



WESTERN AUSTRALIA

# **Parliamentary Debates**

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LEGISLATIVE ASSEMBLY ESTIMATES COMMITTEE A

Thursday, 27 May 1999

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## ESTIMATES COMMITTEE A

The meeting commenced at 9.00 am.

The CHAIRMAN (Mr Barron-Sullivan): For the information of members, the Estimates Committee will be reported by Hansard and a proof document will be made available to the committee clerk progressively throughout the day. The daily *Hansard* will be available the following morning.

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. If supplementary information cannot be provided within 14 days, the minister is required to provide advice in writing of the date by which the information will be made available.

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

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

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

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

### **Division 25: Education, \$1 388 391 000 -**

[Mr Barron-Sullivan, Chairman.]

[Mr Barnett, Minister for Education.]

[Ms C. Vardon, Director General, Education Department.]

[Mr N. Jarvis, Acting Executive Director, Business and Resources.]

[Mr P. McCaffrey, Director, Finance.]

[Mr R. Mance, Acting Deputy Director General.]

[Mr K. Ward, Relieving Director, Curriculum.]

[Ms J. Johnston, Relieving Executive Director, Education Programs.]

[Ms E. Lucas, Director, Student Services.]

[Mr M. Parr, Manager, Client Services.]

[Ms G. Bray, Senior Policy Officer.]

[Mr K. Wyatt, Director, Aboriginal Education.]

[Mr D. Axworthy, Senior Consultant, Schools Division.]

[Mr P. Frizzell, Executive Director, Schools.]

[Mr S. Home, Executive Director, Human Resources.]

[Mr J. Ryan, Director, Staffing.]

Mr KOBELKE: Output 3 is secondary education. Do you have figures about the retention rate for comparison with previous years?

Mr BARNETT: Before I answer that I would like to make a couple of introductory comments. The total Education budget is \$1.549b, of which the Education Department accounts for \$1.388b. The estimates for the last financial year show that a supplement of \$50m was paid into the account and no doubt some questions will be asked about that. This year's budget

represents a 7 per cent increase on the actual appropriation for 1998-99. If we trace back over recent years, education spending rose 1.2 per cent in 1994-95, 9.1 per cent in 1995-96, 9.7 per cent in 1996-97, 6.7 per cent in 1997-98, 10.1 per cent in 1998-99 and now 7 per cent for 1999-2000. In the period since 1994-95 we have seen a 49.5 per cent increase in the Education Budget. Salaries and allowances comprise 78 per cent of the total budget; it is very much committed on salaries. Some of the major changes which have taken place in the budget cycle over the past few years include a 21 per cent pay increase for teachers over a three-year period and a 26 per cent increase for administrators over the same period. Major expenditure changes include the early childhood program which over the past three years has accounted for an additional \$253m-worth of spending. Other big trend changes include vocational education training; the proportion of post-compulsory students undertaking a VET program has risen to 25 per cent over the past three years. Members will no doubt ask about other areas. The capital works program accounts for \$152m, \$38m of which is for new works and \$114m for works in progress. Another significant new item is the \$20m computers in schools program which is part of an \$80m program over four years; the remaining \$20m has been allocated to non-government schools. I make these comments to show that there has been an enormous increase in public spending on education over the past few years. This year's budget will be a tight one in a sense because it carries some adjustments for previous accounting events such as productivity dividends. There is not a lot of scope. To some extent the 7 per cent increase in spending this year conceals a tight budgetary period but also reflects an expedient growth in government spending.

Mr KOBELKE: Before the minister answers my question, and I am sure he will, I would like to return to one of the matters the minister raised in his preamble. Could the minister repeat the percentage increases in salaries for teaching and non-teaching staff?

Mr BARNETT: Over the past three years teachers have received a 21 per cent increase in their base salaries and administrators have received a 26 per cent increase. Many individuals will have received more because they may have qualified for remote teaching service or country incentives or they may have been promoted following the removal of the two or three-year train barrier.

Mr KOBELKE: What period are we talking about?

Mr BARNETT: It is reflected in the salary increase from the beginning of 1996. The first 15 per cent was paid in two lots of 7.5 per cent and was followed by two lots of 3 per cent increases. It has been a period of appropriate catch-up in the salaries which had fallen behind.

Mr KOBELKE: Can the minister give the committee the generally used figures for on-costs both for teachers and administrative staff?

Mr McCaffrey: We apply a range of on-costs across the program sector depending on the costs included in our appropriation. For example, superannuation is not part of our total funding but leave entitlements are. I would need to look at the program to give the member an accurate figure but the on-costs would range from 12 per cent to 17 to 20 per cent depending on the program and where the officer was located.

Mr KOBELKE: Is that for administrative staff also?

Mr McCaffrey: Not necessarily. It depends on where the administrative staff are and the type of work they are undertaking at the time.

Mr KOBELKE: A Treasury paper released two years ago suggested the on-costs were 118 per cent. That figure may have been ramped up a bit as it was being used for federally funded programs but I am after a realistic figure. The decentralisation move has been a major shift over the past few years. What were the on-costs of establishing extra administrative staff in the district offices? By on-costs I mean the total cost to Government delivering the service in addition to salary.

[9.10 am]

Mr BARNETT: I assume you are talking about superannuation, workers compensation, leave entitlements, long service leave entitlements and the like. The rule of thumb in private industry is that on-costs range from 20 to 30 per cent. As Mr McCaffrey said, it varies greatly as to where the officer, teacher or principal is located. When accommodation is taken into account, on-costs are significantly higher in country areas. A broad figure of around 20 per cent would be fairly typical.

Mr KOBELKE: Can the minister answer my question about retention rates at the upper secondary level?

Mr BARNETT: Retention rates through to year 12 are about 72 or 73 per cent. The objective is for those rates to rise to 90 per cent, but that might be a little optimistic. We have had positive moves in retention rates, particularly because of the introduction of vocational education and training programs. If that is the implication in question, although retention rates have risen from about 45 per cent a decade ago, we still have some way to go.

Mr KOBELKE: My concern is that for most of the years of this Government, retention rates have been falling. Have they stabilised or improved in the current year?

Ms VARDON: I am pleased to say that for 1997-98 projected through until 1999-2000, we are seeing an increase in retention rates at the upper end of secondary schools. That is a result of direct interventions to ensure that our young people not only stay at school, but also are actually engaged at school; for example, in 1997-98 the figures for secondary were 79 900 young people in our schools rising to a projection of around 81 000 in 1999-2000. The percentage increase is something like 1.10 per cent with an additional 0.01 per cent. The retention rates at that upper end are increasing.

Mr KOBELKE: By 0.01 per cent.

Ms VARDON: By 1.10 per cent in 1998-99, and that is quite significant. We are projecting a further increase of about 0.01 per cent in 1999-2000. Those interventions, as the minister said, were vocational education and training programs. Those programs are improving retention rates for young people right across Australia. As well as that, we have a strong student at educational risk strategy to ensure that disaffection and alienation in those senior years is dealt with in a strategic way. I am pleased to say that those efforts are showing results in terms of increased numbers of young people staying on at school. The common youth allowance will have some effect, and we are looking at that very closely.

Mr BARNETT: Retention rates are of concern. We would like to see them at about 90 per cent, which is probably the ultimate limit. Retention rates are also counter-cyclical. Long-term evidence indicates that when the employment market strengthens, retention rates in schools tend to decline. That is a dilemma. It is not something we want to happen. When there are more employment opportunities, whether they be part-time or full-time, a portion of students leave school to take up jobs. During periods of rising unemployment, retention rates tend to rise for that reason. There is a counter-cyclical impact. I agree, we need to raise retention rates.

Mr KOBELKE: Will the minister comment further on his remark that retention rates are counter-cyclical? Historically that may be the case, but is that continuing, given the evidence now emerging that the youth labour market is changing drastically and there is a huge reduction in the number of full-time jobs available for young people?

Mr BARNETT: I agree that the labour market is not as strong today as it was two or three years ago.

Mr KOBELKE: I am talking about qualitative changes in the labour market for young people, which would cut across what had been a traditional counter-cyclical arrangement.

Mr BARNETT: It is a factor. No matter what happens in schools, there is an external influence because of the state of the labour market.

Mr RIEBELING: My question relates to the retention rate of teachers, rather than that of students, especially in country areas. As you are aware, there have been major problems in attracting teachers to the north of the State. In the middle of last year, a study was released which showed that certain areas of the State had lower levels of achievement in literacy than others. As a result of that, new initiatives would be put in place; in other words, "Don't panic, we will make sure all of the teaching staff are in place." Tom Price is one example of where mathematics teachers were a problem. My understanding is that, for a large part of this year, we had no maths teachers for years 11 and 12; we had teachers, but not necessarily maths specialists. Paraburdoo has not had a manual arts teacher for five years, and still does not have a manual arts teacher. How will this budget address those problems facing inland high schools?

Mr BARNETT: A number of factors are impacting on teachers, particularly in rural and some of the more remote areas. We are conscious that it is a problem. As you said, it reflects particular areas of teaching, such as technology and design, maths and science and languages other than English. There are a number of contributing factors; for example, by introducing early childhood programs, an extra demand has been put on the numbers of teachers in all areas. The decision to reduce class sizes meant a further 80 full-time equivalents were required across the State this year. We also had a one-off factor with the swap from three-year to four-year degrees. Half of the normal number of graduates came into the labour market this year. As a result, we have seen things like the remote teaching services and the country incentives program. A number of other measures are being put in place to try to attract and retain teachers in country areas. It is a serious problem and we are not alone; it is being felt equally in other States.

Recently, the federal and state education ministers put in place some strategies for employers - in other words, the state and non-government systems - to have a greater say with the faculties of education and the type of teacher graduates coming out. The Federal Government also looked at how it could use funding to influence the composition of graduates. The typical teacher trainee is different, and I admit that I was not aware of this until recently. It is no longer a young person who comes out of school and goes into teacher education. They are typically female, in the age range of late twenties to forties and often married with children; that is, a less mobile person on average than was the case previously. There are demographic factors. Many people choose to do teacher training as a general education, and do not necessarily intend to go into teaching. There are a range of issues. I will ask the director general to comment on some of the initiatives we have introduced to address a serious problem.

Ms VARDON: In relation to the specific point about mathematics teachers, I am pleased to say that the Education Department last year and this year undertook a program of retraining teachers with an interest in maths, and some competency in maths, to become maths teachers in remote and rural areas. That has had some impact on the lack of mathematics teachers. We have a range of strategies in mind, and Mr Home will comment on those. Adding to the minister's point about the differences in the people who are taking up teaching these days, it was of concern to us at the end of last year, looking at graduates' preferences for locations, that only 15 per cent of young people graduating indicated they would go anywhere in the State. The efforts that we have in place, and that will continue to be put in place for the remainder of this year, aim to turn around the issues which are causing us concern.

[9.20 am]

Mr HOME: I am not sure what is the current situation at Tom Price. However, our records indicate that within the entire Pilbara district there are only two substantive vacancies - both in primary school. I can provide further details regarding Tom Price as supplementary information. The country incentive scheme implemented last year and promoted in the second half of last year certainly had a major positive effect in the Pilbara in retaining temporary teachers who indicated an inclination to leave. It will be a major factor in attracting people to Tom Price in the future. In addition to the permanency that the package offered, we are in the final stages of negotiating a monetary benefit with the State School Teachers Union. Under

the latest proposal, over three years a teacher in Tom Price will receive an additional financial allowance of \$6 830. The union will be submitting that proposal to its membership.

Regarding teacher shortages for specific subjects, the director general referred to the work being done with maths teachers. Other programs are in place specifically in relation to design and technology teachers. We are exploring a range of issues that will cost us more than \$1m in the next year. Apart from those retraining programs, we have been working with 20 potential design and technology teachers, which is probably the area of greatest shortage this year. Another program is being run in relation to technology through which we hope to attract 100 people into a retraining and upskilling program.

With regard to scholarships in physical science, the member may be aware of a recent initiative in the goldfields that we will be seeking to implement elsewhere, depending on how we can work with local communities and organisations. It involves funding trainee teacher practicums in country areas as a result of which we hope that students, having experienced country life, will be less reluctant to nominate themselves for country service. This year, and largely as a result of the demographic changes to which the minister referred, only 15 per cent of graduate numbers have nominated themselves for statewide availability. That is a drastic reduction since eight or nine years ago when 60 per cent made themselves available statewide. There is clearly a challenge for us in reversing that. Other initiatives relate to cadetships and internships, a special needs teacher mentoring country graduate support program and, as I indicated earlier, training for 100 people in technologies.

Mr BARNETT: We will make available the supplementary information on Tom Price and Paraburdoo.

Mr RIEBELING: If I heard Mr Home correctly, only two vacancies exist in the Pilbara region, those being in primary school.

Mr HOME: That is the situation at this time.

Mr RIEBELING: I find that difficult to understand because Paraburdoo High School still has no manual arts teacher. Those schools have given up looking for some teachers. Perhaps they do not appear on your books. Paraburdoo has a high demand for that service, but it no longer exists. If I heard you correctly, the teachers in Tom Price who are teaching maths are maths teachers. That is an improvement on the situation that existed earlier in the year. People leave Tom Price and other inland towns because of the education standards. I am told by people in Tom Price that they still have concerns about the qualifications of the maths teachers. I would appreciate some advice about the extent of their skills.

Mr BARNETT: I am aware of the problem of people leaving regional areas when their children get to high school or upper secondary school. Upgrading in secondary education in the major regional centres is ongoing. It is occurring at the community college at Esperance and the new upper secondary school at Kalgoorlie. It will probably occur at Karratha and Kununurra. That is important. All members of Parliament will agree that people should not have to leave regional areas as a result of educational issues.

Mr RIPPER: In each of the last two Estimates Committees the minister said that the budget was tight and in each financial year the Education budget had over-run. What is the budget over-run in each of the past two financial years? What is the reason for the over-runs? Can the minister assure us that this will not be a problem in this financial year? How have those budget over-runs been financed? Does the Education portfolio have any responsibility to return moneys to Treasury as a result of the budget over-runs?

Mr BARNETT: There has been, if you like, an over-run in Education budgets which has also occurred across the total state budget. In 1994-95 the over-run was \$10.5m; in 1995-96, \$15.1m; in 1996-97, \$15.8; in 1997-98, \$25m; and in 1998-99, \$55.5m. They are Treasury figures and can be interpreted in several ways. In broad terms they are what Treasury regards as the over-runs in the Education budget. Over the past couple of years supplementation of \$50m was credited to the Education Department for 1998-99. That reflects a \$22m over-run in 1997-98 - that is, more was spent than was allocated in the budget. It also reflects the other component of \$28m - to give the total of \$50m - which was the productivity dividend.

In, I think, the 1997-98 budget a productivity dividend was introduced by Treasury so that all government departments would save 1.5 per cent on their operations, which saving would fund other works. That was applied across the budget process. However, it did not properly apply to schools. Schools have rigid staffing formulas. As I said at the beginning, essentially 80 per cent of education funding is spent on salaries, bearing in mind there are 17 500 teachers plus FTEs, in total about 30 000 staff, in various full-time and part-time positions.

The productivity dividend for the Education Department applies to the central administration. It applies to the public sector component of Education, but not to the delivery part within schools. The budget figures Treasury prepared showed a productivity dividend across the Education Department when it should apply only to central administration. The correction of that meant \$28m, the productivity dividend, was credited back to Education rather than being deducted. That is a long way of saying that the true over-run was \$22m for 1997-98 and is estimated to be \$27m for 1998-99. The rest of it is an accounting arrangement relating to the productivity dividend. I am saying that there has been an over-run in expenditure of essentially \$22m for 1997-98 and that for 1998-99 it is in the range of \$27 to \$30m. The rest is the productivity accounting arrangement between Treasury and the Education Department.

[9.30 am]

Mr KOBELKE: Were those two figures for 1997-98 or 1998-99?

Mr BARNETT: The \$22m was the overrun of expenditure in 1997-98. It was supplemented, however, in the 1998-99 budget. Similarly for 1998-99, it is estimated that there will be a \$27m overrun which will be supplemented in next year's budget. Therefore, the overrun occurs but is actually funded in the following year's budget. That creates the confusion.

The overrun this year is \$27m; last year it was \$22m, which is serious, but relative to a budget of \$1.4b, it is reasonably small in percentage terms. It reflects in the main the big boost in programs, particularly in the early childhood area.

Mr RIPPER: It seems that there will be a problem with this year's budget, and the minister's answer only adds to my concern. If in this year's budget money has been allocated, in a sense, to meet overruns from the previous financial year, that is one issue. A second issue is that the budget papers reveal that policy decisions taken since the 1998-99 budget have had an impact on the Education budget for 1999-2000 of \$121.8m. Therefore, decisions that have already been made have added \$121.8m to the expenditure requirements, plus the overrun must be funded, and there is an increase in the budget of only \$91m. It seems as though the Education Department is heading for yet another overrun or some fairly serious measures inside the department.

Mr BARNETT: The Deputy Leader of the Opposition referred to an increase of only \$91m. That is 7 per cent of the budget. Given inflation, that is running at less than -

Mr RIPPER: I compare the \$91m to the \$121m that would be needed to fund the decisions that have already been taken, plus the requirement to fund the overrun from this financial year.

Mr BARNETT: The point I am making is that there is a 7 per cent increase, which is significant. The Deputy Leader of the Opposition may not have heard my earlier comments.

Mr RIPPER: No, I did. I was watching the television monitor.

Mr BARNETT: They reflected the fact that it is retrospectively funding some previous carryovers. In real per capita or real per student terms, this year is a period of no significant or large growth in education spending, and the 7 per cent increase tends to exaggerate the reality of the department - I agree with that - because it is funding some carryover figures. However, it should be borne in mind that the previous three years had been 9.7 per cent, 6.7 per cent and 10.1 per cent. Therefore, there has been a ramping up in a large way of education spending, and in real terms it is levelling off this year. It will be a tight year. It is a significant year because we are due to have a salary renegotiation. With 80 per cent of expenditure going on salaries, I am about to start telling teachers that what will happen this year will be the maintenance of the real gains. We will not see real declines in salaries; we will maintain the increases that have been achieved. However, it is tight, and some savings will need to be made. I will ask the director general to comment on some of the programs.

Mr RIPPER: Each year the minister says it is tight there is an overrun, so "tight" is a bit of a euphemism.

Mr BARNETT: To some extent this year in the budget discussions with Treasury we have cleared the decks. As the Leader of the Opposition may have picked up, there has been somewhat of a dispute about the way the productivity dividends should apply. That has been carried forward and forward. This year it has been settled and the decks have been cleared.

Mr RIPPER: Would the minister say that he has won against Treasury?

Mr BARNETT: No, no-one ever wins against Treasury. However, the director general will speak on how we will try to win.

Ms VARDON: The Deputy Leader of the Opposition asked about the responsibility of the education system to return money to Treasury to fund shortfalls and so forth. Over the past three years we have saved \$61m, which has been useful. For the next financial year and years beyond, I have recently established a committee in the Education Department called an expenditure review committee. That committee, of which people like Mr McCaffrey and Mr Mance are members, is going through every program and every item of expenditure right across the organisation. At the end of that process we will be making recommendations to the minister. We are certainly looking at areas, for example, like subsidies and grants to other organisations outside the Education Department, which could be seen as part of those community service obligations in one sense, but they are certainly areas of expenditure that we need to scrutinise very carefully. We will certainly be looking at central office human resources staff when our new payroll system and human resource management information system are fully integrated and in place.

Mr RIPPER: It might be some time.

Ms VARDON: We are doing well. Now that the restructure with respect to decentralisation is in place, there will be further scrutiny of the overlap in service delivery between central office and district offices. All those ideas will be recommendations to put to the minister. However, at this stage I cannot pre-empt what those final decisions will be.

Mr McCaffrey: The Deputy Leader of the Opposition asked a question about the policy shifts. I understand they are from the forward estimates from last year. Those figures are included in the tables that are presented today, and the comments that the minister was making about the adjustments are reflected in those base figures. I was concerned that perhaps the Deputy Leader of the Opposition was adding those to these figures. They are inclusive, because the figures have been changed in the statements.

Mr RIPPER: To clarify that, to what figure is the \$121m added?

Mr McCaffrey: That would be added to the forward estimates that were presented in the House last year and published. One of the first items in these papers is the local area education planning, which was a decision taken by Cabinet after those papers were presented to Parliament. They are a total cost for a program that goes over three years. They are reflected in the out-years, and much of it is part of the capital program, which is not the area that the minister has been talking about. They are included in these figures, and these published figures reflect the current funding levels as we see them today. Therefore, they are inclusive.

Mr BARNETT: Under local area planning, Treasury has advanced \$15.5m, because much of local area planning is to be funded out of the sales of properties from schools that will be closed. Therefore, advance funding is also brought forward.

Mrs van de KLASHORST: I return to teachers and teaching. I was one of those mature age, married women with two children who went in at 37 years and became a teacher at 39 years, so I can identify with some of the problems associated with teachers going to the country. Fortunately, I lived in the country so I did my country service there.

Mr BARNETT: We would actually like the member to be still teaching; it would be helpful.

Mrs van de KLASHORST: One of the things that was important was housing for families in the country, and also regular trips back home, especially for married women in the bush with their children. A problem for teachers who are stationed further out in the country is professional development. I refer to page 368 of the *Budget Statements*. Under major initiatives for 1999-2000, dot point 5 talks about professional development plans linked to performance management and a Centre for Excellence in Teaching. In this State, there is a problem in getting teachers into the country areas, especially the rural and remote areas. How will teachers in those areas benefit from this Centre for Excellence in Teaching? Are we skewing it in some way to give them some proper development, because that was something most teachers in country schools talked about?

Mr BARNETT: There is a big effort on professional development. Funding for that has increased, and allowances of time to undertake it have increased. The Centre for Excellence in Teaching is only one year old but is proving successful and is getting strong support from both government and non-government school systems. The Curriculum Council of Western Australia is another dimension. It has around \$1m in additional kick-start professional development funding. Professional development is an issue for country teachers. Technology helps a great deal, and that is being developed. I ask the director general to comment on what we are doing.

[9.40 am]

Ms VARDON: The Centre for Excellence in Teaching has made an enormous difference to the access by country teachers to programs to enhance their professional competence. Technology has certainly been helpful in that respect. Significant money has also been put aside for professional development of all teachers across the State under our new curriculum improvement program, and that has been one of the most significant changes in education in Western Australia in the past few years. That is the implementation of the curriculum framework and the issues that go along with that. Performance management of teachers and administrators is one way of identifying some of the gaps in knowledge and information that people need to take up within their professional area. The Centre for Excellence in Teaching ensures that, within those performance management outcomes, it provides the right programs to address those gaps. I am also pleased to say that we now have a centre for leadership which will specifically address the issues of leadership competency for the leaders that we need in our schools for the next century. That includes a big emphasis on improving outcomes for women and Aboriginal people in leadership positions.

Mr RIEBELING: The member was referring to country teachers accessing these programs. I understand that there is insufficient money for travel in the regional budgets to allow the same access that metropolitan teachers have to these programs. It is all right having these development programs, but if all teachers cannot access them it is a disincentive for people to stay bush, because the longer they stay bush the less chance they have of being able to go to the more attractive schools when they want. In fact, at the end of this year we will see a mass exodus of teachers, unfortunately, especially from the inland Pilbara region. The teachers I have spoken to have their bags packed and they will be off.

Ms VARDON: Remember that in our country areas we have very strong district officers and it is the role of those district officers to provide support to teachers, particularly in the area of professional development. The school development grants, which go to schools, have a loading for a distance factor which enables teachers to access money for travel. We have recognised that as a problem and there is that loading factor.

Mr RIEBELING: How much is that?

Ms VARDON: I will ask Mr McCaffrey to comment on that in a moment; however, I will finish with one more point. I do not want the issue of technology to be overlooked in this matter. I can now sit in the Westlink broadcast studio at the School of Isolated and Distance Education and talk to all schools around the State.

Mr RIEBELING: It should not be used as an excuse for not allowing proper access.

Ms VARDON: No. I am making three points to indicate that the access has improved, through district officers, technology and the distance factor loading in the school development grant. That does not mean to say that it is as much as we would like it to be in the ideal world; however, it is certainly enough to hold teachers who want to stay in the country.

Mr McCaffrey: We are currently putting \$6.5m of funds into the school development grant for a number of reasons, of which the travel for professional development is one. The factors that we load are based on the distance from a school to a particular major centre and also from the school to the metropolitan area. Also, a component of the school grants, which goes to the school for general education purposes, has a distance factor for those remoter areas. The other part is that in the remote teaching service there are allowances made for bringing people in and out for professional development purposes.

Mr RIEBELING: How many trips are funded per teacher in Tom Price?

Mr McCaffrey: I could not tell the member that, unfortunately.

Mr RIEBELING: Is it expected that in the development program each teacher will have access to a course annually? If a

person is situated in Applecross Senior High School, can he or she access five courses a year and someone has decided that people in Tom Price can access one, or what?

Ms VARDON: The school principals in Tom Price have control over those budgets and are able to make those decisions on behalf of teachers.

Mr RIEBELING: How many trips per annum per teacher are they funded?

Ms VARDON: We do not fund them for specific numbers of trips; that does not fit with our decentralisation devolution movement. The principals in the schools can make decisions with their teachers about the numbers of trips, if you would like to call it that, or the degree of access to professional development programs for teachers. Principals can move money around from place to place and can access money from the district and central offices; however, as we increasingly move to self-managing schools, it is the responsibility of the principal to decide within his or her budget parameters the degree of access to professional development courses. Mr Home is able to add something more to that.

Mr RIEBELING: When you say the principals are in charge of making those decisions, when one considers that the air fare from Karratha to Perth is \$750 economy and the bus fare from Applecross to Perth is \$2, there is a major difference in the ability to access those courses. I want to know the extent of the ability of principals to make proper decisions that allow our teachers to be properly trained in the bush, not whether they can stop all teaching and send everyone off on a course. The cost outweighs the merit of doing that. My understanding is that the amount of money given does not allow access.

Ms VARDON: I will add to that and ask Mr Home also to respond. Not all professional development occurs in Perth.

Mr RIEBELING: Most of it does.

Ms VARDON: For example, in our technology professional development course we have a person on contract who moves around country areas. Our aim has been to provide teachers with access to professional development in country areas. The constant flow to Perth, thinking that is the be-all and end-all of professional development, has been counterproductive. There is technology, the role of the district officers, the money in the school development grants and the fact that we now send people out into the country rather than bringing people in to regional areas.

Mr HOME: The funding in the country incentives package which I referred to earlier, negotiated with the State School Teachers Union, and largely as a consequence of submissions made by a number of people in the Pilbara, can be used for professional development. That proposal has been specifically structured so that people can access those funds to attend approved professional development opportunities. Therefore, at the specific request of teachers themselves, rather than that money just being paid in one form or another, we have tried to accommodate their expressed wish to be able to use that money for professional development purposes.

Mr RIEBELING: Are you saying that the incentive package to stay in the bush can be used for personal training?

Mr HOME: That is right.

