Is that Riverina wine? It is bottled wine, but I do not recognise the name and it is labelled as a product of south eastern Australia. It is almost a generic term.

Mr HOUSE: I will try to find some information for the member.

Mr GRILL: I will not hold the minister to that, but if he has some information on that I will be interested.

Mr KOBELKE: On page 99 under the heading "Operating expenses" the estimate for the current year for salaries and allowances is \$82.5m. That figure drops to \$80.75m in 2000-01. In real terms that is a drop in the total budget for salary and allowances of 5 per cent. Paragraph (a) on the same page indicates that the number of full time equivalent positions remains at 1 718. Unless some other money is involved, or the minister can explain the accounting, it appears the same number of staff will be paid less. That figure does not appear to take into account increases in wages that may occur in various ways. I have used the implicit price deflator of 2.5 per cent and not the CPI inflation factor of 3 per cent to get that real reduction of 5 per cent. How will the department cope with the real decrease of 5 per cent in its budget and still maintain the same staffing under the salaries and allowances budget?

Mr MARSH: The reduction in salaries and wages relates to the reduction associated with the National Heritage Trust program and the Rural Adjustment and Finance Corporation, in which there are contracts for service as opposed to permanent FTEs or FTEs on employment contracts.

Mr KOBELKE: The figure for services and contracts also decreases from \$48m to \$44m. Are the contracts for RAFCOR shown under salaries and allowances and not services and contracts?

Mr MARSH: There are some contracts for service in the salaries and services related to NHT and RAFCOR. Would the member like the department to provide supplementary information on the issue?

Mr KOBELKE: I would appreciate that, because I do not understand how that reduction will maintain the same level of service.

Mr MARSH: We will develop a detailed response.

Mr MINSON: The first paragraph on page 78 of volume 1 refers to contingency plans to respond to pest and disease incursions. I refer to the unprecedented number of locusts widespread throughout the agriculture areas. It seems that unless we are well-primed up with a supply of chemicals and have some coordinated way to deal with this problem we will find ourselves in big trouble in spring. Is there anything in place and, if not, has any thought been put into doing that?

[11.40 am]

Mr HOUSE: The answers to the member's questions are: Yes, it was asked while he was out; yes, we have a contingency plan; and yes, there is money in the budget. We are starting to stockpile chemicals. How much we will need is anybody's guess. The member knows how those things evolve. As I said to the member for Nollamara, we will find whatever is necessary. The job must be done, and just how much is required will depend on the intensity of the locusts. The member will see that the Agriculture Protection Board's budget contains some contingency money for those types of disease events, as we have called them in the past. If we need more than that, we will make a decision about where it will come from.

Mr MINSON: It seems to me that it must be on a coordinated basis. This has happened in previous years, but not to the same extent. Individual farmers have tried to control it. They have gone to sleep and when they have come back the next day, it is there. It must be well planned, coordinated and executed.

Mr HOUSE: Yes, it will be and those plans are already being put in place by the APB now.

Mr GRILL: Pages 86 and 87 deal with the sustainable development of agriculture. Under the total cost of output, there is a very substantial decline in the commitment to this output from \$62m this year to \$47.8m in the budget year. This seems to be a real decline because it is supported by reductions in targets for almost all of the key output measures in the table on page 87. Under "Quantity" on page 87, there are generally lower targets for Landcare processing, approved grants and information products and services. Target sums for the Landcare grants are also substantially reduced. Why has the Government told the public that it is increasing its land care commitment when that appears not to be the case?

Mr HOUSE: There are two components of the ecological development part of Agriculture Western Australia's budget: First, the money that comes from the State and, secondly, the Natural Heritage Trust funding that comes from the Federal Government. As we stated earlier, it is impossible for us to put the exact figures in the budget because we do not know exactly how much is coming. The Federal Government always said that there would be some question about ongoing funding. The amount of dollars is obviously still being negotiated with the Federal Government. We cannot put them in the budget until we are absolutely certain they will come. I accept that on face value one could argue that there is a reduction. Hopefully, we will be able to make up that difference when we negotiate with the Federal Government.

Mr GRILL: When the minister refers to the Federal Government, is he talking about the Natural Heritage Trust?

Mr HOUSE: Yes.

Mr GRILL: When will those negotiations take place?

Mr HOUSE: They are already taking place.

Mr GRILL: When will the Government know what allocation it will receive?

Mr HOUSE: I am informed that the decision will be made in October.

Mr GRILL: As late as that? Is there a concern that our allocation will be cut because of the focus on the Murray-Darling system?

Mr HOUSE: Yes, there is a concern. However, the Deputy Prime Minister was in Western Australia a couple of months ago and we took him through the wheatbelt areas to make him aware first hand of the issues, particularly salinity. The federal Minister for Agriculture, Fisheries and Forestry will be coming in early July for a couple of days. I hope we will be able to make a strong case with him. Both ministers have shown a fair interest and understanding.

Mr GRILL: For years I have thought that salinity is by far the biggest ecological problem in Western Australia, and I am sure the minister will agree with that.

Mr HOUSE: Yes.

Mr GRILL: Is there a prospect that moneys dedicated to this area will increase in future?

Mr HOUSE: Yes, there is. The Premier has given a public commitment that if the sale of AlintaGas takes place, more money will be applied to that program. I do not think that Governments applying money to salinity will be the total answer to solving the problem; it will be a combined effort. However, Governments can provide some knowledge and expertise from a scientific point of view. The member for Greenough alluded to it earlier when he was talking about genetically modified plants. Some work has been done in Saskatoon in Canada on plants that are more tolerant to saline water. If we could develop a cereal that was tolerant to saline water, perhaps we could turn that problem around, and use the land in a different way. There are different ways to apply that money. The Government could throw more money at this problem and still not resolve it. It must be resolved by a combination of community input and government money going into some advice and expertise.

Mr GRILL: The new state salinity action plan is featured on page 88 under the major achievements of that year. What was new in the plan? What was the cost of the launch of Olive Farm early this year?

Mr HOUSE: Mr Hartley will answer the first question, and I take the second question on notice. I am quite happy to provide it, but I do not know the answer to that question.

Mr KOBELKE: Is there a commitment to a supplementary answer to that question by the minister?

Mr HOUSE: Absolutely - to the question about the cost of the launch of Olive Farm.

Mr HARTLEY: The member would like to know what is new in the salinity program for the coming year compared with what we were doing previously.

Mr GRILL: That is correct.

Mr HARTLEY: We have made a major commitment to focus catchment planning, including a rapid catchment appraisal process, whereby we hope to cover all the major at-risk catchments in this State in a relatively short period and provide them with an indication of the level of risk they are facing with salinity and their technical options on treating the problems we have identified. Our major thrust will be to try to cover the State as quickly as we can and make sure everyone has the best possible information that is currently available on which they can make an individual farm decision about how they manage the salinity problem. Another major initiative is to do catchment level water management plans, so we can provide good, accurate information on how to manage drainage problems. There is an increasing demand in the community for drainage to be used as a tool to combat salinity. We accept that it is a valid tool which should be used in combination with the other techniques.

Mr GRILL: Has the department been a bit reluctant to come to that view?

Mr HARTLEY: Not really. It has been our view for a long time that it is a valid tool; it is part of the process. Some people in the community have tried to paint a different picture; that is, we have been reluctant to come on board with drainage. However, we have always seen it as a valid tool to be used in combination with the other techniques for combatting salinity.

Mr HOUSE: The problem with drainage was that the process of applying and getting approval to implement the drain was a very difficult task. We have modified and rectified those problems in the past few months. Farmers will now find it a lot easier to have their plans put in place reasonably quickly. Previously, people would see an excavator working up the road and think, "That is a good idea; we need to dig a drain", and they would want to start tomorrow. Resolving issues such as where that water would drain and whether, for example, it should be put into the nearest river and increase the salinity of that river is quite difficult. The Water and Rivers Commission and the Environmental Protection Authority wanted to get involved in that. We have established a cross-agency committee that, hopefully, will fast-track those applications.

[11.50 am]

Mr GRILL: When I have had discussions with people in the Department of Conservation and Land Management, they have always said quite readily that drainage is a real solution - not a total solution - to the problem. In my view, compared with the Department of Conservation and Land Management the salinity committee has been a bit reluctant - perhaps it has been painted in the wrong colours, I do not know - to readily grasp and acknowledge that fact.

Mr HOUSE: There is some validity in what the member is saying. However, it is a bit like horses for courses. Drainage may work on the member's farm but not on a farm 100 miles away. There are different answers. The reason that salinity

is a little difficult to deal with is that what may work in an area with certain topography may not work in another area. It is difficult for an agency like Agriculture WA to tell people with certainty that something will or will not work, so we get this sort of quasi answer with which no-one is really satisfied. We are trying to tie that up with what Mr Hartley has been doing.

Mr GRILL: What is the annual cost of the State Salinity Committee? Are its chairman and other members paid; and, if so, what amounts are they paid? Where in the budget are that committee's expenses brought to account?

Mr HOUSE: I will take that on notice and give the member the detailed answer, but it is spread across Agriculture WA, the Water and Rivers Commission, the Department of Conservation and Land Management and the Environmental Protection Authority. I am not sure that we can get that information in the two-week time frame, but we will do our best. I give the member a personal undertaking that we will get that information.

Mr MARSHALL: Dot point six on page 89 refers to the establishment of a farm forestry advisory service. How is that service going, and how successful has it been?

Mr HOUSE: Agriculture WA has been promoting farm forestry as an integrated part of agriculture, not as fence-to-fence plantation planting. Our view is that farmers need to incorporate it into their business. It may be 20 per cent of their total land area, for example, and we have been advocating in the vicinity of 20 to 25 per cent. We are trying as best we can to get farmers to see it as another income opportunity and as part of their existing business, not as replacing their total business. The angst in some agricultural regions is that it has become fence-to-fence blue gums, and that has created other problems, particularly with schools, bus routes and stores, and for people who have traditionally relied on those agricultural pursuits. We have been reasonably successful at doing that, but of course the price that is being paid by plantation owners to farmers to both purchase and lease has been above what they could expect to earn if they ran a traditional agricultural pursuit such as wool or meat, so it has been an individual decision. I have said a number of times that I do not think any Parliament will dictate to people what they can do on private land to the extent of whether they can or cannot grow or run some product. We have been trying to manage it by good information and advice.

Mr KOBELKE: I refer to the item for consumable supplies on page 101, which in 1998-99 was approximately \$3m, in the current financial year is over \$12m, and for the next financial year is envisaged to be just on \$7m; so it went up by more than three times from 1998-99 to 1999-2000, and from this financial year to the next financial year it will be almost halved. Obviously there was a lot more fuel or new tyres for cars, or a lot of cakes were put on the table. Why has that figure varied by such a large amount?

Mr HOUSE: I will take that on notice and give the member the answer.

Mr KOBELKE: I refer to page 105 and to grants to charitable and other public bodies, which in the current year is \$7.12m. To whom were those payments made?

Mr HOUSE: That is the money that was given to the Meat Industry Authority for the establishment of the Western Australian Meat Marketing Co-operative.

Mr KOBELKE: Can the minister provide the details? I asked questions of the Premier in the debate on the appropriation Bill last year, and I did not receive answers. An amount of \$7.65m was made available to the Western Australian Meat Marketing Corporation in the 1997-98 budget. What is the breakdown of the total payments for each year for the phasing out and the changeover, given that some of it is interest payments, which is reflected in the figures here, and some of it may be original capital? How was that money paid? The appropriation Bill that we dealt with at the end of last year said the money had gone to the Meat Marketing Corporation, but that was not reflected in the annual report of the Meat Marketing Corporation for that year, so it was not transferred at that time from the one body to the other. It might be just a reporting issue. Can the minister outline the flow of that money from Agriculture WA to the Meat Marketing Cooperation and how it has been disbursed, because the annual report and the budget papers do not match?

Dr ROBERTSON: A total of \$7.65m was made available to Agriculture WA towards the end of 1998-99 as a supplementary budget allocation. The legislation had to be repealed and the gazettal notice had to be in place before the money could be transferred. An amount of around \$530 000 out of that \$7.65m was paid by Agriculture WA to the Meat Marketing Corporation in 1998-99 for consultancies and company restructuring. The remainder of the money was not transferred until towards the end of July - I cannot recall the exact date - when the establishment of the co-operative became legal. That was in 1999-2000, so that will not appear in the corporation's books until its annual report at the end of this financial year. The other figure for interest costs relates to the Western Australian Meat Commission, not the Meat Marketing Corporation, and is for the Robb Jetty abattoir that was closed, which had a debt that is continuing to be serviced by the budget allocation to Agriculture WA.

[12 noon]

Division 31: Agriculture Protection Board, \$11 792 000 -

Mr Bloffwitch, Chairman.

Mr House, Minister for Primary Industry.

Mr R.J. Delane, Executive Director.

Mr GRILL: I refer to the output measures at the bottom of page 111 of the *Budget Statements*. The cost per property for

agency activity was \$5.978m this year and will be \$6.155m next year. That seems to be an extraordinary amount of money expended on a property basis. I presume we are expending the equivalent of that amount on every pastoral property right across the State. Is that a fair assumption? Why is that figure so high?

Mr DELANE: This is to a degree an artefact of two things: First, the difficulty of getting practical output measures for such a diverse business as the Agriculture Protection Board; secondly, the requirement by Treasury that the entire budget be allocated to the quantity measures. In the first set of output measures in this new process we have allocated two quantity measures. The entire Agriculture Protection Board budget must then be divided across those two sets of measures; hence, the inspection, notification and audit procedures appear in the first set of measures and then all 1 000 properties where we conduct control programs appear in a set of measures. A small change in the allocation of the budget to activities related to eradication programs on those properties then translates to an increase in cost. It is not the cost of each individual property activity but, rather, the cost of all our activities including the board's costs, management costs and backing research, information systems and communication which we allocate to eradication activities.

Mr GRILL: I thank Mr Delane for that information. However, when one looks at the information, superficially at least, an immense subsidy seems to be going from the taxpayers of Western Australia to individual property holders. I am not sure whether the way of presenting this information is fair or correct as it gives entirely the wrong impression.

Mr HOUSE: The member has made a valid point and we will consider how to present these figures in future.

Mr DELANE: The point is well made. We have been working with Treasury and the Agriculture Protection Board to develop more meaningful indicators. The diversity of the business means it is often difficult to provide a small set of indicators which will translate into meaningful data. These figures relate only to the costs applied to properties on which we are conducting control and eradication programs. From that point of view they can appear to be distorted. The figures do not apply to the 20 000-odd properties across the State; only to the 1 000 properties on which we are conducting work. Consultants have examined our performance indicators and we will be submitting a revised set of indicators to the board's meeting in August which we hope will be more meaningful. We will then run parallel indicators for this coming financial year and hope that in next year's *Budget Statements* we will be able to report a much more meaningful set of output indicators.

Mr GRILL: I have a couple more questions on the financial style of the APB. On page 114, the operating statement shows the salaries and allowances line running fairly consistently at just above \$9m. What number of employees does that figure represent?

Mr DELANE: The estimate for the activity funded through the Agriculture Protection Board is approximately 40 per cent of 340. That works out at approximately 140 to 150 full-time equivalents spread right across the State in a wide range of projects. The member will appreciate that we are operating in a consultancy mode now which has a large number of people who make part-time contributions.

Mr GRILL: Just below that item on salaries and allowances is an item for services and contracts. In the same accounts the services and contracts line has grown markedly from \$3.5m in 1998-99 to \$5.8m this year and the estimates show an increase to \$6.1m for next year. I imagine this growth represents the trend in the agency towards the contracting provision of operational services. I find confusing the fact that not only are contracted services becoming more expensive, but also we are paying more for salaries - almost \$400 000 more than in the financial year 1998-99. More money is therefore going out on services and contracts and more money on salaries; there seems to be a contradiction there.

Mr DELANE: There is an increase of just over \$500 000 in the cost of total services provided through the board's funding for the coming financial year. That accounts for some increase in salaries and allowances. There is a trend towards greater contracting of aerial baiting, skeleton weed search and other operational costs.

Mr GRILL: Where will that additional \$500 000 be applied?

Mr DELANE: The \$500 000 will be applied to a number of areas, including some provision for locust eradication allocated through our insect management projects.

Mr GRILL: With operational services now contracted out, why are the costs of consumables expected to rise? Why are the costs of equipment, repairs and maintenance also rising to more than double the costs in 1998-99? Does this mean that the contracting services have proved to be more expensive than the former in-house operational services?

Mr DELANE: I do not believe the consumable supplies figures are significant. The figures are very similar across the line. There is a low figure in 1998-99 for equipment, repairs and maintenance, but we are increasing the figure in 1999-2000 and 2000-01 by 25 per cent. There is no indication that this is a result of a deficiency in the contracting out process. It merely reflects specific operations which are intended for this coming year and scheduled or required maintenance to specific items of equipment.

Mr GRILL: On page 114, what is the \$1.144m "Other" item in the operating revenues for this year and next year and why does it disappear in the forward estimates?

Mr DELANE: The principal component of that is the operation of the Agriculture Protection Board's bait production unit at Forrestfield which currently produces a large number of dried meat bait and a range of other poison baits, principally used by the Department of Conservation and Land Management and also other landholders. We have been working for some time with the board, private sector proponents and CALM to privatise the manufacture and distribution of baits from that

facility and generate some efficiencies there. It is anticipated that we will be able to achieve that target in the coming financial year.

Mr GRILL: Even if the operation is privatised, will the APB not still have to pay for contractors to supply and deliver the baits?

Mr DELANE: No, we have a very small direct requirement for baits ourselves. We manufacture them on behalf of CALM or for landholders. It is intended that a private sector company will do that and we would have no purchase costs.

[12.10 pm]

Mr GRILL: Does the agency extract payment when it manufactures those baits?

Mr DELANE: Yes, it does.

Mr GRILL: Is that picked up in the budget papers?

Mr DELANE: It is principally that figure.

Mr GRILL: Therefore, the agency's costs should reduce.

Mr DELANE: The cost of that component will go down, but I expect the board will allocate funds to a number of high priority projects.

Mr GRILL: A lot of media attention has been given to alleged health problems among former APB employees in the Kimberley. It is also said that the potential exists for ongoing dioxin pollution from the storage and use of the chemical 2,4,5-Trichlorophenol. Does any APB site or former site have any level of dioxin pollution? What has been done to address this situation? What investigations have been carried out to determine the health status of former employees who have been exposed to this chemical?

Mr HOUSE: This issue first surfaced about three or four years ago when a former employee of the APB in Derby indicated that the health problems he was experiencing might have been related to chemicals he had used in the past. I assure the member that it was not taken lightly by the agency or by me. People's health is absolutely paramount. If we have it wrong, we will put our hands up and try to rectify the problem the best we can. The issue was fully investigated. It has been through a proper process, and at no stage has anyone been able to indicate that the claims could be substantiated. I want to be clear: If somebody can verify or justify those claims, the member has my assurance that we will do something positive to try to rectify the problem. None of that has occurred. It has been the subject of a very thorough investigation.

Mr GRILL: I thank the minister. Does he want to address the specific questions I put?

Mr DELANE: Detailed investigations were carried out by the engineering consulting firm GHD Pty Ltd, which conducted a preliminary assessment of the Derby site. It went back and, based on its initial analysis, conducted a considerably more detailed analysis. That included some special chemical analysis for dioxins carried out in New Zealand. The report was provided to us and the board, and forwarded to the Department of Environmental Protection and a standing committee of the Legislative Council. The report contains no recommendations for a clean-up of the depot site because no residues of any health concern are at that site. A separate investigation was conducted of a separate site in the Derby townsite; namely, an AgWest rather than APB site. Some remediation action is recommended in relation to an entirely different chemical. That is being progressed through another consultancy with GHD and some work with the Department of Environmental Protection to ensure we have appropriate measures in place. The technical assessment is that there are no health concerns at the Derby depot site. No submissions were made to the APB or AgWest concerning health concerns of former employees. The Agriculture Protection Board has made that report available to any inquiries, and I am sure it can make it available to the member if required.

Mr GRILL: The answer indicates that there are no health concerns as a result of that report. Could I have my specific question answered; namely, does any APB site or former site have any levels of dioxin pollution? That is a slightly different question.

Mr DELANE: I answered the question carefully. There were, I believe, three sample sites at which traces of dioxin were detected. I do not know the member's definition of "pollution". Further analysis was conducted on that site on inquiries by the Department of Environmental Protection. We expect the DEP to clear that site as having no significant contamination issue.

Mr GRILL: Which sites have traces of dioxin pollution?

Mr DELANE: I refer to the three sample sites at the APB depot site at Derby. That is outlined in the report, which I am happy to provide.

Mr GRILL: In relation to the other site with some pollution from another source, what was the pollution and its source?

Mr DELANE: It is a chemical called endrin used in the cotton experiments in the early days. It appears to have occurred from a single drum spill at a former storage shed in the Derby townsite. It is reasonably straightforward and involves determining how much soil and concrete must be removed to remediate the site.

Mr GRILL: Are there any health consequences as a result of ingestion of endrin?

Mr DELANE: I am not aware of any associated health concerns.

Mr GRILL: No. I asked: Are there any health consequences as a result of ingesting endrin?

Mr HOUSE: Does the member mean hypothetically - if it is swallowed, will it hurt you?

Mr GRILL: Yes.

Mr DELANE: We will need to take that question on notice.

Dr ROBERTSON: Endrin is a chlorinated hydrocarbon which has a very low mammal toxicity. One would need to swallow a lot before any health problems were associated. It is in the same family of chemicals as those used widely throughout Western Australia for the treatment of white ants or termites. No doubt, most domestic properties in places like Derby used related chemicals to control bugs in the lawn or gardens. Chlorinated hydrocarbons were banned by Governments for all use across Australia three or four years ago, but the real issue was the environmental concentration of the product, not health issues.

Mr GRILL: Was it not a concern that they are carcinogens?

Dr ROBERTSON: I do not believe there is evidence of that, but I am not an expert in that area. I understand that it is a chemical which accumulates in the environment. It was a concern that birds might accumulate that chemical. Protracted debates were held in Western Australia and elsewhere on the matter. The chemical was used in every domestic property to control termites, yet no evidence suggested health concerns from such use.

Mr GRILL: The dioxin traces were found in three places in Derby.

Mr DELANE: Three sample sites had traces of dioxin, but not in significant quantities.

Mr GRILL: What concentration were they?

Mr DELANE: I will provide that information.

Mr GRILL: Has the report been released?

Mr DELANE: The report has been released to anyone who sought it. It was provided to the Legislative Council Standing Committee on Public Administration which Hon Kim Chance chairs, and to the media which sought the report. We are happy to provide copies of the report to anyone who seeks it.

[12.20 pm]

Division 33: Fisheries, \$17 327 000 -

Mr Bloffwitch, Chairman.

Mr House, Minister for Fisheries.

Mr P.P. Rogers, Executive Director.

Mr P.J. Millington, Director, Fisheries Management Services.

Mr N.B. Austin, General Manager, Corporate Services.

Dr J. Penn, Director, Fisheries Research.

Mr J.C. Nicholls, Director, Strategic Planning and Policy.

Mr A. Cappelluti, Principal Policy Officer.

Mr GRILL: The appropriation and forward estimates account on page 576 seems to indicate a very stable pattern. Is that a fair comment on the direction of the agency, in particular on the user-pays arrangements now completed? I note that on page 591 the operating statement shows that the total operating revenues now exceed the total revenues from government.

Mr HOUSE: It is fair to say that we have a fairly stable situation. The cost-recovery arrangements are not completed. Cost recovery does not apply to a number of minor fisheries. That debate and discussion continues with the Western Australian Fishing Industry Council and the fishermen. I guess that cost recovery has evolved from the original principles into a debate on to what extent one gets down to what I would call the nuts and bolts of cost recovery; in other words, how much detail does the fishermen want before we establish the cost or how generic can we be in a band of costs, and what should it contain? For example, there is some debate now amongst fishermen about raising extra money to promote their product. It might be appropriate to do that in the pearling industry, to take one example. That debate on the detail of cost recovery will continue in both those areas. When we first started, the fishermen wanted absolute detail. I think there is now a growing wisdom of a bit more trust in the system, and they want a broader, generic band of information. We made it a bit too hard before when questioning where it starts and stops in the sense of what is applied or needed in their industry. If they have particular ideas about research, they can be accommodated. Let us take the abalone industry which consists of a smallish number of fishermen. They might decide that they want to increase their cost recovery in order to apply more research to the seeding of reefs for example. The debate is ongoing.

Mr GRILL: Is the department happy about the level of cost recovery so far?

Mr HOUSE: The department has not been happy about the fact that it has taken a heck of a long time to get the detail in place, but it has been a good discipline for the department to identify it more clearly and be able to tell the fishermen exactly where that cost has gone.

Mr GRILL: That is a question of accountability. I understand what the minister is saying about that. Would the department like to push the level of cost recovery higher?

Mr HOUSE: The great thing about cost recovery is that the demands made by the fishermen will need to be met. In most of our fisheries there is a very mature level of debate amongst fishermen about the need for information to enable them to make decisions about the future. We have put a lot of effort and energy into the rock lobster industry, for example, and we have had a very good result at the other end. The fishermen accept the cost, which is a small percentage of their total income.

Mr MARSHALL: On page 577 the sixth dot point of significant issues and trends refers to uncertainty in the State's traditional seafood export markets. Will the minister enlarge on that uncertainty? The dot point also refers to pursuing new opportunities in other markets including those in Europe and America. Have there been any positive results from that pursuit?

Mr HOUSE: This has resulted from what has been broadly termed the Asian crisis. There were serious indications from Japan and to a lesser extent Taiwan that the price of lobster could not be sustained in their new economic environment. I use the lobster industry as an example, but this applies to prawns, scallops and other products: The industry moved quickly to look at other market opportunities in Europe, which had previously been thought of as being perhaps a bit too hard. It suddenly became a darned sight easier when the industry was faced with falling prices. The industry has been surprisingly successful in penetrating those markets and exporting live product to Europe.

Mr MARSHALL: Has any European country been more successful than others?

Mr HOUSE: The United Kingdom and France have probably been the two most successful.

Mr MARSHALL: What about the Americans, who have previously been lobster importers?

Mr HOUSE: They were importers of cray tails, cooked and frozen to a large extent; in fact, in the early days they were tinned. Not a lot of live lobster is going to America, but the Americans can get live lobster from Cuba.

Mr GRILL: Dot point two on page 577 refers to recreational fishing, which has always caused a problem with sustainability. I note that last week the minister had to request that further measures be put in place in the Shark Bay snapper fishery because of over fishing. Where is the State going on this subject at the moment, which stocks are under pressure, and how does the minister see the management of the stocks developing in the future? I am sorry to ask such a general question.

Mr HOUSE: The member must stop me if I take too long to answer it because there are many aspects to the question. I am sure that the member would be aware, as a former Minister for Fisheries, that our seas are not prolific with fish. Some people might think they are.

Mr GRILL: There is a big misunderstanding about that.

[12.30 pm]

Mr HOUSE: Absolutely, so the ability to fish heavily for long periods with a sustained population will not be available in the future. We have been lucky with a smaller population to have got away with - I use that expression advisedly - what we have got away with in the past. We have become more aware and as time has gone by we have started to run a number of programs. There have been a couple specifically. First, we have been looking at all recreational fishing right around the coastal areas of Western Australia with a targeted program which has been divided into four bio-regions of the coastline.

We have been looking at the fish stocks in four regions of the coastline and the rules and regulations and what might apply in the future in order to preserve the fish stocks. The member will know that some areas like the northern area, which is a barramundi fishery, are very different from the southern areas where one is talking about salmon or estuarine fishing. We have also just implemented a new discussion paper. It is very futuristic and I think it is the first time that has been done in the world. It looks at fish stocks for the long-term and the sharing of the resource. We were fortunate to get Justice Toohey to chair the committee, which started work about five or six weeks ago. It is looking at all the aspects of integrated fish management, which takes into account the issue of resource sharing, which is a serious issue in some places - I will come back to Shark Bay in a minute. We acknowledge that unless we do that now there will be not only conflict, but also a lack of fish in some areas for people to catch. We have a concentrated population in the metropolitan area and people expect to have to drive only a short distance to the coast to catch whatever fish they want.

We closed snapper fishing in the eastern gulf of Shark Bay three years ago as a direct result of recreational fishing - it had nothing to do with professional fishing. To my knowledge, that is the first time that has occurred. The western gulf is now under threat from recreational fishing pressure and there is some debate about whether the commercial snapper trawling at the northern point of the gulf is having some effect. That debate will continue depending on to what side of the argument one wants to listen. Undoubtedly, the recreational pressure has caused that problem. We need to address those issues

quickly and we have moved to do that. The numbers of people going into Shark Bay, despite our fears about them dropping, have increased in the past couple of years. I think that is a testament to the local people offering alternatives for people other than fishing. The department has also been running very strong programs about people taking fewer fish and enjoying them as fresh fish, rather than taking large quantities of fish and carting them home frozen. The culture that has been developed with that attitude has increased substantially over the past few years and been quite successful.

Mr MARSHALL: One page 581, the last dot point for the major achievements for 1999-00 refers to stock preservation and states that in excess of \$1.9m has been spent on the buyback scheme of commercial fishing licences. Is the minister able to say what percentage of the licences were resumed, and will the licences that are left be sustainable, or will there be a continued buy back of professional licences?

Mr HOUSE: It is not possible to answer that specifically because it depends on the area one is talking about. In areas like the Leschenault Estuary, where there has been greater fishing pressure than in other areas, we have had to be more specific about the target. There was a need to reduce the professional fishing effort, but professional fishermen provide good advice to us through the forms they fill in for the department about fish stocks and the availability of fish, so I am personally of the view that there should be some professional effort in most areas in order to continue the advice coming through. Secondly, although the member and I enjoy recreational fishing, a lot of people want to buy their fish, and there needs to be a professional fishing effort in most regions in order that people can buy a feed of fish if they want to. I am not trying to evade the question; it is just that there is a different answer for different regions. On the south coast we brought the number of licences down to about half in the estuarine fishery, and we think that we need to take out about another 20 per cent to get the level right for today's conditions. If the recreational fishing effort increases that might be a different number in the future.

Mr MARSHALL: I want to be more specific than that. Relating to my area in the Peel Inlet, how many licences were resumed? Will the number of licences remaining be sustainable to the industry, both for recreational fishing and for those who want to purchase fish?

Mr HOUSE: We have bought out 14 licences to date in the past four years. There is one more that is being negotiated, and if that is successful the total will be 15. We have spent about \$1.3m on buying back the licences. I do not know how many remain - I will have to get that information.

Mr ROGERS: We met with the estuarine fishermen's representatives recently. The target level they are seeking is 10 fisherman. I think the number of units is down to nine, but there are obviously more than 10 fishermen in those nine units. The fishermen in the Mandurah estuary have been talking very clearly of a figure of 10 fishermen.

Mr MARSHALL: Has the fact that those fishermen now use crab traps made a difference to the recreational pursuers of blue manna crabs compared to the number taken out by the professionals?

Mr ROGERS: I am sure that it has. A recreational survey was done on the crab take in the Mandurah estuary, and I think the recreational take was in excess of 340 tonnes, or somewhere in that order. What happens when we end up with fewer professional fishermen who are using crab pots, given the level of recreational fishing pressure, is that as the crabs move out the commercial fishermen tend to take less of the relative share as a consequence of fewer of them being there. I think the outcome has been quite positive.

Mr SWEETMAN: My question relates generally to dot point seven on page 589. My question is on the heels of what the member for Eyre discussed earlier, and that was in relation to further bans being imposed in Shark Bay. The minister will know my view since those bans have been imposed. I have been supportive from a conservation point of view, but at the same time I seriously question and regard as suspect the scientific information that justified the initial recommendation to the minister, which was to close the eastern gulf. It was based on anecdotal evidence and Fisheries Western Australia must agree that that was the way the recommendation was put up. It took four years of lobbying by the professionals and the recreational fishermen to get that recommendation up: It is enshrined in minutes from the Amateur Fishermen's Advisory Council's committees up to four years prior to that recommendation going to the minister that there was concern that the effort in the eastern gulf was too great for the stocks to sustain. Fisheries Western Australia then made a recommendation for a zero take in the eastern gulf. The minister did compromise and allow either a one or two bag limit for the year during which the ban was imposed pending further scientific information and advice on which the minister would then determine what the take would be for the following year. The scientific information bore out the initial recommendation, which was to close the eastern gulf fishery.

The community there is suspicious of the way in which the matter was handled. It was naive to think that Fisheries Western Australia would go back to the minister and say it was wrong the year before and that the fishery could now be opened up. On behalf of the people of the area, my question is, if the Shires of Carnarvon and Shark Bay were to put together their own money, say \$50 000 - \$100 000, and have their own independent research done on the eastern gulf and the western gulf fisheries which then turned out to be seriously at odds with the information that the minister's scientific advisers have declared to date, would the minister be prepared to reconsider his position on the closure or the partial closure of the western and eastern gulf and to refund to the shires the money that they spent on the research?

[12.40 pm]

Mr HOUSE: Since I have been minister, I have noticed that the first thing people do when faced with a crisis in a fishery is question the scientific evidence. All sorts of reasons, solutions and ideas are produced about why they do not agree with

the scientific people. That was the case when we took lobster pots off the lobster fishermen, closed the mulie fishery and closed the eastern gulf of Shark Bay. I can give any number of examples in which the first reaction of fishermen was for them to say they did not agree with the scientific advice. The member was totally incorrect in his assertion that no scientific advice has been provided to me or the community about the closure of the eastern gulf of Shark Bay.

A lot of scientific advice was offered. I was present at a number of briefings, including a comprehensive one given to the shire by Dr Jim Penn about the information he had available. It does not mean people agreed with it; however, the information was presented. I have not heard any suggestion that Fisheries WA close the western gulf of Shark Bay. It has been suggested that it reduce the snapper take from four to two, that it close a portion of the bay for six weeks during the spawning season, and that it increase the minimum size of snapper from 45 to 50 centimetres. My people have been there in the past week, talking to the shire, the recreational fishing people in the community and others. I understand that those briefings went pretty well. There is a growing awareness in Shark Bay that people have been taking fish away and that the community might have benefited more if the fish had been consumed there or left in the bay.

There is a change of attitude. The stocks in the eastern gulf are recovering. The member's point about scientific advice is valid; we can never get enough of it. It is fine for people to provide more scientific advice. I would take notice of any advice that was given to me. I gave the Shark Bay Shire Council the undertaking a couple of years ago that it could employ individuals or other scientific experts. It wanted to do that, but did not go through with it. It identified somebody but did not actually employ that person. However, I gave an undertaking that I would be prepared to look at any advice that was put in front of me.

Mr SWEETMAN: The minister supported the proposal I put forward. That offer is still on the table if the shire wishes to pursue it. I have explained my main concern. There is no doubt that pink snapper are the most resilient stock in both the western and eastern gulfs. The species that colonise the reefs - coral trout, baldchin, black snapper and cod - are now being targeted. The mortality rate of pink snapper is still higher because the fishermen must fish their way through the pink snapper to get close to obtaining the bag limit for black snapper, baldchin, trout or cod. My concern is that Fisheries WA's scientific research is not discerning or precise enough at this stage to detect any depletion of the stocks colonising the reefs. By the time we find out there is a problem with those stocks, we will have lost them for 25 or 50 years. Pink snapper are like rabbits; they could be fished down to the last two and would still be back within five years. That is the difference between the stocks. Yet, we seem to have a paranoia about the status of the pink snapper fisheries. That is still a problem with the argument that stocks in the eastern gulf, the western gulf and the oceanic region are genetically different. That case must still be argued by scientists. There is a real problem with the other stocks that we will not be fully aware of until it is too late. Charter operators and professionals are already telling me that several reef areas are completely de-stocked of trout, cod and black snapper.

Mr HOUSE: Is the member suggesting that the eastern gulf of Shark Bay should be completely closed?

Mr SWEETMAN: If the department implements a zero-take of pink snapper, it is probably prudent to also look at the possibility of total closure. At the end of the day, the consequences will be no more catastrophic than what is being considered now.

Mr HOUSE: That has been considered in some detail. The member will recall that many people strongly argued against the total closure of the eastern gulf fishery. After much debate and discussion, the compromise was reached that the fishery would not be completely closed but that a zero-take on pink snapper would be imposed instead.

Mr MINSON: Page 590 refers to a system of lease and licences to provide formal tenure for people occupying sites on the Abrolhos Islands. There has been a fair bit of angst about this matter, especially about the charge to be levied, which was calculated by the Valuer General. I spoke with some of the fishermen at an earlier stage. They were concerned about the method by which the Valuer General arrived at his assessment. He did not take into account the amount a coastal fisherman occupying a cottage in a place such as Cliff Head should pay. They believed that sort of analogy should be used to strike a rental value for the land the fishermen use at the Abrolhos Islands, as there are no services. The Valuer General appeared to calculate the levy on the basis that fishermen run their 500-horsepower engines back to Geraldton each night. They do not do that; they use a carrier boat and stay out there for a week at a time. Things move all the time and this might have been resolved since then. Could I have an update?

Mr HOUSE: The situation at the Abrolhos Islands has been evolving. We have tried to introduce a better management regime, which takes into account waste control, policing, proper planning and building. A Bill is being drafted which will take all those things into account. I do not expect that it will be introduced into the Parliament this year, but it will be drafted. I made a decision to halve the amount of the levy the Valuer General originally recommended because I think it is too severe an impost to introduce immediately.

The Abrolhos Islands interim management committee agreed with that. Much more debate must take place before we come to a final conclusion. We must deal with the increasing number of people visiting the Abrolhos Islands as tourists for short-term stays. There is no question that these issues will cost somebody money. A proper regime will need to be in place. A lot more discussion will need to occur with the people in the area before we can come to a final conclusion.

The CHAIRMAN: What does Fisheries WA think should happen with the 18 per cent of pots that were taken off the fishermen and are still in their names?

Mr HOUSE: There is still a pot reduction. The fishermen still own those pots. I think that 99 per cent of fishermen support

the package and believe it has been good for the fishery. At this stage, there is no recommendation to change the current status.

The CHAIRMAN: Will the pots be kept in suspension?

Mr HOUSE: Yes.

Mr GRILL: Page 577 contains a strong statement about aquaculture -

The demand for high quality seafood continues to grow with the harvest of wild capture fisheries worldwide generally at maximum sustainable levels. This trend continues to place strong emphasis on developing aquaculture industries.

This State has not been particularly successful with aquaculture, outside of the pearl industry. As a former member for the Esperance area, I was disappointed an aquaculture industry was not established in the Archipelago of the Recherche. I know there is community reaction over the proposal for an industry close to Woody Island; however, proper protocols should be put in place for the development of tuna farming in that area. We should be countering the quite horrible, horrific stories that surfaced about the development of aquaculture in Port Lincoln. I do not believe those stories for one moment, but they were generally accepted in Esperance. They were the reason for much of the backlash against the proposals for an aquaculture industry there. What has the Government done to study Port Lincoln, make some analysis of it and present real facts to the people of Esperance?

[12.50 pm]

Mr HOUSE: It is interesting the member should raise the question because on Saturday morning I was talking to Robin Pike, who is one of the principals of one of the companies that left Western Australia and now operates at Port Lincoln. He estimates that the industry is worth \$1b a year to Port Lincoln. That is a huge spin-off to a local economy.

Mr GRILL: A billion dollars?

Mr HOUSE: A billion dollars a year. I do not know whether that figure is accurate, but that is the figure he gave me. It is a huge business and we could have had perhaps half of that.

Mr GRILL: A billion dollars appears to be a bit high.

Mr HOUSE: That is what he indicated to me. Even if it were half that, it is still a huge industry. Let us get back to the point. Why did the Government not get it? The Government made a mistake in proposing that Woody Island be one of the proposed sites. If there is a favourite place in Esperance Bay it would be Woody Island. The Government made a blue in not quarantining that in the first place. The debate got off to a bad start and once that happened, people climbed on the bandwagon of all the hype rather than the reality of what might happen with regard to pollution.

The Government was never going to get in front of the debate after that. It got a belting every time it put its head up for air. There is an opportunity to relocate some of the tuna industry from Port Lincoln to the east of Esperance, more to the region of the Duke of Orleans Bay. The Government must go about it in a different way from last time and get people to understand some benefits of the spin-offs from the industry.

Mr GRILL: Have Fisheries officers gone to Port Lincoln and made a study of that fishery so that some of those horror stories which were touted around Esperance can be countered next time?

Mr HOUSE: In a couple of days, the department is about to release the Recherche Archipelago Aquaculture Management Plan, which relates to the area around Esperance. The plan goes into some detail about the opportunities for aquaculture in that region. I expect that will begin debate.

Mr GRILL: Is it a long-term project?

Mr HOUSE: In discussions with people like Robin Pike last Saturday, he said if the Government could give them a site and guarantee them access, they would be happy to quickly relocate some of their business. The industry is concerned that it is concentrated in one bay. That could be a problem; for example, the tail end of a cyclone went through that region three years ago and caused the industry some problems. It cut across the middle of Australia and into the bay. The fish are caught in the Bight halfway between Port Lincoln and Esperance. It is no further to tow them to Esperance than it is to Port Lincoln. Robin Pike's company would be quite happy to relocate half the business there immediately.

Mr GRILL: Has Fisheries WA had a look at Port Lincoln?

Mr ROGERS: One officer went there in the early days when the Esperance community was dissatisfied, but no-one from the department has been sent since that time. A lot of the issues about sharks and so on are very well documented and understood. It is the shark fear, the environment fear and so on. At the end of the day, should it receive applications, then it must be considered. The department is in a good position to deal with those issues when they come on the table. It is not in the business of proactively identifying sites and arguing for them; that is a responsibility of the proponent.

Mr GRILL: The gentleman sitting behind you, Dr Jim Penn, and I went to Japan a long time ago to look at these industries. It has been of some disappointment to me that we have not been able to get some of them off the ground. I will not dwell on that. Hopefully these discussion papers will change that.

Mr MARSHALL: Two recreational fishing platforms have been installed at Dawseville Channel for seniors and disabled people and have been an enormous success. There should be more down there. Does the department see the need for more fishing platforms to be built on groynes along the coast of Western Australia? Is it a budgetary item in which Fisheries could become involved?

Mr ROGERS: The answer is yes, the department will open a paraplegics platform at Dongara on Friday. Some of that money comes from the National Heritage Trust by way of applications which come through the fish habitat program, which allows some facilities to be built around Western Australia. It is a positive project for Governments to invest in the infrastructure for recreational fishing. The wider question is how much they should contribute, but that is not for me to say.

Mr MARSHALL: The two platforms at Mandurah were designed to be sitting right over the rocks and were built for safety and to allow people to fish in comfort without being snagged. Is someone looking at the design of these fishing platforms? That was only the first of its kind, and I believe they can be improved. How many fishing platforms are sited along the coastline?

Mr HOUSE: Counting the rock? A fair few.

Mr MARSHALL: A fair few? They are things of the future and it is up to the department to look at this.

Mr GRILL: On page 580 of the *Budget Statements* the minister refers to the national competition policy review of the Fish Resources Management Act 1994 being completed. The Opposition was not aware of that. Is that review finalised and are copies available to the Opposition and the public?

Mr HOUSE: I do not think the Government has finished that. Part of that is to do with the national competition policy issue. No, the Government has not finalised that, but once the review goes through its processes it will become a public document.

Mr GRILL: Page 588 of the *Budget Statements* refers to draft legislation for an independent Abrolhos Islands Management Authority. Will that draft legislation be released for public comment; and if so, when.

Mr HOUSE: Cabinet has approved the drafting of that legislation. I do not expect that it will be introduced into Parliament this year; I expect it to be introduced next year. Once it is in a draft form it will go through the normal consultation process that occurs with all the legislation I deal with. The Government tries to get some broad consensus before it brings legislation into Parliament, which will be the case with this legislation.

Mr GRILL: Page 592 of the *Budget Statements*, statement of financial position, deals with current assets. There appears to be a substantial run down of the cash resources and the total current assets. Why is that the case?

Mr HOUSE: Is that the top line?

Mr GRILL: Yes, the very top line.

Mr ROGERS: The reduction is about \$3.826m. Its components are made up of the run down of the FAS balance as a result of the \$8m initiative over the past four years of about \$1.23m.

Mr GRILL: The run down of what?

Mr ROGERS: The fisheries adjustment scheme resource sharing initiative. As a result of asset replacement, there is a drawing down of those funds in account from previous years of \$2.298m. There is an access fee refund associated with cost recovery of \$0.7m and a DBIF increase in expenditure of about \$0.326m. On the positive side, there is an increased recovery of about \$0.75m for depreciation this year, which is reflected in those numbers and various other things of about \$22 000, which explains the variation of \$3.826m in the draw down of the cash balances.

Mr GRILL: Why would the department be recovering access fees?

Mr ROGERS: It is based on cost recovery, and it is the difference between the money that has been raised for the purposes of meeting cost recovery and the delivery by the agency of those costs. In some years the department comes under and in others it goes over, depending on the level of activity and what is happening in the fishery. For example, in the pearling industry, the department was very hard put to deliver services in the first three months of the year simply because of cyclones creating variation in costs to budget.

Sitting suspended from 1.00 to 2.00 pm.

Division 42: Transport, \$328 065 000 -

Mr Bloffwitch, Chairman.

Mr Cowan, Deputy Premier.

Mr M.L. Harris, Acting Director General of Transport.

Mr G.S. Martin, Commissioner of Main Roads.

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

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

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

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

Mr R. Giles, Acting Director Budget and Programming, Main Roads WA.

Mr J.W. Goodall, General Manager, Freight Services, Westrail.

Mr J.A. Powell, Manager, Country Passenger, Westrail.

Mr R.D. Collister, Finance Director, Westrail.

Mr COWAN: My preference is for officers of the Department of Transport and Main Roads to deliver direct answers subject to the Chairman's ruling, particularly on matters relating to the administration of their various departments or to the appropriation of funds. Where they or I determine that the question relates to a policy decision that is not already enunciated clearly in documentation provided by the Department of Transport or Main Roads WA, the question will be referred to me or I will assume responsibility for answering it. I am sure most members will find that satisfactory if that is the path the Chairman wishes to follow.

The CHAIRMAN: It is my wish that we follow that path.

[2.10 pm]

Ms MacTIERNAN: I submitted some questions to the Minister for Transport.

Mr COWAN: We have the answers to them. Do you want the acting director general to table them or read them out?

The CHAIRMAN (Mr Bloffwitch): The questions and answers can be read out because nothing can be tabled in these committees.

Mr HARRISON: The questions and answers are as follows -

A Public Transport Patronage

I refer to pages 1415 and 1416 of the Budget papers:

- 1 What is the forecast amount of passengers on the metropolitan rail network in 1999-2000 and 2000-01?

1999-2000 28.920 million
2000-01 29.2 million

- 2 How are passenger numbers measured?

Estimate based on ticket sales and MultiRider validations. These estimates are checked against a video count at every station which is carried out every three years.

- 3 What is the forecast amount of passengers on the metropolitan bus network in 1999-00 and 2000-01?

1999-00 46.4 million
2000-01 47 million

- 4 How are passenger numbers measured?

Ticket sales through the electronic ticket issuing machines, MultiRider validations on-board buses, and the manual recording by drivers of passengers transferring on cash tickets.

(Note: Ferry patronage is forecast at around 675 000 for both years.)

B. Fare Evasion

- 1 What is the estimated level of fare evasion currently on the metropolitan rail track?

The current level of fare evasion is around 3.8 per cent.

- 2 How is this calculated?

Based on ticket checks carried out by Westrail's revenue protection staff on over 1.1 million passengers up to April 2000.

C Fare Evasion Squad

- 1 What is the size and composition of the Westrail fare evasion squad in 1999-2000?

- 2 What is the expected size and composition of the Westrail fare evasion squad in 2000-01?
10

D Transport - Capital Works

I refer to page 1405 of the budget papers which show forward estimates of the capital works program of -

\$11m in 2001-02;
\$10m in 2002-03; and
\$15m in 2003-04.

Can the minister provide a list of the projects and associated funding which are contained in these estimates?

The amounts of \$11.1m in 2001-02, \$10m in 2002-03 and \$15m in 2003-04 on page 1405 of the budget papers relate to the capital appropriation. The appropriation, together with the funding sources of borrowings, asset sales, specific contributions and internally generated funds, will fund the capital works listed below.

	Estimated Total Cost	Proposed Expenditure Plan		
	\$000	2001-02 \$000	2002-03 \$000	2003-04 \$000
Works in Progress				
Maritime				
Busselton foreshore beach stabilisation	180	90	90	
Coral Bay Access Rd and boat launching facility	2 307	2 307		
Denham Boat Harbour marine facilities stage 1	2 400		1 000	1 400
Kimberley port maintenance	2 560	2 560		
Ocean Reef groyne	200	200		
Metropolitan				
Better public transport - Stage 2A	1 130	1 130		
Bus acquisition program	24 400	24 400		
South-West metropolitan railway - Kenwick to Jandakot railway preliminary works	5 000	5 000		
Sub total	38 177	35 687	1 090	1 400
New Works Commencing 2000-2001				
Maritime -				
Bandy Creek breakwaters	450	450		
Casuarina harbour pens	300	300		
Fremantle Fishing Boat Harbour public facility upgrade - study	50	50		
Metropolitan -				
Better public transport - Stage 2B Stage 2C	340 1 310	340 1 310		
Sub Total	2 450	2 450		

New Works Commencing 2001-2002				
Maritime -				
Access and Infrastructure - Commercial Dunsborough jetty - construction Fremantle Fishing Boat Harbour Jetty 1 Extension Horrocks Beach boat ramp Mews Road site development - stage 3	1 220 1 200 650 450	1 220 1 200 50 450	600	
Access and Infrastructure - Recreation Exmouth Boat Harbour - additional pens Fremantle Fishing Boat Harbour tourism precinct	900 250	900 250		
Boardwalks extension Port Denison boat ramp and jetty - stage 2	200	200		
Navigation aids 2001-02 program	900	900		
Patrol vessel replacement - 2001-02 program	337	337		
Metropolitan				
Smartcard ticketing system	8 250	3 320	4 930	
Sub total	14 357	8 827	5 530	
New Works Commencing 2002-2003				
Maritime -				
Access and Infrastructure - Recreation - Fremantle ocean boat launching ramp - construction	4 000		4 000	
Navigation Aids - 2002-03 Program	466		466	
Patrol Vessel Replacement - 2002-03 Program	355		355	
Sub total	4 821		4 821	
New Works Commencing 2003-2004				
Global CF Allocation	13 550			13 550
Maritime -				
Access and Infrastructure - Recreation - Denmark boating facilities - planning study	50			50
Sub total	13 600			13 600
Total Expenditure	73 405	46 964	11 441	15 000

E Borrowings

I refer to page 1430 of the budget papers which claim that the Department of Transport undertook borrowings of \$63.9m in 1999-2000 and expected to borrow \$48.6m in 2000-01.

1 What projects will these borrowings fund in 1999-2000 and 2000-01?

The borrowing of \$63.9m in 1999-2000 and \$48.6m in 2000-01 will be funding the following capital works -

Projects	1999-2000 Borrowings \$000	2000-01 Borrowings \$000
METROPOLITAN DIVISION		
Better public transport - stage 2A		740
Better public transport - stage 2C		784
Booragoon Bus Station	1 369	
Bus acquisition program	47 730	35 047
Bus lane extension to Murdoch	174	
Bus service and bus station secure zones	350	
Bus station redevelopment	43	
Bus stop information modules	285	
CAT buses	60	940
Contactless smartcard - based auto fare collection	100	100
Curtin University transfer station	517	
Kenwick to Jandakot railway-preliminary works	5 218	6 100
Mandurah Park 'n' Ride	100	
Oat Street bus/train interchange	30	
Railway master plan Currambine-Two Rocks	1 061	
Southwest Railway - planning and management		2 000
System 21 services to Rockingham-Fremantle	374	849
The Circle Route	208	1 815
Travelsmart program	1 000	200
MARITIME DIVISION		
Cyclone (Onslow) response action plan	300	
Exmouth Boat Harbour	1 200	
Kalbarrie boat pens site - revetment wall	6	
Navigation aids - replacement and upgrade	500	
Patrol vessel replacement	310	
Upgrading Point Samson Boat Harbour	3 000	
TOTAL	63 935	48 575

2 What is the expected level of borrowing by Transport in 2001-02, 2002-03 and 2003-04?

Transport expects to borrow \$29.463 million in 2001-02 and nothing in 2002-03 and 2003-04.

F Purchases of Buses

I refer to the bus acquisition program mentioned on page 1416 of the budget papers.

1 How many buses have been received so far in 1999-00?

107 new buses received to 26 May 2000. 152 up to the end of June 2000.

2 How many buses are expected to be purchased in 2000-01, 2001-02, 2002-03 and 2003-04?

2000-01	123
2001-02	83
2002-03	77
2003-04	65

3 In 1999-2000 what level of borrowings has been undertaken for the purchase of buses?

Ms MacTIERNAN: Were any buses received in 1998-99?

Mr HARRIS: Yes.

Mr WALDOCK: There were 27 buses.

Mr HARRIS: To continue -

Expected level of borrowings is \$47.73m.

4 What is the expected level of borrowings needed in 2000-01, 2001-02, 2002-03 and 2003-04?

2000-01	expected level of borrowings is \$35.05m
2001-02	expected level of borrowings is \$24.4m
2002-03	expected level of borrowings if \$25.41m
2003-04	expected level of borrowings is \$21.45m

Ms MacTIERNAN: Of the buses that were purchased, how many are run on gas?

Mr WALDOCK: None of the new buses runs on gas, although there are 52 in the fleet.

Ms MacTIERNAN: When will the first gas-powered bus arrive as part of the new purchase?

Mr HARRIS: We have taken delivery of three gas engines for the experimental part of the fleet. After testing, two of those engines will go into chassis for operational purposes within the fleet.

[2.20 pm]

Ms MacTIERNAN: When will that be?

Mr WALDOCK: The testing will be finished late this year or early next year and will be based on three and potentially five buses in the second round of research and development. After that we will look at another 20 buses. It is a three-stage project.

Ms MacTIERNAN: When will we see gas buses on the road as part of the fleet?

Mr WALDOCK: There are 52 gas buses in the fleet now.

Ms MacTIERNAN: None of the buses delivered to date has been a gas bus. When do you expect that any of the new gas buses purchased from DaimlerChrysler Australia/Pacific Pty Ltd will be on the road?

Mr HARRIS: We would expect the first new gas bus to be on the road towards the end of the next financial year.

The member asked about rolling stock used by Westrail in its metropolitan rail network. The current stock is 96 rail cars, which consists of 48 two-car trains. The average age of that stock is seven to eight years. The replacement cost per unit is \$6.72m per two-car train set. The Government's current plan for purchasing and leasing of additional stock is related to the extensions of the network to the north and to the south. The full requirement to cover all of those extensions is estimated at 116 new two-car railcar sets. Five two-car railcar sets have been purchased since December 1995 at a cost of \$6.72m per set. No railcars are currently on order.

Ms MacTIERNAN: Are any being leased?

Mr HARRIS: We have no new railcars on order, either lease or purchase.

Ms MacTIERNAN: Did Westrail recently advertise in the newspaper for the leasing of new railcars?

Mr HARRIS: It did.

Ms MacTIERNAN: Did nothing come of that?

Mr HARRIS: No. The proposals were not considered cost effective, so no order has been placed.

The member posed a number of questions about new rail track. She referred to page 1428 of the budget papers, which lists planned expenditure for the south-west metropolitan railway in 2000-01. A number of commitments have already been made about the south-west metropolitan railway, including expenditure on the Kenwick tunnel of \$7.4m; \$3m for land - not necessarily associated with Kenwick tunnel but at other places, particularly Thornlie; \$500 000 to accommodate the rail requirements in the new Ranford Road bridge; and up to \$36m associated with works being undertaken by Main Roads on the Kwinana Freeway. No other specific allocations have been made for new rail track in the budget year or the forward estimates for rail work in the metropolitan area.

Ms MacTIERNAN: Has any money been set aside in the forward estimates for any rail work in the metropolitan area?

Mr HARRIS: None has been allocated for the metropolitan area other than that covered in the south west master plan and the master plan for the northern extension or for normal maintenance activity. I presumed the question related to new track.

Ms MacTIERNAN: Yes.

Mr MARSHALL: I refer to the budget allocation in "Major Policy Decisions" on page 1406 for the extension of the regional airport development scheme. What is being done to develop the regional infrastructure of aviation and, more specifically, what has been done to fast track the Murray airfield near Mandurah?

Mr COWAN: I cannot speak about the Murray airfield specifically. This fund has been operating for some years; it has been retained at \$2m annually. It is spread across the regions, so the allocation of its funds is fairly competitive. Has Mr Harris any specific information on the program for this coming year?

Mr HARRIS: Not in respect of the airfield mentioned by the member. Applications are sought under the regional airport development scheme on an annual basis. Information is about to be distributed seeking applications for the next round of funding. If my memory serves me correctly, applications close around the middle of July.

Mr MARSHALL: What towns have taken advantage of those moneys in the past?

Mr HARRIS: About \$12m of state government money, and almost three times that amount over the past three years has been spent on airfield and airport developments all the way from Kununurra to Esperance. It is a long list which I am happy to make available to the member.

Mr MARSHALL: Thank you.

Mr GRILL: Are there two airport schemes - one that is funded by the State Government and one by the Federal Government?

Mr COWAN: I am not aware of anything that is being funded by the Federal Government. Generally the Federal Government's funding is allocated on the basis of a specific grant for an airport. I do not think it has a special fund.

Mr HARRIS: That used to be the case, but the State Government scheme was brought in, from memory, in 1995 when the Commonwealth stopped its funding. The RAD scheme effectively replaced the commonwealth scheme.

Mr GRILL: Is the regional airport development scheme the only scheme in place to fund regional airports?

Mr HARRIS: We have separate subsidy arrangements for some airlines but it is the only scheme we administer which provides capital funding for airport development.

Mr COWAN: One other fund can be accessed by local authorities that have responsibility for airfields; that is, in the provision of power and water. Local authorities can access the regional headworks fund to offset the cost of power and water to that airstrip. However, funds for improving the quality of the strip come out of RADS.

Mr GRILL: Representations have been made to me by the Leonora Shire Council about extending and upgrading the Leonora airfield, the total cost of which is \$1.8m. The shire has made numerous applications to RADS and only one was approved for \$150 000. The shire points out the disparities between the levels of traffic on that strip compared with the Busselton strip, and the amounts of money that have been spent under the RAD scheme on the Busselton strip as against the small amount of money spent on the Leonora strip. Leonora is much more dependent on air traffic than Busselton. It does not seem to be fair that Busselton is getting a lion's share of the funding. Could the minister explain that, and let us know the levels of funding?

[2.30 pm]

Mr COWAN: The Busselton airstrip was one of the first airstrips to be funded through the revamped regional airport development scheme.

Mr HUBBARD: The Government's decision to fund Busselton airport was made before the decision to establish the RAD scheme. The Busselton airport effectively kicked off the RAD scheme. Having made a decision to fund the Busselton airport, the Government made a decision to put in place a scheme that was more generally available to airport owners across the State.

Mr COWAN: I think that bears out the comments the member was making. Since that time, this fund has been put in place. The fund is now subject to application and criteria being met within that application. On that basis, the member would find that Leonora would be able to enter the competition. In fact, the acting director general has just had some discussions with the Regional Development Commission about Leonora.

Mr HARRIS: The issue raised by the member was raised with me when I attended a meeting of the development commission in Kalgoorlie yesterday morning. I have undertaken to work with the development commission to see whether we can find a solution to the problem.

Mr GRILL: How much money is applied each year under the RAD scheme?

Mr HARRIS: There is \$2m available each year and it is not always all spent in the year. Once an application is approved, the money is set aside and can then be accessed by the relevant body at a time that suits its capital program.

Mr GRILL: Which airstrips have received funding in, say, the past 12 months?

Mr HARRIS: I cannot quote a list off the top of my head, because I cannot remember them all. I am happy to provide a list.

Mr COWAN: We will provide that answer at a later stage.

Mr GRILL: I am getting a broad hint that there may be some flexibility in the budget to make available some more funding for the Leonora airport.

Mr HARRIS: The undertaking I have given is to work with the development commission and the shire to find a way to develop the airport for the reasons that airports need to be developed. The member has touched upon a couple of them. Another one of central importance is the airstrip's potential for use in the event of serious accident either at a mine site or on a rail track.

Mr GRILL: That would be valid.

Mr HARRIS: There may be a course of action available to us coming from that avenue rather than from RADS. RADS has run its race as far as applications are concerned. That is not to say that money would be withdrawn from it, but we need to find other ways of attacking the difference that still exists, which is about \$300 000.

Mr TUBBY: Over the past two financial years the Government has been able to provide a number of recreational boating facilities around the State. I did not notice any details on that program. Will it be continued in this budget?