Mr RIEBELING: I thought an incentive package in relation to salary was to improve how much money one got in one's pocket.

Mr HOME: Perhaps that question should be put to the teachers union. It was at their request that we put it in the proposal. From my understanding the union was lobbied by its members and consulted with its membership over the matter.

Mr RIEBELING: Are you saying that teachers have to pay for it out of their incentive package?

Mr BARNETT: No, the country incentives package has a direct monetary component and professional development and career promotion components to it. It is a comprehensive package, not all just cash.

The CHAIRMAN: As I did not realise that the member for Burrup's quick supplementary question would develop as it did, I will give some latitude to the member for Collie, who wants to ask a question on the same matter.

Dr TURNBULL: Does the funding to district officers to provide assistance for professional development for teachers in country areas, in what would be considered the south west statistical division, include travel costs for people in areas such as south of Carnarvon and west of Kalgoorlie?

[9.50 am]

Ms VARDON: Yes, it does, and I will give an example. When consultants or people with expertise provide professional development in country areas, the total cost of that package is presented in a way that always takes into account the travel costs. We are very conscious of the travel costs of teachers, and others, in Western Australia for professional development, hence the move, apart from technology, which I have mentioned a number of times, to take individuals into the country to provide professional development rather than constantly bring people into the metropolitan area at great expense.

Dr TURNBULL: The development of information technology must not be used to supplement teaching only in the bush which is treated as second best, but also in the metropolitan area because, as you well know, enormous costs are involved in conducting professional development days in a centralised area. Those costs are not just for individual teachers in the metropolitan area but also for the people who conduct those days. Are you looking at the possibility that it may be far more cost effective to use IT to provide professional development for teachers in Ardress or Midland than to conduct professional development days as a centralised activity?



Ms VARDON: Yes. We use technology for schools not only in remote areas but also for schools in other areas of Western Australia. I have just been reminded that a focus for professional development is the school development days, when we can provide professional development to whole school groups or whole school clusters.

Dr CONSTABLE: The second dot at page 366 refers to the national literacy benchmarks testing for year 3 students. The results that have been reported are quite disturbing. Is it possible to give a gender breakdown of the figures for Aboriginal students?

Mr JARVIS: I do not have a gender breakdown, but I can supply that information to you.

Dr CONSTABLE: Can you supply that information also for children with English as a second language?

Mr JARVIS: Yes.

Dr CONSTABLE: The figures indicate that the percentage of Aboriginal children who either met or exceeded the benchmark was 33 per cent for reading, 39 per cent for writing and 47 per cent for spelling. I can understand the reasons for results like that, but I regard it as a crisis in education. What special effort is being made and what special funding is provided in this budget to try to improve those figures for Aboriginal children?

Mr BARNETT: I would not use the word "crisis", in the sense that this is not new; these figures probably reflect what has always been the situation. The level of literacy achievement among many Aboriginal children is low. Indeed, there is a literacy problem across the general school population. While there has been a lot of controversy about the setting of the benchmarks and the assessment against those benchmarks, the challenge that is confronting the community is the need to improve literacy standards in our schools. That need has now been taken on at both the federal and state levels. Some qualifications can be made to those results, and I will ask the director general to comment, because this is an area in which she has taken a particular interest. Some of the issues are the cultural suitability of the test, and the way it was structured in this State. Other States tended to have an easier set of questions leading up to the assessment. The assessment in this State tended to hit kids pretty hard front on. I am not making an excuse for the results, but there were some problems in the way the assessment was done. Nevertheless, everyone acknowledges that the literacy issue must be addressed, particularly among Aboriginal children.

Dr CONSTABLE: How are you addressing it?

Ms VARDON: Specific programs are in place for Aboriginal children, particularly in the early years. We have with us today Mr Ken Wyatt, the Director of Aboriginal Education, and Ms Jayne Johnston, the head of the education programs area, and they will also make some comments. The most important area that we can tackle to improve the literacy of Aboriginal children is to improve retention rates at both the lower and upper ends of schooling. The need to encourage Aboriginal children to come to school, to stay at school and to undertake literacy programs is very much at the forefront of our efforts. The low retention rate for Aboriginal children is the main reason they are falling behind in literacy standards in both country and remote areas.

Dr CONSTABLE: Are you talking about the retention rate of year 3 students?

Ms VARDON: Yes.

Dr CONSTABLE: Can we have some hard data on that?

Ms VARDON: We can certainly provide those figures. The only way to teach young children to read, write and spell is to have them consistently stay at school and learn. The retention rates of Aboriginal children in the early years across the State, particularly in remote and rural areas, is a problem. Allied with that are health issues. The programs in place for Aboriginal children relate to what we call the literacy net for very young children, which is a specific literacy program. It relates to the use by Aboriginal children of technology in schools, which is an excellent way of improving literacy results. Programs are in place to recognise the home languages of Aboriginal children and the difficulties they have with literacy. Overall, if we measure the literacy rates of year 3 students across Western Australia using one benchmark, without recognising the differences, we will be unfair to some groups of children. It is important to disaggregate the Aboriginal children's figures and explain why there are some difficulties. I will ask Mr Wyatt to talk about his work with Aboriginal children, because there is much to be proud of.

Mr BARNETT: There is, as you will be aware, a retention issue, which I find alarming, between preprimary and year 1. That is how basic the problem is. There is also an attendance issue. Aboriginal children comprise about 5 per cent of the student population but account for about 30 per cent of absenteeism. The first task is to get them to school, and that is not easy, for a host of reasons that go beyond the capacity of the education system alone.

Dr CONSTABLE: Everything the director general just said I was saying when I was lecturing students 25 years ago, and the frustration is that it appears that not much has changed since then. I did ask earlier for some dollar numbers for what you are doing. Is more money allocated in this budget than was allocated last year and the year before that, because extra teachers, and a range of other things, are important, but you cannot provide that without spending more money?

[10.00 am]

Mr BARNETT: Over the decade of the 1990s, around \$500m has been spent on the education of Aboriginal children. In a proportionate sense, that is well above the average. The frustration is that, despite all that effort and commitment, we have not achieved the advances we desired. That is the reality.

Mr WYATT: These issues were raised in the task force on Aboriginal social justice and in the Royal Commission into Aboriginal Deaths in Custody reports. To that end, the department has implemented a number of initiatives that address a raft of underlying issues that impact on Aboriginal children, their caregivers and their parents. The range of initiatives designed to make schools much more user friendly for our people includes the provision of Aboriginal cultural awareness programs for teachers so there is a better understanding of those factors that have an impact. We are also looking at the pedagogical issues about which Aboriginal children appear to display some variation, although it is not significant. In addition, Aboriginal studies programs have been introduced. We have a timetable for implementing those programs across all districts and we hope and expect that all schools will be delivering Aboriginal studies units by 2002. That has commenced with significant effort.

The strategy for students at educational risk picks up key issues such as the effect of otitis media. We know that the impact of impaired hearing as a result of ear infections has been a significant factor in the acquisition of literacy and language skills. A CD-ROM has been developed for teachers, parents and students to assist in this area. Professional development is occurring and has occurred over the past 12 months and the issue will be emphasised over the next two years.

Non-attendance at schools is brought about by a number of factors such as transience in some of the more remote communities. It is also an issue in the metropolitan area. Engaging children and encouraging parental support is another thrust we are investigating. It is necessary to involve parents in the partnership. There is some reluctance on the part of parents to become involved with schools, although that has changed in the past 18 to 24 months. Other initiatives include encouraging parents as partners and parental involvement in decision-making structures with the establishment of district councils and Aboriginal student support and parent awareness programs.

Addressing literacy and numeracy is not simple. It is a complex issue that relates to underlying factors such as health, housing and community service infrastructure. It requires a whole-of-government approach. Many Aboriginal staff and senior officers of the department are involved in this process. We are looking at how we should address those issues to provide the access and opportunities which parents are comfortable with and which meet their essential needs so that children attend school.

The member referred to the past figures and historical aspects. The significant prevailing aspect is the concerted effort by commonwealth, state and territory Governments. All Governments are now committed to national initiatives to address attendance, self-esteem and self worth. The implementation of those initiatives will ensure a turnaround. We have achieved some positive results in this area in the past. However, the magnitude of the commitment is significant to move our children to levels at which they achieve the outcomes they desire. It requires time and a greater involvement by and partnership between Aboriginal students and parents in the processes of education.

Dr CONSTABLE: The minister agreed to provide some information. I asked for a gender breakdown of the results in the literacy test for Aboriginal children and children with English as a second language.

Mr BARNETT: We will provide that as supplementary information.

Mr RIPPER: The minister mentioned that getting Aboriginal children to school and having them stay there is basic to improving results. What funding is provided in this budget for before-school programs to encourage the attendance of Aboriginal children? While I was in Newman recently the community was bemoaning the loss of a program that involved bussing Aboriginal children to school, showering them and giving them breakfast. It was very successful in encouraging Aboriginal children to attend school. Now the Shire of East Pilbara is complaining about truancy in the town, and I imagine there is an Aboriginal component to that. What is the Government providing in this budget for these special before-school programs that encourage attendance? How much is provided in this budget and how many staff will be employed to enforce compulsory school attendance? I do not believe that enforcing that law is the responsibility of any one person in Newman.

Mr BARNETT: While the department undertakes that role, and it varies from school to school, other agencies are often involved.

Mr WYATT: A number of those programs were initiated using commonwealth funding through the Aboriginal student support and parent awareness program or the vocational educational grants and assistance program. In addition, the department ran a community development program through the Aboriginal Affairs Department that involved communities accessing funding to establish programs. The combination of state and commonwealth funds provided those opportunities. More recently we have established truancy programs. We have worked with Aboriginal communities and schools to bring Aboriginal children back to school. If children are seen absenting themselves from school, a patrol picks them up, notifies their parents and takes them to school. That is an evolving initiative and it has had some positive outcomes. Many of the breakfast initiatives are school based and are determined by the level of funding available. There is an increasing demand from schools that would like to provide that opportunity. We are providing school-based funds that will allow schools to make decisions at the local level about what they provide inside and outside the classroom.

Mr BARNETT: The position of Aboriginal education workers has been substantially enhanced in schools in terms of numbers and participation. In addition, a career path has been established so that people recruited into that role can be involved in professional development.

Mr WYATT: The department employs 285 school-based Aboriginal education workers. District Aboriginal liaison officers interface between the Aboriginal community and schools. In more recent times, level 5 coordinators have been appointed for Aboriginal education. The ALOs and the level 5 coordinators work very closely with schools and communities to address attendance and participation. In addition, they move forward the key planks of the Aboriginal education operation plan for improved education and social outcomes.

Mr RIPPER: I do not think the minister has answered my questions. How much money is allocated in this budget for these before-school programs? How much is allocated for people whose specific task is to enforce compulsory education?

Mr BARNETT: That is a major role for Aboriginal education workers. Whether we can provide a figure now, I am not sure.

Mr RIPPER: Their role is in schools. What about truancy or welfare officers?

Mr BARNETT: As the member knows, the Aboriginal education workers spend a lot of time with families and encouraging children to attend school. They do an enormous amount of work in and around the school.

[10.10 am]

Mr FRIZZELL: The member's concern appears to be about the responsibility for attendance and truancy. That very clearly is a school responsibility; it is taken up at the school level. Principals are very clear, as are other school administrators, that they have a responsibility to ensure that children attend school. That has been a very strong push with district directors over the past few years. Hence, some very significant gains have been made in reducing truancy. In addition, 14 welfare officers have specific statutory powers to bring children back to school and to work with parents and community members. That is their sole role; they work across the State with both metropolitan and country responsibilities. Added to that is the current Safer WA initiative in which the Education Department is a significant partner. One of the major programs of Safer WA is the reduction of truancy. I am currently representing the director general in that area. I am pleased to be able to say that enormous initiatives and improvements are being made interagency at the local level. In order to address this problem, the responsibility should be shared by agencies. It is not only a school problem. It is a primary responsibility of ours to have kids at school, but significant gains have been made already through the Safer WA interagency programs and that is the major feature of the program.

Mr KOBELKE: Referring to the costs of supplying education and support services and the minister's comments on the productivity dividend, the budget papers do not cover administrative and support staff and their costs at central office, at district level and in specialist services. They are all lumped into one division. We were discussing Aboriginal liaison officers a moment ago. For the purposes of the budget, they must be put into primary education or partly into secondary education.

Mr BARNETT: Your earlier question referred to on-costs. I have a view on what are on-costs. There is a difference between on-costs and overheads. You were talking about on-costs before and we are now talking about overheads.

Mr KOBELKE: I am not referring to that discussion. This is a different point altogether. How do you include in the outputs 1 to 7 those people who clearly cover many of those areas, such as central staff in Royal Street? How can we gauge some measure of the input to education of those people when all the information is put into the division which relates to schools?

Mr BARNETT: There are a number of ways one could look at that. The vast majority of money is expended in schools themselves. The cost per student varies dramatically according to a number of criteria, which cover children with disabilities, those in the country and in the city and so on. All those figures, which are available, provide some surprising information.

Mr McCaffrey: The outputs are constructed on an outcome basis while we are going that way. For example, we are spreading corporate services across the outputs because it is not possible to identify infinitely the contribution made by central office people to a particular output in a particular educational category.

Mr KOBELKE: Do you have a standard formula which you apply to these seven output areas of general overheads?

Mr McCaffrey: Yes, we work it on the proportion of students in schools and the type of schools. The corporate services part would probably represent about 1 660 FTEs. We spread them proportionately across all of the output categories.

Mr KOBELKE: Whether 1 660 FTEs or whatever other figure you think more appropriate, minister, can you give us a breakdown of the number of staff and the cost on a year basis for 1997-98, 1998-99 and 1999-2000? Will you give the number of FTEs who are not involved in the direct teaching of students?

Mr BARNETT: We will provide as supplementary information the number of FTEs in schools and central office and in district offices for those years.

This is a slightly different point but I think it is relevant. To some extent these may be surprising figures. The cost per student across the system varies quite dramatically according to a number of criteria. In preprimary education the cost per student is \$6 475; in primary education \$5 397; in secondary education \$7 186; in residential and agricultural college education \$33 690; in isolated and distance education \$16 628; in education support \$22 524; and in senior college education \$16 848. That gives a range from \$5 397 to \$33 690 according to the circumstances of the student. The geography of the State also plays a role. I suggest that we probably have a wider disparity of cost structures than any other State for all sorts of fairly obvious reasons.

Mr KOBELKE: I have quickly tallied up the number of student FTEs and the number of staff FTEs which you have given for those years. There seems to be an understandable pattern except in secondary education, where there is no change in the number of student FTEs in the two years shown in the budget papers but there is an increase in staff of 81. Is there some explanation for that?

Mr BARNETT: I would imagine that part of the explanation for that would be the increased choice offered to students with more subjects being made available. Although the student numbers might not increase, by widening the curriculum and the

options, staffing requirements would certainly increase. In particular, the expansion of vocational programs requires more staff. There is a demographic factor. Although there is pressure to expand and provide new facilities in growing areas, one finds in reality that the average class size in many inner city and long-established schools is very small. We are finding a drift as the educational needs drift into the growing areas. The ratio of staff to students inadvertently rises in some of the older areas.

Mr HOME: A number of factors are involved. Under the local area planning initiative, as you would be aware, a commitment has been given to overstaff a number of schools. Schools like Kewdale and Scarborough have been overstaffed, as it were, against the staffing formula in order that programs can be maintained in the final years of the operation of those schools.

Mr KOBELKE: Is that increased staffing yet to be put in place? These documents give the estimates for 1998-99 and 1999-2000 and show an increase of 81 staff between those two years.

Mr HOME: That overstaffing has been in place since the beginning of this year. From January those schools have been overstaffed in comparison with the formula.

Mr KOBELKE: That would be in the 1998-99 year. If the staff are already there, they are not the 81 that I am talking about. The columns of output show the 1998-99 estimate and the 1999-2000 target. There is a targeted increase of 81 FTEs in secondary education, who are not there already but targeted for the next financial year, which is the second half of this school year and the first part of the next school year.

[10.20 am]

Mr McCAFFREY: Part of the answer is that this results from the fact that in 1998-99, as we started at the beginning of the school year, only four and a half months worth of teachers' salaries was included. The 1999-2000 budget contains a full-year impact on the salaries carried forward. A disparity can arise because of the differences in the proportion.

Mr KOBELKE: I assume that salaries are used to calculate back to staff numbers.

Mr McCAFFREY: Yes. It is exactly the same.

Dr TURNBULL: I refer to the cost of attracting and retaining teachers in country areas. I refer not to the remote teacher package, but to teachers in other country areas. As the minister is aware, a big change has occurred in the attitude of many people in both the metropolitan area and those already in country schools regarding their willingness to move to the country or stay in the country since the Commission for Equal Opportunity ruling. Does the minister have any plans to attract and retain teachers in those country areas through methods other than the offer that they will have a priority advantage in employment upon returning to metropolitan schools?

Mr BARNETT: I mentioned before some of the factors which have made staffing more difficult, particularly in country schools, with demographics and the like. The member referred to the Commission for Equal Opportunity's decision which has compounded the problem. I have had discussions, as have staff from the department, with the Commissioner for Equal Opportunity as that decision has had a severe impact. People now hesitate to take up country appointments as a result of fear that they will be left in country areas, particularly if a remote area is involved. That situation can become a crisis. We are considering a number of ways to counteract that difficulty. We are exploring whether a legislative solution may be possible. It will be interesting to know whether bipartisan support will be offered to legislate to return to a forced transfer system; that is, something like schemes the Police Service and other agencies operate. It will be explored. It is an ongoing problem and that may be the solution.

Mr RIPPER: Does the minister want to amend the School Education Bill to that effect?

Mr BARNETT: No. All the incentives and other attractions offered to teachers have been effective with 85 per cent of temporary teachers staying on this year as a result of the offer of permanence. We have reduced turnover dramatically in a number of schools. Despite that, a legislative solution ultimately may be required.

Dr TURNBULL: In the interim, does the minister see an extra financial incentive as a possibility for areas other than remote areas?

Mr BARNETT: The feedback we receive from teachers indicates that career incentives are probably more important than financial incentives. Also, aspects like housing can be a major inhibitor to attracting and retaining staff. As the member is aware, some 300 additional housing units are to be built through the Government Employees Housing Authority particularly for teachers. These will be single, two-bedroom units so teachers can avoid sharing. We are considering some pilot programs in which local shires develop housing, which the Government would guarantee to rent back. Local bodies would take responsibility for providing high-quality housing. For example, a small town in the wheatbelt might be able to do something special in housing to make it an attractive place for teachers, and the Government can then protect that local authority from financial risk for doing that little extra. Many things need to happen.

Ms VARDON: While we wait for legislative change, the Director General of Education has the power to transfer people back to the city in certain circumstances which are carefully met. That helps to ameliorate some parts of the issue. Also, schools have the capacity to locally merit select staff also. Therefore, people in the country have access to city locations through the merit selection process.

Mr HOME: Anecdotally, professional rewards are more of an influence on teachers' attraction to country areas than money. Notwithstanding that, it is difficult to staff some schools which are not in the normal remote category. Such schools are in

places like Northam and the Narrogin district. They will be eligible for a financial component under the difficult-to-staff initiative, which commenced this year, but for which the remuneration element has not yet been resolved. That will have some influence. Regular dialogue has been maintained with the professional associations which have reflected concerns the member for Collie raised about the inability of school administrators to be able to transfer back to Perth, as was done in the past. In the absence of any legislative change, we must do a balancing act to try to meet compassionate and other circumstances without running foul of the tenor of the tribunal ruling. We will continue discussions to ensure we do not overstep the mark.

Dr TURNBULL: Do the minister and the director general see merit in introducing a system for teachers which is similar to one for medical students; that is, the provision of assistance during their tertiary education training in return for a commitment to students from the country to return to the country upon graduation?

Mr BARNETT: Some things are being done in that regard. We are negotiating with the faculty of education to reintroduce country practical training. It started in the goldfields a few weeks ago with the support of the local community, particularly the mining industry. We have also introduced a scholarship program, which started with 30 students and will eventually extend to 40 or 50 students a year. This effectively picks up the cost of education in the higher education contribution scheme. As a component of that program, we have targeted initially young Aboriginal students for obvious reasons. We are targeting young people living in country areas on the basis that they will be given scholarships if they return to country areas upon graduation. Those things are happening. Limitations apply to putting indentures and the like on such arrangements as federal and state arrangements make it virtually impossible to recreate the old scholarship and cadetship schemes.

Dr TURNBULL: The medical school scheme is starting to pay off. It is a long-term measure and has been in operation for seven or eight years. Definitely, people who were raised in the country have far more commitment to returning to the country to deliver services. They need encouragement.

Ms VARDON: One initiative which has worked very well over the years in a number of States and which we will shortly put in place is the face-to-face method of recruitment. This involves a number of teams of people, comprising those who have taught in the country; namely, teachers and principals who are enthusiastic about country lifestyles and teaching country kids, and who can communicate that enthusiasm. Soon those teams will move around high schools to talk to students about the joys of country teaching and the impact it can have on their lives. It is designed to raise the enthusiasm, motivation and awareness of the fun one can have teaching in the country. The teams will also target would-be graduates next year. Members of the team talk face to face to students about how they will benefit from teaching in the country in a range of ways. Our young people and not so young people coming out of universities miss an understanding of country life and the benefits to careers which can arise from that experience. Also, the notion of service to country communities has slipped a bit over the years. I would like to see that return. We are concentrating on that communication of enthusiasm. I got into teaching in the first place a very long time ago because someone got me enthused. I am sure that applies to a number of people here with me today. That program of public relations and selling country teaching will have a great impact on next year's staffing.

[10.30 am]

Mr BARNETT: The Rural and Remote Education Training Council is looking at a cross-sector and cross-system way of developing a plan to improve all respects of rural education.

The CHAIRMAN: This committee is different from many in that every member is keen to ask questions. In order to make it easier for members as well as for me I will rotate questions in the order in which members have already been given the call. If members do not want to take the call they can pass it on to the next person.

Mr TUBBY: My concern with remote and country area teaching relates to promotional opportunities. How many promotional positions in country and remote area schools have been unable to be substantively filled for this year? I see this as a growing problem. Recently I was talking to a school principal who came in from a remote area, a predominantly Aboriginal school. He said that his experience of the past four years had no relevance whatever to the position he is now filling. I am concerned it will get more and more difficult for principals and heads of departments to move in from remote area schools, because of the merit selection process in the local area scheme. They are at a distinct disadvantage to other principals, heads of departments or whatever in the selection process when they state their experience over the past four years and it does not relate to the school to which they wish to transfer.

The second point is that if we go back 15 years, parents were willing for their children to attend high school at somewhere like Newman, for instance. That was because the population of the school was low, and the number of heads of departments in those schools was high when compared with large schools in the metropolitan area. Those heads of department had almost a full teaching load because of the population of the school. The chances of students, particularly if they were doing TEE courses, being taught by heads of departments and qualified, experienced, competent teachers throughout high school was high. It was much higher than in a large metropolitan school in which the heads of departments in many cases were not able to teach the same range of students or classes in proportion to the size of the school. That also affects the educational opportunities, particularly of TEE students in those remote schools. It affects not only the career opportunities of people moving from country schools back into more suitable areas, but also the quality of education offered, particularly in senior high schools in remote areas. What is the Government doing about that?

Ms VARDON: We are aware of the issue of choosing school leaders who demonstrate a range of competencies. We are moving away from the narrow definition of merit selection. We talked about choosing senior administrators by merit. The notion of merit traditionally has encompassed years of service in particular locations and seniority. In looking at merit as

a more inclusive definition, issues such as the community work done by senior people in country areas, perhaps with Aboriginal communities and with communities that are difficult or isolated in one way or another, must be interpreted as part of the merit selection process. We must be able to see how that engagement in the country translates into work in the city. It is a broader definition of merit. We are working on that in the notion of competencies for leaders. The important competencies relate to the way individuals work with and manage people. It is not so much to do with location. Breadth of experience in dealing with a range of individuals and communities can be gained in the country as well as in the city. In terms of heads of departments and stability, we are increasingly seeing our principals and school leaders redesigning school profiles to meet school community needs. We will have fewer traditional heads of departments in the future. That subject-specific and learning-area-specific position in the school is perhaps counterproductive in the range of experiences and competencies we want senior people to have. We are now looking at program coordinators and people whose expertise is across a range of learning areas. That enables more flexibility, access and experiences on people's resumes to give them a better chance in the selection process. The whole system is opening up to broader definitions of merit and expertise.

Mr HOME: My understanding is that the number of positions that have been left substantively unfilled is relatively small. I would need to take that question on notice to check the heads of department position. I do not believe it is a large number. The perception of how this tribunal decision will affect people differs from reality. We do not know what the reality is yet. In the recent round of promotions five of 11 appointments as principal were to people who won those promotions to city schools from country schools. In reality we will see the skills and competencies that people require in those country schools recognised and rewarded through promotion.

Mr TUBBY: Will that continue to happen with parent input into the selection of principals?

Ms VARDON: That is a two-edged sword. It is important to have parental participation in the selection of school leaders and administrators. However, it is important also that they do not have the last say. In my experience of working in schools in country areas of Victoria where some years ago parents had total choice of principal, the person they chose more often than not was somebody who was good at football and could be a member of the local football team. That is discriminatory. Our previous system has been discriminatory in terms of choosing the best people and choosing from the range of people open to us. Seventy per cent of our work force is female and by and large women have been excluded for a range of reasons to do with the structural nature of discrimination from leadership positions. That is now changing.

The CHAIRMAN: Although the member for Thornlie is not a member of the committee I am happy to give her the call if her question is a one-off. However, in fairness to committee members, because there is a lot of interest in this committee I ask whether one of the members could yield to her, and the member for Thornlie sign the form and take over from them.

Ms McHALE: I thought I was a member of the committee, so I will look at that. I have a number of issues that deal with Aboriginal education. On page 369 reference is made of the intention to devolve the funding for Aboriginal education to schools. How much funding will be devolved and what accountability mechanisms will be established?

[10.40 am]

Ms VARDON: The major policy direction of the system, not only in Aboriginal education, has been towards giving schools more responsibility for managing funds within guidelines and parameters and to decentralise or devolve education funding for schools. The issue at stake is that school principals, school leaders, with their district officers and parents as support, are best placed to design programs and make decisions for their school communities and the young people in those communities. Aboriginal education is a top priority and we must put even greater effort into it, as well as devolving funds to schools. Within the central office, along with other changes to other structures recently, the Aboriginal education section under the leadership of Ken Wyatt has been placed within the office of the Director General and the Deputy Director General to highlight its importance. In addition, we have separated policy from operations. We are now seeing that our district service centres for state service centres are best placed in district offices where they are closer to the work. The function and responsibility of the central office part of the Aboriginal education effort certainly focuses on strategy and policy, but it relates very closely through various liaison mechanisms to the work that is done in district offices and in schools. Changes in Aboriginal education reflect the changes across the organisation in terms of devolution.

Ms McHALE: Has somebody found the answer to my question? I want to know how much money is being devolved from the 1998-99 budget to the 1999-2000 budget in accordance with that statement on page 369.

Mr WYATT: On the basis of the figures, about \$1.9m has been established for the gateway for the grants to go to schools and an accountability resource agreement has been put in place for those.

Ms McHALE: This states that Aboriginal education funding will be devolved, so it suggests that money which has been used in the past financial year for Aboriginal education is now to be devolved to schools. It states "including \$2m", so I am expecting the amount to be larger than that; is that not the case?

Mr WYATT: No; it is the allocated \$2m, but that is in addition to other grants that are made for the professional development of Aboriginal and islander education workers and grants to Aboriginal pre-schools to meet recurrent costs for consumables, and then funding is allocated in respect of professional development that is devolved in districts which impacts on school initiatives.

Ms McHALE: We are not talking about the Aboriginal students support and parent awareness program or the Aboriginal education grants which are already devolved to schools; we are talking about something else. How much is that something else; is that the \$2m?

Mr WYATT: That is the \$2m. ASSPA committees are funded through the Commonwealth.

Ms McHALE: Minister, you will be focusing on Aboriginal suicide. Can you tell me what "focusing" means and how much money has been allocated to Aboriginal and youth suicide? Are you focusing or giving recognition to the gay and lesbian element of youth suicide which is also an issue in Aboriginal and youth suicide?

Mr BARNETT: That issue is obviously very important and involves a number of agencies and community based groups. The Education Department has a clear role to play.

Ms McHALE: I am looking specifically at page 368; it says a focus will be made.

Mr WYATT: A leadership program is in place that has been part of our budget on an ongoing basis, but the focus will be on looking at addressing youth suicide with other agencies. That will involve programs for Aboriginal liaison officers who play a significant role. In recent times, particularly in Carnarvon, the ALO was the key body that worked with the Aboriginal families and identified the issues and then involved student service support structures. Part of what evolved from that was it became clear the level of training provided in the past was not sufficient, so training programs will be set up for ALOs and AIEWs to identify work with families and youth so the number of Aboriginal and youth suicides is reduced.

Ms McHALE: What are the retention rates for Aboriginal students at the end of years 7 and 12?

Mr BARNETT: We previously had some discussion about retention rates.

Mr WYATT: In 1997 the attendance rate for Aboriginal students was 70 per cent. In 1998, the actual outcome was 90 per cent for preschools. For primary schools, in 1997 the figure was 84 per cent and in 1998 it was 86 per cent, an increase of 2 per cent. In terms of compulsory secondary education, 81 per cent of Aboriginal students attended in 1997; in 1998, the actual outcome was 79 per cent, a decrease of 2 per cent. In terms of apparent retention rates, I can provide the figures only for 1996-97 because we are currently working on the figures for this round. However, there are two peak points at which there is a fluctuation in apparent retention rates. Those points are at year levels 3 and 4 and in the transition from years 7 to 8. To that extent some of the discussions with respect to middle schooling may impact and could be a factor that alters the position.

In terms of outcomes for secondary graduation, we have maintained our figures because a variation occurred between the definition and certification for secondary graduation, although the number of TEE students was 12, which is an increase. We are now seeing a greater number of students being held within secondary school programs. The students also have the choice to go into TAFE pathways because they see viable options that lead to employment in the workplace. This also dovetails with the community development employment programs, so there is a mix and match in terms of access to education and training.

Ms McHALE: Minister, is it possible for you to provide by supplementary information the retention rates for those years from preprimary to primary, and the retention rate at years 7 and 12?

Mr BARNETT: Yes, we will provide detailed information on retention rates through the years for Aboriginal children.

The CHAIRMAN (Mr Barron-Sullivan): Is it possible to provide additional information about Aboriginal children in the Bunbury area, specifically to see what sort of impact it is having in that area.

Mr BARNETT: That is possible.

*Sitting suspended from 10.50 to 11.00 am*

Mrs van de KLASHORST: I refer to page 366 of the *Budget Statements* and the new policy on student behaviour management which has been released. I would like to know what it involves. I am concerned that it provides for sanctions such as the suspension or exclusion of students. Those students who are excluded often end up on the streets, are not supervised by their parents and become criminals. What is involved in the student behaviour management, and is there any provision to supervise these suspended or excluded students or ensure that they are looked after so that they are not running wild on the streets and stealing? There is empirical evidence in the Midland area that this has happened. A few years ago when I was teaching at a school in Mt Helena, on the day that two boys were suspended from school half a dozen bicycles went missing from local houses. Their parents were working, they were in the middle of the bush and there was no-one to supervise those children once they had been suspended. I do not agree with suspension or exclusion of students but if it is done, the students should continue to come to the school.

[11.10 am]

Mr BARNETT: Suspensions and exclusions from school are the last resort after a range of other behavioural and remedial strategies have been put in place or have been tried and failed. Part of the criteria considered is the continuing education of children who have been excluded. Another aspect - perhaps you were not suggesting this - is that there is often a view in the community that children who are not attending school are the source of crime. I do not deny for a moment that children who are absent from school may be involved in misdemeanours around the community. If you talk to police officers, they will tell you that it is true that 80 per cent of crime occurs during daytime hours. People often jump to the conclusion that the crimes are committed by children who should be at school. Again, if you talk to police, you find that the reality is that that age group comprises 16 or 17 year olds through to those in their early twenties. They are generally adolescents who have left school or are not going through years 11 and 12. I am not being overly sensitive, but I am conscious that crime is often attributed to school students. I hope you were not suggesting that. At the same time, I do not deny there are individual young brats who should be in school and who are getting into trouble. However, the assertion should not be made that crime is due to students not attending school. That can be a casual assumption which is erroneous, and it is certainly not put out by police.

Ms VARDON: The school behaviour management policy is based on a range of pilots and trials. It is essentially about getting our young children in schools to recognise their behaviour and to take responsibility for it, and experience the consequences of that. The strategy was developed with a great deal of input from psychologists and people who have a good understanding of that cascade way of dealing with poor behaviour. As the minister said, exclusions are the last resort. In terms of what happens to young people when they are outside school, one system is to trial a method by which young people who are excluded or suspended can attend a youth centre and participate in learning programs with youth workers and teachers. We expect our young people who have been excluded to participate in distance education; that is one means of keeping them busy and occupied. It is important for us to recognise the issue of supervision. The way in which children take responsibility for their actions, the way in which those actions are identified and talked about and the consequence they experience in schools is instrumental in keeping our suspension rates to a reasonable load. I am very satisfied with the results that that program is having at this stage, and so are the young people. One of the constant complaints I received from students in the past is, "Why don't you do something about the others who are mucking up so we can get on with our learning?" Our behaviour management strategy focuses on creating that safe, sensible learning environment for all students.

Ms LUCAS: This year we are asking schools to review their behaviour management plans in the light of the department's behaviour management policy, and to set up a sensible way of managing student behaviour that is idiosyncratic to the needs of the students in those schools. We are also putting in money for retention and participation through districts into schools to set up programs to attract young students back into the school and to make them engage in the educational program. It must be a whole-school approach to the behaviour management of the students in those schools. We are asking schools to come up with some collaborative problem-solving approaches to individual student behaviour that might be a cause for concern, but in the light of their whole-school policy for behaviour management.

Mrs van de KLASHORST: I know what is happening in schools because I was a major party to the managing student behaviour course, and I presume this is much the same. It occurs when a child is suspended from school and is sent home and there is no parent at home and no supervision. These kids would not be suspended if they were not problem children. I know they are out there committing crimes; not every child, but the ones who have been suspended are now out in the community committing crimes. Does the Education Department have some sort of policy to suspend them, but keep them at the school so they can be supervised?

Ms VARDON: It is possible to do that in some circumstances, but parents have a role in the upbringing of their children. Parents are always notified when their children are suspended. Unexplained absences are also the responsibility of the parent. When one of my children was suspended constantly and I was at work, I made sure that I knew where he was and what he was doing. I got him back into school as soon as possible. Parents do take that responsibility and only a small number of these children commit crimes. That problem has been overstated and, as the minister has said, those children older than the compulsory age can be problematic sometimes in terms of criminal behaviour. However, the schools take great responsibility in tracking these students and getting their parents to take responsibility. That is the great thrust of the behaviour management policy. Parents must know where their children are. If their children cannot fit into the school environment, they are part of the planning we must do to make alternative arrangements for the care of those children.

Mrs van de KLASHORST: If, for example, you had suspended a year 7 child from a primary school, and there was no parent at home or it was a single parent in the back blocks of Wooroloo, Gidgegannup or Mt Helena, would the school take that responsibility, or do you pass it to the parent?

Ms VARDON: If we knew that the family did not exist or, for one reason or another, was not capable of taking that responsibility, we would not put that child at risk. We will not turf out a small child and say, "Fend for yourself." Schools can do things to take account of that.

Ms LUCAS: My experience as a principal was that the primary schools are very conscious of that risk to a child. As a principal, if I had to suspend a child, and that was rare, I would ring the parent to ascertain whether someone would be at home. If that is not possible, a school can implement an in-school suspension. I used to do that, and the child was supervised in a room next to my office. Many schools use in-school suspension.

Mrs van de KLASHORST: That is what I want to know. I have been out of teaching for six years. I taught at Midland and we had lots of suspensions. Children were just roaming the streets because the parents were not home. Some of those children were Aboriginal children. As long as the school checks on it and ensures the child is supervised by an adult, I am satisfied with the answer.

Dr CONSTABLE: My question relates to dot point eight on page 369. It refers to the five senior high schools and one senior campus which will trial international students for a fee of \$8 000 a year. The first part of my question is, which schools and which senior campus?

Mr BARNETT: We have announced the schools that will take part in the trial.

Ms JOHNSTON: The senior high schools are Churchlands, John Forrest, Melville, Mt Lawley and Perth Modern, and the senior campus is North Lake.

Dr CONSTABLE: How many students will be part of the trial?

Mr BARNETT: That will depend on demand. We do not expect large numbers. It might build up to about 15 students a year.

Dr CONSTABLE: Over all schools?



Mr BARNETT: Initially we expect only one or two students in each school, but it may grow.

Dr CONSTABLE: What will you do if you get a greater demand than that?

Mr BARNETT: We are not setting out to compete with private schools in that area. However, we recognise that a number of parents want to send their children, the overseas students, to a government school for all sorts of reasons. It is a positive thing for schools to have international students. It will apply only where there is capacity and if it in no way puts pressure on enrolments.

Dr CONSTABLE: Are any marketing efforts being engaged in by the department?

Mr BARNETT: Students have been made aware of it. We are not having a major push to do it. It has grown to about 200 students in Victoria.

Mr KOBELKE: It has had a big marketing push.

Mr BARNETT: Initially we expect about 15 students, which will gradually increase. We may have up to 150 students, but I do not expect it to be a large number of students. We will not be doing a major marketing push. If people want to enrol their children, we will make them aware of it and we will have provision to do it.

[11.20 am]

Dr CONSTABLE: How was the \$8 000 fee arrived at?

Mr BARNETT: The \$8 000 fee represents the full cost of educating a secondary student. It is consistent with the costs I read out previously and it includes an overhead component. That was one of the assurances that we made in respect of accountability to the taxpayer, and also, in fairness to non-government schools, there will be full cost recovery.

Dr CONSTABLE: What will happen if students in local areas cannot go to their local high school because of the number of overseas students?

Mr BARNETT: That will not happen, and a condition of international education enrolments will be that it in no way limits the ability of a local child to attend a school. Therefore, it will be essentially targeted at those schools which have spare capacity.

Mr RIEBELING: I refer to the capital works program and what is not in it rather than what is in it. I refer yet again to Tom Price and two projects that I hoped would be in this budget but which are not. I hope that the minister and his advisers will be able to tell me when they are likely to be funded. The first matter is the gymnasium for the Tom Price High School, which the minister, through questions without notice, confirmed was the only high school in the north of the State without a gymnasium. The only other high school without a gymnasium, if I remember correctly, is Margaret River High School. The other capital works program about which I am concerned relates to the state of the verandahs at the North Tom Price Primary School. I presume verandahs at primary schools are supposed to offer some protection when it rains. However, the verandahs at the North Tom Price Primary School are simply wooden slats, and the water pours through and drenches the children when it rains. Hopefully, provision for this item is in the *Budget Statements*. However, if it is, it is well hidden. Where in the *Budget Statements* is the allocation to improve a situation in Tom Price that has continued for almost 30 years?

Mr BARNETT: Prior to asking Mr Parr to comment on that matter, I will state what the capital works program for the department has been. In 1994-95, it was \$60.7m; in 1995-96, \$66.5m; in 1996-97, \$91.5m; in 1997-98, \$95.8m; in 1998-99, \$127.5m; in 1999-2000, \$134.7m. Therefore, without doubt, there has never been a government that has spent so much capital in our schools as this Government has in recent years. Similarly, there has been a huge expenditure increase on maintenance in schools and minor works activity. Having said all that, there are some 800 school sites and there are continuing demands. Tom Price High School is one of two schools which does not have a covered assembly area.

Mr TUBBY: Is Orange Grove Primary School the other one?

Mr RIEBELING: Margaret River High School.

Mr BARNETT: No. Margaret River has a joint -

Dr TURNBULL: Collie does not have one.

Mr BARNETT: No, we are talking about senior high schools. Margaret River has a joint facility.

Mr PARR: Tom Price and Margaret River High Schools are the two high schools which do not have sports halls. In the case of Margaret River, it has access to a community facility not too far away. As the minister alluded to earlier, the capital works program of \$152m, made up of \$140m works in progress, provided limited scope to initiate new works in the coming financial year, and Tom Price High School has not been funded. However, it will continue to be considered as future programs are compiled.

Mr RIEBELING: What about North Tom Price Primary School?

Mr PARR: I am not familiar with that. I am not sure whether the member is referring to the inadequacy of the verandah or the need for a covered assembly area.

Mr RIEBELING: It is the inadequacy of the verandahs at North Tom Price Primary School. Presumably, the Education Department knows about that.

Mr PARR: I am not familiar with it. I can take it on notice and provide the information.

Mr RIEBELING: Is there a plan of action to rectify the lack of a gymnasium at Tom Price High School? If someone considered the weather conditions at the various schools throughout the State, the first areas that should get airconditioned facilities are the hottest areas. Tom Price is one of the hottest areas in the State, and it is outrageous that there is no airconditioned area for students who attend that school to undertake sporting activities. Those activities take place outside, and that situation has continued for 30 years. I hear that the department is spending more and more. However, it is still not tackling that problem. The department could spend a billion dollars and still not tackle the problem. I want to know why it has not been tackled in this budget.

Mr PARR: The recommendations which go forward to comprise the capital works program are largely derived at the district office level, and a strong lead is taken from the district office's assessment of capital works requirements.

Mr RIEBELING: Is Mr Parr saying that the district office feels it is not needed?

Mr PARR: No, I am not saying that.

Mr BARNETT: No-one is doubting what the member said about Tom Price. The work will be done at some stage. I have not seen the school. I will undertake to visit the school this year with the member.

Mr RIEBELING: Absolutely, yes.

Mr BARNETT: I will look at the problem first hand. I recognise the problem. The point is that we are spending an enormous amount of money and catching up in a big way. There are still schools like Tom Price that need further things done.

Mr RIEBELING: The minister will not send along a namesake, another Barnett, in his place, as happened in Tambrey. We all thought that Mr Barnett was arriving to look at the car park, but it was the wrong Barnett.

Mr BARNETT: I have looked at the car park there before.

Mr RIPPER: According to a report in *The West Australian*, an estimates committee heard of the Health Department's view of attention deficit disorder and attention deficit hyperactivity disorder. Does the Education Department regard ADD and ADHD as learning disabilities? When teachers have significant numbers of children with these problems in their classes, is there any allocation of teacher assistance to help with the difficulties? Will any special programs be funded in this budget to deal with these conditions? Is there any money for professional development of teachers to assist them to educate these children? Does this condition and its treatment create particular problems for government schools, and what role will the Education Department have in developing the State Government's response that was foreshadowed in the evidence to the estimates committee when it dealt with the Health budget on Tuesday?

Mr BARNETT: That is a management issue within schools. No doubt there are large numbers, and it would seem increasing numbers, of students who are placed on medication. I am not a professional in the area of educational health. I express a personal view: There has been an over-prescription of drugs, and this is creating many problems. From my casual and personal observations around schools, too many children who display behavioural problems are denoted as suffering from ADD and are being placed on medication to their detriment. It is a serious problem. It is primarily a health problem, but it is impacting on schools.

Ms VARDON: I endorse the minister's comments. Certainly there are children who are quite rightly diagnosed as having an attention deficit disorder and who need care and treatment. However, too often the label, like many labels, is seen as a convenient way to keep children quiet through medication. That is an abuse of children's rights. I will ask Ms Lucas to talk about the way in which we manage that. However, from my perspective, it is not only a health issue, it is also a class issue - not classes in schools but social classes.

[11.30 am]

Ms LUCAS: We are aware of this, and we are addressing it through our students educational risk strategy whereby we are asking schools to be mindful of the factors associated with risk. Under that general strategy they are being asked to think about early intervention and prevention when considering students at educational risk in their schools and to implement strategies that will help those children learn in their classes. There are numbers of children who are on medication and generally schools are managing the process if a child needs medication during the day. Basically we are asking schools to consider the educational program being offered to the child to keep the child engaged in the curriculum and also to look at appropriate behaviour management strategies in working with a child with attention deficit disorder. Therefore, we look at it in the broader context of risk.

Mr BARNETT: There is also in a number of areas far closer collaboration between Education and Health which is a very pleasing development taking place.

Mr RIPPER: I am interested in the comments that we have heard; however, can we now come to the particular questions. Are these conditions recognised by the Education Department as learning disabilities and treated as other learning disabilities are treated? Does the department provide any special help to teachers or to children in these circumstances by way of teacher assistance, special programs or special professional development activities?

Ms LUCAS: Often ADD is not associated with a learning difficulty, the child may just have a behavioural problem that would be dealt with through a behaviour management strategy in the school. If there is an associated learning difficulty a

team of visiting teachers work with districts to help schools devise programs for children with ADD who may have an associated learning difficulties. I have talked about a collaborative problem-solving approach. That is one strategy that we are asking schools to look at when considering the individual needs of the child and, if necessary, develop an individual education plan for that child which addresses his learning difficulty. We are dealing with it basically at the curriculum level and asking schools to look at what they are doing with these children if there is a learning difficulty associated with the ADD.

Mr RIPPER: What about teacher assistance?

Ms LUCAS: No, we are not giving teacher assistants for children with ADD. We are hoping to manage them in different ways.

Mr KOBELKE: At page 388 of the *Capital Works Program* under "New Primary Schools", there is a figure of \$3.5m. Is that the only money in the budget available for the construction of new schools? If so, which school or schools will get the \$3.5m?

Mr BARNETT: There is a list of the new primary schools to be funded and built and I will ask Mr Mance to read out the list.

Mr MANCE: The \$3.5m on page 388 refers to \$100 000 for the initial expenditure for the Lake King replacement school; \$2.85m for a new school at East Eaton; and \$200 000 for the initial expenditure on the North Quinns project.

Mr KOBELKE: Is that the car park? You are starting a school with \$200 000?

Mr MANCE: These are the early works and architectural fees.

Mr KOBELKE: You cannot start construction with \$200 000?

Mr MANCE: No.

Mr BARNETT: These are new school projects which logically start with buying the land and employing the architects. Most schools will be built over more than one financial year.

Mr MANCE: I shall continue with the list: \$200 000 for Florida primary school; and \$150 000 for the first expenditure on the Aboriginal systemic school, the Aboriginal Community College. That makes up the \$3.5m.

Mr KOBELKE: The statement on page 385 on the construction of new primary schools at Carey Park, East Eaton, Mindarie, South Port Kennedy and Swanbourne relates to the forward estimates and not to the actual money that will be expended in 1999-2000, other than perhaps some initial planning work.

Mr BARNETT: No, some of those schools will be ready for the 2000 and 2001 school years. They are the major projects.

Mr KOBELKE: Which schools will be ready for the year 2000 and which will be ready for the year 2001 from the moneys in this budget?

Mr PARR: Each of the schools mentioned, apart from East Eaton, has works in progress.

Mr KOBELKE: Therefore, they are not new schools.

Mr PARR: They are new schools but they are mentioned in the budget papers under works in progress.

Mr MANCE: You mentioned the schools on page 385, which are Carey Park, Mindarie and South Port Kennedy.

Mr KOBELKE: That was the first part of the question; what you are referring to is additional money to that on page 388?

Mr MANCE: Yes.

Mr PARR: The anticipated completion date of Mindarie Primary School is July of this year. The students are currently in a school-in-houses situation and will transfer to the new school in July. The South Port Kennedy School buildings are expected to be ready for the commencement of second term next year but the school itself will be formed for the start of the school year. Carey Park will be a one-off design on the existing Carey Park site and completion of those buildings is expected towards the end of 2000. The Lake King replacement school will have a completion date towards the end of 2000, replacing the existing school. The buildings for East Eaton will be completed in mid-2000; however, the school itself will be established for the beginning of 2000. The students will be catered for in transportables on the existing Eaton Primary School site.

Mr BARNETT: Those schools are in addition to the work that has been mainly funded during 1998-99 at Atwell, Beeliar, Busselton, Cloverdale, Cooke Point, Ellenbrook, Landsdale and Ranford. There is a heavy program of new schools and, despite media comment, in broad terms since this Government has been in place we have built 15 new schools and closed or amalgamated about 23.

Dr TURNBULL: I would like to ask a question about alternative sites. This relates to the possibility of withdrawing from high schools some students, particularly in years 9 and 10, who are not making progress in the rest of the school for many reasons, mainly related to their behaviour, and having a special area for them. In Collie we trialled this on a number of occasions. In the last budget discussions the minister said that he was concerned about the issue and was considering running some pilot programs. Currently, the funding for this initiative comes from the school development grant out of the district office. It is very hard to allocate money for such a program when the rest of the programs within schools are so tightly budgeted.

Mr BARNETT: There are many programs that vary significantly; for example, the program at Carnarvon that has been talked about lately; a different program was proposed in Northam; and there are unique situations like that in Gnowangerup. Currently the department is doing developmental work, such as extending the outreach program. We are considering developing an inner city school targeted at street kids to try to get them back into an educational program and a whole range of other things have been put in place.

Ms LUCAS: We are trying to get students engaged with the educative process through our retention and participation money which is going to districts for those programs. Many of them are on-campus programs and we would like to think that off-campus programs are the last resort or another avenue for us to deal with students who might be seriously disaffected from school. All of our focus has been on early identification, early intervention and prevention where possible. However, there are programs like the Gnowangerup program, the Yonga program and an excellent program which tried to engage the students still in school at Governor Stirling Senior High School called the Stay program. It is very much aimed at the notion of keeping the students in mainstream schooling and looking at the educational program that we are offering those students so that they are kept within the school system.

[11.40 am]

Dr TURNBULL: Is there a special budget for that under the retention and participation program?

Ms LUCAS: The money has gone from central office to the districts. The district offices identify the priorities within their districts for funding with that money.

Dr TURNBULL: Would it be possible to have by way of supplementary information how much money is allocated and how much was allocated last year?

Mr BARNETT: We will provide that by way of supplementary information.

Dr TURNBULL: On page 378 of the *Budget Statements* is a description of costing for disabled children who are withdrawn from the school program. What about the cost of disabled children who are retained in the school program? I have in mind criteria such as those children who require an aide. Can you give the cost factor for the education of those children?

Mr BARNETT: I am sure we can provide it, if not now, a little later. There has been a large increase in expenditure and support services for disabled students; indeed, it has a growing cost impact on education.

Ms LUCAS: Disabled children in regular schools incur a cost for teacher aides. That program is well established. Schools can apply for teacher aides. If the teacher aide allocation seems to be insufficient once the child gets into the school, the school has the right to ask the human resource directorate for a revision of the aide allocation. That is based on the individual child's needs in the school.

Dr TURNBULL: The reason I ask for the cost per child is that I want to compare it with the cost of education per child in a non-integrated school program.

Ms LUCAS: The nature of the children in our education support schools generally means that they come within the category of severe to profound disability and are, therefore, what I would call, labour intensive. They need a high ratio of adult to child intervention. In the mainstream schools the cost would be different for each child because it is based on the individual child's needs within the context of the school in which the child is enrolled. It would be different, depending on the amount of full-time equivalent staff time that is allocated based on the child's needs.

The CHAIRMAN: At about this time last year, I asked some questions on interim schools - schools in shops and schools in houses. I believe that at the time a review was under way. Was the review completed and, if so, were conclusions formed about the quality of education provided at interim schools and the cost effectiveness of it.

Mr BARNETT: The interim schools program has schools in houses and schools in shops. There will probably be some other variety in the future. There was certainly a little hesitation as to how it would work, particularly whether parents and teachers would endorse it as being in a suitable learning environment. The initial interim school was at Ballajura, Ellenbrook. We now have several and are planning several more. They have been outstanding successes. They have certainly brought education into growing new suburban areas far quicker than would have been the case. In many cases students and teachers have wanted to stay on in them and have almost regretted the coming of the permanent school.

Mr PARR: At the time of the estimates hearing last year an evaluation was undertaken. In the main it comprised a post-occupancy evaluation involving discussions with the principals and staff members of those interim schools. At the time three schools were operating in houses and there was also a school in shops. Discussions also took place with Treasury officials but there was some difficulty in obtaining an appropriately rigorous methodology to undertake a cost-benefit analysis. The evaluation was primarily of the physical provision of the facilities and the anecdotal adequacy of those facilities for delivering education. The overwhelming response from the principals and teachers was positive. The strategy continues to be very positive, inasmuch as a neighbourhood school can, at minimal cost to the Government, be provided well before the planning criteria for the need for a new school are met.

Mr BARNETT: The current program is that this year an interim school will be established at east Merriwa and in the year 2000 one will be established at Roebuck Bay in Broome and another at Coolamon in Ellenbrook, so we are continuing the program.

The CHAIRMAN: I would imagine that one of the reasons that interim schools are so cost effective is that developers crawl over themselves to try to get this sort of thing and offer rentals at reasonable returns. If an interim school concept were

developed to become a permanent school, so that the department had to buy the land, build the property and so on, how would the cost effectiveness compare with the typical model of a primary school which currently costs between \$4m and \$4.5m to build? Will it alter the overall running efficiency of the school?

Mr BARNETT: I do not think that we would have an interim school that would become a permanent feature. Very much the understanding of the community is that this is a way of bringing forward school facilities. Although it is a very nice learning environment, it does not have all the facilities of a full school. We would not short change the community in that sense. I suppose the most purpose-built one would be the example at Secret Harbour, where the developer built and designed the shopping centre well in advance of its need so that it could be used as a school. The size of the shops reflects the size of the classroom. Although it is a typical line of shops, it was built up to 10 years ahead of its need. It will be maintained as a school for quite some time because it is such a suitably designed building. The other interim schools are modified houses, which are by their nature temporary. Certainly as soon as the student population reaches a level for a permanent school, we would always prefer to go to a permanent school.