Mr WALDOCK: That funding was part of the increase in boat registration fees two years ago. It is ongoing based on that percentage. The recreational boating scheme will be ongoing and shires are invited to put forward applications.

Mr RIEBELING: Returning to the airport scheme, has the Karratha airport received any funds, as a \$7m uplift of that facility is taking place at the moment? If it is for much smaller airports, which it appears to be, the strip at Auski is creating problems. It was reported that a plane recently got bogged while transporting a patient with a life-threatening illness. I do not know whether the shires in my area know about it. Is it widely known?

Mr HARRIS: It is widely known. A brochure which is about to be distributed to every shire in the State and a lot of other organisations will make people aware that the program is there. It tells them how to make an application. It also tells them in broad terms the criteria that are applied to those applications.

Mr RIEBELING: Would it be available to Karratha airport?

Mr HARRIS: I doubt it, because the scheme is directed at smaller airports, and in particular regional airports and airports in isolated communities.

Mr HUBBARD: The Auski strip was the recipient of a grant a couple of years ago, and we are aware of the problems that have emerged recently.

Mr RIEBELING: What has been done to alleviate the problems at Auski?

Mr HUBBARD: The strip owners at Auski would have the option of applying for further funding in the current budget round.

Mr HARRIS: Access to grants in the past does not preclude owners from making further applications.

Ms MacTIERNAN: Mention was made of the subsidy to the air services to Busselton. How much subsidy was given to the flights to and from Busselton? What was the total passenger load for the past financial year? What was the total cost of that to the State? What is the projected cost to the State this year?

Mr HARRIS: We will take the detail of that question on notice.

Ms MacTIERNAN: What was the subsidy?

Mr HARRIS: I cannot tell the member the total for the year off the top of my head, because it varies from month to month depending upon the loadings on the planes. My understanding is that the average loadings on the planes have been something like six to seven, but it varies. We pay the subsidy as the difference between net loading and operating costs, so it varies from month to month.

Ms MacTIERNAN: Where is the amount which has been set aside for Busselton in the budget?

Mr HARRIS: The table on page 1426 provides a list of subsidies that the department administers. The aviation subsidies are totals and are not split between the various airlines. We subsidise more than one airline, so I would need to break down those numbers to answer the question.

Ms MacTIERNAN: Can you provide a list of the airlines and the amounts that they each receive?

Mr HARRIS: Certainly.

Mr COWAN: We will treat that as a supplementary question.

Ms MacTIERNAN: Referring to the same part of page 1406, what is the trade facilitation trust fund, which will receive \$12m in 2002? Why has that been put in the budget now when no money will be received for a couple of years? What is meant by the cost of activity increases, which is a \$20m line item?

Mr HARRIS: The trade facilitation trust fund will be brought into existence in 2002-03. The fund is available for access by ports across the State. Its purpose is to support the ports in their trade facilitation role through the provision of infrastructure or other mechanisms that might be considered appropriate to help trade facilitation. It will come into existence in that year because that is the year in which it was determined it would commence its operation. It has not been in place before; it is a new fund.

[2.40 pm]

Ms MacTIERNAN: Is there no appropriation for this financial year?

Mr HARRIS: No.

Mr GRILL: Why does there need to be special provision for ports, when most of our ports are profit-making and could service any loans that they needed to raise to furnish activities of that sort?

Mr COWAN: The State looks at the tax equivalent payments that are made by those authorities in the previous year, and that is then attributed to the port authorities for distribution. In other words, rather than have the ports pay a dividend to the consolidated fund and not have access to any funds in return, the ports make a payment in, and the following year that payment is transferred back out to the ports for expenditure on improvements to infrastructure. The responsible minister determines how those funds are distributed. It also has some relevance to the removal of conservancy dues, which are charges that the ports levied on ships that came in and out of the port. There was some question about the legality of continuing to charge shipowners those dues. In essence, they were moneys that were applied to navigation aids within the ports, and in many cases those navigation aids were owned or had been paid for by the companies that were being charged those conservancy dues, so there was a doubling-up. That was sorted out by removing the conservancy dues, and that obviously reduced the revenue that was available to the ports.

Mr GRILL: What dividend do the ports pay to CRF?

Mr HARRIS: It varies from port to port, depending upon its profitability.

Mr GRILL: Is it contemplated under this item that all those moneys will now go into the trade facilitation trust fund?

Mr COWAN: Yes. Cabinet made the decision to establish that fund, and it is effectively equivalent to the tax equivalent payments that had been made by the ports in the previous year. The minister will then return those moneys in the manner he thinks fit, based on the recommendation of the Department of Transport and other interested parties.

Ms MacTIERNAN: Can we have a list of the dividends and tax equivalent payments which will be received this year and which are projected for next year from each of the port authorities?

Mr HARRIS: That question should be asked of the Treasurer, because dividend payments are made to the Treasurer, not the Department of Transport.

Ms MacTIERNAN: We want to see how they are calculated.

Mr HARRIS: We do not calculate them. They are calculated depending upon the profitability of each port, by discussion between the port and the Treasurer. The Treasurer makes the final determination and collects the dividends.

Ms MacTIERNAN: Are the ports answerable to the Minister for Transport?

Mr COWAN: Yes.

Ms MacTIERNAN: Yet the Minister for Transport cannot tell us.

Mr COWAN: The Minister for Transport could probably tell the member, but it is the responsibility of the Treasurer to tell the member the amount of money that he is drawing.

Ms MacTIERNAN: I have not received an answer to my question about the \$20m cost increase.

Mr HARRIS: The \$20m increase is a general appropriation increase to the Department of Transport; nothing more than that.

Ms MacTIERNAN: Is it not attached to an item of expenditure?

Mr HARRIS: It is a general budgetary increase that we did not have last year, so we have \$20m more than we had last year, and we have applied it to public transport.

Mr MARSHALL: I refer to works in progress at page 1428 and to the amount of \$1.4m for the construction of stage one of the Cervantes jetty. Why is so much money being spent on this jetty? Will it have enough users to warrant that kind of expenditure?

Mr COWAN: In respect of professional fishermen, the answer is definitely yes, and in respect of recreational boat users the answer is again definitely yes for the summer period that we enjoy, because many boat owners in the mid west in particular head to that part of the region for their holidays. I suggest there will be sufficient utilisation of that jetty. The funds that are made available for boat harbours and marina developments are highly sought after, and the Department of Transport could easily double its expenditure in that area and not satisfy the demand. The department gives careful consideration to the priorities, taking into account boat numbers, safety, the adequacy of existing boat harbour facilities and general use, whether it be for professional or recreational purposes.

Mr RIEBELING: The document entitled "Budget 2001", which has been produced for the Pilbara region, refers to an amount of \$75 000 for a subsidy for a north-west air service in the Pilbara, Kimberley and Gascoyne region. What is the purpose of that subsidy?

Mr COWAN: It is part of the appropriation to which Mr Harris referred earlier.

Mr HARRIS: A joint venture between the Department of Transport, Tourism and the shires and airport operators in the region allowed us to launch a new air service between Broome, Karratha, Port Hedland and Exmouth in February of this year, and that subsidy is to support that air service.

Mr RIEBELING: Is that through Ansett or Qantas?

Mr HARRIS: It is through a new airline called North West Regional Airlines, which is an offshoot of Broome Aviation. It is a small airline based in Broome that won the contract. It currently operates a 10-seat plane and it is planning to expand to a 19-seat plane.

Mr GRILL: I refer to page 1406 and to the operational subsidy for Wyndham port of \$875 000, which will increase to slightly more than \$1m next financial year and in the following financial years. How much was that subsidy last financial year and in the previous financial year, and why is that subsidy increasing when I understand that the live cattle trade through Wyndham port is picking up and also that there has been an increase in trade in other commodities through that port?

Mr COWAN: Someone may be able to find the details about what was paid prior to 2000-01, but we approved the commercialisation of Wyndham port in January last year. When that approval was given, it was acknowledged that an annual subsidy would be required until the trade through that port reached the volumes that were expected to come from,

for example, the Ord stage two program, which one assumes will give Wyndham port the capacity to be self-sustaining or self-sufficient. Therefore, that, associated with the general commercialisation of the Wyndham port, is regarded as necessary to maintain the port. Some live cattle do go through Wyndham, but I do not have the numbers with me.

[2.50 pm]

Mr WALDOCK: I do not have the numbers with me but during the previous year it moved from a trust account which was managed by the Department of Transport to a private sector company managing the port under a leasing arrangement. That was a recognition that trade was decreasing across the board at Wyndham while cattle trade has been strong recently. It lost its two major customers in the previous three years. Firstly, petroleum products suffered from hydroelectricity being generated in the region. The second major trade loss was the lead-zinc trade from Cadjebut mines which moved to Derby. The revenue reduced with those two losses and a decision was made that it would be better managed at a local level; and that has happened. Those subsidies are subject to revenue projections so that when the revenue increases with stage two, we hope they will go the other way and generate a profit or lease payments to the Government.

Mr MARSHALL: I refer to completed works on page 1429 of the *Budget Statements* as I have a personal interest in the Dawesville Channel construction on which expenditure last year was \$7m. Halfway down the page it states that there is no estimated expenditure this year for Dawesville Channel landscaping. Does that mean that the construction and the landscaping are finished in their entirety and that no other moneys will be allocated in the event that something goes wrong with the channel?

Mr COWAN: My advice is that the landscape works are almost completed.

Mr HARRIS: The scope of the landscape works along the Dawesville Channel has reduced, which answers the question about the change in allocation. As with all these matters though, if climatic or other conditions prove us wrong, we would need to revisit that decision. However, we think we have it covered at the moment.

Mr MARSHALL: Has the Dawesville Channel construction allocation been completely finished and written off now?

Mr HARRIS: That is correct, for new works at this time.

Mr RIEBELING: I have a question on the student subsidy travel scheme for the Pilbara region listed as \$1.2m.

The CHAIRMAN: On what page?

Mr RIEBELING: I do not know. It is referred to in the Transport section of the minister's summary. My question relates to how the system functions. My understanding is when children whose home is in the Pilbara region with one of their separated parents attend school in Perth and stay with the other parent in the metropolitan area, they are unable to access the travel scheme. Will the ministry remedy that situation because, like other students in Perth, children in that position desire to travel back to their homes during breaks. The fact that their parents are separated and the non-custodial parent provides a place for them to live should not prohibit them from accessing a scheme of that nature.

Mr COWAN: That is a very difficult issue for the department to be able to provide specific answers. We take on board the comments made by the member about general principle, and I am sure the minister will respond to that as a matter of policy. However, the level of subsidy provided by the Department of Transport as shown on page 1426 is already considerable, and properly so. The total cost of all subsidies is in excess of \$60m. It would be difficult for the department to find a specific incident like that indicated to us by the member for Burrup. However, we will take on board the principles he has espoused and I am sure the minister will give him a response about that policy. It must be borne in mind that funds of about \$60m are already allocated for transport, predominantly for school bus services. I admit I am not talking about travel to and from the member's electorate to Perth for educational purposes. However, that point has been noted and I am sure the minister will provide him with a response.

Ms MacTIERNAN: I am intrigued by the fantastic performance once again by Westrail as noted on page 1426. Notwithstanding an increase in train patronage, it has again been able to slash the cost of running a metropolitan train service. The figure has gone down from \$104m in 1998-99 to \$98m this year. The estimate for next year is that it will reduce to \$90m. Can the minister tell us how these extraordinary results are being achieved when it is transporting more people?

Mr COWAN: I am sure we have an explanation for that but I must confess I detect a significant note of cynicism in the member's question. However, she will get a straight answer, not a cynical one, to a very cynical question.

Ms MacTIERNAN: It is not a cynical question. It is such an outstanding performance that it bears mention.

Mr HARRIS: It is a prime example of negotiation and cooperation between two agencies. As I indicated last year in the Estimates Committee when I was asked a similar question, we were in the process of rearranging those accounting treatments between the department and Westrail. In many respects, accounting arrangements can account for some of the differences. It is true to say that efficiencies have been instituted in Westrail and in the Department of Transport. We are in the process of renegotiating an alliance agreement between the two organisations which will underpin the provision of urban passenger transport services; that is, the document that will underpin the amount we pay for those services. Like Westrail, we are keen to continue to drive efficiencies in the system so that we can continue to keep down the subsidy.

[3.00 pm]

Ms MacTIERNAN: Further explanation is needed. Rearrangement of accounting procedures could sound to a cynical

person like creative accounting. When I first asked about this matter in the first year of the process of warehousing Westrail expenditure through the Department of Transport, I queried how the figure was determined. It was claimed that it was done after a rigorous analysis of the cost of Westrail's delivery of the metropolitan rail service. I imagine that no real decrease has occurred in Westrail's costs to do that job. No major removal of staff or change to manning procedures has occurred in that time. What is different about the accounting arrangement from when the allocation was \$104m to the \$90m? Is it the case that Westrail is funding it through other processes? What is the rearrangement of the accounting procedure?

Mr HARRIS: The Australian accounting standards were changed during the year. Moneys paid to Westrail over previous periods were normally held by Westrail in its accounts and balance sheet; however, it was required under the new standard to be funded in the year the work took place. Instead of smoothing out expenditure on maintenance by making an annual provision, and holding the provision in the accounts, the standards state that one must fund maintenance when it occurs. Therefore, Westrail held \$7m which we had paid to it in advance. The standards dictate that it come straight back to us.

Ms MacTIERNAN: When was that?

Mr HARRIS: It was during the current financial year.

Ms MacTIERNAN: Was this \$7m previously paid?

Mr HARRIS: It was paid in previous periods for maintenance under the alliance agreement and was held in Westrail's accounts pending expenditure on maintenance. It was held in Westrail's balance sheet accordingly. When the standards changed, Westrail had to pay the money when the maintenance occurred. The prepayment was given back to us.

Ms MacTIERNAN: Presumably, the amount spent on maintenance each year has not changed.

Mr HARRIS: It varies from year to year - it is not constant.

Ms MacTIERNAN: Mr Harris said that it was an odd item of \$7m which was repaid. How is it that the low figure of \$90m is to continue in the estimates for the next three years?

Mr HARRIS: We expect to generate more efficiencies from the arrangement with Westrail. We will continually monitor the capital expenditure program of Westrail to drive down the cost of providing the service. These are two examples of how we are working cooperatively with Westrail to reduce the public money put into a very good service.

Ms MacTIERNAN: Please specify the efficiencies.

Mr HARRIS: They are operating efficiencies in Westrail as part of its management.

Ms MacTIERNAN: How will the costs be cut?

Mr HARRIS: I cannot tell the member. We seek from Westrail a more efficient and economic operation than the current one. When Westrail agreed to the alliance, it put in place arrangements to deliver that improvement.

Mr COWAN: I have brought some Westrail staff into the Chamber. I refer to Mr Dick Collister, the finance director; Mr John Goodall, the acting general manager of freight; and Mr John Powell, the manager of country passenger services. If the officers indicate they can respond to the questions, I might be able to get some advice from them to be conveyed to the committee. I want the Chamber to know that Westrail has some representatives here, although I will field the questions.

Ms MacTIERNAN: I will finish my line of inquiry: Are those same negotiation skills brought to bear with the private bus operators? Westrail has seen a steady and dramatic increase in the amount of subsidy paid and the patronage on trains increase. However, we see the opposite with the private bus operators. The figures produced to date show a steady decline in bus patronage, yet we see a substantial increase in the amount paid to private bus operators. Why has the department not been able to achieve the same creative and cooperative approach as was achieved with Westrail to secure the same result from the private bus operators?

Mr HARRIS: We have. The subsidy cost to the private bus operators has increased because we have expanded the network by in excess of 200 million passenger kilometres. More buses are going to more places more often than was the case 12 months ago.

Ms MacTIERNAN: Yet fewer people are using them.

Mr HARRIS: One must make the buses available to give people the choice of whether to use them. It is better to have buses available and someone choose not to use them than not to have the buses available. We have expanded the network of buses, and the subsidy has increased. We have not expanded the rail network.

Ms MacTIERNAN: I draw Mr Harris' attention to page 1415, which shows another story; namely, that the average cost per thousand passenger place kilometres for trains has decreased. Even if more miles are being provided, the same pattern is cited in the performance indicator - namely, the average cost per thousand passenger places. For trains the average cost will reduce dramatically from \$50.71 to \$45.72, and the equivalent figure for buses will increase from \$46.94 to \$47.92. Frankly, the explanation given is not borne out by those figures.

Mr HARRIS: It is.

Ms MacTIERNAN: That is the case if the performance indicators selected have credibility. Trains head in one direction and buses in the opposite direction on the average cost performance indicator.

Mr HARRIS: It is a capacity issue. We have not expanded the capacity of the train network, but have seriously expanded the capacity of the bus network. We pay for more buses to go to more places more often. We have more passenger place kilometres available on the bus network than we did last year. It is to the tune of some 200 million kilometres. It is a significant increase in the passenger place kilometres on the bus network. More buses go to more places more often; therefore, the subsidy is higher.

Ms MacTIERNAN: And fewer people are using the buses.

Mr HARRIS: Would the member not have the buses there?

Mr COWAN: The member for Armadale makes an assumption. More people may use the service and the other calculations may be greater; I refer to the number of kilometres run and the services provided. Therefore, one may very well pick up more passengers in providing the extra kilometres. This could feature in the figures. It is not appropriate and correct to say that fewer passengers would be on seats on those buses. If more services and kilometres are provided, it is fair to say on the numbers alone that a greater number of passengers are involved. When the passengers are divided among the service kilometres provided in total, it may well give a different figure. Nevertheless, the number of passengers is hardly likely to be reduced. The member's inference was that there were fewer passengers. I am sure that is not the case.

[3.10 pm]

Ms MacTIERNAN: My data has been gleaned from annual reports published by the department, and are the latest figures. They show a steady decline in patronage over the period that we are talking about.

Mr WALDOCK: As the member rightly points out, there has been a minor reduction in the number of boardings from 46 691 000 to 46 323 000. If the member looks at the papers for next year, she will see that the figures are down by 200 000. Would the member please note that we are looking at a 1 to 1.5 per cent patronage increase for next year? We are arguing that it takes some time to turn around a trend that has been going on for decades. There is no doubt that every bus line in the world is having major problems with patronage. The issue has arisen for the first time because we are investing in the system by putting in new lines and services and marketing them differently. I think the member will see steady, slow growth in the future. The new circle route introduced some little while ago has been enormously successful. We have introduced a new route from Rockingham to Fremantle as part of the system 21 service. We have already seen in the space of a month and a half a doubling of that patronage. We will continue to keep rolling out these routes to Landsdale and Coolbellup next year. We are hoping to see steady growth in a very tough industry.

Mr COWAN: In that case, I am wrong; the numbers have varied marginally in 46 million-odd movements whereby we have lost something like 400 000.

Ms MacTIERNAN: The department is paying 13 per cent more for it.

Mr COWAN: I have not put a percentage on it.

Mr HARRIS: We are paying an increased subsidy to have more buses go to more places more often.

Ms MacTIERNAN: We are spending an extra \$13m or so on buses to the private operators this year in the hope that we might be able to get more people on the buses. The Deputy Premier told us earlier that the price for a two-car train set is \$6.7m. For \$13m we could get two two-car train sets, which would mean four new cars on the rail. Is the Deputy Premier aware of the problems that are experienced, particularly on the northern suburbs line but not exclusively, of massive overcrowding? It happens on the Armadale line. Certainly by the time trains get to Cannington they are full. By the time trains get from Joondalup to Whitfords they are full. Why is it that the money is seen to be better spent on buses rather than on adding train cars to Westrail?

Mr HARRIS: We are acutely conscious of the capacity issue on the northern suburbs railway. The member is correct; we are almost at capacity, if not at capacity. We have work in train to deal with that issue.

Ms MacTIERNAN: What is that work in train?

Mr COWAN: At some time in the future we can expect Cabinet to receive from the Department of Transport a recommendation that additional rolling stock be purchased.

Mr HARRIS: The other significant point that needs to be remembered of course is that not all passengers on the public transport network are in areas that are accessed by trains. The circle route is a classic example. Although the route connects with the train network, it also goes to major shopping centres, schools, universities and so forth, which are off the train network. The great advantage of the circle route is that it connects all of those locations with the train network, so it allows people flexibility in their movements. We are now moving something like 60 000 passengers a week on the circle route.

Ms MacTIERNAN: Does the department have any more assessments of how many train cars it would need to properly provide for the current demand on the northern suburbs line and the Armadale line? I am not too familiar with the other lines.

Mr HARRIS: We will probably need something in the order of 20 railcar sets to deal with the capacity issues on those two sections of the line. However, any consideration of additional railcar sets would need to take account of expansion of the network to the south west and to the north, in which case it would be a considerably higher number. One cannot look at current demand in isolation from the demand created by the expansion of the network, and it would be foolish to do so.

Mr TUBBY: The rail service to Armadale is excellent because it is so frequent. However, because the line runs so close to Albany Highway practically all the way out to Armadale, there is a problem with level crossings. The line has in the order of 20 level crossings. Safety is an aspect particularly where the Albany Highway is so close to the railway line; for example, at Verna Street in Gosnells one can park two cars from the highway to the boom gate, after which drivers must bank up on Albany Highway, which cuts off one lane going south and another going north. A similar situation occurs, not as badly, at Lake Road in Kelmscott, which has been modified. There are major problems, not only with safety but also with the amount of time people must spend sitting waiting to get across the railway line. Small businesses operating vehicles travelling both sides of the railway line continually during the day face great costs. Is there any plan to try to alleviate the problem by building overpasses and getting the at-grade crossings out of the way? Other railway lines have subways and bridges but the Armadale line has neither. Verna Street in Gosnells is probably the worst crossing because of the close proximity of the highway to the railway line, but Lake Road in Kelmscott is about as bad. At least Denny Avenue has lights controlling it. The problem also applies to Railway Avenue and Streich Avenue in Kelmscott, which are major roads on either side of the railway line. With the level crossing near a railway station, as it is at Challis, drivers cop it both ways because invariably they get there, wait for a train to go one way and then will sit there for another three or four minutes waiting for a train coming the other way. Are we addressing those problems?

Mr HARRIS: It is also an issue at a couple of places on the Fremantle line but nowhere near to the extent that it is on the Armadale line. Westrail's policy is to have grade separation and not to have level crossings. Grade separation is an enormously expensive exercise, particularly with multiple crossings. When we redesign the network, we always look at opportunities to take level crossings out of the system and replace them with grade separation. I cannot give the member a timetable for doing it because to the best of my knowledge one does not exist. However, each time we look at station redevelopments, for example, we look at ways in which we can put in grade separation. The south-west extension through Victoria Park and places like that is dealing with the grade separation issue, but that does not help past Kenwick. It is a case of taking each one as it comes and trying to put in place a longer-term plan to remove them.

Mr TUBBY: I suggest that we try to get some longer-term plan in place. A population of probably 30 000 people over the next 10 years will be going into Byford and a similar number will be going into Mundijong. It will not be too far into the future before the electrified network will be extended in that direction, which means that the problem will get worse. We need to work out a plan, even if it is for only one of the worst grade crossings each year, so that over the next 15 or 20 years, we can get rid of the worst level crossings.

[3.20 pm]

Mr HARRIS: Our rail planning team, as part of its riding instructions, will not include level crossings in any expansion of the network. All future master plans are intended to be designed with grade separation and with bus interchanges where it is feasible. In that respect we are doing our best to contain the problem to that which currently exists. A number of schemes have been put in place to look at level crossings on the existing network to try to formulate a plan to remove them, but it is a long-term exercise.

Mr COWAN: Perhaps the member can negotiate with the person second from his right to transfer some funds across from the freeway bridging.

Ms MacTIERNAN: Picking up on the problem of level crossings and frequencies - and I am not sure whether the gentleman from Westrail will need to help us here - there are some proposals at the moment to provide some grade separations between Kenwick and Perth. Can we be told what they are, how much they will cost and when they are likely to be constructed?

Mr HARRIS: Much of the detail that the member seeks is contained in the master plan. I am happy to provide the detail in writing.

Ms MacTIERNAN: Do you not think that some of those details have been determined subsequent to the master plan?

Mr HARRIS: Some potentially have. I was about to refer to a planning study that we have undertaken with Victoria Park to look at elevating the railway line through sections of Victoria Park to overcome the grade separation problem. It is somewhat of a movable feast and a number of issues are still under consideration in terms of solutions to the grade separation issue. Elevation is one solution and tunnels or cuttings is another, but one that we do not favour. Other methods of grade separation are potential solutions as well. Rather than quoting something that may be being changed as we speak, I would prefer to get from my urban planning network team the up-to-date situation with each of those and provide that to the member.

Ms MACTIERNAN: I would appreciate. As part of the same sort of problem, once the new Armadale to Rockingham line via Kenwick is operational, the volumes on those single but dual-use lines will be very considerable in peak periods. The Armadale and Kenwick lines will be merging into a single line. What is the analysis of the capacity of that single set of lines being able to effectively carry the load of two lines at peak times?

The CHAIRMAN: Is the information to be provided by way of supplementary information?

Mr COWAN: The previous question could be regarded as requiring supplementary information. I do not have a problem with that. However, with respect to the last question relating to volume of traffic on that line, I am not quite sure how far advanced we are with the planning that is required. It is one thing to provide statistical or financial data on matters which are already well under way in the planning process but it is very difficult to put numbers alongside conceptual matters or

issues that are still a long way from fruition. It is one thing to provide information about issues associated with implementing grade separations on existing lines, but it is a little harder to provide any detail on a proposal for a new line. Let me make the judgment later.

Mr HARRIS: All of that information is publicly available in the master plan and I will be happy to provide another copy of the master plan for the member.

Ms MacTIERNAN: Is there a proposal to duplicate that line?

Mr HARRIS: All the detail is in the master plan. It has been clearly set out and released publicly and I will happily make that available to the member. The document contains detailed estimates of the number of train movements per hour and during peak hour and an assessment of the capacity of the track to handle it. The master plan provides for the upgrades that are necessary for that volume of traffic to use that section of track.

Mr GRILL: I would like to ask a couple of questions about the cycle promotion program. It is mentioned on pages 1411 and 1412 of the *Budget Statements*. The figure of \$1 041 200 near the bottom of page 1412 is noted as the average cost per cycling promotion program. Is that the total cost of cycle promotion programs in Western Australia in the forthcoming year?

Mr WALDOCK: That is the total cost and the figure picks up the Bikewest programs and particularly the efforts we are putting into behavioural change through a program called "Cycle Instead". It is early days, but certainly we are seeing some significant results in increased cycling around Perth. It also runs in the back of our major investment in the Perth bicycle network which will be finished next year at an expense of \$25m. At the same time as putting in major new infrastructure we are trying to change behaviour in order to obtain maximum benefits.

Mr GRILL: What Mr Waldock is saying is that the department is spending not only slightly more than \$1m on promotion programs, but also a fair amount on capital.

Mr WALDOCK: Indeed.

Mr GRILL: I refer to the efficacy of compulsory bicycle helmet use. It appears from Main Roads WA figures that after the introduction of the compulsory legislation the use of cycles fell off in excess of 30 per cent. According to the Main Roads figures, that falloff remains at that figure. At the same time the department has claimed that there has been a major reduction in head injuries. Those statistics have been disputed by experts who say that on a proper analysis the fall off in head injuries is probably only something like 4 per cent and that at the same time there has been a substantial increase in other injuries and an increase in neck and spine injuries. They say that the United Kingdom authorities, who have had the opportunity of reviewing all of the statistics from the compulsory legislation in Australia and Western Australia, have recommended very strongly against compulsory cycle helmets in the United Kingdom and the Government of the day has taken up that recommendation and decided not to go down that track. In view of all that, it appears that we should revisit the question of compulsory helmet use because of health implications. If there is a substantially reduced percentage of the population using bicycles as a result of the legislation and a substantial number of experts indicating that they have doubts about the efficacy of the program, I ask whether it is not worthwhile putting in place an independent expert team in Western Australia to evaluate the program?

[3.30 pm]

Mr COWAN: That is clearly a policy issue. While I am sure Mr Waldock is competent to answer it, it is an issue for the Government to determine. The member's recommendation cannot be ignored. I am not aware of the information the member has provided, or its attribution to Main Roads, that cycle usage has decreased by 30 per cent. I am not sure that that figure is correct, but I do not want to dispute it. It raises the issue of the number of people using cycles and cycleways. That would be useful information, and Mr Waldock might be able to provide it. I am sure the minister will take on board the concept of putting together a group to consider cycle rules.

Mr GRILL: I was not referring to road rules.

Mr COWAN: The member was referring to helmet use. One of the rules is that cyclists must wear a helmet. It could be labelled accordingly. As a result of the member's taking up the issue, we can examine it through the ministry. However, it is a policy decision, and it is not my place to make it.

Mr WALDOCK: The figures are confusing. Our surveys indicate strong growth in recreational and commuter cycling. However, we have experienced a significant decrease in cycle use by school children. It is a combination of stranger danger and the perception of safety on the roads. We will undertake the first of an annual series of full travel surveys next year. They will provide accurate data to compare with previously collected data. Unfortunately the latest data is now quite old.

Mr MARSHALL: I refer to page 1419 and major achievements for 1999-2000. The first dot point is very important to people in the southern area, particularly those in Mandurah and Rockingham. The point refers to the progress of the south west metropolitan railway master plan.

Ms MacTIERNAN: They might not have a railway, but they have a master plan. I am sure that after seven years they are happy about that.

Mr MARSHALL: The final sentence states that expressions of interest for project delivery processes are being developed. Has a time frame and agenda been set for this program?

Ms MacTIERNAN: The master plan is going well.

Mr COWAN: Is the member asking when it will happen?

Mr MARSHALL: What is happening now?

Ms MacTIERNAN: He is asking whether there is a Santa Claus.

Mr RIEBELING: Is it a real project?

Mr COWAN: Everyone knows the situation with the southern rail link. There is no question that all the appropriate planning processes must be put in place. In the past we have seen inadequate planning. Members such as the member for Armadale are the first to complain about the lack of adequate planning, and we are roundly criticised for that.

Ms MacTIERNAN: It is not so much a fast track as a slow boat.

Mr RIEBELING: It is not going to China either.

Mr COWAN: I would willingly export a couple of members in this place to China should they put up their hand.

Most people are aware that to go beyond the planning stage to the implementation stage will require considerable funds - the estimates are in excess of \$1b. That amount will have to be incorporated in a budget, and that has not happened. The State is continuing down the path of debt retirement. If we use debt as a percentage of gross domestic product as a yardstick, the figure has dropped from 20 per cent to a little over 8 per cent. As we improve that record and retire even more debt, the State will be in a position to start appropriating funds to build that southern rail link. We are not in a position to give any precise details on timing. However, most people recognise that we have made considerable progress with debt retirement. Our task is to ensure that we can maintain the level of infrastructure in Western Australia. If we can maintain that progress, there will be an opportunity to begin establishing a southern rail link connecting all the major population centres of the south metropolitan area. I will not put a time line on it.