The CHAIRMAN: The reason I ask is that in some communities, when the planning authorities pass planning approvals, if the number of households rises above, say, 1 000 on the plans, a school site is put in. A school might never be sited there because the demographics do not amount to that much. There may be some justification for having a smaller school of, say, 200 students based on something like the interim school model. Has the interim school model never been considered as a possible precursor to a permanent smaller primary school?

Mr BARNETT: In most urban areas, including regional areas, we would look for schools to redesign to accommodate 400 to 600 students. The scenario you paint might fit a smaller rural community. However, we would prefer to build a school such as the one that has recently been completed at River Valley. I, and I think the department, would always prefer purpose-built education facilities.

[11.50 am]

Mrs van de KLASHORST: On page 369 reference is made to management of the year 2000 computer date risk. What is the budget for this? I commend the Government for putting so many computers into schools. Were the schools given devolution money to upgrade some of their older computers or has that been done from silver city?

Mr BARNETT: The \$100m from the sale of the Dampier to Bunbury gas pipeline that was allocated to schools in the State was on top of other funding programs. There were two preceding computers-in-schools programs. The target is to have a minimum of one government-supplied computer for every five secondary students and one for every 10 primary students. I have visited schools, and they have been well funded for networking support, special development training and the like. Anecdotally, from recent school visits, schools are tending to surpass that quickly. For example, the member for Belmont was delighted that the new Cloverdale Primary School which opened a few days ago with around 500 students - it is a new school resulting from the amalgamation of two schools - started with one computer for every seven primary school students. That was achieved well ahead of the target, and that is becoming fairly common. There are many issues involved in putting technology into old buildings.

Mr JARVIS: We have conducted a census of computers in schools. We now know what computers are in schools and their ages. Every school has been asked to submit a plan to the district director. At the end of a four-year period they will all meet the targets. Those computers will not be more than four years old, or will be their functional equivalent. Some schools are choosing to put in large servers and routers and to use their old computers as the interface for the student. However, the server and router gives the capacity of a brand new computer. We have every reason to believe that schools will easily reach those targets. Money is set aside for most schools to get into teacher training and to look at issues like local area networks which require micro optic fibre cabling and the like. Also we have found that schools have been putting in large amounts of their own money over the past four or five years, so there has been a significant investment above and beyond anything the department has allocated to computers and technology in schools. At this stage the program seems to be going very well. If the member wants a copy of the census to see what the situation is that can be made available.

Mrs van de KLASHORST: I was more worried about making some of the computers year 2000 compliant, because some schools have older computers. Is the Government helping to do this?

Mr JARVIS: The money will enable every school to meet the ratio for computers that are no more than four years old, or their functional equivalent, because some schools are choosing to put in other technology like servers and routers and keep the old screens and keyboards but with an increased capacity. We have no doubt they will reach those targets easily, and most schools will have significant sums of money for training and other issues.

Mr RIPPER: The Government is funding this computer expansion through capital expenditure. However, computers depreciate pretty quickly and there will be a need for relatively rapid turnover of computers to stay in touch with modern technology. What sorts of obligations are we building up for budget years once the Government's capital program based on the sale of the pipeline expires?

Mr BARNETT: There will be big obligations. There will be an ongoing commitment to computers and technology in schools. We will probably look at equipment for teachers and the like. It will be very expensive, and far more expensive than most people have anticipated. However, that is the nature of education in the future, and the Government will fund it.

Mr RIPPER: The Government is spending \$20m a year now.

Mr BARNETT: That will bring schools up, perhaps, to where they should be. That is on top of the other forms of funding for computers. That will quickly bring the system up to speed in terms of quality and quantum of computers. Schools are

also required to develop technology plans which go beyond computers. The Government is required to continue to fund technology in schools. It is expensive.

Mr RIPPER: Does accrual accounting make provision for depreciation of these computers?

Mr McCAFFREY: We are treating computers as completed works in the out years. We appreciate that while we are financing them on an ongoing basis we do not have a definitive figure at the rate they are depreciating. From an accounting perspective we are allowing for it on an ongoing basis.

Mr BARNETT: It is a structural issue. With technology in education and vocational programs the per capita cost of educating students in both primary and secondary schools will continue to rise. That is why education funding will need to run ahead of the consumer price index or even population figures. The trend throughout Australia is that the cost of education is rising.

Mr KOBELKE: What is your rate of depreciation on computers?

Mr McCAFFREY: It is 20 per cent.

Mr KOBELKE: Secondly, what is the cost of professional development and other services that were alluded to and where is that in the budget?

Mr McCAFFREY: It is my understanding that schools can use a component of their allocation for those purposes. It is inclusive in the figure of \$20m, although the depreciation is not part of the \$20m.

Mr KOBELKE: That is clearly not capital expenditure.

Mr McCAFFREY: Clearly.

Dr TURNBULL: Country areas have a number of split campuses for primary schools and junior high schools which are managed as the same unit. The cost of the information technology link to integrate the IT components, in particular for administration, is high. At the moment the schools concerned have been told that they must use their allocation for implementation purposes. However, the IT link is a specific problem. If the schools used this money for the integration of the two school sites they would not have any money left over for training or implementation of other items.

Mr JARVIS: I take it the member is referring to the need for an ISDN link between the two sites. We dealt with that in Geraldton when we amalgamated two schools. The number of places with two sites that need an ISDN line is quite small. Is the member referring to Waroona?

Dr TURNBULL: I was referring to Boyup Brook in particular, although I know that a few other schools are in the same situation with their ISDN connections. Of course, the schools are managed as one unit.

Mr JARVIS: It is a major capital issue, and we will look at it in future because it is being highlighted now as computers are being installed in schools. We have this problem at only a handful of sites.

Dr CONSTABLE: How many Aboriginal teachers are in our schools?

Mr BARNETT: We are working hard to increase the number of Aboriginal teachers, and we have some way to go. Also, through professional development, we are trying to encourage Aboriginal education workers to go into teaching positions. We have created a transitional position.

Mr WYATT: I will take that on notice. We are in the process of identifying that number. A number have come back into the system from other positions either on secondment or out of other government agencies where they sought opportunities. Our process of identifying the total number is under way.

Mr HOME: The latest statistic is 452.

Dr CONSTABLE: Are they qualified teachers of Aboriginal descent?

Mr HOME: They are categorised in the school-based teacher work force, so I would make that presumption.

Dr CONSTABLE: I find it difficult to believe that there are 452 teachers of Aboriginal descent in Western Australian schools. Can you break that down for me?

Mr HOME: Some of these may be unregistered teachers.

Dr CONSTABLE: For instance, would they be Aboriginal education workers rather than qualified teachers? I want the number of qualified teachers of Aboriginal descent.

Mr HOME: I will provide that as supplementary information.

Dr CONSTABLE: How many qualified Aboriginal teachers are there in the 32 remote community schools?

Mr BARNETT: We will provide that by way of supplementary information.

Mr HOME: This information will need to be confirmed as before. I have the figure of 54.

Dr CONSTABLE: I would like a breakdown of the true qualifications of those people. I want to know about qualified teachers and any other categories of assistants. Can you tell me about the programs we have to encourage Aboriginal people into teaching?

Mr BARNETT: There are a number. The scholarship program is administered through the Education Services division.

Dr CONSTABLE: When did that scheme begin?

Mr BARNETT: Last year.

Dr CONSTABLE: How many applicants were there?

Mr BARNETT: We are in the wrong division. That relates to Education Services, which is the next agency.

Mr WYATT: Nine took out scholarships.

[12 noon]

Dr CONSTABLE: How many of these people are from rural or remote areas?

Mr WYATT: I have a breakdown of the figures, which I am looking through my papers for. I know there was one enrolment with the University of Notre Dame in the Kimberley. Two were with Edith Cowan University and the balance were spread among the other providers. Given the nature of students gravitating to Perth, it is quite likely that some of those in Perth-based courses are from the rural sector.

Dr CONSTABLE: Is it possible to get that information?

Mr BARNETT: That is not part of the budget of the Education Department; it is the budget administered under the Department of Education Services. The appropriate question here, perhaps, is what does the Education Department do to recruit and develop Aboriginal teachers. The scholarship program is not administered through the Education Department. I suggest that at 2.00 pm the member ask the same question and we will provide an exact breakdown.

Dr CONSTABLE: What is the Education Department doing to encourage Aboriginal education workers, not teachers, to upgrade their qualifications so that they can be more involved in the role of teaching in remote schools?

Mr WYATT: Under the Aboriginal employment and career structure plan, there is an initiative for Aboriginal and islander education workers to undertake two stages of training. The initial stage is with the Thornlie TAFE College, at which they obtain a level 3 certificate that provides them with a level of skills required for classroom and school surrounds, as well as the interface with the Aboriginal community on a better basis of advocacy. The next initiative in the career structure is to have a pathway that Aboriginal and islander education workers will undertake, whereby they will do teacher training. There is a category for remote and isolated communities under which they will teach within the communities. If they move out of the community, they will then move on to obtain the four-year qualification required to teach across the State. It is being put in place on an incremental basis so that we increase the number of Aboriginal teachers in remote and rural Western Australia to meet the education needs of Aboriginal students. They are role models as well as qualified Aboriginal people within the teaching profession.

Dr CONSTABLE: Are there any figures on the number of Aboriginal education workers who are in the process of upgrading their qualifications?

Mr WYATT: I cannot provide that. At the University of Notre Dame in the Kimberley a significant number is enrolled and a number is enrolled at Edith Cowan University. We will provide that by supplementary information.

Dr CONSTABLE: What are Aboriginal education workers paid? What is the pay scale for Aboriginal workers?

Mr WYATT: That is being reviewed at the moment. A working group within the department comprising Aboriginal and islander education workers, Aboriginal liaison officers, Aboriginal community members, departmental staff and Aboriginal Education and Training Council representation is looking at the career pathway and comparable salaries that match the competencies required for the refocused roles. At this stage I cannot provide the range of salary.

Dr CONSTABLE: I ask the minister to provide that as supplementary information, and also comparisons with other teacher assistants; that is, the pay scales for any teacher assistants to include the Aboriginal education workers.

Ms VARDON: The pay scales are very comparable.

Dr CONSTABLE: I would still like to see the numbers.

Mr RIEBELING: I return to the capital works program. I refer to the North Tom Price Primary School. As an aside, next week I will give the minister a video of the impact of rain on the kids there.

Mr BARNETT: I will visit that one, too.

Mr RIEBELING: That is good. I will switch my focus to the capital works program for the high school at Paraburdoo. I heard what the minister said about how well the Government has done in the ongoing maintenance program. I seek a comment from the minister about the replacement of airconditioning units at the Paraburdoo District High School. That program commenced six years ago, but was supposed to be part of a three-year plan. It saw only the first year of the program. Two-thirds of the school is serviced by old airconditioning units. My understanding is that they break down at such regular intervals that the cost imposition is having a major impact on the budget of that school. Once again, I cannot see it in this budget. If the Government is doing such a wonderful job with maintenance, where is the money for the Paraburdoo high school?

Mr PARR: The replacement of airconditioning plant is a preventive maintenance item. Notionally the preventive

maintenance funds are devolved to district offices. At each district office a small committee - typically it has representation of two or three principals - makes decisions about the priority of -

Mr RIEBELING: This is a replacement program announced about six years ago, not a maintenance program.

Mr PARR: It would be funded from the preventive maintenance program. That small committee makes decisions annually about where the funds are allocated.

Mr RIEBELING: How much is allocated in this budget to the Pilbara region or the Karratha district office for that program?

Mr PARR: I cannot provide that at this stage.

Mr RIEBELING: Can that be provided as supplementary information, as well as when in the next 10 years we might see the replacement of the airconditioning units at the Paraburdoo high school that were promised six years ago?

Mr PARR: That question would be a matter largely for the district office committee.

Mr RIEBELING: Could it be asked?

Mr PARR: Yes.

Mr RIPPER: I refer to the literacy standards and the actions being taken by the department. What are the costs of all system-wide testing in 1998-99 and the proposed testing that will occur in the 1999-2000?

Mr BARNETT: The cost of the year 3 literacy testing conducted last year was \$600 000. This year it will apply to years 3 and 5, so I expect it to be greater. I will try to find the budget figures for the member.

Mr RIPPER: My question is broader than just literacy because testing programs were conducted in other areas. There was the statewide literacy test plus the monitoring standards in education sample testing. What is the total cost of the testing programs in 1998-99 and 1999-2000?

Mr JARVIS: The total cost for 1999-2000 is about \$1.3m. I can give the details. Of that, \$700 000 is for the total population tested.

[12.10 pm]

Mr RIPPER: What action is taken when schools report a below average performance in the literacy tests or the other sample testing? Are additional resources allocated to the schools or does the district director have a chat with the principal?

Mr JARVIS: Each school has a conversation with its district director about its total population testing results. If appropriate, the school indicates to the district director what action it will take to deal with any unsatisfactory situation. That forms part of the quality assurance regime between the district director and the principal; the work is followed up that way. The education programs division has a literacy strategy with significant funding; I am sure those officers can provide the members with some details of that. However, funds are not allocated on the basis of the results of the test.

Mr BARNETT: As I have said many times in this Chamber, the literacy testing and assessment is about assessing the progress of the individual child and giving direct feedback to that child's parent. It is about helping that child. The member knows - and I think agrees - that the efforts of *The West Australian* and various other bodies to use that testing to reach some conclusion about how a school is performing, let alone make relative comparisons between schools, are an intellectual and moral joke. This testing is about individual children and helping them in the classrooms in the schools. That is the sole purpose of the testing.

Mr RIPPER: Nevertheless, surely the Education Department would be concerned if a school returned below average results particularly if that school performed worse than another school in a similar socioeconomic area.

Mr BARNETT: This State is the only one to have conducted the year 3 testing and to have reported individually to all parents; no other State has done that. As the member is aware, the Education Department has also released information breaking the results down into male-female, country-city and various other criteria. The purpose of the test is to help the individual child, and to identify problems and monitor progress. From it we can produce statistics which may provide some broad management information. However, for various reasons commentators ascribe to that an importance, a relevance and a level of measurement which it does not have.

Mr FRIZZELL: To reassure the member, district schools and parents receive those details and schools are expected to address each area of concern. I have personally approached the district directors and as part of their performance agreement they will monitor the progress made in each school and address any issues which arise.

Ms VARDON: We have a strong literacy strategy in place across all our schools.

Mr RIPPER: Is there any money in this budget to appoint Reading Recovery teachers as is done in other States? If not, why not?

Mr BARNETT: No specific funds have been earmarked for Reading Recovery. Various literacy programs such as Literacy Net have received allocations. I am supportive of Reading Recovery and I am conscious that New South Wales and Victoria have made significant specific investments in it. We have not designated any one particular program; it has been more general funding for literacy. I am conscious of the Reading Recovery program and that it is strongly supported in other systems.



Ms JOHNSTON: The literacy strategy is a unifying strategy with a range of components. A key component is the Literacy Net. The first part of it, the P-3 net, has been trialled and is now being implemented through districts to schools. It is a more fine-grained tool for teachers to use to identify students who may have literacy problems and to decide what to do about them. It complements the other testing by making more detailed and diagnostic information available to teachers. The years 4-7 literacy net is currently being trialled. We have commonwealth literacy and numeracy programs for which grants are given directly to schools to develop programs to support the particular needs of their students. Our English as a second language course is also part of that. A national literacy and numeracy program builds on our First Steps language program and the Literacy Net. A particular section of the literacy strategy focuses on Aboriginal literacy and we have a policy for Aboriginal English which is a significant shift from past practice. A number of programs support teachers in developing an understanding of Aboriginal English and the learning needs of students, particularly Aboriginal students. The curriculum improvement program is part of the implementation of the curriculum and the outcomes and standards frameworks and contains a strong literacy component across the curriculum. It builds on many past programs. We anticipate an improvement in literacy standards through that range of programs.

Mr RIPPER: There are waiting lists at the language development centres although there was some expansion in the number of places at the beginning of the year. What is the situation in this budget? Will the waiting lists at the language development centres be eliminated? If not, why not?

Mr BARNETT: There has been an expansion and there seems to be growing demand from schools and parents for specialist literacy assistance.

Ms LUCAS: We established a number of satellite classes last year. The language development centres are part of a continuum of service. Another strategy we are looking at this year is the development of a speech and language plan because we recognise the impact of deficits in this area on learning; not having adequate speech and language skills impacts on children's learning. A cross-agency group of people like Anne Zubrick is looking at a speech and language plan so that in the fullness of time all teachers will be able to identify kids who are at risk and will be able to do something about the problem at the point of identification. Language development centres are at the extreme end of the continuum of service. The speech and language plan is being developed this year to address that growing problem.

Mr RIPPER: Will the waiting lists grow, stay stable or be reduced?

Ms LUCAS: There has been an increase. We are identifying more children because the criteria for identification and the screening tests have improved. However, we are trying to address that need through the establishment of satellite classes in the first instance. We are reviewing the nature of the service of language development centres in our speech and language review in the hope of being able to make some recommendations about their proliferation.

Mr BARNETT: Others may have different views about the trends in literacy over the past 10 or 20 years. However, given the focus on literacy at both the state and national level, the introduction of testing and the way schools have approached the testing, it is hardly surprising that more is being done and more individual children are being identified as being in need of assistance. That is natural and I expect demand in this area to continue to grow. It is another reason the cost of education will rise.

The CHAIRMAN: I remind members that we have another three divisions to deal with. We will take an hour for lunch at 1.00 pm. It has been suggested that the committee try to finish this division before then and allow an hour for the other three. I am giving members a lot of latitude with the questions and allowing them to follow particular lines but it is up to members whether they want to make their questions shorter and more succinct and get more in in the remaining three quarters of a hour.

[12.20 pm]

Mr KOBELKE: Is there a shortage of professional specialist education support staff?

Mr BARNETT: To our knowledge there is not.

Mr KOBELKE: I take it that the situation does not arise in which teaching staff who do not have the professional background and who have not done special courses are being asked to move over and teach in special education support centres or units?

Mr HOME: There is a shortage of qualified staff.

Mr KOBELKE: Can Mr Home quantify that?

Mr HOME: There is a shortage of approximately 10 to 15 staff at present. I can get more details if the member wants it as supplementary information.

Ms VARDON: There is no shortage of teachers to cover vacancies in the education support centres. I expect those teachers to have some competency in special education so that the bases are covered. As Mr Home said, there is a minor shortage of teachers who have the higher qualifications to undertake special education teaching.

Mr KOBELKE: Are we talking about people who are qualified teachers, but who have not done specific training to equip them to work in education support centres?

Ms VARDON: All teachers in their general training undertake some work in special education.

Mr KOBELKE: I did not do that.

Ms VARDON: They do now.

Mr KOBELKE: We have established that there is a shortage, the extent of which we are uncertain. What professional development or opportunities are provided to teachers who are asked to work in education support centres?

Ms VARDON: Teachers who work in education support centres and those who undertake special education responsibilities - that is all teachers - have the same range of professional development programs as all other teachers. However, under the arrangements between the association and the Education Department, access was provided to a range of special programs covering disabilities, intellectual problems, etc. I cannot name them all but we can provide that information.

Ms LUCAS: Within education support facilities, it is the role of the principal to ensure that the staff is provided with appropriate professional development. It is very well developed within the education support principal's network regarding what is needed in professional development of all staff on an education support site. Education support unit teachers have access to the visiting-teacher service which emanates from Hale House. For onsite professional development at the school, they can ask for a visiting teacher to come and help with the professional development they need. This year, Hale House is offering a professional development program to education support staff and teachers who work in regular education. There are many avenues for professional development.

Mr KOBELKE: Thank you; that was not the point of the question. Was a clear undertaking given that teachers who are asked to work in education support but who had no specialist training or expertise in the area would be given preservice training or professional development before being asked to teach full time in education support?

Ms LUCAS: You may be referring to an agreement that was made with the teacher training institutions under the Education Department's disability services plan that in their preservice training every teacher would undergo a one-unit course on the nature of students with disabilities.

Mr KOBELKE: I understand that support is available. It was put to me that people are being asked to teach in education support without being given the opportunity of undertaking any reasonable professional development or have the expertise developed in the area of educational support because of the current shortage.

Ms LUCAS: That may be the case. My experience as a principal in an education support school is that if I had a teacher without such a qualification, there would be much in-school support for that teacher and a strong suggestion that that person enrol in the courses that are available. There may need to be an interim program at the school level for teachers to access some survival skills in the area. However, generally most of the staff in our education support facilities seek that training because they understand that it gives them the theoretical underpinning for the practical application of their skills in the school. My experience has been that the take-up rate with education support qualifications is very high.

Mr KOBELKE: I have great regard for our education support centres and units. They do a great job. I have always been impressed with the staff there. However, I am concerned that it appears that because of a shortage of appropriately qualified people some people are being moved over and they are not receiving a preservice course to assist them to develop the specialised skills needed in that area.

Mr BARNETT: I appreciate your support for education support centres. As Stephen Home said, we are talking about a shortage of 10 to 15 staff. As Jayne Johnston said, that tends to be dealt with at a school level. However, it is a growing area of need at our schools. Some of the education support centre facilities are in urgent need of upgrading. Our proposal to do that is reflected in the budget.

Dr TURNBULL: I understand a review is being undertaken of the school health nurse program. How much of the budget for school health nurses comes from the Education Department? Does the Health Department contribute to the budget for those nurses? Does the department have a commitment to continuing that program?

Mr BARNETT: Amidst some recent speculation, suggestions have been made by individuals that the school nurse program will be ceasing. That is not the case; it will continue. It is a jointly funded education Health Department program and it is very effective.

Ms VARDON: The Education Department puts in \$3.9m each year to employ school-based community nurses. At this time we have 95 FTEs so there are more than 95 individuals as district based school nurses.

Dr TURNBULL: What is the budget for this year?

Ms VARDON: It is \$3.9m.

Dr TURNBULL: School health nurses are extremely valuable to not only the students, but also the staff. The chaplaincy program is another very important form of assistance to not only the students but also the staff. Through which agency is the program funded? What is the budget allocation for the program?

Mr BARNETT: The chaplaincy program is primarily funded through the churches and community organisations. The department makes a significant contribution which was increased substantially late last year. From memory, there are about 60 chaplains. The funding contribution has increased.

Ms VARDON: The amounts committed for 1998-99 are \$100 000; 1999-2000, \$150 000; and 2000-01, \$200 000. Additional funding comes through the Office of Youth Affairs which is committed to providing \$50 000 each year over the same three years. There has been an increase of resources to that program; it is flourishing.

[12.30 pm]

Dr TURNBULL: Is that program managed by the churches' education office?

Ms VARDON: It manages it in conjunction with us.

Dr TURNBULL: Is Gnowangerup considered to be an agricultural college or an alternative program?

Mr JARVIS: It is considered to be an alternative program. It is also considered to be an agricultural college for certain purposes, particularly for running the farm.

Dr TURNBULL: Does the estimate for the cost of education of students at agricultural colleges recognise the fact that fees are paid?

Mr McCAFFREY: The total cost includes some operating revenues, and the fees that are appropriate for that part of the curriculum.

Dr TURNBULL: Has there been an increase in the agricultural colleges' budget this year over previous years?

Mr McCAFFREY: The total costs and expenditure will increase, but revenues are being generated through their farm programs, which is bringing down the net cost. However, I expect the activity to be higher this year than in 1998-99, and that would be affected by movements in salaries and the like. I expect the costs to be higher.

Dr TURNBULL: You do not expect a decrease in the activity of agricultural colleges in this year's budget?

Mr McCAFFREY: Not that I am aware of.

Mr BARNETT: Enrolments are very strong and successful. To return to your earlier point about chaplaincy services, school nurses and the like, and you could add to that school-based police officers, a greater number of extra-curricular people are being assigned to work within schools, which the department supports. However, while the collaboration between Health and Education is very good and is increasing, there is room to improve the delivery of a range of health services, particularly with regard to the people to whom they report. There is a range of different arrangements. One task we have for the future is to try to smooth out and get maximum return for the dollar spent by Education and Health in delivering health care into schools.

Dr TURNBULL: That is one of the things that concerns people about the review of school health nurses. At the moment, the official line of command for school health nurses is through the Health Department, and while they do not have official and formal reporting to the school, they have very good informal reporting. I would encourage that to continue, because one of the important things about children making disclosures to officers on a school site is whether those officers have a duty of care to report those disclosures to the officials of the education establishment at which they are working. Therefore, children at a school have an attraction for people like police officers, nurses and chaplains because they know those people do not need to report the disclosures that are made to them. Could you comment on that with regard to the review of school health nurses?

Ms VARDON: Are we talking about the mandatory reporting of child abuse through disclosure?

Dr TURNBULL: No - the multitude of things that young people disclose to school nurses and chaplains. Some managers of schools believe that if information were disclosed to a school teacher, that teacher should reveal that to other members of the team, whereas the school nurse, chaplain or policeman would not need to do that.

Ms VARDON: School nurses, chaplains and support staff around young people in schools have been trained to use their judgment very carefully, as you would know, to preserve the balance between confidentiality and protecting the child's privacy, and also allowing people to intervene and put programs into place. I have seen that in practice, but I cannot qualify it and say this is the way it happens in all schools. My expectation from my experience is that if a serious disclosure of some kind were made to a chaplain or nurse, that would be relayed in some way, sometimes to the police, if that were necessary. If it were an instance of child sexual abuse, while there would not be mandatory reporting, those people would certainly have an obligation to report that matter to the proper authorities so that it could be dealt with. It is a balancing act between confidentiality, privacy and the rights of the child, and the need to take action to protect the child and his or her family.

Dr TURNBULL: Does the review of the school health nurses line management take into account the fact that school health nurses believe there is a strong need to have their line management under Health?

Ms VARDON: That has been taken into account in the review, and you will find that through our interagency work between Health, Welfare and Education, in particular, and also through Police, those territorial boundaries and the recognition of the need for confidentiality at all costs, because this is our client, are breaking down and retreating. That issue has been confronted and dealt with, I believe very successfully. That is an issue for discussion in the review.

Dr TURNBULL: Have you found that school health nurses prefer to be line managed through Health rather than Education?

Ms VARDON: I am sure some of them would rather that were the case, but that is not the way it will necessarily be, because a nurse who chooses to work in a school situation has an obligation to the education sector and the health sector. Line management is one aspect of that, but the responsibility of the child is a holistic responsibility around that child's educational and health needs. In the end, whoever pays the salary has the line management responsibility.

Dr TURNBULL: How much of the school health nurse budget is paid for by the Education Department and how much is paid for by the Health Department?

Ms VARDON: It is \$3.9m from the Education Department, and the balance is from Health. We can get the exact figure for you.

The CHAIRMAN: I do not wish to open up a political Pandora's box, but it would be remiss of the committee if we did not ask for an update on school charges. I drove down to Bunbury last night to attend a special P & C meeting on school charges at the largest senior high school in that region. We are all aware of the great deal of concern about that matter. That P & C held a secret ballot, and the result took me by surprise, because the overwhelming majority of parents wanted to have either the status quo remain or compulsory charges. The one thing they did not want was a voluntary fee system. Can the minister give us an update on the negotiations that have been held in recent times so that I can report back to that P & C on this matter? Has the department done an assessment of the financial impact on individual schools of a voluntary system?

[12.40 pm]

Mr BARNETT: The issue has been debated at length. Perhaps the question should be directed to the Opposition spokesman for Education. The Government's position is that charges should be compulsory. The new legislation defines exactly what fees can be charged for what are essentially consumable items, hire items and the like. I agreed through negotiation that at primary school level, charges would be voluntary, and that would be made clear to parents, but parents would be urged to pay, which is essentially the status quo, and that we would allow the maximum charge to increase from \$9 to \$60, which reflects current practice in any case. Fees are currently compulsory for the compulsory secondary years. There is some confusion about enforcement, and the new legislation sought to make that clear. It appears that that will not succeed in the upper House. Therefore, the new legislation will have voluntary charges at the secondary level.

I am not at all surprised by the example given. The vast majority of parents and citizens groups wants compulsory fees. The Western Australian Council of State School Organisations, as the so-called representative parent body, is not reflecting the views of individual parents and citizens groups. It has failed parents and schools.

This situation will create many administrative problems for schools. If that is the final outcome for this legislation, the director general, senior staff and I will reassess the situation. We will have to reexamine the secondary assistance scheme. The \$5m funding will remain, but its allocation may well be changed. I do not know the answer to that and I will not waste time now trying to assess it. We will continue with the government position that compulsory charges should apply to secondary education. It is not up to the minor parties; it is up to the Labor Party in opposition whether it maintains that position. As I have commented in this place previously, it was the Labor Government in 1984 that did the right thing and made fees compulsory, and that should be the status quo. For reasons of political opportunism and assumed popularity, the Labor Party, through its lay party organisation, has made its position known, and good luck to it.

It may seem popular in the first instance, but the example of the school in Bunbury will be typical of schools in this State. We will be faced with the inequity that a majority of parents will pay school fees and will justifiably resent it when other parents on comparable incomes refuse to do so. We must also guard against an explosion of items on the book list, which will lead to increased costs for parents.

Dr CONSTABLE: I refer to the early childhood strategy, which was one of the initiatives in the 1998-99 *Budget Statements*. The minister made the statement that that strategy referred to years 1 to 3 and that classes would have 28 students by 1999. Has that been achieved?

Mr BARNETT: Yes, and the aim is to reduce that figure to 24 students. This year the department employed 80 additional full-time equivalents solely for the purpose of achieving that reduction.

Dr CONSTABLE: Therefore, no school has more than 28 students in a class.

Mr BARNETT: That is the basis of the funding formula, but schools have a discretion. They may decide to implement team teaching and other arrangements. Schools may well choose to deploy staff in different ways. I have been in classes with many more students, but two teachers have been working with them.

Dr CONSTABLE: What percentage of classes have more than 28 students?

Mr BARNETT: On a funding level, there should be none.

Dr CONSTABLE: I realise that. However, I have done a survey and a large percentage of classes have more than 28 students.

Mr BARNETT: Schools are funded to have one teacher per 28 students. In supporting the principle of devolved management, we allow schools to make decisions about how they use that resource.

Dr CONSTABLE: Is there an upper limit?

Mr BARNETT: The most common example I see is combined classes with two teachers. By dividing the number of students by the number of teachers one achieves that ratio.

Dr CONSTABLE: Therefore, if a school decided to use those resources in its own way, it could have a class of 35 students for years 1 to 3.

Mr BARNETT: And it would probably have two teachers.

Dr CONSTABLE: The statement was that it could have a class of 35 students with one teacher. I am talking about setting standards in the system.

Ms VARDON: The extra resources were allocated to provide for an average class size of 28. To my knowledge no school is using those resources incorrectly. Within the school organisation on any given day the number of children in front of a teacher for a short time could be smaller or larger; it could be combined classes with two teachers; or it could be one teacher with a large group and another with a very small group. These are short-term methods of managing and organising classes during the day. I do not think I would walk into a school and see 35 year 1 to 3 students with one teacher.

Dr CONSTABLE: I cite the example of a school that has a year 1 class with 30 students even though it has been given funding for a class of 28.

Ms VARDON: That could happen. There could be additional children enrolled at that school. We would look carefully at an example like that.

Dr CONSTABLE: It should be investigated because I have seen schools throughout the metropolitan area with many more than that number. There might be many reasons for that, but it is a worry that it is happening. The department is setting a sensible standard of 28 students per class with plans to reduce that to 24 for good educational reasons. However, if a school's funding base does not allow that -

Mr BARNETT: Many schools have multiple age groupings.

Dr CONSTABLE: I know.

Mr BARNETT: That makes it difficult to define.

Dr CONSTABLE: Given that the department had to employ 80 extra teachers this year for years 1 to 3, if the target class size is 24 students by 2003, how many extra teachers will be required to staff those classes?

Mr HOME: I do not have specific figures, but it is roughly equivalent. The year that that comes into effect will be the year we will have the half cohort entry.

Dr CONSTABLE: But in the following year there will be a catch-up.

Mr BARNETT: There is no catch-up for 12 years. There will always be a half cohort through schools.

Dr CONSTABLE: But the next year there will be a full-year intake.

Mr BARNETT: For nine years there will be a half cohort that will give those schools flexibility in staffing to achieve that.

Dr CONSTABLE: Will they have cutbacks in staffing because of that?

Mr BARNETT: No. There will be a half cohort from preprimary.

Dr CONSTABLE: I am aware of that. I am interested in the staffing. Will the same staffing formula be applied and will that mean many combined classes?

Mr BARNETT: It will have a different impact on larger and smaller schools. Essentially many of the smaller schools will enjoy extra staffing.

Dr CONSTABLE: Are enough teachers coming out of teacher training institutions to cope with the increased number of teachers required?

Mr HOME: We believe so.

Ms VARDON: The universities certainly know about it.

Mr RIPPER: I remind the minister that the power to charge fees dates from the Education Act regulations of 1960. The Brand Government might have been in power at that stage.

Mr BARNETT: I congratulate the Labor Party for its inspired policies in 1984. Well done!

Mr RIPPER: That did not change the legal position.

Mr BARNETT: You whimped out in 1999.

Mr RIPPER: Is the payroll system now reliable? How much will be spent on it in 1999-2000?

[12.50 pm]

Mr BARNETT: This has clearly been a difficult issue. Mr Home has lived and breathed it over the last 12 months and is well qualified to speak on it.

Mr HOME: The system is not fully stable in a technical sense, but it will be.

Mr RIPPER: And never will be?

Mr HOME: No. We are working our way through some issues. It is largely stable now as no systemic difficulties are being experienced through the payroll system. Until we run with it for an entire year, and manage every single event through an entire calendar year, I would not make that claim of full stability. We believe that we are ready for every foreseeable issue we have experienced to date or might anticipate in the future. We do not have major complaints or problems in relation to payroll, certainly not beyond the problems experienced under the previous payroll system. The system is largely stable and functioning well and delivering an important range of functions not available under the old system.

Mr BARNETT: No-one is denying that serious problems arose. To put it in context, 35 000 individuals figure on the payroll, which is a pretty good crowd at Subiaco Oval. It is the largest payroll this side of Melbourne. It is also a complex payroll. Many software programs can cope with that number of staff, but these are designed for relatively simple pay structures. Given the award structure, the allowances and other bits and pieces, including things we have added like the country incentives, the Education payroll content is not simple. The payroll system has struggled with both the numbers of people and the complexity of the payroll. A typical corporation would have a much simpler payroll structure than the Education Department's.

Mr RIPPER: What is the present level of unrecovered overpayments, and what was the maximum level of unrecovered overpayment reached in the last year? How confident is the minister that the department has accurately identified overpayments made as a result of the operation of the new payroll system?

Mr BARNETT: I have just answered a question on notice on that matter, which the Deputy Leader of the Opposition may not have received yet. I do not have the figures here.

Ms VARDON: The figure varies. We must come to grips with overpayments and underpayments in the system.

Mr RIPPER: Much focus was given to underpayment so I ask about overpayments.

Ms VARDON: As we migrated the old data onto the new payroll system, adjustments had to be made for overpayments and underpayments. As Mr Home said, that has been brought into balance. The figure on any given day would need to be checked as it changes every few hours according to the adjustments made. The general direction is to have an accurate payroll which is delivering pay to teachers on time and in the right amount. An additional team of five people is working exclusively to ensure that the adjustments are made very quickly. Compared with the figures we had at the beginning of the year, we are down to a small number of adjustments. The minister said that the information was provided in answer to a question on notice. However, that information would need to be updated to give an accurate figure on a daily basis.

Mr RIPPER: I asked two questions: What is the level of overpayment not recovered, and what was the maximum figure reached during the financial year? Presumably, at the time I asked the question, the overpayments were higher than those at the time it was answered. I would like to know both figures. The answer to the question on notice will probably not reach my table until Tuesday.

Mr BARNETT: The figure was in the order of \$1m. I cannot remember the exact figure.

Ms VARDON: We would normally expect in a payroll of that size an overpayment figure of \$0.5m to \$0.7m. In years gone by, before the new payroll system was implemented, that figure has been considerably higher. We have managed it down over the years. This is a glitch which is seeing its way through the system.

Mr BARNETT: Overpayment is an obvious concern as underpayment cases are drawn to our attention more quickly.

Mr RIPPER: I have heard of cases of people being double-paid when taking long service leave pay in advance. This could mean an overpayment of \$15 000.

Mr BARNETT: It is all caught within the system. A record system is in place so the money is recovered.

Ms VARDON: Technicalities arise sometimes with pay slips which make it look as though people have been paid twice, when that is not the case.

Mr RIPPER: Cases have arisen of people being on maternity leave and leave without pay, yet they continue to receive pay.

Ms VARDON: It is all being taken care of.

Dr CONSTABLE: What is the delay in paying peripatetic teachers? Music and dance teachers waited up to three months last year to be paid. What is the delay as the director general indicated that glitches are coming out of the system?

Ms VARDON: The member may be referring to relief teachers.

Dr CONSTABLE: No - I refer to peripatetic teachers who were not paid for three months.

Mr HOME: Our understanding is that everyone who was in that situation has now been picked up. An audit was conducted in March of every school in which every principal was asked to identify anyone not receiving his or her appropriate salary. We acted on those cases of people not being paid. Those found were sorted out as a priority. We are not aware of any people currently in that situation.

Dr CONSTABLE: Are these people paid regularly and on time?

Mr HOME: Yes, that is our understanding.

Dr CONSTABLE: We will see about that.

Mr RIPPER: Did the department delete a requirement for the inclusion of back pay facilities from the proposed new payroll system in order to cut costs? If so, has it not made it more difficult to rectify errors efficiently? Who bore the cost for rectifying the problem - the supplier or the department?

Ms VARDON: Some modules, with hindsight, would have been better attached to the system at an earlier stage.

Mr RIPPER: Including back pay facilities?

Ms VARDON: One of these was the retro access pay facility. We are working with that aspect, and have got around the difficulty in various ways.

Mr HOME: The application of a retro pay module was considered when the system was developed. It was not through an oversight or error that it was left off. A conscious decision was made.

Mr RIPPER: Was that to save money?

Mr HOME: We did not have the funding to attach that module. In an ordinary context, that omission would not have hurt us so much; however, a raft of subsequent difficulties arose. We would not expect those difficulties on a recurrent basis. We had to manually make adjustments which led to a large workload and required the engagement of more staff. One would not expect the lack of that module to be felt in the way it was. We are contemplating whether the module needs to be applied to the system.

Mr RIPPER: What about the cost of rectification?

Mr HOME: It is not rectification - if we want the function, we pay for it.

Mr RIPPER: Has the supplier made adjustments to its costs for other problems, or has the department borne the cost?

Mr HOME: A lot of it is picked up through the normal contract with the provider.

Mr KOBELKE: What was the cost of the total contract for developing the software package?

Mr HOME: The \$13m contract was with UNISYS Australia Ltd, DMR Consulting Group Australia Pty Ltd, and Peoplesoft Pty Ltd, which was the consortium which put it together. It was split into three separate components.

Mr RIPPER: You previously advised Parliament that it cost \$21m.

Mr HOME: That includes the departmental labour. The \$13m contract was over three years with the three members of the consortium. Some 20 or 30 departmental staff were engaged exclusively on that project for three years. That is the additional cost which took the total cost into the vicinity of \$21m.

Mr KOBELKE: My question relates to output 7 on page 379 of the *Budget Statements*; namely, the senior colleges of education. The review handed to the minister in November 1998 was undertaken to look at the role of senior colleges and senior campuses. Term of reference No 1 was the role of senior colleges and senior campuses and the adequacy of these arrangements for meeting the needs of the community. Has a determination been made regarding the roles of those senior colleges and campuses?

Mr BARNETT: I have not received that report yet, although I imagine that I am about to receive it.

Mr JARVIS: Yes.

Mr BARNETT: I will look at it then. There will be some change in trends in demand. For example, the universities are keen to bring the colleges closer into the university system. Essentially, students attending these colleges are in preparation for university study. I have an open mind and I will look at it when the report comes through.

Mr KOBELKE: I hope the minister reads the report, as I believe it suggests that moving to the universities is not the way to go. My concern is that a further program is in place with area management, rationalisation or whatever, which is looking at the provision of services which currently are provided by senior colleges. This is happening prior to a determination being made on what the minister wants the colleges to deliver. People at the colleges and their students are concerned that a proper process is not being followed. The review was set up, and the report was dated November 1998. One realises that the Government has the power to change the role of the colleges. It seems that the report is not being taken into account as the second process is under way.

Mr JARVIS: The senior campuses and senior colleges were withdrawn from the local area planning process - they are still withdrawn from that process. The only discussions which have occurred were between Edith Cowan University, Mt Lawley; Mt Lawley Senior High School; Tuart College; and the Department of Training. A day's workshop was held to discuss the potential of partnership and sharing possibilities. Nothing will be done until the Education Department, the director general and the minister consider our reaction to that evaluation.

Mr KOBELKE: I hope the minister will give consideration to that review and the important role of senior campuses in the re-entry of women into the work force and for people who missed school opportunities. Good evidence indicates that those people would not be given the same opportunity to return to education if those facilities were placed in a university or another type of campus.

*Sitting suspended from 1.03 to 2.00 pm*

**Division 26: Country High School Hostels Authority, \$3 117 000 -**

[Mr Sweetman, Chairman.]

[Mr Tubby, Parliamentary Secretary.]

[Mr P. Browne, Chief Executive Officer, Department of Education Services, Chair of Country High School Hostels Authority.]

[Mr T. Tang, Principal Accounting Officer.]

[Mr B. Parkin, Director of Office of Non-Government Education.]

[Mr P. Albert, Chief Executive Officer, Curriculum Council.]

Mr RIPPER: The average cost per student at a country high school hostel is \$10 463. How much of that is recovered from the parents of the students at the hostels, and what assistance can they have in meeting those charges?

Mr BROWNE: The figure of \$10 463 is a total accrual figure. The amount of money that we collect in fees is \$4.583m, which means that of our total budget, we require \$2.267m from the Government. From those figures, it will be seen that the cost to government per student is \$3 059. The fee that is paid by parents is \$6 200. The boarding allowance from the State is \$600. The isolated children's allowance varies between \$3 500 and \$4 377.

Mr RIPPER: I could do the calculations myself, but I was hoping you might have a bottom line figure of the net cost to parents.

Mr BROWNE: If they were to receive both the \$600 allowance and the basic ICA of \$3 500, which is \$4 100, it would leave an amount of \$2 100 for them to pay if they were eligible for the ICA and hence eligible for the state allowance. If not, they would be required to pay the full \$6 200.

Mr BLOFFWITCH: On page 287, mention is made of further secondary education delivery arrangements in Geraldton. Discussions have taken place in Geraldton with the new grammar school and the Catholic school and they were hoping they might be able to use those facilities. How far has that discussion progressed and what would they be expected to pay to use those facilities?

Mr BROWNE: During 1998 and at the beginning of 1999, we met on a number of occasions with the Nagle Catholic College, the Strathalbyn Christian College and the Geraldton Secondary College. The ultimate plan would have been to build on one site, possibly on a greenfield site, and then enter into arrangements for shared governance, whether on a sublet or shareholding basis. The finding of the review that we conducted collectively was that the Nagle Catholic College wanted to remain separate. It is a very significant player. In the out years the budget makes reference to funding for a new residential college in Geraldton. We are now in the concept development stage of building a new college in Geraldton. We have a range of options. One option is to sell John Frewer Hostel and further develop Dellahale Hostel; another option is the reverse of that, although the land is better in the first option; a further option is to sell both and go to a greenfield site. It will be a state-of-the-art residential college. When we have completed that, we hope based on negotiations that we are entering into now with the Geraldton Grammar School, that it may opt to go into partnership with us for a period. If it took a 10-year option at that time, it may get up to a viable number of boarders and move away with its own boarding facilities. It is an ideal model of cross-sectoral cooperation.

Mrs van de KLASHORST: I refer to page 286. The authority operates residential colleges in eight country centres. Page 287 refers to the fact that the State Government provided land in Kununurra to Aboriginal Hostels Ltd. How many of those colleges in the eight country centres are Aboriginal, are there any plans to build more, and are the Aboriginal centres helping the Aboriginals to attend the high schools and improve the retention rates?

[2.10 pm]

Mr BROWNE: The eight colleges mentioned are not designated or dedicated Aboriginal hostels. They are, generally speaking, in the regional centres. The Aboriginal students attend those in varying numbers and are encouraged to do so. The hostel we are building in Kununurra is in conjunction with Aboriginal Hostels Ltd. The State Government has provided the land and Aboriginal Hostels Ltd is providing the funding for a 40-bed hostel. There are some technicalities to be resolved, largely to do with land rights and native title. When that is done we propose that it go ahead. We will have limited governance and hence, in a strict sense, it does not come under the Country High School Hostels Authority.

In answer to the second part of the question, at the moment we are conducting a survey in the Pilbara to determine the need for residential care for both indigenous and non-indigenous people. We have money based on funding placed with us following an earlier election. We are looking at whether it is viable to build a hostel in Carnarvon. If the towns people are supportive and the student numbers warrant an Aboriginal hostel with the consent of the minister, we will proceed along that line.

Mrs van de KLASHORST: I note that last year the average cost per student was \$10 072 and this year it is estimated to be \$10 463. Will the costs in Aboriginal hostels be the same per student?

Mr BROWNE: The funding is different. That difference arises because we have experienced a 3.5 per cent increase in the cost of consumables. The funding for Aboriginal hostels, which will be under the auspices of Aboriginal Hostels Ltd, will come from the Commonwealth and will not be a cost to the State Government.



Mr KOBELKE: I refer to the second major achievement for 1998-99 listed at page 287. I am pleased that the Country High School Hostels Authority will establish a hostel in Kununurra. Is there money in this budget for the development of that hostel, which I note will be available for the 2001 school year?

Mr BROWNE: That is the hostel I talked about a moment ago; it is being funded by Aboriginal Hostels Ltd and the State Government's role was to provide the land. That does not appear in the budget papers.

Mr RIPPER: Will that not be administered by the Country High School Hostels Authority?

Mr BROWNE: We are negotiating with the AHL to have some governance but, given that it is paying the bill, our rights to governance are limited.

Mr RIPPER: Has the new legislation passed by the Parliament to allow students from non-government schools to stay at hostels had the desired effect of increasing the number of enrolments and providing more viable operations for the hostels?

Mr BROWNE: To some degree, and to a fair degree, the amendment to the Act recognised that which was. The Albany college has 108 students and approximately 52 of those attend St Joseph's College in Albany. Half a dozen students from St Joseph's College in Northam attend the Northam Residential College. As I mentioned to the member for Geraldton, we are negotiating with the Geraldton Grammar School so that its students can also attend the new Geraldton Residential College. Yes, it is having the desired effect.

Mr BLOFFWITCH: Changes have occurred in Geraldton with the secondary grammar school and until this year the students have all attended the Geraldton High School or the one in town. From next year students in years 8, 9 and 10 will go to Highbury. Has any concern been expressed by parents or students about these changes?

Mr BROWNE: We have not had direct feedback from parents, but we have been concerned that the number of students attending the Geraldton Residential College has fallen from 124 in 1998 to 110 in 1999.

Mr BLOFFWITCH: Is this a trend throughout the hostels?

Mr BROWNE: It varies, and we must take into account a number of factors, such as the success or otherwise of the specific governance of the college. The number of students attending colleges throughout the State has remained at 741, in both 1998 and 1999. That is partly because of the increase in Esperance but a reduction in Katanning, and an increase in Albany but a reduction in Northam. The figures must be offset and it is hard to say whether it is a trend. The Country High School Hostels Authority is going against the trend of rural-urban drift by holding the number at 741.

#### **Division 28: Education Services, \$149 772 000 -**

[Mr Barron-Sullivan, Chairman.]

[Mr Barnett, Minister for Education.]

[Mr P. Browne, Chief Executive Officer, Department of Education Services.]

[Mr B. Parkin, Director, Office of Non-Government Education.]

Mr RIPPER: In previous budget papers related to the Department of Education Services, reference has been made to an inquiry into middle schooling and the production of a report. In this year's budget papers reference is made to providing planning advice on middle schooling, but no reference is made to a committee, inquiry or report. Has a middle schooling report been produced and is it available for the public or, at least, the Opposition?

Mr BROWNE: The middle schooling report, which has had a lengthy gestation, has been completed. The committee was chaired by Audrey Jackson, Executive Director of the Association of Independent Schools, and it was a cross-sectoral report. It has been handed to the minister and a date has been set, not too far in the distance but I do not have the precise date to hand, for its launch. This will be followed by a range of seminars to bring into the public domain the benefits of middle schooling.

Mr BLOFFWITCH: Non-government schools are an integral part of the community in Geraldton. A new school approached me regarding funding and asked whether it would be successful. What is the procedure for getting this money for non-government schools and is funding limited?

Mr PARKIN: The application from a new school must initially be approved by the Minister for Education. If that approval is given and the school proceeds with its planning, it then makes application to the Commonwealth Government in the first instance for Commonwealth Government recurrent funding. It must also meet state registration requirements, and if it meets those standards the State Government will provide recurrent funding. The Commonwealth will give the school a funding category, which determines the rate per student, and the State has a model based on the commonwealth model and provides a state rate for that school. As to whether the funds are limited -

Mr BLOFFWITCH: Provided it fitted into the categories you mentioned, would it be funded?

Mr PARKIN: Yes, if it becomes a registered school, it automatically qualifies for commonwealth and state recurrent funding.

[2.20 pm]

Mr BROWNE: There is another part to that. If they were to seek a low interest loan, this department would be responsible for the interest differential between our subsidised rate and the borrowing rate. There is also a queue for the loans.

Mr BLOFFWITCH: They all tried for low interest loans because that is the only way they become viable.

Mr RIPPER: It has been put to us that the recurrent funding for non-government school students has increased by an average of \$117 to \$1 369 per pupil in the current budget, while funding allocated to government school students has increased by an average of \$615 to \$5 713 per pupil. What is your response to those figures? Are they accurate? The Commonwealth Government has adopted a new scheme for the funding of non-government schools. Does the State Government have any plans to review its method of funding non-government schools in the light of the impact of the commonwealth changes?

Mr TUBBY: We have had a long-term policy to raise the level of recurrent expenditure to non-government schools to 25 per cent of the cost of educating a child at a government school. That policy has been in place since we came to government.

Mr BROWNE: If I am not mistaken, that figure is now at 26.7 per cent of the cost of educating a student at a government school. I would need to know on what basis those figures were calculated. I will try this: The increase in the budget for the non-government sector from last financial year to this financial year contains an increase of 12 per cent, or \$16m approximately. It must be recognised that \$4m of that increase is attributable to the interest component we hold to facilitate more loans out of the low interest loan scheme.

Another part is an \$11.3m increase in per capita funding to the non-government sector. There has been an \$11.3m increase because the figures are calculated on a predicted increase in the number of students attending the non-government sector - an increase of 5 per cent - and also an increase in the AGSRC, the average government schools resources cost. A basket represents the cost of a government student, and that is the 26.7 per cent on which we now work. That basket is considered to have increased by 5 per cent. What must be recognised is that there is a lag time for the calculation of that by the Commonwealth. Those two lots of 5 per cent account for the 10 per cent. Through a range of issues within the department, there has been an increase of \$400 000 in salary, operating and other overhead costs. Those increases added together constitute the \$16m. If that is the figure being used to make the comparison, I hope that explains it. I am not sure that I have answered yes or no to the question.

Mr PARKIN: Essentially that is correct. The critical figures that have increased the level of recurrent funding are driven by our projected growth of non-government school enrolments which gives us a 5 per cent increase on last year's figure, and a further 5 per cent on the level of indexation that is related to the government cost increase, which is the AGSRC index. If that is calculated on a per student basis, or whatever basis is used to arrive at the member's figures, it is driven by those two percentage increases.

Mr RIPPER: Is it likely that the average government schools' recurrent cost formula will be revised or reviewed? There is debate about how adequate this formula is from time to time.

Mr BROWNE: I will answer another part of an earlier question for reasons of explanation. As to the commonwealth funding of the non-government schools, the half a billion dollars that was mentioned in the federal budget, which does not affect Western Australia to any degree, is based on an election promise from a previous federal election when the Catholic schools were shifted from a category 10 to a category 11 which increased their commonwealth funding. Simultaneously there was a proposed move from the funding model that was used previously to a socioeconomic status model. If you take any college within Western Australia that exceeds 100 students, the Commonwealth Government will take a sample and examine the socioeconomic status of the parents of that school community and then work out where they fit on a continuum and fund the school accordingly. Whether that precipitates any change in the way they approach the AGSRC, or whether that affects it, is a matter to be seen.

Mr PARKIN: The AGSRC was reviewed by Western Australia some years ago. It is a nationally derived index that is used by the Commonwealth and all States. When the review was undertaken here, we attempted, successfully, to identify a range of other costs that could be included in and attributed to the real cost of government school education. We are reasonably confident at the moment that the best version of the AGSRC is operating in Western Australia. As government school costs rise, as we heard this morning from the minister, the per capita grants for non-government schools are expected to increase due to the nexus with the AGSRC. On the basis of the review that we undertook a few years ago, we have a reliable index. It has also been enhanced in Western Australia, in particular, by the State Government's move to accrual accounting and reporting, which is not necessarily the case in all other States. The local index is a truer indication of the real costs, unlike the situation in other States where, I believe, it is still calculated on a cash basis.

Mr RIPPER: That is a very interesting comment. Can we return to the initial question and one of Mr Browne's comments. It does not seem from your comments that there is likely to be any change to the way in which the State Government chooses to fund non-government schools. Is the Government considering the same sort of socioeconomic sampling system as used by the Commonwealth, or is that not on the agenda? The comment from Mr Browne that I want to explore further is the suggestion that the commonwealth addition to funding of non-government schools will not have much impact in Western Australia. Should we be protesting about that?