Ms MacTIERNAN: I hope the member for Dawesville has a fountain of youth because he could be waiting a long time.

Mr RIEBELING: I refer to page 1411, which contains information about drivers licence tests and renewals. It appears that this year we will have 602 165 drivers licence renewals and 76 000 new tests next year. However, the total number of renewals will go up by 144 115. Perhaps creative accounting might account for the other 68 115 renewals.

Mr COWAN: That is a good question; I am interested in the answer.

Mr HARRIS: Not all renewals require tests. One can renew a licence without being tested.

Mr RIEBELING: How do we get an increase of 144 115?

Mr HARRIS: They are renewals. Every year more drivers are licensed. That means in future years there will be more renewals. As the number of licensed drivers increases, the number of renewals increases each year. We have one or five-year licences, and have had for some time. We might have a demand peak for renewals of five-year licences next year. It would then be entirely feasible that the following year the number would decrease because we would have gone through the peak.

[3.40 pm]

Ms MacTIERNAN: Page 1410 picks up the cycling theme, and Mr Waldock has referred to the real problem we have with child safety and cycling. How much money is being put into the Ark RoadWise education project which each year in the past has trained thousands of young cyclists through the cycles program. How much did Ark RoadWise get last financial year and how much will it get this financial year?

Mr WALDOCK: I will provide that as supplementary information. However, I can assure the member that although we had an issue with funding for local government, we have committed ourselves to ongoing funding with Ark RoadWise funding, and that will be maintained.

Ms MacTIERNAN: What funding is the Midland centre getting?

Mr WALDOCK: I will provide figures on both those issues. Funding for both will be maintained.

Ms MacTIERNAN: Page 1411 refers to road safety grants and road safety programs. Apparently only 70 per cent of these met the agreed measures contained in the road trauma trust fund performance agreements. What was the problem with the other 30 per cent?

Mr HARRIS: There is not necessarily a problem with that 30 per cent. Not all of these programs are run by Transport. A percentage are run by outside organisations. The budget papers indicate that the programs we run are compliant. We are not responsible necessarily for those that are run by other people, although we probably put them through an assessment criteria.

Mr GRILL: A significant issue and trend on page 1406 refers to an increase in community concern about the potential impact of transport on the environment and states that appropriate strategies need to be developed to minimise and manage these impacts in the provision of transport infrastructure and services. It has recently come to my attention that the sector

that is contributing most to the increase in greenhouse gases at around 18 per cent per annum is transport, so it is a pretty important sector.

Mr HARRIS: That is all transport, not just public transport.

Mr GRILL: What steps are being taken to minimise this huge increase in greenhouse gases coming from various forms of transport?

Mr COWAN: The answer would be to do two things in the metropolitan area: First, to encourage greater use of public transport; and second to improve the quality of the road system so that travelling from one place to another is made more efficient so people do not waste time in the vehicle consuming fuel and emitting all of those environmental pollutants that everyone is concerned about. In other words, we need a smooth and efficient transport system. Given the dollars being spent on transport and road works particularly, the Government is seeking to that. The Government has already increased funds for the urban transport system to make it more efficient. I doubt the Government could place any curtailment on the transport of general freight based on environmental issues. The Government may at some time or another issue strictures to control emissions, such as those which have been put in place with Euro III. However, I doubt whether anything other than emission standards will be imposed upon vehicles used for the transport of freight products in open areas. The Government is open to suggestions on those issues.

The Government has some concerns about the extent to which the Commonwealth Government intends to apply the Kyoto principles. I do not think any European or North American country in any way shape or form will apply the same rigorous standards that our national government wants to apply to Australia. The member's point is noted: The transport industry makes a significant contribution to greenhouse emissions. Outside of improvements to the public transport system and improvements to the road system to enable a more efficient use of the road system and emission limitations imposed on vehicles, I am not sure the Government can do anything else.

Mr GRILL: It seems that unless we do something fairly dramatic in the transport sector, and if Senator Hill gets his way, we will see wealth-creating industries either not getting off the ground or being curtailed in their operation. That would be a disaster.

Mr COWAN: I agree.

Mr GRILL: If there is an 18 per cent per annum increase in the amount of pollution from greenhouse gases from all forms of transport, we should have a proper strategy in place. Although the minister just outlined the bare bones of strategy, the Government should go a lot further more quickly than it is at the moment.

Mr COWAN: I would generally agree with the member for Eyre about the added complications from some of requirements that have been mooted by the Federal Government for the transport system. Western Australia is concerned about that. The Government will do as much as it can to apply the highest level of practical emission standards. Western Australia is the first State to move to Euro III standards. That has caused some problems for vehicles that are equipped with a certain type of diesel engine inasmuch as sulfur has some lubricating qualities. As a consequence, the expectation is for higher maintenance requirements on those vehicles with motors that carry, for example, a rotary fuel pump. I do not think the Government can do a great deal more. The Government has indicated that it expects the Federal Government to deal with these issues in a practical way and not provide some form of discriminatory handicap to the wealth-creating industries of the State of Western Australia. It is very important that does not happen.

Ms MacTIERNAN: On page 1410 reference is made to the new private multifunction port at Naval Base. How much has been spent by the Department of Transport on this project to date and where is this project at?

[3.50 pm]

Mr COWAN: There has been some expenditure, but not a significant amount. I do not have the precise details, and I will take that question on notice and provide the answer as supplementary information.

Ms MacTIERNAN: At what stage is this major initiative?

Mr HARRIS: There is a memorandum of understanding between ourselves and the proponents, and they are in the process of going through the environmental assessments and approvals that they need to go through; and that is their responsibility. They also need to negotiate with other companies on land and facilities.

Ms MacTIERNAN: Are they operating at all?

Mr HARRIS: Not yet.

Ms MacTIERNAN: When are they anticipated to commence operation, and what sorts of cargoes are we talking about?

Mr HARRIS: The live sheep and cattle trade is a significant component of where they are targeting their business. Break bulk is another significant area. That is a matter for them to pursue in their own commercial interests. We do not play a role in determining what the cargoes may be.

Ms MacTIERNAN: Presumably the department has a role in determining the facilities. Will it be a container port?

Mr HARRIS: It will be if they can see a commercial advantage in eventually being a container port, but that is a decision they will make within their own commercial operations. We do not mandate the cargoes or the style of operation that they might want to pursue.

Ms MacTIERNAN: This is listed as a major initiative, so presumably the department knows what they are proposing to do?

Mr HARRIS: Yes. I understand they are proposing to start in the areas of break bulk and live sheep and cattle.

Ms MacTIERNAN: Does the department have an estimated starting date?

Mr HARRIS: No. That will depend entirely on how successful they are in getting their environmental approvals, and on their negotiations with the private owners of land and facilities.

Ms MacTIERNAN: The department is not working to a particular date?

Mr HARRIS: No. We have a facilitating role in this exercise. I presume they have a target date by which they want to start their operations, but I do not know it.

Mr GRILL: The last dot point on page 1413 states that nine interstate rail owners and operators were accredited in 1999-2000, and that 12 state-based owners and operators had applied for accreditation and their applications were being assessed. Is that accreditation related to the privatisation of Westrail?

Mr HARRIS: No. It is rail safety accreditation. Any operator of a train on track requires an approved safety scheme and other procedural matters. The department has a rail safety branch, which is progressively going through the accreditation process with each of those operators.

Mr GRILL: Would there be nine interstate rail owners and operators and 12 state-based owners and operators on our track?

Mr HARRIS: Yes. The trams that operate on the jetties at Busselton and Carnarvon come within the scheme. We are talking about everything from small tourist operations up to large national operators. It is not only a Western Australian process but also a national process, and there are accreditation schemes in all States. The primary objective is safety.

Ms MacTIERNAN: We have been told that the customer satisfaction level for public transport is 55 per cent, yet page 1415 refers to a customer satisfaction level of 79 per cent. How is that figure determined, who conducts that survey, and is the minister prepared to provide as supplementary information the report from the company that conducts that survey?

Mr WALDOCK: A passenger satisfaction monitor has been conducted for over seven years by Donovan Research, a well-known market research company, for all transport modes, be it trains, buses or ferries. The figure of 79 per cent for this year is the weighted average of the three modes and is based on a breakdown of 71 per cent for buses, 92 per cent for trains and 97 per cent for ferries. I will make that information available to the member.

Ms MacTIERNAN: Can a copy of the report also be made available to us by way of supplementary information?

Mr WALDOCK: I will make available the executive summary.

Ms MacTIERNAN: We would be happy to wade through the full report!

Mr WALDOCK: I will see what I can do.

Mr HARRIS: That would be subject to any commercial in-confidence material that might be in that report.

Mr COWAN: The request is noted. Mr Waldock has indicated the areas about which he can provide supplementary information. The minister will make the determination on the report, and I am sure he will determine that if there is no commercially-sensitive information -

Ms MacTIERNAN: Not just sensitive to the Government.

Mr COWAN: No. It is not the style of this Government to worry about those things.

Ms MacTIERNAN: Is that right?

Mr COWAN: The minister will make that decision.

Ms MacTIERNAN: I refer to page 1405 and to the payment of \$6m for the Western Australian Coastal Shipping Commission. Is that for superannuation?

Mr HARRIS: It is for superannuation and debt-servicing costs.

Ms MacTIERNAN: Is it correct that we are subsidising only one ship now?

Mr HARRIS: Yes.

Ms MacTIERNAN: What was the subsidy last year and what will it be this year?

Sitting suspended from 3.59 to 4.13 pm

Mr HARRIS: The subsidy on the shipping service is \$3.83m.

Ms MacTIERNAN: Was it the same last year?

Mr HARRIS: The amount of \$3.859m is the estimate for the current financial year.

Ms MacTIERNAN: What is the amount for this current year?

Mr HARRIS: In 1998-99 it was a touch over \$4m; the estimate for 1999-2000 is \$3.86m; and the estimate for 2000-01 is \$3.84m.

Ms MacTIERNAN: Where does the service go from and how regular is it?

Mr HARRIS: It is from Fremantle to Broome.

Ms MacTIERNAN: How many times does it stop?

Mr HARRIS: It calls in at Wyndham, and then goes on to Darwin. It is a 17-day cycle.

Mr GRILL: I shall refer to something that is potentially very popular and is listed at page 1414 as a major initiative for 2000-01; that is, the introduction of new uniform Australian road rules to ensure consistency across all States. All Governments have indicated they have strived for this for a long time but, in reality, how close are we to bringing this about?

Mr COWAN: I know that a number of those national reforms have been agreed to by the Minister for Transport. I understand he is almost ready to implement that package. It will be done through regulation, but there are some areas with which he does not agree. One of those is not so much a question of road rules, but is a matter of payment of licences and issues of that nature. The minister has not agreed to automatic indexation of vehicle licensing, for example. Although the Government is in general agreement on road rules, and it is moving to implement those, it will make a decision, as a State, on some of the issues also being pursued outside road rules but which are associated, for example, with indexation of road user charges. The Government does not agree to that.

Mr GRILL: I take it that the Government has agreed on all the issues under consideration?

Mr COWAN: I do not have the information on all of them. The member must bear in mind that there are 350 rules, and I do not know that anyone can provide the details of them now or that he would want them. Some of those 350 rules are already in existence in Western Australia's regulations, some require introduction, and some exist in a different form and need to be reformed. That is the process of implementation. We need not worry about those that exist, and those that require reform or introduction are likely to be implemented. I am advised that the majority of the agreed package put forward will be implemented by the Minister for Transport.

Mr GRILL: Do you contemplate that the new regulations will be introduced this year?

Mr COWAN: I cannot answer that; I do not know. Supplementary information will be provided. It is a legitimate question and people would like to know when some of those reform packages are likely to be introduced. I am sure the minister will be prepared to provide that information, but it will be an estimate only. The member will be aware that regulatory packages are easier, but legislative processes are time consuming at the best of times.

Mr MARSHALL: I would like information on the implementation of the taxi industry reforms to improve performance standards in line with national competition policy review, as set out as a major initiative for 2000-01 on page 1414.

[4.20 pm]

Mr WALDOCK: The new reforms will commence on 1 July this year, and they will be wide-ranging in nature. The major reforms are around this concept of standard setting, in which all taxi companies will be monitored in terms of performance against agreed standards - that is, with peak and non-peak type taxis. The minister will also have independent advice, based on data independently accumulated, to help him make decisions on the performance of the taxi industry and whether any new reforms are necessary.

The first and major area of reform is how long it takes for a taxi to arrive at a house after someone has rung for it, and the level of standards in the taxi, such as performance, safety, dress and the like. Detailed information on that will be available. If the minister decides that the standards are not being met or that taxis are not arriving in a timely fashion, he will have the power to release additional plates. Therefore, the opportunity exists to affect the supply and demand situation. The second area of reform is centred around training, which was identified as a major issue in the taxi industry. Independent training and testing is now far more rigorous. Much more rigorous psychological and English language testing is now carried out up front. The third area of reform is the role of government in the taxi industry. The Government is backing away from some of the detailed, regulatory-type issues. It is concentrating on setting standards and having a more strategic effect on the industry, rather than day-to-day operational regulations.

Mr MARSHALL: Taxi drivers say that in today's climate, it is increasingly harder to make a decent living, or a living at all. Would releasing extra plates assist them? Drivers might be lost from the industry.

Mr WALDOCK: It is an extraordinarily difficult issue for individual drivers. Drivers around Australia are generally finding that things are pretty tough. Unlike other industries, the taxi industry has not enjoyed substantial growth over the years. Its only area of growth over the past five years has been through government, which has provided additional money on a regular basis through the taxi user subsidy scheme. That sector of the industry is growing at a rate of 28 per cent. If government assistance for the disabled was taken away, the taxi industry would be stagnant at best. The Department of Transport is encouraging the taxi industry to look at widening its opportunities for growth through new markets, new market offerings, and being more innovative with how it looks for and approaches new customers.

Mr MARSHALL: Taxi management groups say it is very difficult to get drivers. Will this change that situation?

Mr WALDOCK: That will be difficult. The situation will be exacerbated by the goods and services tax issue, which is due to emerge. We will need to work through that.

Ms MacTIERNAN: The question asked by the member for Dawesville is on the point. What work or studies were done to examine the impact on driver income of the introduction of the 125 new taxi licences?

Mr WALDOCK: Our taxi reform analysis and study was the most comprehensive body of work done in Australia.

Ms MacTIERNAN: What work was that? Are you talking about Stuart Hicks' report?

Mr WALDOCK: No, the independent report by BSD Consultants Pty Ltd.

Ms MacTIERNAN: The consultants did not address the impact the 125 or 150 new plates would have on driver income.

Mr WALDOCK: No, the report had two aspects: A BSD Consultants report and a market survey. The market survey clearly showed that there are not enough taxis in peak periods on Friday and Saturday nights. The additional peak-period plates will not have any immediate effect on earnings, because people simply cannot get a taxi on a Friday or Saturday night. The new plates will simply alleviate that situation. The other growth area in which plates will initially be released is the maxi, or multipurpose, taxi for disabled people. The decision to do that was based on hard data which showed that the disabled community received 50 per cent of the service available to the non-disabled community. The department was looking at the equity issues to try to support the disabled community. The release of new plates will have little immediate effect on the industry. At the end of the day, any model we look at - the full deregulation model, the partial deregulation and buyback model or the standards-setting model - will have never any guarantee of improved earnings for taxi drivers.

Ms MacTIERNAN: What mechanisms has the department put in place? It has a theory that there is unmet demand. The industry itself believes that demand exceeds supply for only about three or four hours on a Saturday. Yet, the department is releasing plates for Friday and Saturday nights, which is when drivers earn their money. What mechanisms have been put in place to monitor the impact on driver income? The independent report by BSD Consultants Pty Ltd found that one of the problems with attracting a reasonable standard of driver to the industry was the abysmally low returns for lease drivers.

Mr COWAN: I correct the member: The Department of Transport does not have a theory. It has a number of reports upon which it can base some factual data or information. While I am not preventing anyone from answering the question, they would not be answering it based on any theoretical approach. An independent report was conducted, which quite separately put forward some information. The department is not operating on a theory.

Ms MacTIERNAN: I have read the report.

Mr COWAN: I am sure you have. On that basis, I am disappointed to hear you talk about the department adopting a theory.

Ms MacTIERNAN: The minister does not like the word "theory": The assumption is that the additional plates will not impact on driver income because there is unmet demand over those evenings. Therefore, the additional 10 per cent of plates will simply meet that unmet demand. That is an assumption.

Mr COWAN: Although it is appropriate for officers of the Department of Transport to answer questions about some general projections or outcomes they might seek to deliver within the taxi industry, it is not appropriate for them to start debating assumptions. I am comfortable for those officers to comment on projections for the industry and the direction it might take under the control of the Department of Transport.

Ms MacTIERNAN: My question was that -

Mr COWAN: I heard the question, and the officers can answer it. However, I make it very clear that we are not dealing with theory or assumptions.

Mr HARRIS: The other thing that needs to be made clear is that following the BSD Consultants Pty Ltd report, an extensive, widespread and quite lengthy consultation period was undertaken with all the players in the industry. The conclusion of that resulted in a package of reforms which were agreed to in writing by the industry and all its participants.

Ms MacTIERNAN: The industry?

Mr HARRIS: All the participants in the industry agreed to the reform package in writing.

Ms MacTIERNAN: I would like to see that. It depends on the definition of the industry and whether it includes the 3 000 lease drivers.

Mr HARRIS: It does.

Mr WALDOCK: It includes the five peak bodies that represent all areas of the industry.

Ms MacTIERNAN: I would certainly like to see that agreement. Is that possible?

Mr HARRIS: It is a matter for the minister.

Ms MacTIERNAN: I go back to my question: What mechanisms have been put in place to monitor the impact on driver incomes of the 150 new plates?

[4.30 pm]

Mr HARRIS: The maintenance of income is not a core responsibility of the Department of Transport. It is not our responsibility to ensure that this or any market segment is guaranteed a level of income. We have a responsibility to ensure that sufficient taxis of sufficient quality with sufficiently capable drivers are available to meet the demand of the travelling public and that is what we are attempting to do.

Ms MacTIERNAN: With respect, the BSD Consultants Pty Ltd report identifies structural problems in the industry that require a response. If the department ignores that economic parameter, people will not use taxis when they are unable to be provided a safe and secure service.

Mr HARRIS: With the utmost respect, as I said recently, we worked our way through those issues with all the participants in the industry and reached an agreed position on which they all signed off in writing. The package they agreed to has been implemented.

Ms MacTIERNAN: If that is the case, I will stand corrected. I would like to see that agreement because that is not what the industry is telling me.

Mr MARSHALL: If reform is to occur and extra taxis will be needed - I say that with a question mark - will they be graduated into the system so that there is not an immediate oversupply causing problems? Can we ease in the additional taxis?

Mr HARRIS: Yes.

Mr MARSHALL: How many first up?

Mr WALDOCK: We were looking at 100 PPs and 50 MPTs, but we are taking half each.

Mr MARSHALL: I am pleased to see that because I thought 150 was too many.

Mr HARRIS: We will not release more without monitoring the impact on the service levels.

Mr MARSHALL: That is a good way to go.

Mr GRILL: I refer to page 146 under major initiatives for the year 2000-01. Dot point 4 refers to efficiency and convenience of public transport through a trial of international standard Smartcard ticketing. It was a matter of some considerable concern to me some years ago that when Smartcards were initially considered within Transperth, as it was then, we appeared to include the ERG Group, a local company in this market. ERG contemporaneously was approaching other public transport systems all over the world picking up contracts. However, it did not seem to be able to pick up a contract in Western Australia. Since that initial period has ERG been considered for a contract in Western Australia?

Mr HARRIS: The trial we are running is with ERG on the northern suburbs line, so there will be some overlap with the bus system.

Mr WALDOCK: On the railway-bus route.

Mr GRILL: On what basis was the trial commenced? Was it negotiated with ERG or was it on an open tender basis?

Mr HARRIS: It was a closed system. We approached ERG and said we would like to run a Smartcard trial. We did it openly on the basis that whatever came out of that would go to the market place in open tender. However, clearly not much was to be gained by going to an open tender process for a trial when someone within the market place was capable of doing the job.

Mr GRILL: The trial is being conducted with ERG on the basis of no commitment by government to ERG in the long term.

Mr HARRIS: That is right.

Mr GRILL: I would like to see ERG pick up the contract.

Mr HARRIS: ERG assures me it will.

Mr GRILL: I was speaking to the managing director only recently and he was hopeful of picking up a contract. What is the timetable for all this?

Mr HARRIS: The trial will run over the next financial year at the end of which we will assess the results. In principle, Transport has the view that our new rail and bus networks should take advantage of the best technology available in not only infrastructure but also ticketing and other information systems. We will be considering Smartcard technology across the complete network.

Mr GRILL: Are you looking to go to tender for a whole-of-network Smartcard, including buses, trains and ferries?

Mr HARRIS: Our current ticketing system is interchangeable between ferries, buses and trains. In our new ticketing system we want not only to have the same flexibility across buses, ferries and trains but also the capacity for patrons to use them for other purposes, which might make it a more attractive proposition for someone else to provide some of the cost.

Mr GRILL: Will it be a big contract?

Mr HARRIS: Potentially, yes.

Mr GRILL: When will a contract be let?

Mr HARRIS: I cannot answer that at this stage. Logic says that if we are to do that we will start with the major rail extensions and "wash" it through the system as a consequence.

Mr GRILL: You must have some idea about time lines.

Mr HARRIS: We will test the market as part of the south west metropolitan railway development. New South Wales is testing the market at present.

Mr GRILL: With the same product?

Mr WALDOCK: We are not sure whether it is the same concept. New South Wales will announce the winning tender next month.

Mr HARRIS: I am sure the member for Eyre will appreciate this is a volume issue as much as anything else. The size of the market and the economics of Smartcard technology are critical due to the number of card readers we need.

Mr GRILL: When will the trial be completed?

Mr HARRIS: It will be completed before 30 June 2001.

Ms MacTIERNAN: I refer to page 1409. It indicates that the master plan for the Kwinana Freeway bus transitway has been completed. Is there any money in the budget for this coming financial year for the works that need to be undertaken for that project?

Mr WALDOCK: The money is shown in the appropriations for Main Roads under Transform W.A. Mr Martin might want to talk about it specifically. It is planned to commence that busway in September this year and finish it towards the end of the following year, so it will be a 12 to 15 month program. It will move from the Narrows Bridge to Canning Bridge stage 1.

Ms MacTIERNAN: The next item is the draft coastal protection policy which seems to be an odd issue in which the Department of Transport is involved.

Mr HARRIS: We have responsibility at present one way or the other for not all, but some, coastal management. We are in the process of trying to rationalise responsibility for that between ourselves, the Department of Conservation and Land Management and other players in the game. Before doing that we are working with those agencies to put together a draft policy to get some rationalisation in the treatment of coastal management.

Ms MacTIERNAN: What aspects of coastal management does the department deal with?

Mr HARRIS: We undertake sand remediation works at Dawesville, Busselton, Port Geographe, Esperance and Kalbarri where maritime infrastructure is put in place. If it has consequential effects on the coastal environment, for one reason or another we have inherited responsibility for managing those impacts. It may not necessarily be the case that we are best placed to do that. A better result might be achieved if it is put together in one place.

[4.40 pm]

Ms MacTIERNAN: The same page lists the customer satisfaction with the coordination and integration of the transport system as being at 55 per cent. Where did that survey come from?

Mr HARRIS: We do a number of customer surveys during the year. Some of them are particular, in the case of the public transport network, and some of them are more general, as was this one. This was a market equity survey that was conducted across all our "customers" to test specifically whether we were doing a reasonable job, a good job or a bad job in integrating transport planning, particularly across all of the networks. We got just over a pass.

Ms MacTIERNAN: It depends on whether one counts 50 per cent as a pass. Can we have a copy of that report?

Mr HARRIS: I am sure we can look at that. It is a question for the minister to determine, but we can provide that as supplementary information.

Mr GRILL: On page 1419 under major achievements for 1999-2000, dot point 9 states -

Consultation with user groups of the Shire of Dunsborough commenced to determine the likely level of demand and funding mechanisms for a jetty at Dunsborough to cater for increased charter boat operations arising from the sinking of the "Swan".

For many years some people have hoped that a boat harbour might be built somewhere in the Dunsborough region.

Mr COWAN: After my experience with Geraldton and Exmouth, I am not interested in boat harbours.

Mr GRILL: They are fraught with problems. We tried to put one into one of the bays close to Dunsborough years ago but

without success. As the department seems to be opting for a jetty, has the Government given up all hope of building a boat harbour in that part of the world?

Mr HARRIS: The issue is the type of facility that the communities in the area either want or would accept. There is a significant difference of opinion, depending on where in the area people live, about what type of facility is considered acceptable. If that were to be resolved, we might be able to progress the issue. At this point, a jetty has been determined to be the type of facility that is most acceptable to the majority of people.

Mr GRILL: Where is the closest boat harbour - Bunbury?

Mr WALDOCK: The new Port Geographe boat harbour.

Mr GRILL: What does that take?

Mr WALDOCK: It takes 450 boats. The issue is that it has always been world war III trying to put boat harbours in these areas. Last time we tried, we thought we had the support of the Busselton Shire, but it backed out because it got too hot. The Government decided it would not try again until there was community support. This jetty is mainly for diving operations.

Ms MacTIERNAN: When the Government announced Transform WA in April 1998, it published a media statement saying that under system 21, upgraded bus stops would incorporate high technology, real-time service information and that the first of 14 planned system 21 routes would be operating by early next year. The first of the system 21 routes was for Fremantle to Rockingham. We are now in 2000 and I note that the Government is still progressing on work on the Rockingham-Fremantle system 21 service and that another \$49 000 has been allocated this year. This was supposed to be operating in early 1999. Why has the system 21 service been delayed by a couple of years? When is the Fremantle-Rockingham system 21 service expected to be ready? Where are the other 13 system 21 routes that were announced in the press release of 13 April 1998?

Mr WALDOCK: The system 21 routes are all covered in the 10-year public transport plan, and I am more than happy to make that available. It is a public document which spells out where we see these train-like, high frequency, modern bus services with real-time customer information, new bus shelters and all the rest.

Ms MacTIERNAN: Are any of them in operation yet?

Mr WALDOCK: The circle route was not classed as a system 21, but it is in operation.

Ms MacTIERNAN: We have heard a lot about the circle route today, but the press release mentioned another 13 routes.

Mr WALDOCK: The Rockingham-Fremantle service is already going. A system 21 commenced operating on 1 April this year.

Ms MacTIERNAN: Does that incorporate high-technology, real-time service information?

Mr WALDOCK: No. It is fully operational. That tender is now under evaluation. Other than the central area transit system, which has real-time customer information, this will be the first test of a real-time customer information system that picks up the technologies of the global positioning system and the like. Obviously it sets GPS times against anticipated timetables to give a reading at each bus stop for when the next bus is due.

Ms MacTIERNAN: Is none of that in place yet?

Mr WALDOCK: None of the real-time customer information is in place yet.

Ms MacTIERNAN: When is it anticipated that we might start seeing that?

Mr WALDOCK: It depends on the evaluation process. The tenders which came in were higher than we expected. We are negotiating. I still hope that we will see that in the second half of the financial year.

Ms MacTIERNAN: How much is in the budget for that?

Mr WALDOCK: I would have to check. I think it is about \$500 000.

Ms MacTIERNAN: Are any of the other 13 routes that were promised in April 1998 under way?

Mr WALDOCK: It was a 10-year public transport plan.

Ms MacTIERNAN: We are into the second year.

Mr WALDOCK: This year we will see Landsdale, and towards the latter part of this year we may see Coolbellup. We will see three over the latter part of this year and for the next financial year.

Mr MARSHALL: I am a bit confused. I asked about the Dawesville Channel landscaping and was told that there is no estimated expenditure. It is a very successful project. I do not know where the money for the sand bypassing system is in the budget, whether there is enough money or whether the Department of Transport feels that what it is doing so far is the right way to go, because there are discrepancies in the amount of sand that is being bypassed. There is an undernourishment of beaches on the northward trend. I am concerned that there may not be enough money in the budget to ensure that is corrected this season.

Mr HARRIS: That issue is a little subjective in nature depending on where one sits. The best way to deal with that might be for me to set up a briefing with my maritime people who are responsible for that project. The member could ask whatever detailed questions he wanted. I am happy to facilitate that.

[4.50 pm]

Division 43: Main Roads, \$516 088 000 -

Mr Bloffwitch, Chairman.

Mr Cowan, Deputy Premier.

Mr G.S. Martin, Commissioner.

Mr RIEBELING: I want to ask a series of quick questions, which I am sure the minister will be able to answer, about the capital works in progress and the capital works program for Main Roads. About halfway down page 868 of the *Budget Statements* mention is made of a Karratha to Tom Price link road. According to my reading, this project was estimated to cost only \$4.8m. The minister and his department are now saying it will be more like \$150m for the complete sealing of that road. Can the minister confirm that in the 2000-01 budget no money is allocated for that project? In one of the smaller projects, which was highlighted in this public document I have in my hand from the Department of Transport, \$213 000 was allocated to improve the intersection of the North West Coastal Highway at Dampier. When is the minister moving Dampier to the North West Coastal Highway? No-one in my electorate can tell me where that intersection is and I wonder where the \$213 000 will be spent.

Mr COWAN: Can the member identify that for me, please?

Mr RIEBELING: I cannot see it in the *Budget Statements*; but it is in the document I have with me from the Department of Transport.

The CHAIRMAN: These matters must be in the budget volumes for us to discuss them.

Mr RIEBELING: I understand that, but the document I have was produced by this Government.

Ms MacTIERNAN: The member wants to know where it is in the budget.

Mr COWAN: The Department of Commerce and Trade, which is not the subject of this estimates committee debate, delivers papers at the request of the Premier to each of the regional development commissions and publishes faithfully in those papers the information provided to it by a range of government agencies. The member for Burrup made his point when he was talking about skeleton weed eradication funds being applied generally across the State of Western Australia and being incorporated in the Pilbara Development Commission budget brief; yet, no application for skeleton weed eradication funds has been made in the Pilbara to my knowledge, although that fund is used not only purely and simply for the eradication of skeleton weed, but also for other purposes. However, in this case he has taken an extract from that Department of Transport paper. It is not listed in any papers I have with me relating to the North West Coastal Highway. There is reference to the Gascoyne River bridge, the Gascoyne River to the blowholes, Geraldton city, Karratha to Roebourne, Minilya to Barradale and Oakajee port access. As I see it, that is it and there is no reference to the issue raised by the member for Burrup. The information that he has in his left hand has been provided, and can only be provided, by way of an explanation by the Department of Commerce and Trade on information made available to it. There may be a slight conflict somewhere in those pieces of information.