[2.30 pm]

Mr PARKIN: The commonwealth model which has been changed was a 12 category needs-based method of funding. In Western Australia, we collapsed the 12 categories into six categories for State Government funding. The nexus has now been broken by the change announced by the Commonwealth and its moving to a socioeconomic sampling-based model. The State must now look at the model we use because we no longer have the 12 categories on which to base it. We may propose, and I have begun some discussions with the non-government school sector, to see how an SES model could be overlaid on the Western Australian financial position, so that each school would receive the same quantum of funds on a per capita basis as it did under the old model.

When we have done that, it might mean some schools would change funding levels, as the Commonwealth found, and certain assurances would need to be given to those schools. However, no analysis of state funding has started yet. We are waiting for the Commonwealth to reveal to the States more information about the measures that all schools have of their socioeconomic status. Our department has begun preliminary discussions with the Association of Independent Schools and the Catholic Education Office of WA about this. However, it is fair to say that we will have to re-examine the state model because the method based on the 12 categories will be lost. It will be in place until 2001 which is when the new commonwealth model picks up.

In answer to the other question about the commonwealth budget's allocation to the non-government sector, what Peter Browne said is accurate. The increase of roughly \$500m largely goes to the eastern states Catholic systems which were reclassified from a category 10 position to a category 11 position. The Western Australian system was already at category 11. Therefore, as Mr Browne said, most of that money is to honour the Federal Government's previous election commitment given in 1998. However, in the socioeconomic sampling model, there are a couple of groups of schools at the low end of the SES spectrum which apparently will qualify for a slightly higher funding rate. Therefore, there will be some additional funds for those schools. In Western Australia, those schools tend to be the independent Aboriginal schools that are run as independent schools, or the Catholic system which runs some schools in the far north of the State. They will benefit from that extra money that the Federal Government provided. However, largely the money is to fund the eastern states Catholic system.

Mr BROWNE: As Mr Parkin said, some schools will benefit from the SES model. Conversely, if one assumes there is a finite amount of money, there must be some who move down the category based on the SES model. However, the Commonwealth has guaranteed to maintain funding to the losing schools for a period to allow for the adjustments to take place.

Mr PARKIN: In real terms, it is an unusual step for the Commonwealth to guarantee, but it is only for the new quadrennium.

Mrs van de KLASHORST: Page 397 of the *Budget Statements* refers to providing advice on innovative approaches to teaching and learning, including the use of telecommunications infrastructure. How widespread is this? Does it also extend to the remote Aboriginal communities? Will the Parliamentary Secretary provide me with a demographic breakdown? How many students use this type of telecommunications for educational purposes?

Mr BROWNE: That comment is directed largely at higher education. The Office of Higher Education within the Department of Education Services, with the support of the minister, is playing a significant role in coordinating universities to work together so that the regional centres particularly can have access, through technology, to higher education courses. Although the host university is the University of Western Australia, in time all universities will be able to use the access centre at Albany.

The Esperance Community College is a variation on the theme. It is a federation of education providers. Curtin University of Technology is the host university. It has a major technology infrastructure going into it worth half a million dollars. In that case, Curtin University, the technical and further education college, the community and the upper school of the senior high school will all be able to access it. We are hoping in time to do the same thing in Geraldton. We have facilities in Kalgoorlie, and we are working our way through all the regional centres in Western Australia. We face problems to some degree with bandwidth, but we are working with other agencies to address that as well.

Mrs van de KLASHORST: Have those facilities reached Carnarvon, Warburton and places like that, or will that happen in the future?

Mr BROWNE: We are not providing those facilities to Carnarvon. However, another agency is providing a facility called MITE, which is a multi-interactive technology environment. There are two separate facilities. One is essentially a computer laboratory and the other is an interactive television room with a number of components. One can have audio both ways, audio one way and vision the other way - any of those combinations. That is what is happening there at the moment. However, we are working on expanding two-way vision to all the regional areas.

Mr KOBELKE: Will the Government start charging country students who travel past their nearest government school to a school of their choice a fare of 80¢ per trip?

Mr BLOFFWITCH: No, it will not.

Mr BROWNE: I thank the member for Geraldton for that. I was about to say that is a question for the Department of Transport.

Mr KOBELKE: I realise that, but it will impact directly on this budget because some non-government schools may not be viable if that were put in place.

Mr TUBBY: It has not come through yet and it is nothing to do with this committee; it is a matter for the Department of Transport.

Mr KOBELKE: Therefore, I have the Parliamentary Secretary's undertaking that he will stop it?

Mr TUBBY: There is a question of equity, because in the metropolitan area, students living outside a certain boundary pay fees. Whether that is introduced into the regional areas will be a policy decision made by government.

Mr KOBELKE: My next question also relates to the impact of funding on non-government schools. The low interest loan

scheme introduced by the Labor Government has obviously been very successful. Is the Government giving any consideration to providing a non-repayable capital grant, such as a dollar-for-dollar grant, to meet the capital costs for non-government schools?

Mr TUBBY: Not that I am aware of.

Mr PARKIN: The non-government school sector, as distinct from parents groups, would regard the low interest loan scheme as far more advantageous for its purposes. Non-government schools qualify for capital grants from the Commonwealth Government which they put towards their school facilities. The purchasing power for the school facilities is enhanced by the fact that low interest loans essentially allow schools to do so much more than if the costs to Government were made available as equivalent amounts of capital funds. One would assume perhaps that if the Government were to change, it would need to be at no extra cost to the Government, and the calculations that have been done in the past show that the amount of capital funding that would be available would be considerably less than imagined and would not stretch by any means as far as the low interest loan scheme does. In total, we have lent over \$265m since the inception of the low interest loan scheme in 1988. That has stimulated over \$300m worth of building activity in the non-government schools sector.

Mr RIPPER: I notice that in the budget papers the new non-government schools committee is reported as having approved a number of proposals for new non-government schools or altered non-government schools. Did the committee reject any proposals for new non-government schools?

[2.40 pm]

Mr BROWNE: Mr Parkin is a member of that committee. However, it is chaired by Professor Owen Watts. It has been successful in coordinating building programs to ensure that one sector does not build to the gross disadvantage of another sector.

Mr PARKIN: There has been no rejection yet of any application. However, a number of applications have been sent back to the proponents, in some cases on up to four occasions, for further information and clarification of their propositions before we, as a committee, agree to recommend to the minister that planning approval be given.

Mr RIPPER: I notice that the department is working on teacher registration. During the debate on the School Education Bill, the minister was bold enough to promise a discussion paper on teacher registration. When can we expect to see that discussion paper?

Mr BROWNE: The discussion paper was promised to be delivered to the minister on Tuesday, 1 June and it will be delivered on that day to the minister. The first phase that we have been through in respect of the nomenclature for the discussion paper produced an issues paper. We have been working with members of a representative reference group who have continually taken that paper back to their constituencies - the Association of Independent Schools, the Catholic sector, the Independent Schools Salaried Officers Association of WA and the State School Teachers Union. The result to be handed to the minister next Tuesday is the discussion paper. It is entirely up to the minister what he does after that.

Mr TUBBY: Can we table some papers?

The CHAIRMAN: Unfortunately, in the estimates committee you cannot table papers. They can be distributed later or tabled when Parliament sits again.

Mr BROWNE: The member for Churchlands asked some questions in respect of Aboriginal scholarships and we undertook to provide it during this session.

Mr KOBELKE: If it is appropriate, I echo the questions asked by the member for Churchlands so that they go on the record and therefore can be provided by supplementary information. Is that a method by which we can get them into the record?

The CHAIRMAN: Yes, if you seek this information by way of supplementary information, that will be fine.

Mr KOBELKE: On page 407 of the *Budget Statements* there is an allocation of money for alienated youth grants. I would like an explanation of that.

Mr BROWNE: The State Government afforded \$3.1m over four years to the collective education sectors to address the issue of alienated youth. The non-government sector was allocated part of that money and the Office of Non-Government Education within my department has been responsible for working with the non-government sector to ensure that money is equitably distributed.

Mr KOBELKE: Are they in school or out of school programs?

Mr PARKIN: A combination of both. The quantum of funds that was allocated to the non-government sector, as the member would appreciate, was relatively minor. It is \$210 000 this year and last year it was \$158 000. With that small amount of money it has been possible to assist some non-government schools that have actually been working with alienated youth - the Port Community High School in Hamilton Hill, the Corridors Secondary Vocational College in Midland and also three other mainstream schools that have been nominated through the Catholic Education Commission and the Association of Independent Schools. They have been working on in-school activities developing programs that are appropriate for such students, mainly tracking them, looking at early intervention strategies and documenting profiles about those students with a view to developing resource materials that may be disseminated more widely through at least the non-government sector and, hopefully, in connection with the retention and participation program that was mentioned this morning by the Education Department, to government schools. It will dovetail with the students at risk program that has received extra funds from the same source.

**Division 27: Curriculum Council, \$8 227 000 -**

[Mr Barron-Sullivan, Chairman.]

[Mr Barnett, Minister for Education.]

[Mr P. Albert, Chief Executive Officer, Curriculum Council.]

Mr RIPPER: From page 324 of the *Budget Statements* I note that the Curriculum Council has provided 30 000 teachers with professional development and expects to provide another 30 000 with professional development in 1999-2000. That seems to be a rather large number. Could we have some illumination on how that number was reached?

Mr BARNETT: I will ask Mr Paul Albert, the chief executive officer, to comment on that. It also must be recognised that professional development is the prime responsibility of the employer - the Education Department, the Catholic school system and so on. The Curriculum Council is provided with additional funding which effectively tops up curriculum projects.

Mr ALBERT: Our preference, and the way we actually allocated the money to the school system sectors, was by a percentage of students. Our estimates of the number of teachers that would be involved related to hours rather than numbers. Treasury required us to report the actual number of teachers estimated to be receiving professional development. Our program is a joint activity with the school sector systems and it is on a dollar for dollar matching basis. One must assume, given that implementation of the curriculum framework is now mandatory in all schools, that all schools are engaged in professional development activities. In future we will not be reporting on numbers of teachers but on numbers of hours.

Mr BLOFFWITCH: How do teachers keep pace with the changing emphasis in schools on different subjects, for example in telemarketing? What type of personal development do teachers receive to keep abreast of the changes in the market, including changes in the electronics world and so on? Are we keeping pace with these changes, in the minister's opinion?

Mr BARNETT: The implication of the question is true with technology, and particularly the new curriculum. There is a huge need for a program on professional development and there will be a period of catch-up. I have been impressed by the enthusiasm with which schools and teachers are taking on the new curriculum framework and they are doing a great deal of work in their own time. They are receiving reasonably generous allocations for professional development but it is a big task.

Mr ALBERT: Professional development is becoming more critical as we move further into the next century and the age of digital technology, and as we move to an outcomes approach in education. Having outcomes means that the schools and teachers themselves are freed up to develop teaching and learning programs that are appropriate to the needs of their particular students. They are not bound by some centrally developed syllabus. They are charged only with ensuring that their students actually achieve the outcomes that have been set for them. To do that requires a great deal of reflection, planning and program development at the school level and alongside that, professional development is a critical ingredient.

Mr BLOFFWITCH: Are allowances made for teachers, for example those who wish to attend specific courses which the school believes will be of advantage to it? If the teachers move out, does the Education Department replace them with someone else?

[2.50 pm]

Mr BARNETT: A big part of the wage settlement that saw teachers get a 15 per cent rise was a commitment by the employer and employee to professional development. A lot of that was meant to be in the teacher's own time. That has not happened in all cases to the extent that we had hoped. Certainly days are allocated for professional development. It is a logistics problem for schools to manage their staff and provide relief teaching, but it is taking place.

Mr ALBERT: Part of the professional development involved in the curriculum framework is what we term workplace learning. There is a view that professional development only occurs when somebody comes and speaks to a group of people or people go outside of the school. If teachers are given the opportunity to experiment in a class, and that is documented and the principal supports it, very significant professional development occurs, not only for the teacher but also for others by that teacher passing on the results to other teachers in the school.

Mr BLOFFWITCH: In my business I used to have to send my mechanics to Perth. Now they learn through satellite and visual techniques. Through this method people at every country dealership can sit down and be taken through all the stages of the courses. It is obviously better when six or seven people gather together for an hour. Are you looking at doing something like that in the school system?

Mr ALBERT: Schools are doing that. For the implementation of the curriculum framework, it is best to get a teacher to experiment or pass on what another teacher has done, call a small group together and reflect and plan for half an hour or an hour. It does not require a full day or two days or more. This is taking a much more pragmatic and lateral view of how professional development might work in a school setting.

Mrs van de KLASHORST: The curriculum framework has been developed and will be implemented over the next five years. How do the curriculum outcome statements relate to Aboriginal children? Do they have a separate framework? Were Aboriginal children taken into consideration when those frameworks were developed? What is being done to assist young Aboriginal children who, as we know, have poor school retention rates?

Mr ALBERT: A key principle behind the development of the curriculum framework was inclusivity; in other words, we had to include all groups of children - indigenous children, children with learning difficulties, and so on. We had a fairly

extensive consultation process with Aboriginal communities and Aboriginal schools. Since then we have established an Aboriginal advisory committee to provide direct advice to us on implementation issues associated with the framework. It is a hard task, but one of the powers of the framework is that it provides in a local setting significant flexibility for schools to respond. One of our council members is the principal of the Nullagine Primary School, Lucina Cross. She has reported back to the council that the implementation of the framework in her school has resulted in a total freeing up of some of the problems that they have had in the past. It has certainly generated a new excitement in her school among the indigenous people.

Mrs van de KLASHORST: Has this been taken up by Aboriginal private schools? I have one in my electorate. Are those completely private and independent schools being given the same backup and teacher training as the state schools? How does the system work with schools such as Midvale, where there are over 100 Aboriginals with non-Aboriginals?

Mr ALBERT: We obviously work closely with the Association of Independent Schools and the Catholic Education Office. The Catholic Education Office has a fairly detailed strategy in place for the implementation of the curriculum framework.

Mrs van de KLASHORST: I was thinking more along the lines of Koolunga which is a completely independent Aboriginal school.

Mr ALBERT: For independent schools there is less direction, quite obviously because they are independent. Nevertheless, they have been made aware of their obligations to implement the framework. The Association of Independent Schools has put together professional development sessions. There is quite extensive collaboration between the Catholic education system, the Education Department and the Association of Independent Schools on professional development activities. However, I would have to say that those schools are probably less advanced in implementing the framework than some of the Catholic and government schools.

Mr RIPPER: We spoke a bit about professional development in the estimates committees last year and we discussed the \$1.5m that had been put into the Curriculum Council budget for professional development on the curriculum framework. One of the issues debated in the estimates committees last year was whether that \$1.5m would appear in the budget in subsequent years, given that the implementation of the curriculum framework is phased in over a period of years. I notice that the \$1.5m budget has been cut to \$1m for 1999-2000, although it appears to rise again to \$1.5m in the forward estimates for 2000-01. Given the critical importance of professional development that we talked about a moment ago and the significance of the new curriculum framework, why has the Government cut the budget by \$500 000 in a total Education budget of \$1.3b? It seems to be an unnecessary cut.

Mr BARNETT: There are two aspects: First, from the experience of last year, we felt that we got a great return for that money. It went further than was anticipated. The Curriculum Council would like to have maintained the amount at \$1.5m this year and so would I. The reality is that it did not happen in the overall budget process. Part of the tightness in education is reflected in this cut this year but it returns to \$1.5m next year.

Mr RIPPER: You do regard professional development as critical in education, I hope.

Mr BARNETT: We regard it as very important. The professional development that has been undertaken has been very effective. Initially last year there were talks of \$5m or the like - very big figures. Experience has shown that it would not be appropriate. It will be a bit tighter in the coming 12 months, I recognise that, but at the same time we have good value for money out of the scheme. The schools and individual teachers are making a great personal investment in it, so it is taking place.

Mr RIPPER: Do you regard the introduction of the new curriculum framework as stretching the capacity of teachers in the education system to accept change? Do you detect any signs of stress amongst teachers as a result of the rate of change that is occurring?

Mr BARNETT: There has been quite a substantial amount of change in recent years. The curriculum change is probably the most dramatic in its impact on the teaching function and a teacher's own knowledge and skill. As I said this morning, I have been impressed with the way the teachers have embraced the new curriculum framework. They are going for it. We talked about phasing it in over five years. My view is that it will come in far more quickly because schools and teachers are embracing it very quickly. For teachers with a more difficult school environment, for whatever reason, it is obviously more difficult to put the time into the curriculum, I recognise that.

Mr RIPPER: How are parents reacting to reporting based on student outcomes? As a parent, I have seen a report based on student outcomes. I found it a bit unsatisfactory. My immediate question related to how my son was doing in comparison with the rest of his age group, and he was achieving an outcome, but what should he be achieving? I wonder whether parents will be satisfied with the format of the new reports.

Mr BARNETT: There will be a bit of a learning curve for parents. Their natural inclination is to ask where Johnny lies relative to his classmates, whereas this is set against a standard.

[3.00 pm]

Mr ALBERT: The council must deal with a number of issues to get the reporting right for parents. Parents want to know whether their child is doing okay in class and how their child compares with others in a similar age group. They are keen on this information. The comparison with other children is really a system-sector or school matter. The monitoring standards in education group within the Education Department has commenced a fairly extensive process of testing, starting with literacy and numeracy and working its way through the various learning area statements. That is not on a whole-of-state

basis, but on a random sampling basis to get some idea where children should be at in what years. Reporting is a problem. The council does not have a responsibility to report to parents. Its responsibility is to report at the end of year 12. We have been trying to provide some advice and to prepare, if you like, a parent pack so there is better understanding of what an outcome education system means.

**Division 23: Resources Development, \$23 246 000 -**

[Mr Bloffwitch, Chairman.]

[Mr Barnett, Minister for Resources Development.]

[Dr J. Limerick, Chief Executive Officer, Department of Resources Development.]

[Mr R. Atkin, Manager, Finance Branch, Department of Resources Development.]

Mr GRILL: Could the minister explain the figures set out on page 1221? There are fairly large fluctuations from year to year. For instance, the grand total of recurrent and capital expenditure was \$28m in 1997-98, \$17m last year and \$23m this year. Even the recurrent sector has a fairly big variation. Item 36 shows recurrent expenditure of \$17m for 1997-98, \$14m for last year, and \$10m this year.

Mr BARNETT: The base budget for the department on salaries, administrative costs and normal allowances is around \$10m. The Department of Resources Development essentially acts as a catalyst for projects. However, it also attracts capital expenditure which generally flows through as grants to Westrail or to LandCorp for land purchases. The base budget of around \$10m is remarkably stable, but provision is made for capital expenditure. The Oakajee development is one example in which a lot of capital goes through DRD for land purchases or grants to other departments to do things. There is a lot of volatility. We are trying to make a distinction between the base operating budget of the department and what we call flow-through items.

Dr LIMERICK: That is broadly correct, and I will give a little more detail on that. The member mentioned the reduction of item 36 from \$14m down to \$10m. That is in respect of the controlled recurrent budget - that is, to a large extent, the flexible budget or discretionary budget. That represents a fall away in expenditure on the Oakajee port development, and the South Hedland enhancement scheme, and also a slightly lower expenditure on petrochemicals. Item 37 shows a \$9m increase. That is what is called the administered recurrent, which is the flow-through over which we have no discretion. That is largely applied against infrastructure items such as the western access road around Karratha, interest payments on such things as the funds which were put into the casting basin at Bunbury, various gas pipelines being constructed, and interest payments for holding costs that LandCorp incurs in regard to industrial estates.

[3.10 pm]

Mr GRILL: In this year, next year and the year after, there appears to be an escalation in the grants and transfer payments under the heading of "Capital". That figure is \$983 000, and \$1.4m for this year. It gets to nearly \$6m in 2001-02. What is that for? It is capital, I presume.

Dr LIMERICK: Yes. That is related almost exclusively to the Ord project. A small amount is related to departmental assets, but the vast bulk is for the Ord project. Most is in connection with the consultants' work, the environmental clearances and Aboriginal liaison. In the out years where the numbers get quite large, it goes towards applications to community facilities associated with the population that is expected to come in as a result of the M2 area being developed. This would include upgrades on school extensions, shire roads and various Aboriginal facilities that flow out of the economic benefits package. It is for infrastructure enhancements in that part of the country.

Mr GRILL: I presume the native title agreement in relation to that area is virtually finalised.

Dr LIMERICK: Wesfarmers-Marubeni are proceeding with their negotiations.

Mr MARSHALL: With the Asian downturn and supposedly tough times for resources, is there an amount of promotional money in the budget to attract projects to Western Australia?

Mr BARNETT: Yes. That is a key role for the department. A lot of effort is currently going into the petrochemical complex in the Pilbara. It is a difficult project to get through. There are examples in the timber industry. Work is being done on a proposal for a plantation chip-mill near Albany, which looks like it is coming to fruition. We are looking at further opportunities of gas processing and also at a range of products, urea and ammonia plants and the like. A big focus of the department is identifying resource development and value-adding opportunities, and promoting those internationally.

Mr MARSHALL: What kind of money is put aside in the budget to promote those sorts of activities?

Dr LIMERICK: Last year approximately \$3.6m was allocated against that. This year there will be a slight reduction to \$3.3m. That is the prime area within the department's budget for which we are hoping to maintain expenditure levels. I have been in the chair for about three months or so, and the department is going through a slight restructure. It will involve separating a division to deal with investment promotion. A clear focus will be put on that activity over the next couple of years.

Mr MARSHALL: Is there a way of measuring the investment of promotional money, as against the income it generates?

Mr BARNETT: I do not think that can be done immediately. A lot of effort is going into liquefied natural gas sales into China at the moment. The department has been doing all that work, including work for the Premier's visits there last year.

The investment in the resources industry indicates that this is money well spent. It has gone from about \$2b in the early 1990s to just under \$5b last year. It is coming off a peak period, but I expect investment to be between about \$3b and \$4b. I think we are getting a return. It represents about 60 per cent of all the mining and petroleum investment in Australia.

Mr GRILL: I refer to private capital investment in Western Australia. This State has done very well in this arena for some time, picking up 25 per cent of the total Australian private capital investment. We had a good year last year. I have been examining *Prospect*, the very good publication of the Department of Resources Development, and it seems that the figures for committed projects are starting to look a bit thin. I am looking at the latest issue of *Prospect*. There are eight projects, which come under the "Committed" heading. A year or so ago there were 22 and just prior to that there were 23. I get the impression that there is not much coming through the pipeline at the moment, especially when looking at projects listed under the "Committed" heading. It lists the Wesfarmers ammonia plant at Kwinana; the alumina plants at Wagerup and Willowdale, and the Worsley plant at Boddington; and the Collie coal-fired power station. It lists under the infrastructure projects, the Dampier Port expansion and the direct reduced iron hot briquetted iron plant. There are two or three - it should be three - nickel projects in the goldfields. Nearly all of those are now completed. They may not have been commissioned, but for all intents and purposes their ability to create new employment is reasonably minimal. It looks as though the long period we have had with high levels of private capital investment is drying up - and pretty quickly, given that last year was a good year in that respect.

Mr BARNETT: There is a lumping effect. One of the two key factors was gas deregulation in 1995. At that stage the commodity prices were strong, and the Asian economies were growing rapidly. That brought about a lot of positive decisions to invest. Projects such as the goldfields pipeline, BHP's DRI plant, a host of power stations, three of the lateritic nickel projects and the Collie power station all occurred as a result of decisions to proceed in that environment. They were part of a wave of investment. It is true that with the Asian economic problems, in the past 12 months there have not been many decisions to proceed with projects. There has been somewhat of a gap. To put it into context, projects currently under construction include that for Onslow Salt Pty Ltd; the Worsley expansion which is worth about \$1b; the Alcoa plant at Wagerup; and the precious metals vanadium project. There is a fair bit of activity. Most other States would be thrilled to have that activity and investment.

As to the projects that are prospective, from midyear on - there is clear returning of confidence - I expect we will start to go through another period of decisions to proceed with projects. The important ones are the Ord expansion; a couple of ammonia-urea proposals in the Pilbara; and I am confident we will see a decision on the LNG expansion, with at least one other LNG train by the end of the year. I am also reasonably confident about Robe River's West Angelas project, and there will be a few more. I am suggesting that over the next six to 12 months, we will start to see more decisions to proceed being made. Yes, there is a bit of a gap. We are seeing some projects concluding, with some still under construction; however, in the past 12 months there have not been many decisions to proceed with new projects.

Mr GRILL: This arena has been the powerhouse of economic activity in Western Australia.

Mr BARNETT: It still is.

Mr GRILL: We on this side do not want to be negative about it. It is most important to keep these projects going. As an Opposition we try to keep in contact with the various players in the market, and from time to time they brief us. It is a little discouraging to find that most of these companies are having problems with the markets at the moment. The big Gorgon project which it was hoped would be the next one off the rank appears to have slipped very badly. The minister is still hopeful about the North West Shelf, but perhaps half of the mineralogy capacity does not appear to be on the horizon at the moment. Oakajee is struggling. That was a big hope. The petrochemical plant appears to be going ahead.

Mr BARNETT: We have always recognised that has some time to go.

Mr GRILL: Then there is the Mt Gibson DRI plant. They all appear to be slipping, not because of any technical problems in Western Australia but mainly because of market problems.

Mr BARNETT: There are two dimensions to that: First, there is the market, and commodity prices have been low over the past 18 months or so. Most people believe that the commodity prices have bottomed out. There is now some upward movement, probably not in gold, but in others it is not bad. As the member has conceded, I have been very careful to recognise that it was never going to be the case that all the projects that were mooted and promoted would happen. The area with the greatest adverse impact has been in liquefied natural gas, where there has been a major shift. Nevertheless, the market is not at the scale anticipated, but is returning. Clearly the Japanese and Chinese will be buying LNG and making decisions reasonably quickly.

[3.20 pm]

Mr GRILL: There is a lot of capacity around the world.

Mr BARNETT: Yes, there is a lot of capacity. The industry has changed, but at the same time, the growth is returning. Some of the projects were overrated by their proponents and had unrealistic expectations, and they promoted them aggressively. I think some optimism will return. A few years ago I made the comment that this State would achieve about \$8b worth of resource development during the second half of the 1990s, and I still have the newspaper clipping. A few commentators scorned that. We have romped through that already. A period of resource development has taken the value of mineral production from \$12b, when this Government came to power, to about \$20b. It is a problem with the psychology in this State in that we focus on the projects. We are losing sight of the fact that the whole sector has grown by 50 per cent during the mid-1990s. The maintenance, turnover and operation of those projects is on a huge scale. I do not disagree with



what you are saying. There has been a downturn in commodity industries, but the resource sector in this State has ridden through the Asian economic problems remarkably well. It is a far stronger industry than it was a decade ago.

Mr GRILL: It was very interesting that yesterday the executive chairman of Conzinc Rio Tinto of Australia Ltd made some comments about capacity and the necessity of squeezing out some of the overcapacity within the minerals market. He was mainly applying those remarks to minerals, but they could be interpreted in relation to petroleum and gas, particularly the gas market. How does your department feel about that? Is there simply too much capacity in the world today?