Mr RIEBELING: Can the minister find out from the department?

Mr COWAN: We will find out exactly what that refers to. It cannot be considered as supplementary information, Mr Chairman, because it is not included in this division.

The CHAIRMAN: No.

Mr COWAN: However, I will seek the information.

Mr RIEBELING: I guess the people of Dampier want to know whether the Government will shift the town to the North West Coastal Highway or reroute the highway into Dampier. Either one will be a major achievement.

Mr COWAN: There are about 8 000 to 10 000 separate items in the budget papers. I am pleased that the member is diligent, reads them and has found two errors. Two errors out of 10 000 items is not bad.

Mr RIEBELING: If the minister had listened to my speech, he would know that there are 265 items in the document I am holding, of which 188 are not for the Pilbara.

Mr COWAN: I dispute that.

Mr RIEBELING: We could go through them.

Mr COWAN: I challenge the member for Burrup on that.

The CHAIRMAN: Order!

Mr MARSHALL: On page 869 of the *Budget Statements* I note with pleasure that money is allocated for the Dawesville

deviation and that it is on schedule. I would like it noted that the Manager Program Development Main Roads South West, Derek Lee, and his project manager, Craig Barrett, have been absolutely professional in their approach to the public when explaining at public meetings what the Dawesville deviation is all about. However, the next entry on page 869 refers to the allocated moneys for estimated expenditure on the Serpentine-Peel deviation. Have any allocated moneys been spent on the Peel deviation? With the money being spent on the temporary Dawesville deviation before the permanent one is constructed, will there still be money available for planning and construction of the deviation that the increased traffic and population demands should be introduced?

Mr COWAN: Before I ask Mr Martin to respond, I confirm the question asked by the member for Burrup with respect to the Karratha to Tom Price link road. Funds have been put aside for planning for that road; however, he is right that no funds have been set aside for construction. I will now ask Mr Martin to give some details of the Dawesville and Serpentine-Peel deviations.

Mr MARTIN: As the member said, the Dawesville deviation will go ahead in this coming financial year. Considerable consultations, as the member mentioned, have taken place with residents in the area, particularly where the road passes very close to their residences. We are close to resolving any issues those residents have; therefore that job is proceeding. A considerable amount of work is going into examining the Serpentine-Peel deviation. The project is not currently funded for construction; however, it is funded for continuing studies and the work that involves. Serious consideration is currently being given to the strategy to ensure that we can deal with the demand both on short-term and long-term bases. I expect that we will be making recommendations to the minister in this calendar year about how we should be forward planning towards the demand in that corridor. At the present time we are looking at the issue of the existing roads carrying the load as against going ahead with the Peel deviation.

[5.00 pm]

Mr MARSHALL: I know that the department is really switched on to the whole area, but with the Dawesville deviation increasing safety and traffic flow and with Mandurah being undoubtedly the gateway to the south west, so that on long weekends it has peak traffic going through it, and with Mandurah being undoubtedly Australia's fastest growing regional town, and all of the roadworks planning accommodating for that increased traffic, motorists still must cross the bridge to access the south west and to return to the metropolitan area. The estuary bridge is not a black-spot but it is a dangerous area because all the traffic merges into one lane. How will the department resolve that problem?

Mr MARTIN: The member is quite right about the demand. The traffic characteristics on Friday afternoons and Sunday afternoons are unique; the peaks that occur at those times are dramatically above the average daily traffic level. As I said earlier, we are considering a short-term solution. One of the short-term solutions that we are looking at is to include a reversible peak lane on the existing bridge. It would mean big money if we went further and considered further developing that coastal route by building a second bridge. That is one of the things that is making us consider very closely whether a Peel deviation is more desirable than upgrading the coastal route. We are finding that we cannot isolate upgrading the coastal route; we must consider the South Western Highway at the same time. The issue is whether the two existing roads should be upgraded or whether a new central road should be developed.

Ms MacTIERNAN: I gave the Minister for Transport notice of a series of questions relating to Main Roads. Is it possible to have the answers to those?

Mr MARTIN: There were three categories of questions and answers on TransformWA as follows -

I refer to page 865 of the budget papers which claims that the scheduled repayment of the borrowing authority to assist in funding the TransformWA program has been levelled out and will be repaid by 2011-12.

Question 1 reads -

What has been the annual expenditure of the TransformWA program since 1998-99 and what is the expected annual expenditure under this program until its completion?

The answer reads -

	\$million
1998-99	57.5
1999-2000	150.2
2000-01	115.2
2001-02	167.4
2002-03	141.5
2003-04	82.8
2004-05	104.3
2005-06	99.4
2006-07	88.6
2007-08	57.6
2008-09	29.0
2009-10	41.0
2010-11	131.2
2011-12	133.0
Total	1 398.7

Note: The above figures are in current-day costs and do not allow for escalations in project costs.

Question 2 reads -

What has been the annual revenue received as a result of the increase in motor vehicle fees since 1998-99 and what is the expected level of revenue from the licence increase each year until the completion of TransformWA?

The answer reads -

As the revenue collection processes for vehicle licence fees do not allow the accurate segregation of those portions applicable to TransformWA, it is not possible to provide actual collection statistics. However, based on calculations and statistics used when the TransformWA program was initiated, it is estimated that the following amounts are appropriate -

		\$million
1998-99	92.8	
1999-2000		98.6
2000-01	106.1	
2001-02	113.4	
2002-03	121.3	
2003-04	130.1	
2004-05	138.6	
2005-06	147.6	
2006-07	157.2	
2007-08	167.4	
2008-09	178.3	
2009-10	189.9	
2010-11	202.0	
2011-12	215.0	
Total		2 058.3

Note: The difference between the estimated revenue and expenditure is to meet the increases in project costs due to inflation and the financial costs associated with the borrowings-repayment and interest.

Question 3 reads -

What is the amount of borrowings that have been undertaken under TransformWA since 1998-99, and what is the expected amount of borrowings for each year until the completion of TransformWA?

The answer reads -

Borrowings since 1998-99 - \$66m

Total approved Borrowing Program

		\$million
1999-2000		181.0
2000-01	80.6	
Total		261.6

Question 4 reads -

What is the current schedule of repayments of the borrowings incurred under TransformWA?

The answer reads -

	\$million
2003-04	29.6
2004-05	29.0
2005-06	29.0
2006-07	29.0
2007-08	29.0
2008-09	29.0
2009-10	29.0
2010-11	29.0
2011-12	29.0
Total	261.6

The total interest to be paid on the TransformWA borrowings is estimated to amount to \$186.7m.

Ms MacTIERNAN: What is the difference between the repayment figure of \$261.6m and the interest figure of \$186.7m?

Mr MARTIN: Perhaps I need to answer the general question that the member is asking. We are not tying dollars borrowed for TransformWA specifically for TransformWA projects. We are working on a whole program of projects, and that is one of the funding mechanisms to cover the whole program.

Ms MacTIERNAN: TransformWA was initially a 10-year program. It is now obviously more than a 10-year program because it is extending to 2011-12, which would make it a 14-year program.

Mr MARTIN: Yes, the period of the completion of works and funding is beyond 10 years.

Ms MacTIERNAN: When the program was commenced was it anticipated that this levy would be imposed for 10 years?

Mr MARTIN: I cannot answer that question as I was not around at the time the program was commenced. Basically, it was a 10-year program of construction.

Ms MacTIERNAN: Sometimes we are told that a program is not a TransformWA program and so is not funded through borrowings. Does the department have a discrete list of TransformWA projects and another list of non-TransformWA projects that are on the department's 10-year plan?

[5.10 pm]

Mr MARTIN: There are 34 projects under TransformWA which are separately identified, and other projects are still identified as part of the additional funding program initiated in 1995. There was a base-line program, the additional funding program initiated in 1995, which does not have significance now because the funding regime is different from the base on which it was commenced, and the TransformWA program. Each of those three different programs is still tagged in the way it was originally initiated but the funding is now more general to cover all three categories.

Ms MacTIERNAN: You cannot say this funding comes from the licences because it all goes into one pot?

Mr MARTIN: That is right. We are running a funding pool to cover the obligations or commitments we have entered into in both construction and maintenance. I would like to clarify my answer to the member's question about the difference between the \$186m and the \$261m; the series of amounts of \$29m I read out are basically capital repayments. The interest was in addition to that.

Ms MacTIERNAN: Capital repayments plus \$186.7m in pure interest?

Mr MARTIN: That is correct.

Ms MacTIERNAN: What interest rate is that?

Mr COWAN: Whatever was the commercial rate. We cannot give the member the exact figure, but we can tell her what it might have been; about 8 per cent, give or take 1.5 per cent.

Ms MacTIERNAN: The total amount borrowed was \$66m, \$181m and \$80m. Those were the three lots of borrowings.

Mr MARTIN: No, the total is \$261.6m, because the \$181m incorporates the \$66m.

Ms MacTIERNAN: Were they the borrowings for last year and this year?

Mr MARTIN: That is right.

Ms MacTIERNAN: Are no other borrowings planned under TransformWA? There are borrowings only for this two-year period.

Mr MARTIN: That is right; \$261.6 over the two financial years.

Category B questions from the member related to capital works. The first question was -

I refer to page 848 of the budget papers that show the forward estimates of the capital works program of: \$304.3m in 2001-02; \$284.6m in 2002-03; and \$261.5m in 2003-04.

Can the minister provide a list of the projects included in each of these estimates and the associated funding for the projects?

The second question was -

I refer to page 848 of the budget papers that show the forward estimates for recurrent services of: \$244.4m in 2001-02; \$253.1m in 2002-03; and \$279m in 2003-04.

Can the minister provide a list of the projects included in each of these estimates and the associated funding for the projects?

The answers to those questions are -

The capital works and recurrent services total estimates quoted from page 848 of the budget papers refer to the amounts applied to these categories from the consolidated fund only. These figures do not include allocations to these categories from such items as grants and subsidies, loan borrowings and other funds and sources.

As all receipts are paid into the Main Roads trust fund and then applied to outputs and programs, it is not possible to relate individual fund sources to individual projects.

Ms MacTIERNAN: I seek clarification. In relation to the capital works, does the department have, from whatever source, lists of capital works for which it has funding? Is there somewhere a list of capital works that adds up to \$304m?

Mr MARTIN: No. The capital works projects do not strictly add up to that amount because under the output-based budgets we must apply all the funds we have against four outputs.

Ms MacTIERNAN: Even if it does not equate to that, is there a list of capital works projects for these years which forms the basis of your budget? Do you have a list of roadworks?

Mr MARTIN: Yes, in the budget papers we have listed works in progress, completed works -

Ms MacTIERNAN: I know what is contained in the budget papers. We can see what is planned for 2001-02, but where is the list of works for 2003-04?

Mr MARTIN: There are lists. However, our situation is that we compiled that list for the purpose of these budget papers; the Government decides each year which programs it will commence. Although we have a list of the projects we expect to spend the money on in future years, that allocation may change each year as the Government re-assesses its budget priorities. We have a list of projects that equate to those amounts as the basis for preparing these budget papers.

Ms MacTIERNAN: Can I have copies of those lists?

Mr COWAN: For which years?

Ms MacTIERNAN: For 2002-03 and 2003-04.

Mr COWAN: I will put that request to the minister.

Mr MARTIN: I have category C questions on borrowings, the first of which reads -

I refer to page 872 of the budget papers that show borrowings of \$181m in 1999-2000 and \$81m in 2000-01.

What projects have been funded and are expected to be funded from these borrowings?

The answer reads -

Loan funds are to be used for TransformWA program projects. As these loan funds only provide part of the funding for the TransformWA program, it is not possible to relate these funds to individual projects.

The second question reads -

What is the expected level of borrowings for 2001-02, 2002-03 and 2003-04?

The answer is that for each of these years the borrowings will be nil.

Ms MacTIERNAN: Is that over and above the TransformWA borrowings? There is \$181m for 1999-2000, and you are saying there is nothing in excess of that.

Mr MARTIN: Certainly not for TransformWA. There are no other planned borrowings in that three-year period.

Ms MacTIERNAN: The only money being borrowed is under TransformWA?

Mr MARTIN: That is right.

Mr RIEBELING: I refer to page 869 of the *Budget Statements* and the works in progress on the Marmion Avenue to Erindale Road construction in relation to the Reid Highway. Why is it necessary for the City of Stirling to contribute \$3.5m of ratepayers' funds for the construction of a regional road; that is, the extension of Reid Highway from Mitchell Highway to Marmion Avenue? Secondly, if these funds were not available, when would Main Roads have commenced this project?

[5.20 pm]

Mr MARTIN: I understand that the contribution made by the City of Stirling was made in an endeavour to advance the project. That was accepted by the Government. The question about when it would have commenced otherwise is a difficult question to answer given planning has proceeded on the basis of the City of Stirling making a contribution and asking for the road construction to be advanced.

Mr RIEBELING: When will it be refunded?

Mr MARTIN: It was going to be later, although I do not know how much later. It would not have been as early as can occur with the contribution from the City of Stirling.

Mr RIEBELING: Presumably when the City of Stirling said it would pay the \$3.5m it was on the basis that it would get back the \$3.5m. When will that be?

Mr MARTIN: I understand it is a direct contribution.

Mr RIEBELING: So is it not getting back that money?

Mr MARTIN: It is not refundable.

Mr MARSHALL: I refer to page 868 of the *Budget Statements*, which shows the estimated expenditure for the south extension of the Kwinana Freeway. This project is important to the lifestyles of people living in the Peel and south west regions. Can the progress of this project be summarised? What stage has it reached at present? When will it reach Safety Bay Road and Mandurah? The completion of those plans might help fast track the Peel deviation.

Mr MARTIN: The extension of the Kwinana Freeway and interchanges on the existing freeway are progressing well. The contract was awarded in November 1999 and is scheduled to be finished in 2001. Roadworks across the length of the project to Safety Bay Road have been opened and secured against wet weather that might eventually occur in winter. I am hopeful that the interchanges along the existing Kwinana Freeway will be opened at the earliest possible time, progressively rather than after all five stages are completed. Their completion will make a substantial difference to travel time and to driver frustration.

Mr MARSHALL: When the overways are finished, what are the predictions for travel time? If it now takes an hour to get from Mandurah to Perth -

Mr COWAN: We will give the member for Dawesville a stopwatch and he can tell us.

Ms MacTIERNAN: It depends whether one has a lead foot like the former Minister for Transport!

Mr MARSHALL: What time savings will that create?

Mr MARTIN: I do not have a figure, but it will be substantial. Many people have referred to the frustration and the backing up of cars at each set of lights. It will overcome a potential safety difficulty as people tend to run the lights along that route. They come across them after driving at freeway speed and get frustrated at having to stop. The overways will provide some big benefits.

Mr MARSHALL: The Rockingham Road through to Mandurah is a four-lane highway with a speed limit of 110 kilometres an hour, while the speed limit on the freeway is 100 kmh. It is much safer to travel on the Rockingham Road to Mandurah than it is on the freeway. Should the speeds be adjusted?

Mr MARTIN: There is every possibility we will examine that road speed limit once the new environment is created. It is a limited access freeway with grade separation and there is every possibility we will reconsider it. The bases for considering the appropriate speed are safety considerations, the road environment and the standard of the road. I dare say that will be an important issue when we get close to opening the extension.

Mr COWAN: It will also be controlled by traffic volumes. If the volumes are anything like those predicted, the member should not expect an advance on 100 kmh.

Ms MacTIERNAN: I note on page 866 the funding to local government has dropped considerably by \$24m this year and is destined for even bigger falls in subsequent years. What is the rationale for this?

Mr MARTIN: One of the reasons that looks as though it is a drop is that the money recorded under both capital and recurrent items is based on not only the funds allocated through grants and subsidies but also the amount of money spent by the State on local government roads. A considerable number of the TransformWA projects were on local government roads. We have accounted for expenditure on those local government roads under this category. It means that in 1998-99/1999-2000, a significant proportion of that funding will be spent on local government roads out of TransformWA. We are now moving away from those commitments back to what might be regarded as a regular or steady flow of funding.

Ms MacTIERNAN: How is the money divided between local government for spending on its own roads and the money Main Roads decides to spend on local government roads?

Mr MARTIN: The Government decides which local roads get state funding.

Ms MacTIERNAN: Is it correct to say that there are two lots of money - one that goes to local government to decide where to spend it and another lot to Main Roads to decide where to spend it on local government roads?

Mr MARTIN: That is right.

Ms MacTIERNAN: How much is in each of those piles?

Mr MARTIN: I will provide supplementary information to outline that. It varies from year to year.

Ms MacTIERNAN: I would appreciate the figures for a couple of previous years and the amount projected so we can see how much was allocated to local governments to spend on roads. Obviously local governments believe they should make their own decisions.

Mr MARTIN: Local governments may hold that view, but they are the beneficiaries of substantial state funding on some of their local roads.

Ms MacTIERNAN: How do you determine which local roads you choose to fund out of the money Main Roads keeps; that is, the money not handed over to local government?

Mr COWAN: Through local government and local government bodies, a number of advisory groups on a regional basis provide advice to the minister. The final decision rests with the minister taking on board all the advice that comes from local governments individually or collectively through their respective regional transport groups and Main Roads.

Ms MacTIERNAN: Does that also apply to the money the department spends?

Mr COWAN: Yes. I do not believe the minister would tell local governments where they should spend the moneys given to them for their own local roads. However, when the priorities are determined and those funds are supplemented by

funding from Main Roads as outlined by Mr Martin, the minister would definitely have some say about where the funds are spent.

Ms MacTIERNAN: No doubt he will consult.

Mr COWAN: Of course.

[5.30 pm]

Ms MacTIERNAN: The new capital works items are contained on page 872 of the *Budget Statements*. The item for new local roads lists only one road. Is that road funded from the state government allocation for the local government road network?

Mr COWAN: My advice is yes.

Ms MacTIERNAN: When did the road listed in the table, Binnu to Tenindewa, become a priority? I am curious that only one local road is mentioned.

Mr COWAN: I will take that on board and provide supplementary information. I do not have the detail, nor do the officers of Main Roads.

Ms MacTIERNAN: The Binnu East and the Binnu West Roads are mentioned as completed works. Are they also local roads?

Mr COWAN: I imagine they are. They would be part of the road network that has been the subject of a fair amount of scrutiny for use as grain haulage routes. The Grains Logistics Committee identified a whole series of roads across the wheatbelt as grain haulage routes following the restructure of the way grain is transported to various key load-out areas or strategic bins. I suspect the Binnu roads are part of that program. Again, supplementary information confirming or correcting that will be supplied.

Ms MacTIERNAN: I would certainly like information on the process by which those three roads were selected.

Mr COWAN: I am sure the member will find that information was supplied to Main Roads by the Grains Logistics Committee about important grain haulage routes for taking a product to a receival point or improving access roads to courts. I will provide the information. The sheet my adviser has just passed me says there is a major grain receival facility at Yuna, which is located at the midpoint of the Binnu to Tenindewa road. Therefore, after the Binnu to Tenindewa road has been upgraded, it will be an important strategic transport link for grain cartage as well as an attractive inland route for tourists.

Ms MacTIERNAN: Will you provide me with the information about when the route was first identified and the process which was undertaken?

Mr COWAN: Yes, I will.

Ms MacTIERNAN: I presume Great Northern Highway is an important road as it is a state road. In the *Budget Statements*, it is listed as a work in progress. Last year, \$6.3m was committed to the construction of bridges over the Fitzroy and Brooking channels, and a certain amount of that money was spent. That project appears to have been put on hold. Why is that?

Mr MARTIN: Great Northern Highway is funded by the Federal Government. We are dependent on the federal government allocations for works on Great Northern Highway. In the federal budget, a four-year \$60m program for upgrading bridges in the Kimberley was announced. Unfortunately, of that \$60m, the Great Northern Highway work will receive only \$1.3m this coming year, \$0.8m in the next year and nothing in years three and four. Main Roads is dependent on the rate at which the Federal Government supplies funds for upgrading bridges or other work on the national highway system.

Ms MacTIERNAN: That is interesting, because it is not the same approach that was taken with Great Eastern Highway, particularly the Tammin bypass. Documents from Main Roads show that an officer suggested that work on the bypass should stop until commonwealth funds were available, as the department was not in a position to use funds allocated to other projects. However, the Minister for Transport quite unusually approved the use of state funds for the upgrade of Great Eastern Highway. Why is the approach to the Tammin bypass on Great Eastern Highway different from that to Great Northern Highway?

Mr COWAN: I suggest that the issue relates to the need for the Tammin Co-operative Bulk Handling Ltd receival point to be upgraded. Co-operative Bulk Handling was unable to undertake an upgrade of its facilities because Great Eastern Highway was originally cited. Tammin is one of the strategic fast load-out bins I referred to earlier. It takes grain from a number of road receival points - as opposed to rail points - and feeds them into Tammin.

Ms MacTIERNAN: That was not identified in the first report. It became a receival point after Main Roads said it would put money into the area.

Mr COWAN: I am unable to provide the full detail; I am just saying that in this case, the decision was made to meet the requirements of Co-operative Bulk Handling.

Mr SWEETMAN: I have a couple of questions specifically relating to my electorate about the reconstruction of the bridge

over the Gascoyne River. The appropriation is for \$8.6m. The Gascoyne River bridge was out for about a week after the floods from Cyclone Steve, and the Lyndon River crossing on the Minilya to Exmouth road was out for nearly four weeks. In the light of the floods, is the department doing any reassessment to bring forward these projects, particularly the Gascoyne River bridge?

Mr COWAN: There are two issues: The cost to Main Roads of bringing those roads back into serviceable condition as quickly as possible, and any projected plans for improvements to the bridges.

Mr MARTIN: Main Roads anticipates that repairs to maintain the Gascoyne River bridge will cost \$400 000. It is finalising a design for the construction of a new bridge in Carnarvon. That will probably not occur until about 2003-04. Subject to funding, the minister may choose to bring it in earlier.

[5.40 pm]

Mr SWEETMAN: That was the previous schedule; that was the program for the works. There is no intention to bring that forward.

Mr MARTIN: Yes, it is because there was damage to that bridge. As I understand it, the concrete deck was displaced; I have not seen the aftermath of the flooding. We are proceeding with the design so that we are in a position to bring it forward if funding is available. It would be fair to say that we would be recommending that it come forward.

Mr SWEETMAN: There would be a lot of support for that. Separate from that, and touching on the natural disaster relief arrangements, as I understand it, damage to our roads from a single event - in this case the flooding which followed cyclone Steve - has exceeded the threshold for accessing the federal natural disaster relief fund. Where are we in our negotiations with the Federal Government to get our 75¢ in the dollar for damage for eligible works? In this case we are talking about main roads, highways and bridges.

Mr MARTIN: Our current assessment indicates that since early 1999 we have incurred about \$46m worth of damage on national highways, state roads and local roads. The break-up of that in round figures is \$6m for national highways, \$14m or \$15m for state roads and about \$26m for local roads. We have provided funding for each of those categories. We have received \$4.6m in natural disaster funds. We have lodged applications for about \$18m or \$19m with the Federal Government. How soon that will be returned to us, we do not know. However, those claims have been lodged and we are awaiting an outcome. We are reasonably comfortable that the natural disaster funds will come forward. Following the declaration of a natural disaster, we anticipate that obtaining those funds would be a routine process.

Mr SWEETMAN: Local governments have had a hard time. Even though there is the State's \$6m supplementary fund, they have had so many problems over the past two or three seasons that their funds are so severely depleted that under the arrangement with the State Government, in which we pay two-thirds and they pay one-third, many of the shires in my area cannot pay their one-third contribution towards storm damage this time. They are dependent on our getting some relief from the Federal Government so we can pay something more than the two-thirds which we would normally pay out of the supplementary fund.

Mr COWAN: We are very conscious of that and we certainly will maintain pressure on the Federal Government to meet its obligation under that funding arrangement. We cannot guarantee when it will happen. All we can do is apply and continue to apply the necessary pressure. As Mr Martin has pointed out, although the Commonwealth might be a slow payer, it has been quite cooperative. We would rather it was even more cooperative and just saw it our way.

Mr MARSHALL: I thought the success of the Graham Farmer Freeway and tunnel should be recorded in *Hansard*. Initially, during last year's Estimates Committees, I heard negativity and read about it in the Press. Now, when I am driving, I hear reports on the radio that the traffic is flowing freely, that the real estate values around Belmont and the surrounding areas have increased and that it is a great success. Since the opening, has an assessment been done of the traffic flow and its effect on road traffic in other areas around the city? Has naming the freeway after a great champion in football been a success?

The CHAIRMAN: To what budget item is the member referring?

Mr COWAN: It is on page 868.

Mr MARSHALL: I have just come back from Melbourne and Sydney, and with all their infrastructure, I cannot recall the names of the highways. However, people who live in those cities know about the Graham Farmer Freeway and tunnel. How important was it to name it after a great champion?

Mr COWAN: It is more commonly known as Polly's pipe, and it works very well. I can declare an interest and so, too, can the Minister for Transport because he does not live too far from me. Both of us can claim that it shaves about 10 minutes off a trip to the airport. I am sure Mr Martin has been able to find out whether Main Roads WA has begun some early assessments of traffic flow and what they have meant. My personal experience is that it has been a long overdue boost to those people who want to move from west to east or from east to west through either the city or preferably through the outskirts of the city. Today has been a good example of when we have seen a lot of concentration on those roads that form links from the north to the south. That is where the populated corridors are as they follow the coast. However, some people will argue that there has been some neglect of those people wishing to travel east-west or west-east. It has made quite a considerable difference for me. Mr Martin may have some detail on what it has done to traffic flows.

Mr MARTIN: The travel time savings are reported at up to 20 minutes for getting across the city, depending on the time of day. We are monitoring the traffic on the Causeway and through the tunnel on a daily basis. The traffic on the Causeway has dropped from about 107 000 vehicles a day to around 70 000 or 75 000. We are monitoring what is happening on Wellington Street and Riverside Drive, and there has been a dramatic reduction. However, the historical figures that I have been given date back to 1993-94 for both Wellington Street and Riverside Drive. In that era, about 40 000 vehicles a day travelled along Wellington Street and about 64 000 vehicles a day travelled along Riverside Drive. After the opening of the Graham Farmer Freeway, the vehicles travelling along Wellington Street decreased from 39 000 to 26 000 vehicles a day and those travelling along Riverside Drive decreased from 64 000 to 43 000 vehicles a day. It has had a dramatic effect on reducing the traffic through the city.

Ms MacTIERNAN: What about the Mitchell Freeway?

Mr MARTIN: I do not have those numbers available. We are in the process of monitoring the whole traffic pattern in Perth, so we have a consistent set of numbers for traffic and what we expect from the central Perth access plan - the plan for trying to make Perth more people friendly. This is part of determining how that is working against that plan.

Ms MacTIERNAN: Can that be provided as supplementary information; that is, what has happened to traffic flows on the Mitchell Freeway since the tunnel opened?

Mr MARTIN: I would have to investigate whether we have those figures. If we have them, there would be no difficulty.

Mr COWAN: If they are available, we can provide them. I need to complete the answer to the member for Dawesville's question. We had a choice: It was to be known as either the Charlton-Lewis freeway or the Graham Farmer Freeway. It was appropriately named and the person after whom it was named is very proud of the fact that he has been recognised for what he has done. He was a champion, not in an engineering field, as is the Graham Farmer Freeway, but in the sporting field.

Ms MacTIERNAN: I note that on page 868 there is an increase in cost beyond the much publicised \$374m figure to about \$382m. Is there a reason for the additional costs of the Graham Farmer Freeway?

[5.50 pm]

Mr MARTIN: Clearly, the contract for the Graham Farmer Freeway project is not complete financially. The earlier figure quoted was \$374m. Our estimate now is \$382m based on completion of the project, including settlement of any claims that might be outstanding on the contracts.

Ms MacTIERNAN: I understand there are a few contested claims from the contractor. What is the value of those claims and has their sum been included in that figure?

Mr COWAN: We are not in a position to give those details and it would be inappropriate, given that the claims are currently being adjudicated.

The CHAIRMAN: I think court cases are going through.

Ms MacTIERNAN: With the contractor?

The CHAIRMAN: Yes.

Mr COWAN: A range of issues would preclude us from going into any detail of them.

Ms MacTIERNAN: However, a legal process is under way with the contractor?

Mr COWAN: No final settlement has been reached between Main Roads Western Australia and the contractor. These issues are the subject of negotiation.

Ms MacTIERNAN: I understand that but has any legal process been initiated?

Mr COWAN: While we are going through the process of negotiation, it is unnecessary for us to enter into any legal process. We would rather maintain the negotiations directly between the parties than enter into a legal process. I assure the member of one thing: We will follow the correct course of settlement but it is inappropriate at this stage to go through a legal settlement process.

Ms MacTIERNAN: I appreciate that but I am asking whether the contractor has commenced any legal proceedings?

Mr COWAN: Not that I am aware of.

Ms MacTIERNAN: However, cases are on foot from landholders?

Mr COWAN: The member would be aware that there are claims for a form of compensation for damage and other matters. Those claims are in the process of being settled and I am not prepared to start discussing them.

Ms MacTIERNAN: We know the contractor has claims and it is in dispute with Main Roads on those claims. Has the value of the claims been included in the cost of \$382m in the budget papers? For example, has the figure of \$25m worth of unresolved variation claims that was previously quoted -

Mr COWAN: It would be foolhardy of any party that was negotiating a settlement to start incorporating a figure of what that settlement might be. I have no intention of entering into that debate. I do not wish to preempt any of the argument that

would be put, one would hope, in a reasonably amicable way between the contractor and the Government or its representative. However, I am not prepared to discuss one way or the other with the member for Armadale whether we have set aside an amount of funds for that issue.

Ms MacTIERNAN: I can understand the minister would not want to discuss that sum. However, I will put the question this way to protect his position: Three classes of claims are outstanding in relation to the tunnel. There is a claim for compensation from the home owners.

Mr COWAN: Yes.

Ms MacTIERNAN: There are numerous claims for compensation from people whose land was resumed, such as Mr Cerini and others.

Mr COWAN: Yes.

Ms MacTIERNAN: There are also claims from the contractor. Therefore, there are three classes of claims. Without wanting the minister to specify how much each of those claims is for, nor asking him to say what they are globally, does that \$382m make any provision for all or any of those amounts?

Mr COWAN: Again, I will not enter into that debate one way or the other.

Ms MacTIERNAN: It is not a debate; I am just asking a question.

Mr COWAN: I am sorry, I am not prepared to answer that question.

The CHAIRMAN: The member should not be canvassing the types of actions that are occurring. General questions on the matter are allowed but not questions on specific details.

Mr COWAN: I want to take this matter a step further as this will give the member for Armadale an explanation. An increased budgetary figure of \$382m, I think, is listed in the estimates - she should bear in mind it is an estimate. Main Roads expects to recover funds from some debtors but those funds have been taken into account. The member should not assume that the figure that has been set aside will be the final figure; it is an estimate. Settlement must take place with a number of debtors, which will reduce that figure. The member should not assume that the State anticipates any costs associated with settlement. We will not enter into that debate.

Ms MacTIERNAN: There is no anticipation, therefore, of any of those three classes of claims within that figure?

Mr COWAN: Not to my knowledge. It may very well be that in the budgeted figure of \$374m some funds will be set aside for an allowance for settlement and payments to home owners, for example, who have had some damage or perhaps even to contractors or subcontractors who may be able to make a claim.

Ms MacTIERNAN: I understand that we cannot have sums of money but it is valid for us, in order to assess whether this is a reasonable estimate of cost, to ask whether claims of a particular class have been taken into account.

Mr COWAN: The member for Armadale can make any assumption she likes. As I said, in that figure some allowance will be made for claims against the Government for damaged homes or perhaps even the loss to businesses. However, in this case the figure that has been given to the member is also a figure that is clearly an estimate and could be considerably reduced if we can gather in those moneys that are owing to us.

Ms MacTIERNAN: The department engaged a number of consultants. I think Dinky Goble-Garratt and Associates was engaged as a consultant to advise on the change to the Boulderstone Clough joint venture management plan. Can the minister explain why Dinky Goble-Garratt was engaged?

Mr COWAN: I remember representing the minister in this place on some questions on notice or without notice when that name surfaced - it was the name of a person associated with a company. I do not recall the name of the company but we will again take that on board as a supplementary question and will seek to provide the details of the company and by whom that person was employed.

Ms MacTIERNAN: The company was Dinky Goble-Garratt and Associates.

Mr COWAN: Are you serious?

Ms MacTIERNAN: Yes. I am curious about the costs of that consultancy. Can Mr Martin explain why the requests that were sent to that company and the reports that were returned were not kept by Main Roads?

Mr COWAN: That has been answered in this place on a question without notice. I ask that it be taken as a supplementary question and information will be provided if there is more information. I recall an answer was given on that matter but I and my ministerial colleague would need to examine the answer that was given to that question.

Ms MacTIERNAN: The minister told us they were not kept, which is why I asked the question.

Mr COWAN: We would need to examine the answer to that question and identify whether additional information can be provided.

Sitting suspended from 6.00 to 7.00 pm

Division 69: Aboriginal Affairs, \$17 647 000 -

Mr Bloffwitch, Chairman.

Dr Hames, Minister for Aboriginal Affairs.

Mr H.R.A. Lowe, Chief Executive Officer.

Mr C. Vinci, Director, Business Services.

Mr S.B. Stylianou, Manager, Finance and Administration.

Mr MARLBOROUGH: The foreword to Aboriginal Affairs under significant issues and trends is quite provocative, to say the least. I shall describe why. It indicates that we are weak in a lot of areas in this State and that we need to attack them. I wonder how the department is managing to do that with a budget that has had a further and dramatic decline this year, as indicated on page 51, since the 1998-99 budget. In 1998-99 the grand total was \$22 740 000 as against today's \$17 647 000. The whole doctrine seems to indicate that we require more; that we need to do more; that we have more suicides. The first dot point under significant issues and trends reads -

Aboriginal people continue to have the worst economic and social outcomes of any population group in Western Australia. In isolated communities Aboriginal people have poor access to appropriate health, welfare, education, employment, housing and transport services. In urban areas the needs of Aboriginal people appear to be inappropriately met by mainstream service providers.

As I said, that is a fairly provocative statement. We are being told that we are not doing enough anywhere; that we are not providing key services in the bush, and that those that are there are not up to scratch; and that the mainstream services in the metropolitan area are inadequate. I presume the mainstream services are those mentioned in that paragraph; that is, health, welfare, education, employment, housing and transport. It is one thing writing about it but what is the department doing about it with a reduced budget? Every year we see a reduced budget for the department and the problems are getting bigger. We have had three Aboriginal deaths in custody in the past two weeks.

[7.10 pm]

The CHAIRMAN: I remind members that they should ask short, sharp questions and not provide a description.

Mr MARLBOROUGH: I thought it might assist the minister.

Dr HAMES: It will assist us, but it will need a slightly longer answer. There is not a decrease in the budget, despite that appearing to be the case in the figures, because a considerable amount of funds and responsibilities have been transferred from the Aboriginal Affairs Department to the Ministry of Housing. We have transferred management of the remote area essential services program and the Aboriginal communities strategic investment program from the Aboriginal Affairs Department to the Ministry of Housing, and with that went approximately \$7m in funding. The funding is with a different department and that is why it appears that the Aboriginal Affairs budget has been reduced. In fact, we were able to retain funds through that process for use in other services being provided elsewhere as additional services.

The member referred to the isolated communities and said that Aboriginal people have poor access to appropriate health, welfare, education, employment, housing and transport services. That is definitely true, and there is no good hiding from the facts. They are very isolated and it is difficult to provide those government services in an appropriate way. We are working very hard trying to do that, and that is why the transfer of responsibility has occurred. I have increased the budget within the Homeswest section by an additional \$2.5m this year, and it will increase by \$3m next year, \$5m the year after, and \$10m the year after. That will address issues such as housing and social infrastructure for these communities. However, we must recognise that those problems exist. The member also said that in urban areas the needs of Aboriginal people appear to be inappropriately met by mainstream service providers.

Mr MARLBOROUGH: That is an amazing statement.

Dr HAMES: It has always been known that it occurs in the provision of mainstream services. Libraries are regarded as mainstream services which local government provides, and very few Aboriginal people access them. It is more difficult for Aboriginal people to access those standard mainstream services, and to compensate for that we must find other ways in which to provide those services.

The Aboriginal medical service is one example of an alternative mechanism to provide that. It is difficult to address issues of social disadvantage and crime in Aboriginal communities and to target those services to them. That is not a reflection of a lack of endeavour by government, but it is a fairly basic explanation of the difficulties of addressing those problems. It is no good making light of the problems.

Mr LOWE: It could also be argued, if there is a 20-year shorter lifespan, far more truancy, a higher incidence of crime, a greater degree of domestic violence and unemployment in Aboriginal communities, that the agencies, no matter how hard they might be trying, are not meeting the needs of the people they serve. It is not an indictment of the agencies but is a recognition of the nature of the problem.

Dr HAMES: In the past year we have created an Aboriginal affairs coordinating committee, made up of the chief executives of all the government departments. They meet on a regular basis and try to better coordinate the services provided by government departments.

Ms MacTIERNAN: The point made by the member for Peel is a very sound one. Even with the explanation for the budget being reduced from \$22m to \$17m, that seems a very small amount to spend on indigenous people to deal with problems of that magnitude.

Dr HAMES: That would be the case if it were true, but it is obviously nonsense. The Aboriginal Affairs Department is a coordinating department. If we took all the money spent by other government departments on Aboriginal communities and placed it into one department, it would be the biggest government department in the State. The Health, Police, Transport and Education portfolios all provide components of the total funding to the Aboriginal community. Combining all these different government departments into one would make a mega-department, but it would be nonsense to try to provide services in a way that was separate from those provided to the mainstream community. Many dollars are spent in mainstream departments on Aboriginal services; and the Aboriginal Affairs Department is a coordinating department. It will have 25 regional officers spread throughout the State to assist in coordinating government departments, but it does not have the budget to provide the services itself. That is one of the reasons the RAES and ACSI programs were transferred to the Ministry of Housing. We are in the process of transferring the wardens scheme to the Police Department, again, because it is the service provider and we are the coordinating department.

Mr MARLBOROUGH: At the top of page 52 of the *Budget Statements* is the following dot point -

Aboriginal people in Western Australia are over-represented in the criminal justice system. For example, based on 1998-99 Ministry of Justice figures, on any given day 6.0% of adult male Aboriginals were in prison compared to 0.03% for Non-Aboriginal males.

That means the figure for Aboriginal males is 200 times higher than the figure for non-Aboriginal males. An investigation is currently being carried out by the Ombudsman into Aboriginal deaths in custody in Western Australia. There are still outstanding matters from the federal guidelines on deaths in custody, and some are still to be implemented in Western Australia. Will the minister tell me how many of those guidelines have been implemented, as far as he is aware? In the past two or three weeks there have been three more Aboriginal deaths in custody in Western Australia. The problem is not going away, and I wonder what the department is doing, if anything, to assist Aboriginal people to find out what is going on in the justice system. Is the department leaving it to other departments?

In this morning's issue of *The West Australian* there is a report about an Aboriginal organisation that has been trying to get information from the Ministry of Justice. The members of that organisation have made some straightforward requests; that is, they want to visit the site of a death, carry out preliminary investigations, speak to certain people, and take photographs of where the death took place. It seems the bureaucrats are in the way and have said they cannot take photographs for security reasons. What security risks are there in taking a photograph of a cell in which someone may have hanged himself, or a photo of an exercise yard? What, if anything, is the department doing to assist groups such as this? We cannot pretend we are looking after the best interests of Aboriginal people if one of the areas with which the nation is continually preoccupied - the rate of imprisonment for Aboriginal people - is not being addressed by the minister's colleagues in the Ministry of Justice? Is the minister speaking to them? Has he spoken to the Minister for Justice and the Aboriginal group leading the push to find out what is going on? If so, what is the minister doing to assist them?

[7.20 pm]

Dr HAMES: In response to the Royal Commission into Aboriginal Deaths in Custody, we have established the Aboriginal Justice Advisory Council - chaired by Glynis Sibosado - and regional Aboriginal justice committees. Those groups have an Australia-wide reputation of success in putting in place the recommendations of that royal commission. I will have to provide the list of recommendations that have been implemented as supplementary information. Ours is one of the leading States in implementing those recommendations.

Mr MARLBOROUGH: How long ago was the royal commission?

Dr HAMES: It was conducted about nine years ago.

The over-representation of Aboriginal youths in the prison system is well recognised. The reason they are over-represented is that they commit many crimes. We cannot say it is the fault of the justice system: It is the fault of the Aboriginal youths involved in criminal activity. Sometimes it is difficult to get people to recognise that as the main problem. We must resolve the issue of their greater involvement in the criminal justice system. A range of causes can be identified, not the least of which are problems with their parents, alcoholism and social disadvantage. The Government is trying to address those issues by providing housing and employment opportunities. The warden scheme is designed to reduce truancy and to provide a better example to keep these young people in their homes. The Commission of Elders has been established to set an example and to encourage parents to be more responsible for what their children are doing. Aboriginal community patrols are working closely with community groups trying to provide sporting opportunities to reduce the incidence of crime. The funding program for remote communities has provided a "rage cage" at Bidyadanga. This facility, which was invented in the South Australian prison system, is an enclosed basketball court that also caters for hockey, rollerblading and so on. We are trying to provide physical activities for these young people to keep them away from criminal activity.

We must also address issues such as drug taking. The leading problems, particularly in remote communities, are petrol and glue sniffing. One of the three young Aboriginals who died in custody recently was from Warburton. His father is one of the leaders in reducing crime in that town. This is his second son to die as a result of the effects of petrol sniffing. Drug abuse caused significant brain damage and epilepsy and, despite his youth, the first son died of natural causes in jail.

The evidence also indicates that while we have a problem with Aboriginals killing themselves in jail, a significant number who commit crimes do not go to jail but also commit suicide. That number may be greater than the number who commit suicide in jail. To some extent, being in jail reduces the incidence of suicide among youths involved in drugs and criminal activity. The jail system provides some degree of protection and medical care that they do not get in the broader community.

Mr MARLBOROUGH: I do not think the figures support that. That is a "Northern Territory statement". I did not think I would hear something like that from this minister. That is amazing. On that basis, we should put them all in jail!

Dr HAMES: I am not suggesting for one minute that it is good to jail young Aboriginal people. Obviously it would be far better not to have them in jail and to have the medical care and attention they need provided outside the criminal justice system. To achieve that, they must stop committing crimes.

The Justice Coordinating Committee is chaired by Hon Peter Foss, who, along with departmental officers, attends meetings on a regular basis to coordinate activities with the Ministry of Justice.

Mr MARLBOROUGH: What is the department doing about the Aboriginal group mentioned in this morning's *The West Australian*?

Mr LOWE: I did not read this morning's *The West Australian*; I was at work very early. The Aboriginal Justice Advisory Council is the leading group in Western Australia advising government what must be done about Aboriginal justice issues. We have put together between the agency and the Aboriginal Justice Advisory Council, the Aboriginal justice plan, which is endorsed by all Australian Attorneys General. It is currently being sold around the State in consultation with other agencies. The goal is to coordinate the way in which agencies implement the plan.

We have also managed to cobble together a coordination program across agencies that recognises the importance of Aboriginal culture and extended families in the management of juvenile crime. The program involves the Housing, Education, Health and Justice Ministries, the Western Australian Drug Abuse Strategy Office, Family and Children's Services and the Police Service. We jointly fund this three-year program to enable five Aboriginal groups headed by the Aboriginal Legal Service and others to coordinate the implementation of a wraparound strategy for Aboriginal families. The program will probably cost about \$750 000 each year. The idea is to demonstrate that using the extended Aboriginal family network will have a major impact on crimes committed by Aboriginal teenagers. The tragedy is that for many of those children the door is shut and bolted. It is very difficult to control a situation that far down the track. That is the incentive for the Government and the Aboriginal Justice Advisory Council to get into case management of these families much earlier; that is, when the children are much younger.

Mr MARLBOROUGH: Unfortunately I do not have the newspaper with me, otherwise I would name the group. The description just given indicates that work is being done between the agencies. However, I am not sure it has the necessary support to achieve its goals when one considers that the Aborigines have their own body with a mandate to find out what is going on in the justice system and why so many young Aboriginal people die. Those people are obviously not listening to the group to which Mr Lowe has just referred. If they are, the department is not aware of them; Mr Lowe does not know the name of the group off the top of his head and he deals constantly with Aboriginal issues. Perhaps it is a minority, but it did not appear that way in this morning's newspaper. In fact, it appears to be attempting to do a job that no-one else has been able to do.

The Ombudsman advised this morning that he is now two years into his inquiry into deaths in custody and is nowhere near completion. If government departments are moving at that rate on such an important issue, I can understand why Aboriginal people are becoming very frustrated with the bureaucracy and are setting about doing the job themselves. On the basis of what I have heard today, the minister should immediately talk to that group. The matter should concern his department and he should be man enough to decide whether his model is working - it does not appear to be. There may well be a need to take on board this organisation and to encourage it to be involved in getting to the bottom of this issue. Like the minister and me, these people want to stop deaths in custody. They need answers before they can do that.

[7.30 pm]

Dr HAMES: As I said earlier, the state Aboriginal Justice Advisory Council is jointly funded by the Government and the Aboriginal and Torres Strait Islander Commission.

Mr MARLBOROUGH: It is a group of elitists of which Aboriginal people are not taking any notice.

Dr HAMES: I think the usual way of handling things in here is that members opposite speak and then members on this side speak and members opposite can have another go afterwards.

Mr MARLBOROUGH: I do not know about the usual way.

The CHAIRMAN (Mr Bloffwitch): It is the usual procedure and that is the one we will adopt.

Dr HAMES: The state AJAC is representative of Aboriginal people and is seen as being at arm's length from government. It comprises Aboriginal people from various regions throughout the State. Similarly the job of regional Aboriginal justice committees is to become involved with issues relating to police and Aboriginal people within the communities.

That system is working, and not only in this State but also throughout Australia it is regarded as one of the most successful

models in Australia. I did not see the article, so I do not know which group it was. Denis Eggington from the Aboriginal Legal Service, who is responsible through the Aboriginal Legal Service to a large degree and who is doing most of the investigations on behalf of people involved in the deaths in custody issue, is a member of the Aboriginal justice committee. I do not know about this group. However, if there is a group with a particular interest it needs to get in contact with the state Aboriginal Justice Advisory Council. We have a body whose job it is to do those investigations and right now it will be investigating deaths in custody.

Mr TUBBY: How effective have the Aboriginal community patrols been in reducing crime and antisocial behaviour? Has there been an increase in funding for this area?

Dr HAMES: The patrols have been extremely successful. We started with the Geraldton model which was established to address issues of criminal and disruptive behaviour within Aboriginal communities and to better assist in getting rid of the barriers between Aboriginal and non-Aboriginal people in local communities. The patrols have been extremely successful. Funding for them of \$500 000 in the previous year has been increased to \$800 000 in this coming financial year. We will provide an extra \$50 000 from our internal departmental funds. Therefore, funding is being increased to \$850 000 to expand and increase opportunities for Aboriginal community patrols. It has been one of the most successful programs we have implemented in regional centres in trying to reduce the problems we have with Aboriginal people, particularly those of truancy and alcohol.

Mr TUBBY: Have any trials occurred in the metropolitan area?

Dr HAMES: Two successful trials have occurred; one in Northbridge and one in Midland which was jointly funded between various agencies. The Northbridge one in particular was to address issues such as disruptive behaviour in that area.

Ms MacTIERNAN: I am intrigued that the minister says additional funding will be provided. However, there are a few things thrown in together. Page 53 of the *Budget Statements* refers to assistance to Aboriginal community-based patrols, wardens and town reserves. There appears to be a decline in the amount of funding. Is it for the wardens and town reserves? If so, why has the funding been reduced?

Dr HAMES: This is the point I explained earlier in the first question about reductions to the total budget. It contains two items that have been transferred to other departments. One is the warden scheme funding of \$250 000, which has been transferred to Police. The other funding is for town reserves which has been transferred to the Ministry of Housing.

Mr LOWE: The town reserve transfer was \$500 000 as a one-off and \$250 000 annually. The transfer of the warden scheme will result in \$250 000 - new dollars - going to Police annually plus a \$100 000 input from Aboriginal Affairs that relates to fixing up some of the infrastructure such as fax machines, uniforms for wardens, etc.

Ms MacTIERNAN: I am a little puzzled. Why is it appearing in the budget for wardens and town reserves if it is not being spent?

Mr LOWE: It is being spent.

Ms MacTIERNAN: How is it being spent? Is it in the Police budget?

Mr LOWE: The decision was made some time ago to transfer the scheme. It will be subject to meeting conditions that the communities wish to have met. One would be an increase in funding because, as did we all, Police did not think the funding was sufficient. The other condition was that changes would occur at least in preparation for the communities Act which underpins the way in which the wardens operate. Until that approval had come through, we could not prepare the estimates as though the money had been transferred. The figure in the budget reflects the intention, but not completion, of transferring the \$250 000. However, provision for Police's \$250 000 is in its budget because that can be relayed to Aboriginal Affairs if it does not transfer. In reality the funding for wardens has increased from \$250 000 to \$500 000, plus \$100 000 as a one-off amount. Funding for patrols has increased from \$500 000 to \$800 000. That does not appear as an increase in the *Budget Statements*. Last year we retained \$500 000 of demonstration funding, \$300 000 of which was spent as a one-off amount to bring the 16 patrols up to a total of \$50 000. As of this budget the funds are recurrent and, as the minister said, we identified another \$50 000 to set up patrols.

Ms MacTIERNAN: I gather that effectively the \$500 000 is not available this year.

Mr LOWE: It is now, because the recurrent \$500 000 has been added to our base. That was a one-off amount in delayed spending for the community restructure program. That program is now with Homeswest and the annual grant has increased from approximately \$3m to, I think, nearer \$6m.

Ms MacTIERNAN: These are poorly prepared papers. Surely something like that should have a note explaining the situation.

Mr LOWE: That may well have been a good idea.

Ms MacTIERNAN: There is \$2.752m plus \$250 000 from the police.

Mr LOWE: To the police.

Ms MacTIERNAN: If we want to work out what makes up the \$3.5m we add \$250 000 from the police to \$2.7m. Where else in the budget is an item that helps make up this \$3.5m?

[7.40 pm]

Mr LOWE: Funds of just under \$600 000 a year were going to town reserves.

Ms MacTIERNAN: I am trying to track where I find things in the budget papers. We have found \$250 000 in the Police budget. I am trying to find where the other money has gone.

Mr LOWE: We are talking about the difference between the \$3.598m and the \$2.752m figure.

Ms MacTIERNAN: From what has been said, there is \$250 000 in the Police budget.

Mr LOWE: An amount of \$250 000 will be transferred to the police.

Ms MacTIERNAN: It is already included in this \$2.7m figure.

Mr LOWE: Yes.

Ms MacTIERNAN: That \$2.7m will be divided and given to other people. Regardless of where they appear in the budget, how much are we going to spend on these three programs across all government agencies?

Mr LOWE: The patrols are the first item. In the present year we will spend \$800 000 on patrols, which is made up of \$500 000 recurrent from previous years plus a once only amount of \$300 000 from the \$500 000 we saved from the Aboriginal community service infrastructure program. We will spend that \$800 000 this year. Next year we will spend that \$800 000 which will be recurrent plus \$50 000 from our own funding. That may have been identified since these papers were prepared. Last year we spent \$250 000 on the warden scheme. This year we will also spend \$250 000 on the wardens, which will be transferred to the police, plus a one-off amount of \$100 000 that will go on infrastructure. We were spending close to \$600 000 on town reserves for a combination of things dealing with housing administration and maintenance and bits and pieces of other things such as environmental health and a number of other issues. This year we have transferred a \$500 000 one-off amount to Homeswest for infrastructure management and we will transfer \$250 000 recurrent to Homeswest to take over that proportion of the \$600 000.

Ms MacTIERNAN: Is that money which is being transferred from the \$2.7m?

Mr LOWE: No, it is from the \$3.58m.

Ms MacTIERNAN: The \$3.58m was funding for the current year.

Mr LOWE: Correct, and next year we will be spending \$800 000 less. In reality that money reflects the one-off amount of \$500 000 and the \$250 000.

Ms MacTIERNAN: Overall it will be less.

Mr LOWE: No.

Ms MacTIERNAN: Can that be provided by way of supplementary information because we are obviously not getting anywhere? Can the breakdown for that \$3.59m be provided? I still do not understand how \$3.59m can be the same as \$2.7m when I have not been shown an explanation anywhere else in the budget.

Mr LOWE: I have just told the member about the one-off transfer of \$500 000 and the \$250 000 recurrent transfer. That is \$750 000, which is not a big difference from the difference between the \$3.598m and the \$2.752m.

Ms MacTIERNAN: That is not included in this \$2.7m. That has already gone to Homeswest.

Mr LOWE: It has already been agreed that the money for Homeswest is to be transferred. That money does not appear in next year's funding because it will not be with us any more; it will be in the Homeswest budget.

Dr HAMES: We will provide that detail by way of supplementary information so it is clarified.

Ms MacTIERNAN: Why is there a considerable drop of \$2m, which is about one-third of the pre-existing budget, in the funding for information, facilitation and advice to Aboriginal people? I know the information, facilitation and advice to government and others is staying more or less the same, but a couple of million dollars have been lopped off the funding for the information, facilitation and advice to Aboriginal people.

Dr HAMES: In last year's budget we spent considerable funds on expanding the operations of the Aboriginal Affairs Department by increasing our regional offices. We will have 25 regional offices. Part of that amount involved many one-off costs in establishing and equipping those offices, and those funds are not required in that section for this coming financial year.

Ms MacTIERNAN: Can you provide by way of supplementary information the full cost of establishing the regional offices and the full cost per annum of running and administering each of those regional offices?

Dr HAMES: We are happy to provide that by way of supplementary information.

Dr EDWARDS: On page 58 reference is made to environmental health needs. Who funds the swimming pool programs? How successful have they been? How many are there? Have there been any problems managing or maintaining the water quality?

[7.50 pm]

Dr HAMES: I am very pleased to have a question on the remote area health program. We are currently in the process of providing the health infrastructure package. Given the member's medical background, I will explain that one of the concerns is that the high incidence of nasal infections, and therefore middle ear and chest infections leading to frequent deafness and bronchitis in young Aboriginal children, may be the result of recurrent nasal irritation caused by increased levels of dust within those remote communities. We have heard anecdotal evidence from other communities throughout Australia which have swimming pools that there has been a significant improvement in health, a big improvement in the incidence of nasal infections and therefore middle ear infections, and also a big improvement in skin infections. Because of the activity that is provided with the swimming pools, a much greater community spirit, reduced truancy and a range of other social benefits have resulted. What we are trying to provide in those communities is not just swimming pools; it is a package of sealed internal roads, reticulation and greening and the swimming pool. Not all of the communities have chosen to access the full package. For example, One Arm Point and Bidyadanga are near the ocean so they do not need the swimming pool component. We have targeted the communities based on the environmental health needs survey which was done in conjunction with the Health Department, the Aboriginal Affairs Department and ATSIC. Those communities with the highest level of poor health have received the highest priority. We have now gone out to contract for the provision of swimming pools in Burringurrah, Jigalong, Oombulgurri and one other town. We are providing the sealed internal roads and the greening in other communities such as Bidyadanga, Bardi or One Arm Point and Kalumburu. We are also doing some greening in Looma.

We are in the process therefore of starting the package. The roads infrastructure is about to be started in Bardi and Bidyadanga. The pool in Burringurrah has already started and the pool in Bidyadanga will be started shortly. Members should remember that these will be saline pools, therefore, the water supply is not such a great issue. However, we have problems in Jigalong where we have identified water for the swimming pool but cannot identify water for the greening program. We want to ensure the community has sufficient drinking water before we proceed, but the swimming pool will start shortly. We have also contracted out the before and after medical health assessments of those communities to Dr Fiona Stanley. The contractors are already up there carrying out the pre-swimming pools and greening program and will return after the health assessments. As I said, although there are swimming pools everywhere throughout Australia, all the evidence is anecdotal and there is no proof that this will make a difference. I want to prove medically that it makes a difference and then try to source funds from other places like the Aboriginal and Torres Strait Islander Commission.

The funding for these pools has come from a variety of sources. Some funding has come from a one-off government grant from the consolidated fund to the tune of \$4m; a special \$2m a year fund from Main Roads for the sealing of internal roads in Aboriginal communities; a contribution from the Education Department towards the wages of a full-time pool manager, as this program will be conducted in cooperation with the schools; and funds from the Lotteries Commission of WA, which is assisting with areas that it is able to, particularly with reticulation and greening. We have agreement from the communities on two issues: First, there must be a "no school, no pool" policy so that if children do not attend school during the day they will not be able to access the pool in the evening. That has been done in the Northern Territory and it has been extremely successful in getting the children to go to school.

Secondly, a dedicated team of community development employment program workers will be set up to clean the community, not just to assist with the swimming pool which will be part of their duties. They will mow lawns, clean up rubbish and generally upgrade the care of the communities. That does not reflect an Anglo-Saxon attitude about cleanliness; there is a very well recognised health association between cleanliness of communities and the health of children. The program is being targeted to improve the health and wellbeing of Aboriginal children. As I said, the "rage cage" that I spoke about earlier is a small component of the program. We will provide equipment such as sweepers, bobcats and alligator trucks with trailers to assist the workers in caring properly for the community. I feel strongly that this will be a big step forward. As a result of that, in the forward budget estimates I have another \$4m or so set aside for about three or four years hence to follow up with the second stage of the program if the first stage is successful.

Ms MacTIERNAN: I return to the question previously answered by the minister when he explained the drop by \$2m in the budget for information, facilitation and advice to Aboriginal people on the basis that it was a one-off expenditure for the establishment of regional offices. However, I note that it was from recurrent expenditure. I would have thought it would have come from capital expenditure. Why has the recurrent expenditure dropped? I can understand it if we are talking about capital expenditure, that once having established the offices there would be no need to sustain that level of capital expenditure. However, we are talking here about current expenditure.

Dr HAMES: I will ask the chief executive officer to respond but I point out that the 1998-99 budget was \$3.3m; therefore, it is still \$1m higher.

Ms MacTIERNAN: However, if the minister looks at the next line he will see that the levels of interdepartmental communication and advice have been sustained but the amount going out to the Aboriginal people themselves has been slashed.

Mr LOWE: We did not use capital for the expansion of the regional office network. We had carry overs of funding from previous years which we used for the expansion. We are expanding from seven offices to 25 and 18 offices cost a lot of money to establish. We purchased items with recurrent expenditure.

Ms MacTIERNAN: I am sorry, I cannot hear you.

Mr LOWE: We purchased items for the offices with recurrent funding on the grounds that we had permission to extend the usage of funding across years; there was nothing untoward about that.

Ms MacTIERNAN: Is the officer talking about items like photocopiers that were bought with recurrent expenditure?

Mr LOWE: Yes.

Ms MacTIERNAN: I would have thought that with more offices there would have been more staff. Is that true?

Mr LOWE: Yes, that is true, if they had been employed for the whole year, but they were not. We took on staff late in the financial year; therefore, the cost of staff is much less than if they had been there for the full year.

Ms MacTIERNAN: However, one would expect that to operate the other way as there is a lower figure in the year when there are more offices.

Mr LOWE: We spent several million dollars on fitting out those offices. I do not have the exact facts with me but I am happy to give them to the member.

Dr HAMES: We have already agreed to do that.

Mr LOWE: The funding for those offices came mostly from funds retained from the previous year plus some recurrent funds from this financial year. We recruited the bulk of the staff in January or February this year. We had a major training program for the local coordination staff, I think, in February this year and most staff started then or shortly after. The principle, I guess, was if the agency has a role of linking Aboriginal people to services and of coordinating services, the best idea is to be where people and organisations are. Therefore, operating from seven offices across the State was hardly enough in Western Australia so we expanded that number by shifting staff from head office out to the regions and coming into greater contact with those people.

Mr MARLBOROUGH: I would like to focus the minister's attention on the deaths in custody issue. I referred earlier to an article in today's *The West Australian* but it was in fact in today's *The Australian*. However, there was a similar lead in to this article in Monday's *The West Australian*. The heading in today's *The Australian* reads -

ATSIC chief's help sought on deaths in custody.