Mr BARNETT: The market tends to do that. Most of Western Australia's commodity producers are in the lower cost realm, generally the lower quarter. Through a period like this, the high cost producers will tend to disappear. We are seeing that in the aluminium sector and in other areas. Lateritic nickel mines will be very competitive. I do not believe government should play a role in trying to force out or reduce capacity. If you look at Rio Tinto's accounts, although it is touted as the world's biggest mining company, Hamersley Iron accounts for one-third of its global profits. It is the jewel in the crown. Despite the downturn, Hamersley's profits increased. The good projects - the low cost producers - will do well even during a downturn. Hamersley is an example of that.

Mr GRILL: I have no doubt about that. I am concerned about the number of projects that have a realistic chance of getting off the ground in today's competitive market, especially with capital.

Mr BARNETT: I ran through what are the live projects at this stage; that is, the ones on which we are concentrating.

Mr GRILL: The first dot point on page 1222 refers to the major currency depreciations in a number of Asian and South American countries that have increased the international competitiveness of their export industries, placing increased pressure on the ability of our industries to compete and attract new investment. To which countries does that refer?

Mr BARNETT: Essentially the South American economies.

Mr GRILL: Countries such as Brazil and Chile.

Mr BARNETT: The instability in some cases also means that some mining companies were staying away from certain economies because of financial and perhaps even political instability.

Mr MARSHALL: I have just scanned the budget and I notice on page 1230 that China has been identified as a potential customer. What is the department doing to improve the chances of exporting LNG to China and Japan?

Mr BARNETT: It is doing a great deal. The department provided all of the backup and support to the visits the Premier made to China last year. There is no doubt that although the Chinese have worked on LNG imports for the past six years, the visit by the Premier last year raised the public profile of that and we got a commitment effectively from Premier Zhu Rongji. I was there last week following up on a lot of those visits. The Department of Resources Development has played an outstanding role. We work closely with Chinese officials. DRD helped prepare an analysis of comparative costs of LNG versus coal-based power generation for the Chinese. Currently, we are about to do some additional work on using some smaller LNG vessels, perhaps delivering into Shanghai and further up the Yangtze River. It reflects a long period of a close working relationship between DRD and the Chinese steel industry, and the Chinese bureaucracy around that. It is the sort of promotional material to which you alluded before. We are doing very well.

Dr LIMERICK: The relationship the department has with China generally is an excellent one. That has been promoted largely through the Chinese economic and technical research fund in which some of the royalties from the mine are notionally allocated to joint work to the tune of about \$5m. A delegation is going over in a few weeks, and DRD will be leading some of the people from a number of the iron ore companies at the more junior marketing level to establish relationships with a number of the steel mills. Recently we spent a day, in conjunction with the iron ore companies, hosting the chairman of the biggest steel mill in China. There is an excellent working relationship between the State and China in that regard.

Mr MARSHALL: It sounds very positive and I am pleased to hear it. If and when contracts are established, and we see a monetary gain, what will it mean from an employment point of view to the people of Western Australia?

Mr BARNETT: To build an LNG train would cost \$1.25b. During construction, there would be about 3 000 people on-site. The construction impact is very big. That is where we feel it; for example, two-thirds of the revenues from the LNG royalty goes straight into State Treasury. It is a substantial flow of cash. Generally the industry is capital intensive, and that belies its importance. Often such huge amounts of direct employment are not found within the mining resources industry, but its economic impact is profound; for example, the North West Shelf is estimated to contribute about 2 or 3 per cent to the total gross domestic product of Australia.

Mr GRILL: While we are talking about the relationship we have with China, it seems that we might be overestimating our prospects of selling LNG into that market. Two provinces are interested in LNG.

Mr BARNETT: Three provinces, but two are on the boil.

Mr GRILL: Given that overcapacity around the world, it seems that we must take our chances in that market. More likely than not, it will be an open-tender situation in which we may well not get up. What is your assessment of that?

[3.30 pm]

Mr BARNETT: At the end of the day, commercial factors will dominate. Currently we produce 7 million tonnes through the North West Shelf project, which is about 10 per cent of the world supply. The market is three million tonnes into

Guangdong. From the discussions held there last week, it will award a contract by the middle of next year and bids will be invited later this year. There is a similar contract for the supply of 3 million tonnes, probably lagged a couple of years, to go into the Shanghai region, involving Shanghai and the surrounding provinces. Deliveries of liquefied natural gas into Guangdong will begin in 2005. Therefore, if one works back two or three years, that is when the construction will start. There is a great deal of competition. I do not think I am overstating it. After being in Guangdong last week, clearly Western Australian LNG is in the prime position -

Mr GRILL: Is there likely to be competition from piped gas coming down from, say, Siberia?

Mr BARNETT: There will be some possibly, but it will not affect these projects. Piped gas will certainly come into China.

Mr GRILL: Has China made a firm commitment to LNG?

Mr BARNETT: It has decided on LNG. The project proposal for Guangdong has been prepared. It will go through an assessment process. It will then go to the State Planning Development Council - to Mr Bau who was in Perth recently and whom I met again last week. He will then forward it to the State Council. Given that Zhu Rongji, the Premier and chair of that council has been championing this project, it is acknowledged throughout China that it will be approved. The project will then be formally listed and will be a priority project within China's economic plan. That decision is a few weeks away, but there is every expectation that that decision will be made and that gas will be delivered into Guangdong in 2005 and probably into Shanghai in 2007. I would be surprised if Western Australia did not share in that. I do not know whether we will get all of it. However, I would be surprised if Western Australian producers did not have a contract into China. It was discussed with me that China may well choose more than one supplier because this is the start of a new energy form for China. It will be a huge market, and obviously part of the process is to gain experience with different suppliers.

Mr GRILL: Is the minister suggesting that Gorgon might come in?

Mr BARNETT: The marketing focus at the moment is probably additional trains attached to the North West Shelf project. Whether it uses gas out of WA33P or whether it accesses gas out of Gorgon will be determined. At the moment the North West Shelf project has approval for a 7 million tonnes expansion in capacity; that was approved late last year. That will allow for 2 to 3 million tonnes to go into Japan and a similar volume into China. Thereafter more gas would need to be brought into that project.

Mr TRENORDEN: The first dot point on page 1226 of the *Budget Statements* refers to agreement being secured from the National Competition Council on the basis of a review of three sample state agreements. It seems curious to me that only three agreements were chosen. Who chose the three agreements? Were they chosen by us or by the NCC? Are there any considerations with respect to national competition policy that we must examine when drafting agreement Acts in the future?

Mr BARNETT: I will comment in a moment on national competition policy. However, I will ask Dr Limerick to comment on those agreement Acts that were assessed.

Dr LIMERICK: The State was required to list all legislation that might potentially have an impact on competition. The State did not list the agreement Acts in the first instance. The National Competition Council then came back to us and said that it was not convinced that state agreements are not anticompetitive in their nature, and it wanted us to do a sample of three that it nominated. We got the consultants, ACIL Australia Ltd, in Canberra to do that review for us. It went through the Western Australia Cabinet management subcommittee, and was then referred by the Premier to the NCC, and the NCC accepted that finding.

Mr BARNETT: I have a general view about competition policy in the resources industry. I think its potential economic benefits are grossly exaggerated by those who promote it, and they show an alarming lack of understanding of what competition policy is or should be about. The other aspect concerns the way in which competition policy applies. The measurement is defined to Australia's borders, whereas this industry sells into a world competitive market. All of the commodity markets are probably the most highly developed, competitive markets of any product in the world. They are almost perfect competition. Therefore, to some extent, applying national competition policy to export commodity industries is by itself a nonsense.

Mr THOMAS: The minister has a problem with Professor Fels.

Mr BARNETT: Professor Fels' perspective is different from mine.

Mr THOMAS: I have noticed that.

Mr BARNETT: Yes. I addressed the Australian Competition and Consumer Commission and all the fellow regulators the other day. I told them that their job in life should be dull, colourless and boring. Most of them agreed that that is what they should be doing; they should not be proactive in policy. I also made it clear that in this State our number one economic objective is development, and competition comes well behind that. The problem elsewhere in Australia is that people have elevated competition policy ahead of imperatives like economic development - even issues of equity. Competition has a role to play, but where it lies in an economic policy setting has been exaggerated.

Mr TRENORDEN: Was this an expensive exercise?

Dr LIMERICK: It cost \$48 000.

[3.40 pm]

Mr MARLBOROUGH: I refer to the Kwinana industrial strip and its future. I am concerned about what is taking place at the moment. At page 1222 of the *Budget Statements*, dot point six refers to concerns with respect to environmental trends

for industry in the future. Dot points four and five on page 1228 refer to specific detail concerning Kwinana and a number of other industrial estates, and negotiations with Alcoa, etc. Within that context, we would agree that Kwinana is probably the most important industrial estate in Western Australia. I am concerned about the impact that government departments, other than the Department of Resources Development, will have on that area. I raise the two areas of concern that seem to be in the hands of other government departments at the moment. The first is the Minister for Planning's Fremantle Rockingham Industrial Area Regional Strategy report and the second is the same ministerial portfolio's handling, through a public committee which has a fairly secret agenda, of a proposed speedway which will be located on the Alcoa mud lakes.

Firstly, I concentrate on the speedway aspect. The minister and I have had some private discussions on this matter. However, I want to put this on the record. The proposed speedway, consideration of which seems to include the Minister for Planning and the Minister for Sport and Recreation, and which is intended to be located on the Alcoa mud lakes in Kwinana, impacts on, and is physically part of the industrial safety buffer zone, the societal risk contour. Industry is extremely concerned that the speedway industry, if allowed to locate there, will impact on the Kwinana industrial estate in two ways: Firstly, there will be an obvious noise factor - industry must meet noise standard requirements and fit within present Environmental Protection Authority regulations; and, secondly, heavy industry must take the noise factor into consideration in its present operations and any future growth of those operations.

The minister may not be aware that in recent times there has been an attempt, through freedom of information applications, to get information surrounding that speedway. It is quite clear that documents exist, which have been initiated by the Government - not by the minister's department but by the Government - which indicate that the consultants who were appointed to do the report have already stated in their report that it is not appropriate to put this speedway at that location for the reasons that I have raised; that is, the impact on existing industry and the impact on the community at large. My concern is the existing industry being required to comply with the standards. The minister would be more aware than most people that the societal risk contour is an important fact which has been brought about by scientific assessment. If Governments allow people to exist cheek by jowl with a heavy industrial estate and there is the possibility of an industrial accident, the societal risk contour tells that Government about the ability to evacuate the area and alleviate the problems which could be caused by an explosion similar to the one in Victoria last year. I understand that this report exists and particularly addresses that issue and that it tells the Minister for Planning and his committee that the plan should not go ahead. If 10 000 people are allowed to enter a speedway so close to a heavy industrial area and are cheek by jowl with the societal risk contour, it will be basically impossible to evacuate them. Those industries are under immense pressure from that development. I apologise for taking so long to paint the picture but it is important for the future of the State, for existing industry and existing communities. It is particularly important when the speedway could be located in many other places away from that risk contour. Is the minister aware of the intention to locate the speedway there? What is the Government's present thinking on this plan - it has been under way for more than 12 months? Is the minister aware of any report which has been sought by the Minister for Planning's committee on racing? I understand the proprietor of the existing Claremont Speedway, Mr Con Migro, is a member of that committee. Is the minister aware that such a report has been commissioned and has gone out to the private sector and that it presently exists and is within the Minister for Planning's office? If he is not aware of that, will he give the committee a commitment that he will seek to obtain that report as soon as possible? If, as I have indicated, the report makes recommendations about the impact of the speedway on the Town of Kwinana and the heavy industrial estate, will the minister take the appropriate steps to ensure that the speedway is relocated to a place where it does not impact on the existing heavy industrial estate of Kwinana and the local community?

Mr BARNETT: The speedway issue does not come directly within my portfolio but it has implications for the Kwinana industrial strip. For some 60 or 70 years the speedway has been located at the Claremont Showgrounds in my electorate. As a local member of Parliament I do not have any problem with a speedway being located in my electorate.

Mr MARLBOROUGH: And I do not have any problems with the speedway.

Mr BARNETT: Like probably most people I am happy for it to stay. However, the Royal Agricultural Society of Western Australia holds a different view and a new home must be found for the speedway. That has not been easy. The member for Peel summarised the situation reasonably accurately. It is ironic that here is a speedway currently operating surrounded by residences - and some people object to that - and the proposal to relocate it in a buffer zone for an industrial estate is considered unacceptable. One would think on the surface that putting a noisy speedway in an industrial estate buffer zone makes more sense than having it in the middle of a residential area. However, the world no longer works that way. The member is right. Industry is concerned about the impact of the presence of a crowd at a speedway, albeit for only 15 or 20 nights a year. When the people calculate the societal risk of an accident it affects the numbers, even though the chances of death might be one in a million. That has been an issue for industry and the Kwinana Industries Council has raised its concerns. I do not know if it has put those concerns in writing but it probably will. I am aware of those concerns. I do not personally know of the report about which the member is talking.

Mr MARLBOROUGH: Will you seek to find out if it exists?

Mr BARNETT: I will raise the matter when the issue comes to Cabinet. If the speedway is to be located on that site it will be subject to assessment by the Environmental Protection Authority. It is likely to have a public environmental review status.

Dr LIMERICK: It has been listed to have a public environmental review and the guidelines for such a review are currently being circulated.

Mr MARLBOROUGH: I understand those guidelines specifically do not include the issue of risk.

Mr BARNETT: The EPA has informally expressed some concerns about the issues the member raised.

Mr MARLBOROUGH: I thank the minister for his answer. My concern is to see the speedway relocated. It should fit within an existing industrial zone as they do elsewhere in Australia. I believe it can do that in a different area - close by but in a different area - removing the societal risk which impacts on industry. I believe that is achievable.

Mr BARNETT: I have been advised that the Kwinana Industries Council has now written to me about that issue.

Mr MARSHALL: This question will be short because in television you are taught not to ask and answer your own questions and to make the questions short. What kind of money is included in the budget to continue the development of heavy industrial sites in Western Australia? The two that come quickly to mind are Oakajee and Maitland.

Mr BARNETT: It has taken some time to have major industrial estates established around the State. Work is being done on the expansion of Kemerton, and Boodarie exists. A lot has been done on Maitland and much work is currently taking place to complete the use of industrial land around the Burrup Peninsula. A site has been established at Kalgoorlie but unfortunately does not have any industry. We are currently establishing a smaller site near Albany based around the timber industry. It is important that the State has sites ready in advance, properly environmentally assessed, properly planned and properly serviced. It has taken several years to get there but we are close. It is not cheap.

Dr LIMERICK: The expenditure planned for 1999-2000 against the planning output in the department's budget is \$5.5m in round figures. In addition, funding has been put aside for purchasing additional buffer land around Oakajee. That is \$7m over three years.

Mr BARNETT: All up, about \$10m has been spent on a variety of tasks for Oakajee so far.

Mr GRILL: On pages 1222 and 1225 of the *Budget Statements* it is stated that the department committed much of its resources to helping various companies with native title problems. Could the minister tell the committee how much time is involved in terms of full-time equivalents? I want to put my second question quite bluntly because that is how it was put to us by a high-powered delegation of Aboriginal representatives. It is their view that the Government is simply standing on a hose in the approval of minerals claims and other land tenures and that the Government is mostly the problem and not part of the solution.

[3.50 pm]

Mr BARNETT: From the DRD point of view, the whole focus is on clearing native title issues for actual projects. That involves the BHP DRI plant, some of the pipeline issues for the GGT, the laterals and others, particularly in the Ord River region. We are not dealing with the broad spectrum of exploration and the like; we are working simply on clearing native title for industrial estates and real projects.

Dr LIMERICK: The broad question relates to the 12 000 titles being held up in the Department of Minerals and Energy. We deal with the major projects, particularly those involving infrastructure; for example, the length of land required for the widening of the Dampier to Bunbury gas pipeline. That is a 1 500-kilometre strip. Other examples are the power transmission line from the Argyle power station to Kununurra and various other pieces of long skinny infrastructure that cover a number of claims. They require extensive time and effort.

A number of proponents are looking at land in the Pilbara, and want to secure sites for their project operations in a known time frame. We must tell them that if the land is the subject of a native title claim we cannot guarantee to be able to grant title to it; they must go through the due process. In many instances we must provide lengthy explanations about how the process works to give them a degree of comfort.

We have three departmental officers whose main effort is directed at understanding the workings of the native title legislation, coming to grips with it and working with proponents.

Mr GRILL: Page 1222 contains reference to the environmental assessment process. There is a hint that the department might be frustrated with those processes. We recently had lunch with one of the major pipeline owners who reflected that frustration. It was stated that the amount of documentation, red tape, bureaucracy, time and effort that is necessary for fairly minor laterals is equivalent to the time and effort needed to establish a major pipeline. Is there some truth in that? Does the environmental process make some distinctions between major and not so major projects? Is there a way to finetune this process so that it does not take so long?

Mr BARNETT: Environmental processes are complex and time consuming. I would prefer to see far greater self-regulation for some of the major or well-established companies. Those companies could have best practice policies and keep to them rather than this process being so paramount. It appears that environmental agencies in Australia, both at federal and state levels, are showing signs of applying greenhouse-type measures probably at a stage well ahead of any other nation in the world. While I do not dismiss the greenhouse effect, I do not think we need to tie ourselves up too much about this issue when it is yet to be resolved internationally.

Mr GRILL: At what stage is the planing for the mid west pipeline? The minister is no doubt aware of a potential competitor in the sense of a lateral natural gas pipeline coming from Dampier to Bunbury across to Murrin Murrin, which might in some instances track the mid west pipeline. That might make it a stranded asset in due course, and thus risk the \$20m government investment.

Mr BARNETT: The mid west pipeline is probably about two-thirds built. The first gas delivery will be in September.

Mr GRILL: Is it likely to become a stranded asset?

Mr BARNETT: No. It will serve the townships and mines along its route. I would be surprised if the Murrin Murrin proponents built a separate pipeline. They can if they wish to, and the Government will facilitate that.

Mr GRILL: I refer the minister to the Oakajee project. Has the separation from An Feng been completed? What is the situation concerning funding of the project? How far advanced is the planning?

Mr BARNETT: The untangling of the commercial arrangement with An Feng is completed. The project is well advanced in a technical sense. It is looking now for financing, and I understand efforts are being made in the American bond market. The proponents are looking at financial channels similar to those arranged for the Murrin Murrin project. It will be producing a hot rolled coil product, and there is a ready market for that product. That project could be a very low-level producer. One of the problems with the project is the nature of the ore body. Increasingly the comment is made - I also make it - that that project would be stronger if it were based on the Mt Gibson deposit and the site and technology that Kingstream Resources has promoted. Again, there would be a synergy if those two projects came together.

Mr MARSHALL: The projects mentioned in the major achievements for 1998-99 include the Collie power station. How is that progressing?

Mr BARNETT: The power station is operating and it will be opened next Friday. The member for Cockburn has been invited.

Mr THOMAS: I intend to go.

Mr BARNETT: I look forward to the member's company.

Mr MARSHALL: That has been a three-year planning process.

Mr BARNETT: Construction started in late 1995. It has been a long and contentious project. It was promised first by Prime Minister Bob Hawke many years ago. It is now in place and performing very well. The only problem during construction was a fire. While it did not cause much physical damage, it was feared that smoke had entered the control systems. Many of those systems were replaced under insurance. The project is now up and running.

Mr MARSHALL: What are the benefits for Western Australia?

Mr BARNETT: It is performing exceptionally well and it is a good power station. It is the best power station in the system.

Mr MARSHALL: But what benefits are generated for Western Australia?

Mr BARNETT: The system grows at about 100 megawatts per year in the south west. Therefore, the Collie power station accounts for three years' growth. It has been designed to accommodate a second 300 megawatt unit. It is a low-cost producer. It plays a role not only in providing extra electricity but also in helping to keep prices down. There has been no increase in the price of electricity for business since 1991.

Mr THOMAS: It would want to help. We have the most expensive electricity in Australia.

Mr BARNETT: The member should look at the percentage increases during the Labor years. In one year the Labor Government increased the price of electricity by 13 per cent. We have not increased the price for business since 1991, and we have had one small increase of 2.75 per cent -

Mr Thomas interjected.

Mr BARNETT: I will read the Labor Government's annual electricity price increases.

Mr GRILL: You are getting sensitive.

Mr BARNETT: No, I am not. I cannot wait to produce these figures. I am not sensitive; I simply want to make a clear comparison between the prices under the Labor Government and under the coalition Government.

Mr MARSHALL: Is this project improving employment opportunities in the south west?

Mr BARNETT: It is not a large employer of people as an operating power station. It employs a very small number of people because it is a highly automated electricity producer. About 700 or 800 people were on site during its construction.

[4.00 pm]

Mr TRENORDEN: I am surprised to see on page 1239 that your department is developing the Ord River. How is the development going with regard to native title and a project start date? Are there some uncertainties with the start date and the program for works?

Mr BARNETT: There are a number of players in the proposal. The proposal is to expand the project from around 15 000 hectares by adding a further 65 000 ha, so it is a big expansion. The total capital cost will be in the order of \$500m. The development will happen over a period. The players are the Minister for Primary Industry and me. He is doing the agricultural side and the Department of Resources Development and I are doing the project side of the development. The Water Corporation has taken over responsibility for building the M2 channel, which is about a \$100m project. Wesfarmers, in partnership with Marubini, has taken over responsibility for land development and the production of the crop. Main Roads is building roads. Quite a lot of that work has been done.

It is a very complicated project covering a very large amount of land, involving soil and all the agricultural issues. The

project is still going through an environmental assessment. That is complicated as well because there is no doubt that it is a very large land area. We have been negotiating with local Aboriginal people. That has been complicated because it does not matter which way one looks at it, a 65 000 ha agricultural project has an impact. I would argue that a mine does not have much impact but this is a big land area. One must also bear in mind that there has been a native title case proceeding with the Miriwung-Gajerrong people, which has been opposed by the State. We have had the negotiations on the Ord and an almost combative situation taking place in the court. To the great credit of the people involved, we have been able to continue negotiating with the Aboriginal people even though at the same time this case has been going on. The Miriwung-Gajerrong people have won their native title claim. As you probably know, the problem with Justice Lee's decision is that he concluded not simply that they had native title, which I think most parties expected to be the result, but also that they had ownership of resources undefined. If resources means ochre and wildlife, I do not think anyone would be too worried, but it is undefined so another legal case is about to get underway.

Having said that, the Aboriginal people identified some threshold issues, one of which was to have land rights, essentially a freehold title, over their areas of living where their houses were built. We have negotiated that. It has taken some time but, from memory, of the 19 cases, probably about 13 or 14 are agreed. The State has offered land to those people. When they finally agree on the size and location, they will be pretty happy. We will continue to work this year through agreement with Aboriginal people. I hope that we can conclude it this year. If we do, it will be in line with the other environmental and engineering works that are going on. We were looking at the project's going into production in the year 2000. I suspect that it might be a year later. Again, that is affected by the weather conditions, such as the monsoon.

Mr TRENORDEN: Does that 65 000 ha include Northern Territory land?

Mr BARNETT: Yes, about half of the additional land is in the Northern Territory.

Mr TRENORDEN: Is there any clear definition of the Northern Territory proponent? There was some talk about a township sited on the Northern Territory side and questions of services and so forth.

Mr BARNETT: The proponent, Wesfarmers-Marubini, is for the whole project, both within Western Australia and the Northern Territory. The Western Australian Water Corporation will build a channel through Western Australia and into the Northern Territory. The Northern Territory wants to have road access through to Darwin. It is certainly looking at developing a township in due course, although it will probably have a fairly small involvement in the township. Agreement in principle has been negotiated between Western Australia and the Northern Territory. That needs to go through various stages of refinement. I think that it will end up as legislation in both Parliaments. Effectively the Ord River area will be a little principality crossing the two States' borders. In some cases Western Australia law will apply and in other cases Northern Territory law will apply across that area so defined. A unique constitutional development will take place.

The CHAIRMAN (Mr Bloffwitch): I have been contacted by people in Derby who have been looking at the proposed hydro scheme. They led me to believe that the Department of Resources Development did not seem to be in favour of it going ahead. The whole town seems to look at it as being very positive for them. What are the views of the department on that project?

Mr BARNETT: This is a bit cross-portfolio and is probably more in the area of the Office of Energy, although the Department of Resources Development has an involvement. We are going out for competitive bids for electricity supply. The area that is most advanced in the bidding is the West Kimberley, covering Broome, Derby, the mineral projects and the like. That is occurring now. The tidal power station is one bigger. They will all be assessed fairly. A premium has been allocated because of the environmental benefits of a tidal power station. There is a lot of popular support locally for it. One of the challenges for the project is the capital cost, which started off at around \$80m and is probably getting closer to \$300m. The project is expensive and complex. The bidding is an open, competitive process. There is a lot of attraction in seeing a tidal power station work, but it must stand up commercially or at least be in the ball park.

Mr MARLBOROUGH: One of the proposals in the Fremantle Rockingham Industrial Area Regional Strategy report would see an extension of the Kwinana heavy industrial estate into the Hope Valley townsite. The Minister for Planning took the opportunity in Parliament when announcing the completion of the FRIARS report and the opening of the public process, to state that he had a preference for option four, which would see the Hope Valley townsite removed and for the area to be zoned for heavy industrial use. If the Hope Valley townsite is removed in its present form, 19 ha would be left.

Mr BARNETT: I do not think that area would be heavy industry.

Mr MARLBOROUGH: Option four is for heavy industry. The Minister for Planning said that it was his decision and not Cabinet's, but he preferred option four. It seems the real benefit that the State should be looking at is providing probably 1 000 ha of general industry behind Wattleup. Is there really a need to replace the Hope Valley township with a 90 ha industrial estate east of the existing heavy industry site, particularly when you consider that if heavy industry were to locate there, one would presume that the buffer zone would move with it - the Kwinana footprint - forcing it, one would assume, further east and north-east, with the possibility of sterilising more good land that would be more appropriately used for urban development along the extension of the Kwinana Freeway? I have had discussions with people involved in heavy industry at Kwinana. In particular Alcoa of Australia Ltd says it has no interest in growing beyond its present site. It will be there for a long time. I do not see the need for such a move. I supported publicly that part of the Fremantle Rockingham Industrial Area Regional Strategy report that will create an industrial estate of 800 to 900 hectares, similar to Canning Vale. Removing Hope Valley to provide 90 ha of heavy industrial land has too many pitfalls ahead of it.

[4.10 pm]

Mr BARNETT: That plan relates to earlier studies which attempted to optimise Kwinana. There is no doubt that Perth lacks

industrial land, although I am one of those who argue that development should occur at places like Kemerton and Oakajee. We have recently started the process of acquiring land around Breton Bay without any firm decision on whether that will be developed.

Mr GRILL: I was going to ask about that, because \$1m has already been allocated.