The article states that the Deaths in Custody Watch Committee headed by Murray Jones, the chairman, has lobbied the head of the Aboriginal and Torres Strait Islander Commission for support in its independent Western Australian investigation into deaths in custody. The article reads -

Chairman Murray Jones has also written to ATSIC chairman Geoff Clark seeking help in implementing the recommendations of the Royal Commission into Black Deaths in Custody.

Is the minister aware of that body? Is he ignoring that body? Yesterday's *The West Australian* seems to indicate that the Attorney General sees no role for that body and declined, as I understand Monday's article in *The West Australian*, that body's role into the investigation of black deaths.

Dr HAMES: I am aware of that group and it is my understanding that it does not deal directly with me but, rather, through the groups we have established and it has been working closely with the state Aboriginal Justice Advisory Council in addressing those issues.

[8.00 pm]

Mr MARLBOROUGH: I suppose that leads me back to the question that I was asking without this article in front of me. What arm of the minister's department is responsible for this area; that is, the whole issue of the imprisonment of Aboriginal people, their role in reducing levels of crime and their incarceration in the prison system, the issue of deaths in custody and in particular the implementation of the recommendations of the Royal Commission into Aboriginal Deaths in Custody? Is the minister aware of the Deaths in Custody Watch Committee; if so, is he aware that it appears from this article that it is totally dissatisfied with the present state of the implementation of the royal commission's recommendations and, according to my reading of the article, not satisfied with how the State is handling the issue of deaths in custody of Aboriginal people, particularly in the light of the latest deaths in custody? I am trying to get an understanding of how the minister is working with the committee. Why is the committee so vigorously saying to other bodies that it needs help for an independent inquiry and is not satisfied with what is going on in Western Australia?

Mr AINSWORTH: I am finding it difficult to correlate what the member is asking with the line item in the budget. It sounds more like a second reading speech.

The CHAIRMAN: I have given a fair amount of latitude to the member in bringing this matter forward because youth suicide is very serious. However, as I ruled on the other piece of paper, we cannot introduce something else into the debate unless it relates to an item in the budget. I am sure there would be something in Justice that the member could find, but I cannot see it at the moment.

Mr MARLBOROUGH: Let me assist you, Mr Chairman. Obviously you are so busy chairing committees that you have not the time to read the budget papers in detail. I will point to the area so that it will assist your thinking. The first dot point on page 52 refers to Aboriginal people in Western Australia being over-represented in the criminal justice system. It states that, for example, based on 1998-99 Ministry of Justice figures, on any given day 6 per cent of adult male Aboriginals were

in prison. The fifth dot point on that page refers to the establishment of 25 centres for creating access to relevant and appropriate government and non-government services at a local level and addressing the needs of Aboriginal people, communities and organisations through facilitation. I feel that deaths in custody fits in there very comfortably.

The CHAIRMAN: The member might, but I do not see it mentioned. I have asked the member not to go on with a speech. If he asks the question, we will get an answer, and then we will get on with the business.

Mr LOWE: I guess the first part of the answer relates to the roles of various agencies. We are not the Ministry of Justice. We do not put people in jail or arrest them, and we do not try people. Our responsibility is to support the Aboriginal Justice Advisory Council and to work with it in the development, for example, of the Aboriginal justice plan, which involves the participation of all government agencies including the Ministry of Justice, Police Service, Health Department and Family and Children's Services. That plan has been developed. It has been heralded by Attorneys General across the nation. The contribution to the Aboriginal Justice Advisory Council is considered the best of any State in the country, and the product of the Aboriginal Justice Advisory Council is well regarded nationally.

Our role as an agency is to coordinate, which means that we provide advice and we monitor existing matters. The Aboriginal Justice Advisory Council runs a visitors' scheme in addition to that run by the Ministry of Justice, so that whenever there are deaths or serious incidents in custody, Glynis Sibosado will probably be seen about a day later working with the prison authorities and the family to see what happened and why. The reasons for deaths in custody are so many that we as an agency cannot do much more than provide information and decent planning and try to engage agencies in cross-departmental organising. Ultimately the long-term solution will rest in such matters as additional jobs, better education and additional family support. They need to be addressed nationally; it is not merely a Western Australian issue. We have had improvements in many of the areas covered by the royal commission, but they have not been major. The member will find when he looks at the way in which Western Australia has addressed the royal commission recommendations that we are well ahead of most, albeit there is a hell of a lot more to do.

Mr MARLBOROUGH: Mr Lowe has indicated that he knows Murray Jones, the Chairman of the Deaths in Custody Watch Committee. Is the department supporting Mr Jones' application to have an independent inquiry outside the Ministry of Justice into the Western Australian deaths in custody?

Dr HAMES: I have yet to form an opinion on that for two reasons: One is that this is the first I have heard of it and the other is that having heard of it, the way for it to be managed is for the state Aboriginal Justice Advisory Council, which we have established to monitor deaths in custody, to provide me with a recommendation assessing that request.

Mr MARLBOROUGH: Kath Mallott, the executive officer of the Deaths in Custody Watch Committee, has raised concern that the group wanted access to prison cells, which was declined by the Ministry of Justice. That is not this minister's department. She said that the same rights had been afforded to the committee by the Police Service for over two years. The article reads -

But committee executive officer Kath Mallott said the group wanted the same access to prison cells as had been afforded to them in police cells.

Ms Mallott said the police had for the past two years allowed a consultant acting for the family free access to the scene of any death in police custody, including permission to photograph the scene.

"This is done in order to discover as much as possible about what caused the death and to prevent it happening again," she said.

On the basis of Kath Mallott's statement being accurate, and obviously the department needs to do some investigations into that, will the minister indicate his willingness on behalf of his Aboriginal Justice Advisory Council to approach the Minister for Justice as a matter of urgency to have his ministry revoke its current stand and allow this group access to cells where deaths have occurred? If it is good enough for the Police Service to allow that, it must be good enough for the Ministry of Justice to allow it. I wonder what picture we are giving to Aboriginal people if one arm of government can assist them, yet the main arm of government where deaths are occurring is still rejecting them 10 years after a royal commission made recommendations on deaths in custody throughout Australia and, in this instance, Western Australia.

Dr HAMES: I do not know how the Ministry of Justice regards this group. However, I do know that our state Aboriginal Justice Advisory Council and our regional Aboriginal Justice Advisory Councils have a very good relationship with the Police Service and the Ministry of Justice. I understand that the council, which represents Aboriginal people and is funded by non-government Aboriginal people, has that sort of access. If a different group has established itself and wants to gain access as well, I do not know how appropriate it would be, given that we can have 10 self-established groups looking into Aboriginal communities. I do not know the details of what access the group has or has not been given. Once again it is a matter for the group to take up with the state Aboriginal Justice Advisory Council in order for it perhaps to do something. The committee is set up for this very purpose. It is doing its job well. If another group wants to do something, it can sort itself out.

[8.10 pm]

Mr MARLBOROUGH: The minister should stop being so pedantic. The Police Service is allowing this group to represent Aboriginal people, yet the Minister for Aboriginal Affairs says that he is not willing to do anything about it.

The CHAIRMAN: Member for Peel, that is enough.

Ms MacTIERNAN: The key effectiveness indicator on page 58 refers to the information and advice provided to specific client groups. The Minister for Aboriginal Affairs has stated repeatedly tonight that his agency does not deliver services, hence all the transfers from residual services to the agencies that deliver services. The indicator showing the extent to which the Government and other organisations considered they were assisted by information and advice provided by the Aboriginal Affairs Department rates only 65 per cent. When questioned, only 65 per cent of agencies considered that the assistance given to them by the Aboriginal Affairs Department - its key role - was useful. Does that figure concern you?

Dr HAMES: My chief executive will respond to that.

Ms MacTIERNAN: No, I am asking you. Does it concern the minister?

Dr HAMES: My chief executive will respond.

Ms MacTIERNAN: Will your chief executive tell us whether that figure concerns you?

Mr LOWE: The minister has asked me to respond. The Aboriginal Affairs Department had to establish an effectiveness indicator on whether the department's advice was well-received by other agencies, although it had not delivered advice in that way before. Staff have only just been moved into 16 additional regional offices. It is hard to know the number of contacts with other agencies that were good. I expect that the degree to which agencies regard us as effective will increase and the figure will be much higher than 65 per cent in the 2000-01 estimated outcome. The effectiveness measures are high when the local area coordination model is applied to another agency, such as the Disability Services Commission. However, the Aboriginal Affairs Department services a different population of individuals and a slightly different population of agencies. I cannot give an estimate of what those individuals and agencies regard as good performance. We anticipate that performance is much better than 65 per cent, but, as well as offering advice and support, we tell other agencies things that are not good for them to hear or enjoyable to listen to. It is our role to tell an agency that we do not believe it is doing its job. That advice is not always well received, therefore it is hard to produce a decent measure of effectiveness. The department is working with the Auditor General to find a better set of effectiveness and efficiency indicators than has been used in the past.

Dr HAMES: I have always found the application of percentage figures of performance indicators fairly difficult. When this Government first started producing budgets and including effectiveness indicators, each department gave itself close to 100 per cent.

Ms MacTIERNAN: That is why this is an interesting figure.

Mr MARLBOROUGH: It is one of the most honest figures I have seen.

Ms MacTIERNAN: Yes, but it is supplied by other agencies.

Mr MARLBOROUGH: They are usually written by department heads who want to keep their job and get a pay rise.

Dr HAMES: The reality is that those agencies do not always provide the service the 100 per cent figure indicates. It is somewhat refreshing for a department to say that it is only 65 per cent effective. It would bother me if it were the real percentage. However, I would like better evidence of that. If the effectiveness rate is really only 65 per cent, we should be doing much better. I have been speaking with the regional officers about how they can best assist Aboriginal people in remote communities. For example, in the case of a dispute with the Homeswest office in Pinjarra, I encourage the Aboriginal Affairs Department's regional office to talk with the Aboriginal person, go with that person to the Homeswest office and act as a liaison to try to negotiate with Homeswest for the best outcome for that Aboriginal person. I want our staff to become much more hands-on in assisting Aboriginal people, particularly with government departments. It is not always easy. This is the first time the Aboriginal Affairs Department has included these figures in the budget. I think a better response is needed. Accurate figures on the achieved effectiveness of the level of the department's advice and the ways it can be improved are also needed.

Ms MacTIERNAN: How was that survey done?

Dr HAMES: The advice given to me by my staff is that the figure is an estimate they have provided for the first time. No evaluation has taken place. The 65 per cent figure is included in the *Budget Statements* as something to be achieved. They tell me that a survey to achieve that will be done in the coming financial year. I think it is reasonable to say that, rather than being an estimate, the figure is a guesstimate. This is the first year it has been included, and the department has assessed the indicator on the basis that about two-thirds of the people are satisfied by its advice. The member might realise that an effectiveness indicator should be determined by accurate results, not simply guesstimates. It will be done next year.

Ms MacTIERNAN: Was the key effectiveness indicator figure included in the *Budget Statements* simply plucked out of the air? Is there nothing more than subjective feeling to back this up?

Mr LOWE: New techniques are difficult, especially when making evaluations in this sort of area. Anyone who can sit down and say with any certainty that an estimate will be good does not know the business. However, we must start somewhere.

Ms MacTIERNAN: What was your process?

Mr LOWE: I worked for the Disability Services Commission for 19 years. I spent about eight of those running the local area coordination system, which operates in an environment similar to the Aboriginal Affairs Department's regional office

network. I doubt such knowledge could be bettered by anybody other than the man who developed the local area coordination model. In that situation, 65 per cent is the best figure I can give. An independently run evaluation will be carried out in July. That will provide information about how effective the community and agencies find the Aboriginal Affairs Department. I cannot provide an estimate output that is other than an estimate. It might be a bad or a good estimate. The advice the Aboriginal Affairs Department gives to agencies is multifaceted. I do not know the degree to which our advocacy responsibilities - which are included in the indicator - negatively impact upon whether we are received well by organisations.

Ms MacTIERNAN: The figure is completely fabricated. This is one of the most unprofessional inclusions into the *Budget Statements* that I have ever seen.

Mr LOWE: It is an estimate based on eight years' experience.

Ms MacTIERNAN: You said that you have just set up these regional offices and that you will begin canvassing them in July. It is not difficult to imagine how that could be done. A survey form could be sent out to the government agencies or organisations to which the department gives advice, asking them what they think. It is not conceptually difficult. To have come in here and pretended that the Aboriginal Affairs Department has a 65 per cent satisfaction rate because, based on 18 years' experience, you reckon that is normally what it is about, is rank amateurism.

[8.20 pm]

Mr LOWE: I suspect the member does not know a damn thing about evaluation.

Ms MacTIERNAN: I certainly know that pulling something out of the air -

Mr LOWE: The member probably heard me explain that around about January or February -

Mr CHAIRMAN: The question has been asked and answered. If it is not to the member's satisfaction, we will move on. We have been going for an hour and 20 minutes on Aboriginal affairs; if members wish to continue, we will, but we have only an hour and forty minutes left for the other two sections. Are there any further questions?

Mr SWEETMAN: I do not know whether it is a good idea anymore to relate questions to the figures in the *Budget Statements*; however, in case I get pulled up for not doing so, I refer to the second last dot point on page 52 of the *Budget Statements*. Mr Chairman, I recognise your patience and forbearance so far through this section of the budget estimates. If I had to take a view, it would be that which is diametrically opposed to that of the member for Peel; the minister would know that already. The difficulty the minister has is that, on the one hand, he is being criticised for inaction and, on the other hand, he is being criticised by people like me for a different type of inaction, and I and the member for Peel are trying to tear the minister in two different directions.

In the appropriation figures, what deals specifically with some of the other issues that tend not to be talked about a lot in relation to the Aboriginal problem that I am among day to day? I refer to the way Aboriginal people hate each other. I am not generalising to the point of saying that is across the board, but the minister knows what I am talking about. I am not talking about mixed marriages or different skin colours alone. I am talking in general about the rivalry between different Aboriginal groups to the point where family feuds occur between people of the same skin colour, the same tribe and dialect where they simply hate each other because one person seems to be doing better than the other. Despite all the positive initiatives that the Government has achieved which are outlined in the *Budget Statements*, we do not seem to be getting on top of those types of issues. As one issue is solved, another three or four spring up in its place.

I go back home tomorrow to meet with the administrator who has been appointed to the Aboriginal Medical Service. Why? Because the management committee and nepotism have turned the rest of the Aboriginal community against it. That has been so for four or five years. It has taken that long for the Federal Government to act on what has been an obvious problem to all the Aboriginal people and the broader community in Carnarvon. When will the Government identify and tackle issues like that? In this presentation I will not even touch on issues like child molestation, the abuse by drunken Aboriginal people on others, particularly members of their own family, and so on.

I will finish on the issue of Aboriginal enterprise. The second last dot point on page 52 of the *Budget Statements* talks about helping to facilitate communities to engage in commercial enterprise. I have spent some time trying to convince the Indigenous Land Corporation to fund Aboriginal enterprise through the Aboriginal Economic Development Commission, as well as commerce and trade. The Government must not look at buying new or existing businesses for Aboriginal people unless it brokers some type of joint venture. I have seen joint ventures with Aboriginal people and existing businesses that have worked very well. I have yet to see an Aboriginal incorporated body set up in a business that has succeeded unless it has been funded by grants each year. Will the Government address those issues within this budget?

Dr HAMES: It seems to me that both sides are making statements and speeches rather than questions. Nevertheless, I will try to respond. There is no question that considerable competition exists between Aboriginal peoples. The tall-poppy syndrome exists in non-Aboriginal communities fairly broadly and it exists very strongly within Aboriginal communities. That comes partly from their background and tradition. Everyone expects to find an Aboriginal leader and have that leader represent a large group of people. If one looks back at the way Aboriginal people used to live, one would see that they did not have a tribal chief the way the American Indians used to have who would have the final say. They did not have a king, a prince or a lord who would be in charge of large numbers of people. They lived as small family groups because of the harshness of the climate and the lack of available food. The biggest group they could manage to survive in was a small

close-knit family group. Throughout the metropolitan region were large numbers of small groups of Aboriginal families in which the head of the house was the head of the community; he was in effect the chief but only by virtue of his being their elder. When the groups came together for meetings, as they did for the business of law or ceremonies, a large number of chiefs, if you like, had to work together. They probably had one of the earliest community election-type systems - not that anyone would be elected as a leader. A community group of elders would sit down and debate long and hard what they would do as a community; the same applies now. The elders of the Aboriginal communities are the ones who are nominally in charge.

Certain things have broken down that tradition. One of those is the separation of Aboriginal children from their households. All the knowledge of history and culture and respect for elders has been lost by Aboriginals being brought up in a non-Aboriginal society. Another is alcohol. Alcohol has caused a serious breakdown in the traditional family values of Aboriginal people and so have other drugs. The issues to do with child molestation and internal fights within families are directly attributed to alcohol problems. Internal fights within Aboriginal family groups do not occur without alcohol. It certainly happens between groups, but they have been having intermittent fights between different family groups for thousands of years. Trying to solve the problem is very difficult. The nepotism within the AMS is a good example. As soon as an Aboriginal gets to a position of authority with the ability to provide employment opportunities for others, he is virtually obliged to do his best to provide for the members of his family. They are the ones whom he or she can trust the most to provide them with the support that is required so that they do not become the tall poppy that has to be taken down a peg or two. Once that is established, other groups try to undermine that person's position because of the feuding that exists between Aboriginal family groups.

I do not know the answer to the member's question. Part of it is improving employment opportunities and education and trying to reduce truancy. Those things the Government does spend money on have as good a chance as anything else at being successful. I do not know of any other mechanism that will resolve those internal disputes, other than trying to give back to the elders the authority that they need, particularly in those remote Aboriginal communities, through the Aboriginal Communities Act that empowers local Aboriginal people to set their own laws. That is the major opportunity the Government has to re-establish the strength of the elders, plus education to try to reduce the effects of the influence of alcohol and drugs in the community. That is another long-winded answer.

Mr Chairman, do you wish to continue with Aboriginal affairs? Otherwise I find these matters tend to drag on.

The CHAIRMAN: We are an hour and a half into a three-hour session. It is up to the members.

[8.30 pm]

Ms MacTIERNAN: I refer to page 57 of the *Budget Statements*. What percentage of the department's employees are Aboriginal people?

Dr HAMES: It is 46 per cent.

Ms MacTIERNAN: How many are in senior management?

Mr LOWE: Senior management comprises three members other than me, one of whom is an Aboriginal woman. The department has three Aboriginal people out of seven at level 8, which is the next rung down in the organisation, and there is an even scattering among the level 6 and 7 officers. We have a greater proportion of Aboriginal people in the country than we do in the head office of the organisation. The number has increased slightly over the previous year's percentage. The spread is getting better. We are trying to bring together two different groups of people in the delivery of services and the object, if we are to get a mix of Aboriginal people in the agencies, is around a 50:50 split.

Ms MacTIERNAN: Under the standing orders all aspects of the budget must be available for scrutiny. When will we be able to look at the Government Employees Housing Authority?

The CHAIRMAN: I do not think we will.

Ms MacTIERNAN: There is a capital appropriation in the budget, so under the standing orders it should be available for scrutiny.

Dr HAMES: GEHA is a statutory authority through the Ministry of Housing, and capital items are not debated during estimates debates.

Ms MacTIERNAN: Yes, they are. The standing orders were changed a year ago to specifically provide that all capital items could be debated.

Dr HAMES: I understand it is only if the items to be dealt with are those in which the source of revenue comes from capital appropriations

Ms MacTIERNAN: That is presumably why it is in the budget.

Dr HAMES: The source of revenue does not come from capital appropriations, so the Water Corporation and GEHA are not included.

Ms MacTIERNAN: Why are they in the budget then?

The CHAIRMAN: It appears there is no appropriation for GEHA, therefore, it cannot be discussed.

Dr HAMES: I point out that budgets for the Water Corporation and GEHA are done separately. They are provided to Parliament at the time they are done. The Ministry of Housing budget is done in August. I can answer questions on notice about budgets from those items.

Ms MacTIERNAN: I will take the matter up with the Clerk of the House.

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

Mr Bloffwitch, Chairman.

Mr R. Payne, Water and Rivers Commission.

Mr R.P. Atkins, Swan River Trust.

Dr EDWARDS: On page 1331 of the *Budget Statements* reference is made to algal blooms. What was the cost to the Swan River Trust of the algal blooms earlier this year? What are the predictions for future algal blooms and what preventive measures are being taken? Has any assessment been made of zeolite, in particular a component of that called clinoptilolite?

Dr HAMES: The cost of the clean-up was \$160 000. The member asked how we would anticipate the likelihood of recurrence and management for the future. We are pursuing a large number of initiatives to care for the Swan River in the future, some of which are long term and some short term. The long-term plan is to care for water catchments. More than \$17m has been allocated to the implementation of the recommendations of the Swan-Canning clean-up action plan over five years. That plan addresses issues such as phosphates entering the river, tree planting, management of wetland environments, management of council drain and so on. The member is very much aware of those things. In the short term we are taking two actions to improve the health of the river. One is the oxygenation program. A series of trials has been conducted in the Canning River that has been successful in reducing the release of phosphates from sediments during the hot weather which significantly reduces the incidence of algal blooms. We have recently commissioned a barge to go to hot spots to pump oxygen to the bottom of the river in areas of highest risk. We have also conducted trials in conjunction with the Commonwealth Scientific and Industrial Research Organisation with Phoslock, a modified clay. Those trials have been successful. The modified clay is released over the river and binds the phosphate and prevents its release. We are conducting an extended trial with a pelletised form of phosphate, and releasing it over a broader area of river to try to reduce the release of phosphates. The major algal bloom early in the year was unusual, and was different from the usual type of algae. It was caused by heavy rains that occurred in summer that washed down large quantities of nutrients, particularly from the Lockhart area well past the Avon Valley and Northam, and left a large body of fresh water sitting on top of an area that is normally salt water. That algae breeds in fresh water. We had the perfect conditions: Hot weather, a large volume of fresh water sitting on top of the river and large amounts of phosphates being washed down by heavy rains. That algal bloom spread and grew very quickly.

[8.40 pm]

Dr EDWARDS: Knowing what you know now, could you have intervened to prevent that?

Dr HAMES: No. In retrospect, nothing could have been done, and we would do exactly the same things again. We found some things that were particularly successful. The addition of salt was not successful; it just sank out of sight very quickly. The use of booms was very successful in cleaning up that fresh algae in the areas in which it collected quickly. The release of bentonite clay was tried with marginal results. It is unlikely that that will happen again, in the sense that it is very unusual to have that massive amount of rain in summer, so that event will need to occur again. Secondly, the area from which that phosphate came has not been flushed for a long time, and the nutrients have been accumulating for a long time. Now that that area has been flushed, the amount of nutrients has been reduced significantly, so the massive surge in nutrients that we had last time is unlikely to occur again; but it is not impossible.

Mr ATKINS: The first thing we did as part of the development of the Phoslock compound with CSIRO was survey a range of substances that are known to assist with nutrient lockup, and zeolite was one of those substances. The material that CSIRO has developed has proved more efficient than any of those substances. However, the Water and Rivers Commission is trialling zeolite on a small scale as a means of absorbing nitrogen, because Phoslock deals only with phosphate. We are pinning our future on Phoslock, but zeolite and some of those other chemicals will also be of use, particularly in drain cleaning using a waste water treatment approach, and perhaps even in some of the urban lakes which are acting as stores within the urban stormwater system.

Dr EDWARDS: What is Phoslock, and has it been modified in some patented process to work so well?

Mr ATKINS: It is a bentonite clay that has been enhanced with a rare earth. It has been washed in a rare earth solution, which is patented, and that enhances its binding ability. Any sort of clay will bind phosphate, which is why the hills soils and some of the soils in the Avon catchment do not yield phosphate in the same way as the coastal plain sands. We have taken bentonite, which is one of the more active clays, and have super-activated it so that once it hangs onto the phosphate, it will not let it go.

Dr HAMES: Phoslock is patented, and CSIRO and the Water and Rivers Commission have an arrangement about the production of that product and are trying to market it elsewhere.

Dr EDWARDS: The forward estimates on page 1332 are shown as a blank grey space. Why is that the case, when most of the other divisions have some figures for the forward estimates?

Dr HAMES: I do not know. That is not the case just for the Water and Rivers Commission. It is also the case for the Aboriginal Affairs Department. Although we have forward estimates for the coming four years through our budget process, they do not appear for the Aboriginal Affairs Department or the Water and Rivers Commission, but they do appear for the Office of Water Regulation. I do not have an explanation, but I am happy to provide the forward estimate for those out-years. I have been advised that there is a future for the Swan River Trust. I think it is to do with the way the budget papers are printed, because page 1330 indicates the total forward estimates for the Swan River Trust, but the specific dollars for the out-years are not indicated. I am advised that that is the case for all agencies. An example can be found on page 1264, under Sport and Recreation, where the forward estimates are listed on the first page but not on the subsequent pages.

Dr EDWARDS: One of the items under adjustments on page 1332 is purchase of investments. What investments are being purchased?

Dr HAMES: We will supply that as supplementary information.

Dr EDWARDS: Page 1333 under the heading "Resource Agreement" states that -

The following outcome, output and financial information is the subject of a Resource Agreement signed by the Minister, a representative of the accountable authority, the Chief Executive Officer, and the Treasurer.

The Opposition has noted that the Premier has said that if CEOs do not come in on budget, he will consider sacking them. Would the minister take this advice from the Premier if this eventuality ever arose? From the Opposition's point of view, that comment caused some alarm.

Dr HAMES: It sound like a perfectly reasonable position. I do not understand the problem.

Dr EDWARDS: The Opposition believes it is perfectly unreasonable to sack CEOs if they do not come in on budget, because CEOs cannot always control the environment in which they operate. For example, algal blooms are totally unpredictable, as the minister just said.

Dr HAMES: That is probably a good question for the Premier.

Dr EDWARDS: One of the output measures on page 1333 is research and development projects, of which there are five in 1999-2000 and four in the following financial year. What are those projects, and is it five plus four so that there are nine different projects?

Mr ATKINS: The five becomes four, because the Canning River oxygenation project has moved from research and development to operational, so it has moved from output 1 to output 4, and the budget has been adjusted accordingly - the money has moved from output 1 to output 4. The four projects that remain in output 1 are sediment remediation and the trialling of Phoslock; the Swan oxygenation barge trial; nutrient cycling from sediments focussing on nitrogen and carbon, because the original program focused on phosphorus, and we are now looking at nitrogen and carbon in detail; and environmental modelling using computers and developing some decision support models to test management scenarios. Part of that work is being funded by the Water and Rivers Commission through the WA Estuarine Research Foundation. The Swan-Canning clean-up program is looking at a wider suite of models for management purposes.

[8.50 pm]

MR MARLBOROUGH: I refer to page 1330 of the *Budget Statements* and the reference to water quality in the Canning River. I am concerned about the general state of the Canning River. A growing debate around Australia concerns the quality of rivers when Governments have dammed river sources for domestic water use. An increasing call is made, particularly along the east coast, for government authorities to release more water from dams into the river systems. From a totally uneducated mind on how water operates, my view is that the upper regions of the Canning River need much more water travelling down the system. I used to live in the Thornlie region in my youthful days. The Canning River goes under Nicholson Road. I had reason to be at the small park by Nicholson Road only in the last month. From an ordinary person's point of view the river is diabolical; that is, it hardly contains any water, has algae and the side streams are extremely clogged. It is full of all sorts of things, and that was only by a park just off Nicholson Road. Has the Swan River Trust seriously looked at releasing water continually from the storage dams into the river system? If so, what process is being used? What is the optimum amount of water presently being released, and is an argument made for more water to be released through the river system? From an uneducated and unscientific point of view, if one drives from Riverton to Gosnells and up through Kelmscott, much of the normal catchment area for the river system has been urbanised. I remember some 20-odd years ago the infamous Westfield estate between Armadale and Kelmscott, following a couple of winters of heavy rain, being flooded; it was under metres of water in some parts. Maps would show that this was always part of the 100-year flood plain that fed into the Canning River basin. Can more water be released from the Canning Dam; if so, at what rate? Is this future method of management considered with any certainty? If not, do we need another water source to supplement the water supply? Is a management tool being considered?

Dr HAMES: This is a multi-faceted problem. It starts at the dams. Over the past 25 years, there has been a 40 per cent reduction in run-off to the major dams which provide the drinking water for the metropolitan area. All the major dams, despite varying from year to year, are at an all-time low. This creates problems initially with flow from the dams. Urbanisation has an effect on the run-off to the dam. Sometimes it increases run-off into the dam because of bituminisation of roads and storm drains. The issue arises of taking water from the Canning River. Quite a lot of agriculture, under riparian rights, has access to water from Canning, and it is used. Through the Water and Rivers Commission, rather than

the Swan River Trust, we are considering extraction of water from the Canning Dam, licences for the Water Corporation and environmental flows from that dam. The difficulty has been a substantial reduction in rainfall in each catchment for some time. With or without urbanisation, and without damming, this would have led to a low level in the river compared with its historic levels. We do not know for how long that will continue. Short-term issues need to be addressed with the extraction of water and environmental flows from the Canning River. My chief executive officer would like to expand. It is not specifically related to the Swan River Trust, but it is a mild extrapolation.

Mr PAYNE: This issue relates to environmental releases in the Water Corporation's licence, and getting in place some system to adjust the riparian rights of water takers along the river. It is a matter of maintaining water flows over time. Urbanisation gives more peak flows, but not consistent flows. We are waiting for our Rights in Water and Irrigation Amendment Bill to get through the House so we can establish local management groups and create by-laws to adjust the fair sharing of riparian rights. As the catchment is more urbanised, the need for riparian users diminishes as not so many market gardens are located there as was the case in the past. Some subdivision developments like to use riparian water rights. One needs a better devolved management system to manage the water in the Canning River. We will tie that to the licensing of the Water Corporation and its water release. As the minister said, it is the general issue of the demand for water for the urban area of Perth as well as the catchment for the river.

Mr MARLBOROUGH: Staring into the looking glass, and following the debate around Australia, I increasingly adopt the position that we are reaching a critical point in our decisions about historical water supplies to the metropolitan area. The dam systems must be released into the rivers. I speak about the Canning River in which I have a keen interest; I do not understand the Swan River. Governments must make decisions on the future urban growth in the catchment area. The impact of urban growth, and the strategy of damming and preventing water passing through the system has a major impact. I wonder whether the department is seriously looking at putting policies before government. As the Department of Resources Development states that the Kwinana industry area is full, and we need a new industrial area to replace it in the next 30 years, are we also reaching the critical stage at which we must take down the dam walls on rivers like the Canning? We may need an alternative source, such as the underground water in the northern suburbs, for domestic and industrial use. We need to take out the Canning from Perth's water supply. Rapidly increasing evidence suggests that it is close to the critical stage. The water level is down in that area, but whatever water is there would provide a great management tool for bringing the Canning River back to its original quality.

[9.00 pm]

Dr HAMES: I will briefly cover some of those points, even though they fall more under the Water Corporation budget than this portfolio. The member is right about the long-term water needs in Perth. We have been doing that because of the reduction in supply from Canning Dam. Virtually half of our drinking water comes from underground sources, including the two mounds. We are spending \$175m to access south west dams where the flow, water capacity and rainfall are higher. We are also conducting a feasibility study on desalination to see if we can make desalination of seawater the third major arm of the drinking water supply for the metropolitan area. We hope to have a progress report on that later this year.

The Swan River does not have a dam which affects its flow, but Canning Dam feeds water into the Canning River. That is the issue which was just mentioned and which needs to be assessed. Reducing drinking water take-out from Canning Dam to increase environmental flows would not really change the overall water supply situation, because there are a large number of dams and more supplies from other dams. Nevertheless, we must consider this issue. Canning Dam has been reasonable and the water has been significantly improved by such things as the oxygenation trials. It is not good, as the member said, and the flows -

Mr MARLBOROUGH: I see the upper flows dying before my eyes.

Dr HAMES: These things tend to come and go to some extent, depending on the weather. This month has been very dry, but it is predicted that there is a 70 to 80 per cent chance of a wetter than average winter. In 12 months the picture can change. The long-term issue of flow from Canning Dam is important, and one that the Water and Rivers Commission must assess.

Mr PAYNE: It is a balancing act. Because of the change in the weather, the surface catchments are falling back in performance. Also we are having difficulties with the Gnangara mound. At the moment the Water Corporation has 26 bores wound back to control the environmental impacts on the mound.

Mr MARLBOROUGH: And the drop in the water level.

Mr PAYNE: In certain hot spots we do not want the ground water level to drop too much, so we are controlling that. We are also interested in winding back some of the riparian-right use on the Canning, as well as adjusting the environmental flow releases in the licence we give the Water Corporation. It is a continual dynamic balance and we are in transition. In a few years it will be significantly improved. For example, the riparian rights in Western Australia are three times more generous than those in Victoria, and Western Australia has a much tougher climate. For six months of the year there is no flow in the river. In our law we have created a riparian right that is very generous. The only way the Water and Rivers Commission can think of to equitably wind that back is to let a local rules management committee deal with the local people and work out a new by-law for sharing the water over the year. We do not want the riparian rights to rip the water out of the river at the wrong time of the year. We are waiting on the amendments to the law to put that mechanism in place, because some of the solution is in rejigging the riparian rights. However, we do not propose to rejig the riparian rights by changing the law and the statute. We want to use local rules and devolved management to do it.

Dr EDWARDS: I refer to page 1335 of the *Budget Statements* and the output to regulate riverside development. Reference is made to the management area subject to development control policy and advice. It is some years since the Swan River Trust Act was reviewed. Is it likely to be reviewed in the near future? Is it likely that the area under the trust's jurisdiction will increase? In my electorate I would prefer the trust to have an input on two or three issues, but it cannot because the development issues are on the boundary of its management area and not inside it.

Dr HAMES: I have had no complaints along those lines, so I have no plans to increase the area or review the Act. There is a great deal of legislation on the books and changing this Act does not have high priority.

Dr EDWARDS: My next question is about timeliness and the number of days taken to process planning and development applications this year and next year. I am surprised to see that both figures are 65 days, because I thought the trust had done a lot of work to speed up the process and to have a shorter time frame.

Mr ATKINS: When I came to the Swan River Trust three years ago, the average turnaround time was 89 days, and we have reduced it to between 58 and 65 days. The reason it sits around that figure is that embedded in the trust Act is a requirement to refer all proposals to relevant authorities for a 42-day period. If they all respond within the 42 days, we can continue to process the application, but we must allow them that period. Therefore, we will not get the figure much below 58 days as an average. The length of time is governed by the number of large proposals versus the number of routine proposals, so a large, complicated proposal, which developers may need to modify pushes out the time because of the negotiations involved.

Dr EDWARDS: How many agencies must the proposal be referred to?

Mr ATKINS: The standard agencies are the relevant local authorities. Anything that involves development or activity over the water includes the Department of Transport, the WA Planning Commission, sometimes the Tourism Commission, the Department of Environmental Protection if there are major environmental issues, and the Aboriginal Affairs Department, which is a standard one because the whole river system is a registered site. In most cases it involves an average of five relevant authorities.

Dr EDWARDS: At page 1337 output 4 describes as maintenance and restoration of waterways and foreshores, and audit and enforcement of the Act and regulations. How much audit and enforcement is carried out?

Mr ATKINS: The audit and enforcement fall into two parts. We have compliance monitoring of conditions set on development approvals. All developments that are approved have an audit sheet and that is constantly monitored by our enforcement officer. We have general inspections and enforcement of regulations; for instance, people damaging foreshore vegetation and so forth. There is general surveillance and enforcement, and specific compliance auditing of development conditions.

Dr EDWARDS: Are people ever prosecuted if they breach the Act or regulations?

Mr ATKINS: Yes, they are.

Dr EDWARDS: When was the last time someone was prosecuted?

Mr ATKINS: Last year there was a successful prosecution for a wall built illegally on the foreshore in Mosman Bay. Currently there are two actions under way to do with the unlawful cutting down of trees.

[9.10 pm]

Dr EDWARDS: I will put in a plug for my electorate under the same output description. I wrote to the minister recently about the Swan River foreshore near Tranby House in Maylands. Initially I received a positive response that funds might be available for work with the City of Bayswater because the Government recognises that the area is a priority. However, I was later advised that, although it is a priority, on current expenditure projections the trust does not have any money. Is there any chance of more money being made available? How widespread is the problem? I know the situation only in my electorate.

Dr HAMES: Is the member aware of the City of Bayswater's having put aside funds as a contribution?

Dr EDWARDS: No, but I have raised the issue with the council. Its officers seemed surprised about the content of the letter I received from the minister.

Dr HAMES: Small amounts of surplus funds are sometimes available at the end of the financial year. If the member can get a commitment from the City of Bayswater, perhaps she should make another approach.

Dr EDWARDS: Reference is made on page 1339 to implementation of year two of the Swan-Canning clean-up program action plan. Does the Swan-Canning industry survey fit into that?

Dr HAMES: Yes, it does.

Dr EDWARDS: What action has been taken to turn around some of the results of that survey? Where does the Swan-Canning urban landcare program fit in? Does it fit into the clean-up program?

Dr HAMES: I do not want to suggest that I do not know anything about it, because I do. However, Mr Atkins will provide a more complete answer.

Mr ATKINS: The Swan-Canning industry survey report is only a small part of the project. The main part of the project falls into two sections: First, the production of a method and database for local authority environmental health officers to do the monitoring and surveillance and to assist with the education program. That also involves training local authority environmental health officers. The second part of the program, which is starting now and which will kick in next financial year, involves training industry people at a course arranged through the environmental health and training faculty of Curtin University. Extensive factory-floor literature and posters have been prepared and circulated through local industries.

Dr HAMES: We are encouraging local councils to do what the City of Bayswater and, to a lesser extent, the City of Belmont have done; that is, to employ a full-time environmental health officer to work with industries to reduce pollution of the drains.

Mr ATKINS: The Swan-Canning urban landcare program comes under this output. Funds are added to the Alcoa funding for direct community grants. We are providing funding to community groups through direct negotiation allocation by the Swan River Trust, based on the priorities set out in the action plan. We have also set aside \$100 000 for the SCULP bin. That money is allocated directly to community groups for works through the community application and regional assessment process.

Dr EDWARDS: Reference is made on page 1338 to sub-catchments within phosphorus input targets of 50 to 55 per cent and 29 to 32 per cent for nitrogen. By how much will those figures increase over the next few years, or have these levels reached a plateau?

Dr HAMES: That is an improvement figure and the 55 per cent is within the target range. Obviously the group with which the member was involved through the Bayswater integrated catchment management committee reduced the level of phosphorus. We have other significant areas contributing phosphorus; for example, Ellenbrook. About 70 tonnes of phosphorus flows into the Swan River each year, and 26 tonnes of that comes from Ellenbrook. The levels in some catchments in that area have improved. Obviously we are working through the Swan-Canning clean-up program action plan to improve those levels significantly. We have done extensive work in Ellenbrook with funding support from national heritage funds and the Water and Rivers Commission. We have supported local community groups using donations from Alcoa for the fencing of the river to improve that catchment.

Mr ATKINS: I refer the member to page 49 of last year's annual report, which shows the aggregate trend for both nitrogen and phosphorus still on a downward trend. The phosphorus figures have reached the target set out in the action plan and the nitrogen figures are still above it, but decreasing. That is the total average for the drains. Some inputs are on target and others, like those from Ellenbrook, are still well in excess. It paints a slightly rosier picture, but the trend is going in the right direction.

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

Mr Sweetman, Chairman.

Dr Hames, Minister for Water Resources.

Mr R. Payne, Chief Executive Officer, Water and Rivers Commission.

Dr EDWARDS: I refer to page 1476. In the years 2001-02 and 2002-03, the amount provided for capital services will be increased. What is envisaged?

Dr HAMES: The \$2.5m is funding provided for land purchases. The Water and Rivers Commission must purchase a large amount of land, particularly over the Gngangara mound, for developments which the commission does not wish to proceed. The money is supplied by the Ministry for Planning and the commission has an obligation to repay it. Those funds are put aside for that repayment. The \$800 000 relates to the information technology and monitoring network.

Dr EDWARDS: So those purchases are not made through the metropolitan regional improvement fund?

Dr HAMES: Where they are made for the Water and Rivers Commission, it must repay them. It currently owes about \$4.5m to the metropolitan regional improvement fund.

Dr EDWARDS: Page 1477 makes reference to a Council of Australian Government agreement that requires full implementation of the water agreement by 2001. Is that by 1 January 2001, and is it on track?

Dr HAMES: This refers to the Rights in Water and Irrigation Amendment Bill that is currently being debated in Parliament. We had an agreement that, if the legislation were passed by the middle of this year, we would still meet the national competition policy requirements. COAG is aware that the legislation has been hived off to a committee in the other place and that we are experiencing some difficulty achieving that target date. Given the bipartisan support for the legislation, COAG has accepted the current situation and has provided a minor extension of time. That will not continue. They have given us to the end of this year to pass that legislation, and to have some by-laws in place. We still have to move relatively quickly. As the member for Maylands is aware some States, such as Queensland, had significant amounts of those funds taken off them because they did not comply with the requirements.

[9.20 pm]

Dr EDWARDS: On page 1480 a key effectiveness indicator refers to areas where local water management groups are established, and the target for 2000-01 is two. What areas are they?

Mr PAYNE: In setting up the new legislation, we have made the assumption that we will be able to phase in the setting up of those committees. We expect the areas around Wanneroo and probably in the southern part of the State around Manjimup-Pemberton to be among the first. They are the two rapidly accelerating areas. There may be one other but at the moment we expect those to be the first two.

Dr EDWARDS: Do you think there will be pressure to have more than two groups?

Mr PAYNE: The pressure may accelerate quickly. However, those two areas are the hot ones. We are counting on ending up with about 20 groups for the whole State. Those committees will have the ability to appoint subcommittees to deal with single issues. For example, five land-holders may be building dams on a particular stream. Once the subcommittee has sorted out fair shares between those land-holders, it will not be needed. There will be a coming and going of subcommittee arrangements overseen by the board of the commission.

Mr TUBBY: What is the Government doing to ensure the environmental future of Cockburn Sound in view of the development and expansion of industrial areas?

Dr HAMES: Cabinet recently approved the setting up of an authority to manage Cockburn Sound and surrounds. We are currently going through the process of establishing the members of that committee. I have tentatively chosen a chairperson, and I am seeking confirmation of that choice through other government ministers. The allocation in this year's forward estimates for the ongoing management of that committee is \$446 000 a year.

Mr TUBBY: What type of people will be on the board? Will they represent particular groups or will they be people who have an interest in the protection of the sound?

Dr HAMES: We are setting up two committees. One is an overarching committee with representatives from large groups in the area, such as local government and recreational fishing. The CEO knows the detail of that committee better than I do.

Mr PAYNE: To be fully representative, the council will have about 26 representatives. However, the intent is to have an executive of a maximum of 12 or 13 out of that 26, so that the chairman has a fighting chance of the process working. The committee will cover a wide range of stakeholders and will comprise a mixture of government departments, community groups, local government, recreational representatives, and environmental and conservation organisations. It is quite a spectrum.

Mr Tubby: Are there plenty of industry representatives as well?

Mr PAYNE: Two industry groups are represented, one of which is the Kwinana Industries Council. We have covered all the principal stakeholders and we hope to get a good integration of issues from them.

Dr EDWARDS: On page 1488 a major achievement refers to interim arrangements for cost sharing between land-holders and the commission for salinity actions. It then states that detailed assessments of public and private benefits that may accrue are under way. Could the minister explain what that is about? How can there be cost sharing with the Water and Rivers Commission?

Dr HAMES: The commission shares costs with the community in a number of areas. The example I gave of fencing is a good case in point. The commission provides joint funding for quite a few issues, including the planting of lucerne and the fencing of streams, for which there is a 50 per cent subsidy so that farmers can keep their stock away from the rivers. A minor point with the fencing subsidy is that the further away the farmer is from the river the more funds we put in to create as big a buffer as possible. They are the cost-sharing agreements we have in place.

Dr EDWARDS: I refer to money that the Water and Rivers Commission is putting into salinity. Beginning on page 96, Budget Paper No 3, *2000-01 Economic and Fiscal Outlook*, describes the outputs of the state salinity strategy. What is the Water and Rivers Commission putting in that is beyond that which is listed here?

Dr HAMES: I do not have that document to see what is listed.

Mr PAYNE: Off the top of my head, I can say that some of the previous budget papers referred to a \$3.2m direct contribution from the Treasury to the Water and Rivers Commission. We will average next year about \$3.7m. Both those figures are what I call direct costs. If overheads were added it would be higher, so it would be up around \$4m-plus.

Dr HAMES: Some of the funding to address salinity comes from allocations to catchment management groups. It is part of their program in river management. The funding to catchment management groups is salinity related, but not specifically for that.

Dr EDWARDS: Would overheads include the support that the Water and Rivers Commission gives to the State Salinity Council, and what is that support in a year?

Mr PAYNE: The support for the State Salinity Council secretariat is shared between the four national resource management agencies and our contribution is \$80 000 a year. Support for the secretariat and council averages about \$240 000 to \$300 000 a year.

Dr EDWARDS: Did the Water and Rivers Commission contribute to the launch of the revised salinity strategy and if so, how much?

Mr PAYNE: Yes, but I cannot tell the member the exact contribution. The cost of that would have come from inside the secretariat which for discussion purposes is, say, \$300 000 a year. The Water and Rivers Commission picks up roughly one-third of that.

Dr EDWARDS: Has any concern been raised with the Water and Rivers Commission about logging on the edge of the Wellington Dam?

[9.30 pm]

Dr HAMES: That issue was raised with me by one of the campers from the forest when I was in Bunbury for the regional conference. I was not aware of the problem when he raised it. It relates to CALM's clearing of pine forest. I subsequently raised that issue and the response that I received was that the area that is being cleared of pine does not directly relate to that catchment area and does not have an effect on it. I did not pursue that any further.

The issue relates to the Department of Conservation and Land Management maintaining lots of relatively sensitive areas. Pine trees are planted in those areas, and we must work with CALM to try to ensure that clearing those trees will not promote further problems with salinity. Although the person raised the issue of this clearing, my advice was that it is not of concern. I may have received that advice from the Water Corporation, as it now owns the catchment area around the Wellington Dam.

Dr EDWARDS: I do not think it owns the area that has been cleared.

Dr HAMES: That land is owned by CALM. The advice given to me was that it was not a problem. As the member for Maylands is still concerned about the issue, I will provide some supplementary information.

Dr EDWARDS: I would appreciate that. The issue was raised with me yesterday by people who said they had visited the area recently and that the clearing was ongoing. How does the Water and Rivers Commission monitor the compliance of the Department of Conservation and Land Management, given that this is the second time that the same issue has been raised? The other incident was in the Mundaring catchment. I understand it cost the Water Corporation a lot of money because of the increased turbidity. More chemicals had to be used alleviate the problem. I understand the Water and Rivers Commission has an arrangement with CALM. The minister told me, by correspondence, during the last issue, that it would be looked into. However, he seemed to indicate that there had been a problem. The anecdotal information I have been given indicates there is again the potential for the problem.

Mr PAYNE: We have a very good relationship at the moment with the Department of Conservation and Land Management and there are no problem areas. In the past, photographs have been taken of Water Corporation reservoirs, and people have asserted that the clearing action of CALM has resulted in turbidity in those reservoirs.

Dr EDWARDS: The Water Corporation said this to me.

Mr PAYNE: All sorts of people make assertions. We delegate the management of some of the catchments to the Water Corporation. We have a memorandum of understanding with the Department of Conservation and Land Management about what it can do in the other catchments. We discovered that what was asserted to be turbidity was simply a type of weed. Stories about what is right have differed over time. We have a number of memorandums of understanding with CALM, which are being honoured. As an example, CALM is knocking down trees in Gngangara in a manner that suits our concerns. I have no reason to think anything untoward is occurring. I do not have particular knowledge of the Wellington Dam situation, but I will look into it.

Dr EDWARDS: Page 1490 of the *Budget Statements* refers to the public and private water supplies under the output of protection plans and works for water resource supplies. It contains a statement that mining below the water table is a long-term issue. What work are you doing with water issues in the Collie area? They have been raised over a period of time. Secondly, can you comment on the recent "amazing" water find by Anaconda Nickel Ltd?

Dr HAMES: I have had a briefing on what has happened in Collie, but I do not remember all the details. Agreements have been reached with the concerned parties in the area and a management plan has been developed.

Mr PAYNE: The Collie Water Advisory Group is known as CWAG. I cannot remember all the details of the plan. We have entered into an agreement with the mining companies about how the ground water is used, how it is put back into the rivers and how it is shared among the requirements of the mining and the dewatering process. The water is put back into the streams when it is appropriate. It does not help as much now because the mining companies are moving away. Licence conditions imposed on the Water Corporation have been introduced into the equation. It has restrictions on how it shares and provides water to Western Power. We are juggling the water demand and the licence conditions and asking the Water Corporation and Western Power to manage their behaviour in various ways. They now use water from various dams so that the unwanted impacts that have occurred in the Collie area in the past are minimised. We think we are bringing it back into balance. The Water Corporation, Western Power and all players are cooperating.

Dr HAMES: My understanding from the local member is that the residents of Collie are very happy with the outcome. The lowering of the water table was a serious issue.

I must admit that when the Officer Basin information was released, I did not know much about it. However, I learnt fairly quickly. There has been knowledge of that basin for about 30 years. I launched a report in 1994, on behalf of the Minister for Mines, which detailed that 7.8 million gigalitres of water were in the basin. Although it is a massive amount of water,

it has been there for a long time. The water is very old and does not get replenished often because the area is so dry. We will need to consider whether the water should be mined or used sustainably. The sustainable yield of the basin is very low and the renewable supply is estimated to be only 14 gegalitres. People say it is a massive new underground water supply. However, just to the north is the Canning Basin, which contains 15 million gegalitres of water and a much greater sustainable yield. Such basins of water exist, but they have been there for a long time and are not often replenished. The salinity is better than we anticipated. We thought the water would be reasonably saline, but it is suitable for stock, some types of agriculture and mining. The salinity is about 1 000 to 2 000 parts per million of total dissolved salts, which is reasonable. An option exists for the water to be used in the mining industry, especially as the second stage of Anaconda Nickel's Murrin Murrin project will use about 25 gegalitres of water annually. That is a large volume which must come from somewhere. The basin is about 400 kilometres east of Kalgoorlie. The cost of a metre of pipe is about \$1 000, therefore it would cost \$400m just to put the pipes in place. A bore field, which would need to be spread over a large area to retrieve the water, would also need to be constructed. That does not mean it is impossible. The water does not sustain any trees. There is bush, but no deep-rooted trees have access to that water, which is reasonably far below ground. Removing the water might not have any environmental consequences. However, a lot of soul-searching would be required to decide that to be the case. The mining companies have an opportunity to get a sustainable yield. The problem is determining that sustainability. A cyclone might come through every five years and dump significant quantities of water over the region, replenishing whatever had been sucked out over that period. However, it would take that long to determine the rate of replenishment.

Utililink Pty Ltd, which is a joint venture with Water Corporation, the Macquarie Bank Limited and Thiess Contractors Pty Ltd, is in the middle of a study into the possibility of providing water from Esperance. Once that is completed and we get a better idea of costs, a similar study will need to be done before they proceed to see whether it would be better to get it from the Officer Basin, now that is there, and given that Murrin Murrin may need to put in substantial dollars to bring it at least part way. It is about 250 kilometres from the bore field, and it may be a further 200 kilometres to bring it down to Kalgoorlie. There are possibilities for the mining industry, but I believe that to bring it to Perth is beyond the realms of possibility.

[9.40 pm]

Dr EDWARDS: What consideration did the Government give to the Goldfields Utilities Ltd proposal?

Dr HAMES: GUL as a private organisation was given considerable time - with the Water Corporation, which was under pressure from the mining industry to become involved, staying out of the way - to give it an opportunity to prove-up its option of bringing desalinated water from Esperance to Kalgoorlie. The difficulty is that it required government to provide a degree of subsidisation by paying the Water Corporation to take a substantial quantity of that water and by paying much more than others for that water to make it economically viable. The Water Corporation has now decided, having stayed out of it for some considerable time, that it is time for it to become involved. That is not to say that the Water Corporation will get any inside running. If, at the end of the day government decides that it wants to provide water, we will go for expressions of interest, and companies like GUL and some conglomeration of the Water Corporation and private enterprise can put up their hands and put in their bid and compete in the marketplace in the way that the Water Corporation is expected to do elsewhere.

Dr EDWARDS: One of the output measures for output 6 on page 1491, state development planning and approvals, is land planning and state development assessments reviewed. What assessment was done by the Water and Rivers Commission of Harpenden Road, Southern River, and why do there appear to be contradictory letters from the minister? I am not sure whether the first letter was written badly, because the second letter is much clearer, but they are a bit confusing to read.

Dr HAMES: I do not recall the exact issue to which the member is referring, but if the member will provide me with the details, I will provide a response.

Dr EDWARDS: I will write to the minister with copies of the correspondence.

Dr HAMES: That will be best.

Dr EDWARDS: To return to our conversation about water supply in the Kalgoorlie region, is it the responsibility of the Water and Rivers Commission to look at the potential water sources and the potential demand? Who does the overview to determine what the need is likely to be and how it is likely to be provided?

Dr HAMES: That is the role of the Water and Rivers Commission. The role of the Water Corporation is to provide water where government is required to provide water. The Water Corporation provides water for Kalgoorlie for drinking purposes and so on. There have been questions about why the Government did not get more involved in the provision of water from the Officer Basin. The answer is that government does not have a role in providing water for mining companies, and we had adequate water for Kalgoorlie, so why would we look for alternative supplies? However, when Anaconda Nickel required extra water, it asked the Water and Rivers Commission where it should look and where was the most likely supply of a large quantity of alternative water, and the Water and Rivers Commission gave the information that the Officer Basin was the best place to look.

The Water and Rivers Commission also recently funded a study of the northern goldfields that has mapped out all of the paleo channels, all of the water that is available for the mining companies, and the estimated timetables for the supply of that water to the mining companies. It has been of considerable benefit for the mining companies in that area to know more

about the quantities of water and the areas in which they are most likely to access water. They have overall responsibility for the source. It is up to those interested parties that want to find the source to do the work in proving-up that supply once we have provided that information.

Dr EDWARDS: Is there any view that saline water should not be brought into the area or brought to the surface?

Dr HAMES: No. The issue of bringing saline water to Kalgoorlie has yet to be argued. There are various views about whether we should do that. There is one argument that we should not bring saline water from Esperance to Kalgoorlie because farmers, in particular, believe it is a big no-no to bring salt inland when there is already a salt problem. On the other hand, mining companies are currently drawing hypersaline water from the underground. That water is seven or eight times saltier than seawater, it goes onto the tailing dams, and it then evaporates and leaves the salt on the surface. That means that one year of using hypersaline water is equivalent to seven years of using seawater. Therefore, the suggestion is that if that water could be provided at a reasonable cost to the mining industry, it would be far better than have them suck out the salt from the bottom and bring it to the surface. That argument has yet to be had. There is also a suggestion that because that water would need to be collected and stored somewhere, it would provide a social benefit for the community. Given that the power sources in that area are cheaper, it would also provide desalination for the local community at a much reduced cost, because the water would not need to be desalinated and pumped all the way from Esperance. There are people within government who have different views, as I am sure there are people outside government, and that debate has yet to be had, but I am sure it will be had once the report on the financial feasibility of that option comes through.

Division 70: Office of Water Regulation, \$5 020 000 -

Mr Sweetman, Chairman.

Dr Hames, Minister for Water Resources.

Mr P.A. Kelly, Executive Director.

Dr B. Martin, Coordinator of Water Services.

Ms S. Henshall, Manager, Corporate Services.

Dr EDWARDS: I refer to output 1 for water service operating licences on page 1503. One of the major initiatives for 2000-01 on page 1505 refers to the Water Services Coordination Act. What has happened with the plumbers licensing board, and when will we see that board?

Dr HAMES: That is a good question. Approval for the board and the regulations has just passed through Cabinet and is awaiting approval by the Governor in Executive Council.

Dr EDWARDS: When will that be?

[9.50 pm]

Dr HAMES: It is tentatively arranged for about two weeks' time.

Dr EDWARDS: Is it envisaged that the cost of licences and the other funding details spelt out in the second reading speech some time ago will remain the same?

Dr HAMES: They will be the same.

Dr EDWARDS: When does the minister think it will be up and running if he is waiting for the Executive Council?

Dr HAMES: We planned to have it running by 1 June, but given the time it has taken to set it up, and the delay in getting the regulations prepared and agreed to, it will be operating by 1 July.

Dr EDWARDS: Under the major achievement of 1999-2000 on page 1504, reference is made to the Office of Water Regulation's organising compliance audits. How did those audits go, and what room was there for improvement?

Mr KELLY: Operational audits are undertaken of all licensed water service providers as a requirement under our legislation. That requirement is transferred into the operating licence. The larger water service providers, particularly the Water Corporation, have a 24-month period; that is, the operational audit is completed on a rolling two-yearly basis. We have just completed one audit, and we are letting tenders at this minute to undertake the second audit. All licensed water service providers in Western Australia have had one operational audit. The Water Corporation is on its second audit. The South West Irrigation Management Cooperative has also had its second audit. These are publicly available documents. The record of the operational audit is available on our web site, and the documents are available from our office.

Mr TUBBY: Please explain the reduction in the number of rural and community water grants for 2000-01.

Mr KELLY: The number of farm order grants has dropped slightly over the past 12 months because of the outstanding success of the farm water grant scheme. We have facilitated, by way of grants expenditure, in excess of \$15m on farm water supplies in rural communities. We have also expanded the scheme to the pastoral rangeland areas. One funding round was undertaken for those grants, and we expect those to increase as it is a relatively recent initiative. We anticipate that the other grants will continue at the same rate for some time over maybe the next two years. They will taper off because of the tremendous work the farming community has undertaken off its own bat, with a small contribution from

government, to facilitate the expenditure of funds for farm water supplies. Importantly, this initiative facilitates on-farm retention of water and significantly reduces the demand on government to extend the infrastructure, particularly that of the Water Corporation with pipes, pump stations and the like, which are very expensive. Some environmental issues arise in pumping water from Mundaring Weir into agricultural areas. It is preferable to capture on-farm supplies.

Dr HAMES: The farm water supply grant scheme provides \$2m a year from government. When we came into government, it was a significantly increased figure to catch up with the many applications - it was \$5m or \$6m - but it has been \$2m a year since I have been minister. Numbers have dropped off to an extent. We have looked for other opportunities to provide assistance. Changing rainfall patterns and some of the summer rains have meant that some areas which used to receive a lot of rain have been particularly dry for the past five or six years. We looked at more recent rainfall and have expanded the areas to provide more opportunities. I looked at providing money for experimental work and work on leakage from dams has been funded. I have spoken to the people responsible for the salinity action plan to see whether, as demand drops off for other uses of these funds, some assistance to farmers can be provided with desalination on properties. Alternative methods of gaining a water supply can address high water tables of saline water.

Mr AINSWORTH: The major achievements on page 1509 of the *Budget Statements* refer to the agriculture area dam rationalisation project. Are funds made available in the budget to maintain or even improve those strategic dams identified by the Water Corporation? Some dams in all agricultural areas have got into poor condition over the years. Identifying them is one thing, but fixing them is another. What is in the budget for that program?

Mr KELLY: The review of the agricultural area dams has been coordinated by the Office of Water Regulation. One of the first tasks in the process was for the Water Corporation to identify which of the 600-odd dams it saw as strategic to its hydrological system and network. It has identified a small number relative to the total of 600 dams. These are on the corporation's asset base, and it should be responsible for their maintenance. The course of action is yet to be decided for the remainder of the dams. There is a strong desire from some local governments to have control of them. CALM controls some of them and the Water and Rivers Commission has an interest in some. Another process will be undertaken to see what will happen to the residual dams the Water Corporation does not want.

Dr HAMES: Interestingly, representatives from RecFishWest have spoken to me about using the dams for recreational fishing and having some management control. Discussion along those lines is taking place.

Dr EDWARDS: Page 1501 of the *Budget Statements* mentions an annual prices and charges review. Does the minister see any opportunity for towns which are currently class 5 to become a lower class in the future so people will pay less for their water? Would competition help that, or are there any other mechanisms?

[10.00 pm]

Dr HAMES: The towns in the classes of water cost are all licensed to the Water Corporation. Unless the Water Corporation does not fulfil its licence requirements, it will continue to hold those licences, so there is no opportunity for competition. Those costs have been recently installed and they reflect reasonably accurately the actual cost of providing the water service to those areas. In all those classes the use of water up to a certain volume - in the order of 350 kilolitres in most areas and 450 kilolitres in northern parts of the State - is seen as a reasonable volume for the average person to use. Everybody throughout the State pays the same for that quantity of water, no matter what class the town is. Only those people who use water in excess of what is regarded as a reasonable amount, are required to pay an amount that reflects the true cost of providing that water.

Committee adjourned at 10.00 pm