Mr BARNETT: We will buy the land and do some land swaps for land conservation purposes. However, no decision has been made about that.

Mr GRILL: The Government has spent \$1m on a non-decision?

Mr BARNETT: It will allow a Government of the future - hopefully it will be the current Government - probably in around 2005 to make the decision on whether Breton Bay will be developed as an industrial site. If we do not move now to acquire the land, whoever is in Government in 2005 will not have that option available to them. That is good planning. It is a source of frustration that we see a lot of open land in Kwinana that is not used for industry. Perhaps we would not allocate land in the same way today as was done when it was originally developed. We have been careful with new industrial sites not to allocate land which is in effect sterilised and held onto as a property investment by a developer. That dilemma exists in Kwinana. Space is available in Kwinana but new industry cannot necessarily get its hands on it.

Dr LIMERICK: As the member pointed out, there are four options in the FRIARS report. That is out for public comment, and the department is not expressing any particular preference on those. Kwinana, as distinct from all the other industrial estates that either exist or are being established throughout Western Australia, is the jewel in the crown as far as the existing infrastructure is concerned. It has superb services in terms of water and power supplies and port and rail facilities. To duplicate that elsewhere at this level will be an expensive exercise. It will be a cost burden on new projects coming in. Kwinana also has the unique capability, because of the number of industries that are already established there, of a synergy between industries. The waste product of one becomes the feed stock into another. I would not underestimate the value of heavy industrial land in Kwinana as distinct from anywhere else.

Mr GRILL: Australia is party to the Kyoto and Rio de Janeiro accords and protocols. The minister expressed some slight annoyance about the process in Western Australia. I notice the setting up of the Western Australian Greenhouse Council. What is the process in Western Australia? How and when does it impact on industry? What are the steps in implementing those protocols in this State?

Mr BARNETT: That is a good question; probably the most important question that can be asked in this State. The 190-odd countries that took part in the Kyoto agreement set targets. There is still a dispute about how one measures emission levels at 1990. Australia has accepted that between 2008-12 it will be at 108 per cent of the 1990 level. The jury is out on what was the 1990 level, and so it is for most developed nations. Other countries have accepted reductions below the 1990 levels. President Clinton has said that he supports that. That has yet to be ratified by the US Congress. Unless the US Congress ratifies it, it will not happen. The Japanese are taking the attitude that if the US Congress does not ratify it they will not. Having just visited Japan, I can assure the Chamber that the Japanese are about to build a host of coal-based power stations, probably using Australian coal, because it cannot get a nuclear program in place. Similarly, China is building a host of coal-based power stations.

We must be realistic about Kyoto. There is a lot of emotion there. However, it is far from in place. Clearly there is a sentiment around the world that we will reduce greenhouse emissions and do things in a smarter way, but the Kyoto accord has a long way to go. While there is that degree of indecision internationally, and a lot of things need to happen, I do not necessarily think environmental agencies in Australia need to be out in front leading the pack, particularly as most investment in this State will be in energy intensive industries which will produce large amounts of greenhouse emissions.

One example of which members may be aware relates to gas versus coal power generation. The energy sector is a big contributor to greenhouse emissions. Gas power generation produces about half the amount of greenhouse emissions as an equivalent amount of coal-based generation. Therefore, gas is better than coal.

Mr GRILL: It depends on the sort of gas that is used.

Mr BARNETT: Okay, but gas is better than coal in terms of power generation and produces half the greenhouse emissions. Therefore, if the greenhouse effect is real and it is a global issue, we should have more gas and less coal. The problem with gas power generation is that the emissions occur at the source during the liquefied natural gas liquefaction process. For example, in China emissions do not occur when the LNG is burnt to produce power. Coal is the exact opposite. Mining coal produces few greenhouse emissions, but heaps of emissions are produced in the host country when it burns the coal. If we take the view that gas is better than coal to reduce greenhouse emissions, the world should be going for more gas and less coal. However, because of the way in which the Kyoto targets are set, that will not happen. It is dysfunctional.

There are many issues to be determined in terms of international credits in developing nations. At the moment Australia is going round in circles setting targets and talking about bringing emission targets into project approval and about solving the problem by greenhouse credits and trading within Australia. The nonsense of it is that not enough greenhouse gas is emitted in Australia to have a market that will make any global impact. We do not have to be out ahead of the pack. We should be part of the debate and committed to reducing greenhouse emissions, but not in the way it is showing signs of going at the moment.

Mr GRILL: Is the minister saying that nothing is happening in Western Australia on this front?

Mr BARNETT: No. We have done more than any other State and Jim Limerick personally has done an enormous amount

of work. We are far more advanced in understanding greenhouse issues than any other State and probably the Commonwealth. I ask Dr Limerick to comment because he spent an enormous amount of last year working on greenhouse issues.

Dr LIMERICK: There is an enormous amount of confusion worldwide on the implementation of the Kyoto protocols. The minister is correct that the numbers I have seen for trading permits, which seems to be put up as the panacea for all of this, vary between \$10 a tonne of carbon and over \$100 a tonne of carbon. When one is looking at establishing projects in Western Australia that will be based primarily on energy resources, that will make the difference between the project being viable or not. It has an immediate impact in terms of the uncertainty of proponents looking long-term, strategically around the world. For argument's sake let us consider where we will put our next aluminium smelter. Would an investor take the risk of spending \$20m or \$40m on a feasibility study to locate an energy intensive project in an annex 2 country - a country that is subject to the Kyoto protocol - when the rules are so vague and uncertain, or does the investor just cross that country off the list and immediately go to one of its competitor locations and look at that as the real option? It is that degree of uncertainty which is doing substantial damage and is likely to do substantial damage into the future.

The WA Greenhouse Council is unique in my experience in that it brings together government, industry and the conservation movement. There is an unusual unity of view among that group as to the challenge that is faced by Western Australia. The group that is chaired by DRD - the industry waste management technical panel - has done a lot of work trying to quantify, without any blue sky, hopeful projects and what would be the industrial emissions coming out of Western Australia in the year 2010. They vastly exceed 8 per cent. Within Australia there does need to be a recognition, particularly at the Commonwealth level, of the importance of the issue and how it is to be addressed, rather than its being taken purely as an environmental issue and dealt with strictly within the environmental assessment process. It is very much an economic issue.

[4.20 pm]

Mr GRILL: I do not think I need to be a genius to work that out. I undertook to ask the following questions: Is the Kemerton expansion project still a proposal, or is the department taking action to expand this industrial park beyond its current boundaries?

Mr BARNETT: Yes, we are still trying to expand Kemerton.

Mr GRILL: Have residents been informed that that expansion will take place?

Mr BARNETT: Yes. Late last year there was a public release of documents by me and the Minister for Planning in Brunswick, or it may have been Harvey, and a public consultation process.

Mr GRILL: Is land being purchased?

Mr BARNETT: We want to start to purchase some land. The final boundaries of the core and buffer are still not resolved. One of the principal issues has been a flora study, which is showing species that currently are endangered or rare.

Mr GRILL: Have all the studies been completed?

Mr BARNETT: No. The flora study is still occurring. That may well curtail the amount of expansion that can be achieved. There will be some expansion, but not perhaps what we sought to achieve originally.

Mr GRILL: Waste disposal has always been a problem in Kemerton, from the very first day. What steps have been taken to ensure that environmentally sound disposal methods of, firstly, liquid waste, and, secondly, solid waste have been put in place?

Mr BARNETT: There has been an investigation of several sites. For solid waste we are looking at a site on Kemerton.

Dr LIMERICK: I can provide the member with some additional detail on the matter as supplementary information.

Mr GRILL: Have any hydrological studies been carried out on the area; and, if so, what are the results? What steps are being taken to ensure the ground water supplies will not be affected, and what measures are being taken to protect the wetlands in the area? I am quite happy for these answers to be provided by supplementary information.

Mr BARNETT: Some studies have been done and more are going on. We will provide a detailed update.

Mr GRILL: Can the minister explain why an industrial park, which over the past decade has attracted only two industries to locate there and which is currently the size of the entire Kwinana industrial area, is being expanded to three times its current size? I had a lot to do with the setting up of that park. We sold it to the community down there on the basis that it would be a model, environmentally and aesthetically, and we did not want to see it become overloaded with industries to such an extent that it would be an environmental nuisance. I am worried that the park might be extended to such a degree, especially on some of the sand dunes on the periphery, that it will not be the model originally sold to the people of the south west. If we went that far, we would be blighting the prospects of setting up further industrial estates in the south west. The minister knows how hard it is to set up new industrial estates anywhere in the State, let alone the south west.

Mr BARNETT: There has been some pressure from the residents at Kemerton in terms of noise. We are very keen to make sure the State reaches what we think is a full economic size. Although it is big, it will not be three times the size. We are very keen to get the buffers in place to allow us to make those decisions well ahead of any development and either purchase the farms or compensate the farmers appropriately. That is fair. Many farmers down there want either to sell their land or receive some sort of compensation. They want long-term certainty. This will be the last go at Kemerton. There will be no further attempt to do anything to Kemerton. Also, work has gone on in terms of the transport corridor to the City of



Bunbury. It is a contentious issue, but Kemerton faces one impediment - it is close to the coast, but not on the coast. The provision of the road is to better integrate Kemerton with Bunbury Port.

**Division 24: Office of Energy, \$13 426 000 -**

[Mr Bloffwitch, Chairman.]

[Mr Barnett, Minister for Energy.]

[Mr L.A. Farrant, Coordinator of Energy.]

[Mr G. Gilbert, Director, Corporate Operations.]

[Mr P. Stewart, Manager, Finance and Administration.]

Mr THOMAS: I refer to page 1545 of the *Budget Statements Volume 3*. I wonder whether the minister can be shown a copy of this letter I have with me from David Eiszele at Western Power. I am not sure whether the minister is familiar with the letter. It confirms some material presented to me and the member for Eyre when we sought a briefing on the costing of the construction of the Collie power station. Among other things, it sets out the total cost. On the third page is a table which shows that the total cost for the completion of the project is \$804.8m. On page 1545 of the budget papers, the total cost of the Collie power station is reported as \$784.835m. There is a discrepancy of \$20m between the figure given by Mr Eiszele in his letter and what the Parliament is being told in the budget papers. Can the minister explain that discrepancy?

Mr BARNETT: No, I cannot off the top of my head. The Collie power station had a contract cost of \$575m. Public statements were made that the total project cost was estimated at about \$794m.

Mr THOMAS: The budget papers give the figure of \$784m; however, Mr Eiszele told us in a letter that that figure was \$804m.

Mr BARNETT: I will try to reconcile those figures. I cannot do it off the top of my head. I do not know exactly what has been included in that figure by Western Power. I can tell the member this: The Collie power station project has been completed on time and on budget.

Mr THOMAS: I also want to discuss that matter. The minister will recall that when the project was first commissioned, the Government refused to let the project go to tender. Another company said it could build the project somewhat cheaper.

Mr BARNETT: No.

Mr THOMAS: Yes it did.

Mr BARNETT: No. The Labor Party made such a hash of it, that I spent my first six months as a minister trying to untangle the absolute incompetence of a Labor Government that had promised a power station for over a decade. The member opposite ran around and screamed. I saw the Transfield advertisements. Who had the right to develop the power station when the coalition Government came into power? Did Transfield have the right to develop it?

[4.30 pm]

Mr THOMAS: That was a totally different project.

Mr BARNETT: No, the record should show that Asea Brown Boveri had the prime position. It had been awarded all sorts of letters of understanding of intent by the previous Government. I told it and Transfield that I would not welch on a deal made by a previous Government. It was an uneconomic, dopey deal like most of the ones it did in the 1980s. In six months we untangled it and built what is now the best power station in the system. I am delighted that you want to redebate your incompetence. I will sit here for hours and do this; it would be great.

Mr THOMAS: You changed the project.

Mr BARNETT: Talking about the Collie power station is like manna from heaven.

Mr THOMAS: Your Government changed the project. The former Government had a project for a built, owned and operated 600 megawatt power station. You changed it. We have the letter from you to the chairman of commissioners of the State Energy Commission. You changed it from a 600 MW power station to a 300 MW power station. You also changed it from one that would be built, owned and operated by the proponent to one that would be operated by Western Power or the State Energy Commission.

Mr BARNETT: Can you recall the total cost? The total cost to build, own and operate a 600 MW power station was about \$2.2b. That is where the Labor Party took us. That is the mess I inherited, and which we untangled.

Mr THOMAS: In fact, we did not get to it.

Mr BARNETT: No, because \$2.2b would have been the most expensive power station in the world.

Mr THOMAS: I have another document I would like to show the minister. The Labor Government would never have committed to an expensive project.

Mr BARNETT: You have admitted it! You do not get it in 10 years, and you said you would never have committed to it. It was the most stunning incompetence that any Government has ever seen.

Mr THOMAS: Let us look at competence. I have given you a graph which has the cost per kilowatt.

The CHAIRMAN: Members, we are not dealing with competence; we are dealing with the budget. Although members can ask their questions, they should try to reflect a budget or line item which they can use as an example.

Mr THOMAS: It is a salutary point. I am referring to the budget item on page 1545 which purports to be the cost of building the Collie power station. We have already pointed out the inconsistency between correspondence which the Opposition received from Western Power about what this cost and what the minister has tried to tell the Parliament that the project cost. The document that I have just given the minister shows the costs per kilowatt of generating capacity of all the black coal-fired power stations in Australia. It shows that the Collie power station is the most expensive power station in Australia by a substantial margin. Do you agree that is an accurate assessment of the cost of the generating capacity at the Collie power station?

Mr BARNETT: No, I do not.

Mr THOMAS: Perhaps you should ask for some advice from your officers.

Mr BARNETT: I will not defend your corny analysis; it is up to you to do that.

Mr THOMAS: Where do you see the analysis is wrong?

Mr BARNETT: You justify it. You bring in garbage like this and expect me to explain it to the committee. I have better things to do.

Mr THOMAS: I will justify it. The letter from Mr Eiszele from Western Power contains the cost of \$804m. In order to work out the cost per kilowatt of generating capacity, you must take that figure of \$804m and divide it by 300; that gives you the cost per megawatt of generating capacity. If you then divide it by another 1 000, you get the cost per kilowatt. Next to you is Dr Farrant who is experienced and knowledgeable on these matters. I am sure he will confirm that that is an accurate method of calculating the cost per generating capacity of the Collie power station.

Mr BARNETT: What capital cost did you put in for Muja D powerhouse?

Mr THOMAS: The actual cost taken from the then SEC annual reports adjusted for inflation.

Mr BARNETT: If this table was an accurate reflection of generation costs, it would mean -

Mr THOMAS: You are not listening to what I am saying.

Mr BARNETT: If this was an accurate reflection of generation costs -

Mr GRILL: It is not generation costs. That graph indicates capital costs, not generation costs.

Mr BARNETT: Are you suggesting that Muja D is better than the new Collie power station?

Mr THOMAS: No doubt the new Collie power station has cheaper operating costs in terms of generating power. That table demonstrates that the capacity has been bought at a very high price. Perhaps when the capital cost is taken into account -

Mr BARNETT: The capacity of Collie is certainly more expensive than the stations listed here, which are very large base load power stations. Collie is 300 units initially and ultimately it will be 600 MW. The other stations are probably in the order of 2 000 MW. There is a scale economy between 300 MW and 2 000 MW. If a station of that size is built, the per megawatt capacity cost comes down. Congratulations, you have just discovered that the bigger the scale, the lower the average cost of production. The idea of an Estimates Committee is that I get to answer the question and you get to ask it. I will concede that the smaller the power station, the higher the capital cost per megawatt of capacity. Collie is 300, and ultimately will be 600 MW. Comparing that to 2 000 MW, it is lower; there is no doubt about that.

Mr THOMAS: How big is Muja D?

Mr BARNETT: The cheapest power generation in the whole system is Collie. It is in the order of 20 compared with Muja D.

Mr THOMAS: What was the size of Muja D?

Mr BARNETT: I do not have the figures; you have the figures.

Mr THOMAS: I will tell you. It was 400 MW; it is in the same order.

Mr BARNETT: Do you want to build another Muja D?

Mr THOMAS: I am trying to draw your attention to the fact that you have presided over the construction of the most expensive black coal-fired power station in Australia.

Mr BARNETT: That is not true.

Mr THOMAS: I have just shown it is true.

Mr BARNETT: I would bet Bayswater costs more to build than Collie. You said it was the most expensive in Australia and I am saying that it is not. You need to be on the ball; you need to be dynamic.

Mr THOMAS: It is the most expensive black coal-fired power station in Australia per unit of generating capacity. More

to the point, it is not just the most expensive, it is more than twice the national average. Are you proud of the fact that you have encumbered -

The CHAIRMAN: We will have questions to the minister through the Chair.

Mr BARNETT: Collie power station is the lowest cost producer. When the power system in Western Australia is turned on, Collie is turned on and is run seven days a week, 24 hours a day. It operates continuously because it is the lowest cost producer, and that is what counts.

Mr THOMAS: No, it does not.

Mr BARNETT: If I followed your corny, incompetent logic, we would turn off Collie and run Muja D.

Mr THOMAS: No, that is not what I am suggesting. Now that we are encumbered with \$800m, of course we want to use it. It has the lowest recurrent costs, and of course it is the one we would use first in terms of its order of merit. The point is that, had that generating capacity been purchased for less than \$800m, perhaps \$400m which would be the national average, it would be even cheaper once the capital cost is taken into account. I now have another graph to show the minister.

*Point of Order*

Mr McNEE: What does this have to do with the budget? If the member wants to debate this with the minister next week, that is fine; otherwise, he should refer to line items and page numbers and so on, and let us get on with the business of what we are supposed to be doing.

Mr THOMAS: It is on page 1545; open the book and open your eyes.

The CHAIRMAN: Order, members! I have just come to the Chair. I would appreciate it if the member for Cockburn would tell me, rather than the member for Moore.

*Debate Resumed*

[4.40 pm]

Mr THOMAS: I am sorry, Mr Chairman. Page 1545 purports to account for the cost of the Collie power station. I was drawing the minister's attention to the fact that there is a \$20m discrepancy between what he claims is the cost according to the budget and what Western Power has advised us.

Mr BARNETT: I undertake to reconcile those figures for the member.

The CHAIRMAN: The minister will provide supplementary information?

Mr BARNETT: I will provide an explanation of the budget figures.

*Point of Order*

Mr MARSHALL: I am concerned about the time that has been allocated for these three divisions. The Western Power budget covers two pages. Although I have not counted the pages in the *Budget Statements* for the Office of Energy, which is still to come, there are many more than that. It is more important to deal with these divisions rather than the personal vendetta that is going on at the moment. I want it recorded that there should be enough time to deal with the Office of Energy.

The CHAIRMAN: There is no point of order. The committee will manage its time. How the committee manages its time is its own affair.

*Debate Resumed*

Mr THOMAS: With respect to the point made by the member for Dawesville, this is the single largest item in the budget. We are talking about \$800m of public money, and the committee should spend at least quarter of an hour or so discussing that matter.

The CHAIRMAN: I am not interested in a debate on it. The member should proceed to ask his questions.

Mr BARNETT: The member will lose his invitation to the opening the way he is going. He will spoil the party.

Mr THOMAS: I will go anyway. I have just passed the minister another graph. I also have an enlarged copy of it so that the chairman and members can see it. This is the average cost of electricity by State. When one looks at the graph, one sees that Western Australia has, by a substantial margin, the most expensive electricity in Australia. Does the minister not agree, now that he has presided over the construction of the most expensive black coal-fired power station in Australia, that he has locked us into continuing high electricity prices?

Mr BARNETT: That could hardly be true when it is the lowest cost producer in the system. There are all sorts of reasons that electricity prices are higher here. However, I will take a moment to produce some of my own data to add to this distinguished debate. There is only one way that electricity prices get to their current level, and that is that they are set. For the benefit of members, I will provide details of recent changes in electricity prices. I am referring to domestic prices for households: In 1984, under the Labor Government, a 15.1 per cent increase; 1985, 3.8 per cent increase; 1986, 3.8 per cent increase; 1987, 12 per cent increase; 1988, 5.8 per cent increase; 1989, an election year, I think, zero; 1990, post-election, 7 per cent increase; 1991, 7.9 per cent increase; 1992, 2 per cent increase. Then, hallelujah, along comes a coalition

Government, and in 1993, zero; 1994, zero; 1995, zero; 1996, zero; 1997, zero; 1998, 3.75 per cent increase; 1999, zero. That is the difference. That is how one gets to electricity prices.

If one compares the Labor Party's performance on electricity prices with that of the coalition, it is little wonder we have some legacies. The Labor Party showed stunning incompetence over the handling of the Collie power station. The electricity price is relatively expensive per unit of megawatt or capacity, but it still happens to be the lowest cost, most efficient operating power station in the system. The Government has done what the Opposition could not do. Next Friday at the opening I will take the member around personally, because I like him a lot, and introduce him to some of the representatives of the coalmine workers, the construction unions and all the people there who are delighted that this is in place. The mining companies have expanded capacity. I well remember a Labor stronghold group meeting a union group down there prior to the 1993 election - the member may have been there. The union group booed the Labor Party and cheered the coalition, and they voted that way, with good justification.

Mr THOMAS: That is why the minister told them the government would build a 600 MW power station.

Mr BARNETT: I did not tell them that. I told them we would get a power station up and running. We believed we would do it and we did it.

Mr THOMAS: What is happening at the present time is that the minister is cooking the books.

The CHAIRMAN: The member for Cockburn can ask questions. He should not put propositions to the Chair. He should ask questions of the minister and I will give the minister the call to answer.

Mr THOMAS: I am trying to explain a point that comes out of the minister's answer, because he has been quite deliberately misleading. He is saying that Collie is the lowest cost producer. With respect to its recurrent costs, it may well be. However, as the minister knows - I am sure Dr Farrant next to him would confirm this - when it comes to coal-fired power, the capital component is the major part of the cost. It is much bigger than labour, fuel or any other cost.

The CHAIRMAN: I am disinterested in the matter, so do not try to persuade me one way or the other. Ask questions of the minister or I will give the call to the member for Eyre, who is seeking the call to ask a question.

Mr BARNETT: In conclusion, is the member saying that we should not have built the Collie power station?

Mr THOMAS: No, I am not saying that at all. I am saying the Government should have done it properly.

Mr BARNETT: \$2.2b?

Mr THOMAS: No. The Government should have done what the Labor Party, Harold Clough, Allan Peachment and many other commentators said it should do at the time, which was to put the project out to tender, because the Government may have got a better price. Since then the Government has claimed that that project would cost \$575m.

Mr BARNETT: Which it did. That is the contract price.

Mr THOMAS: It has gone up to -

Mr BARNETT: That was the contract price. Someone asked a question at the time - perhaps it was the member for Eyre - and I gave the full project cost years ago in this Parliament.

Mr THOMAS: It has gone up again another \$100m since then.

Mr GRILL: If the minister does not know, his officers will know that the average cost for the installation of new capacity in coal-fired power stations in recent years across Australia has been somewhere between \$1m per megawatt and \$1.25m per megawatt. The point that the member has been making is that in the case of the Collie coal-fired power station, those all-up costs per megawatt installed capacity are now approaching \$3m per megawatt. On that basis, it would appear that this Government may have paid for this particular contract, which did not go to tender at the minister's direction, something like \$300m too much for the capital cost of the power station.

Mr BARNETT: That is sheer nonsense. With respect to the Collie power station, if one divides cost by capacity, one will get a high number because it is a small station and is well below world scale for a coal-based power station. As was pointed out, some of the comparisons are 2 000 MW stations. Collie also has been built with the infrastructure to support a second 300 MW unit. Indeed, the economy of scale in large part is in the size of the units as well. At one stage we looked at two 200 MW units, and the economics came out better in favour of one 300 MW unit.

Mr GRILL: Therefore, the minister is saying that the Government has built a power station that is too small and uneconomical.

Mr BARNETT: No.

Mr GRILL: That is what the minister said. Does he dispute any of the figures I put forward a second ago?

Mr BARNETT: Yes, I do.

Mr GRILL: Which figure does the minister dispute?

Mr BARNETT: The member wants to play politics here. Therefore, can I have it on the record that when I open the Collie power station I can say that the Labor Party does not support this project?

Mr THOMAS: No, not at all.

Mr BARNETT: What can I say, because I want to represent the Labor Party in this? There will be about 400 or 500 people there, most of them union members, and I want to know what the Labor Party's position on Collie is. I do not want to embarrass the Opposition. I do not want to say it supports it if it does not.

Mr THOMAS: We will speak for ourselves, thank you very much.

Mr BARNETT: No, the members of the Labor Party will not get a chance; I will speak for them.

The CHAIRMAN (Mr Bloffwitch): Members, can we return to the budget instead of what we will be doing tomorrow.

Mr THOMAS: Our position on this issue, as it always has been, is that we are strongly in favour of coal-fired power stations in the Collie area, probably more so than the Government. However, as we said at the time, the project should go to tender. The Government has consistently awarded contracts without going to tender.

Mr BARNETT: The Opposition's policy, having fumbled the project for years, would have been to take the mandate away -

Mr THOMAS: The Government has built the most expensive power station in Australia.

Mr BARNETT: When we came into Government, the Labor Party had given Asea Brown Boveri Pty Limited a mandate, which was the word used - effectively letters of understanding of intent - to build the power station. Would the Labor Party have walked away from that commitment? Is that what the member is saying I should have done?

[4.50 pm]

Mr THOMAS: In the negotiations involved in that earlier matter we were not prepared to come to an arrangement which was too expensive, which is why no agreement had been reached at the stage when this Government came to power. However, that is not the point, we are talking about a different project.

Mr TRENORDEN: That is not the point? It is the point.

Mr THOMAS: The member for Avon does not know what he is talking about. I refer the minister to a letter from Western Power that I gave to him earlier.

Mr BARNETT: I have had a look at it and I said I will try to reconcile the figures and write back to the member or answer the question in the House if he asks it but the letter from Western Power is not part of the budget.

The CHAIRMAN: Members are not allowed to table documents in committee.

Mr THOMAS: I have not tabled a document. Mr Chairman, on this line item there is an amount which covers the cost of the Collie power station. I refer the minister to the table which appears on page 2 of the letter, not to the discrepancy at the bottom but to some of the components.

The CHAIRMAN: The minister has agreed to provide supplementary information.

Mr THOMAS: I want to ask for some more supplementary information. If the minister looks at the note, there is an \$81.75m increase on the \$575m that he spoke of attributed to escalation and contract variations. Can the minister see that?

Mr BARNETT: I am referring to the budget papers. The member can ask a question and I will work off the budget papers.

Mr THOMAS: The record should show that the minister is not prepared to look at a letter from his own department setting out an explanation.

Mr TRENORDEN: You are not prepared to work by the rules of Parliament.

The CHAIRMAN: I remind all members that we are dealing only with the budget papers, not other papers that are introduced.

Mr THOMAS: The information I am seeking from the minister relates to the \$81.75m in this line item.

The CHAIRMAN: Can you point out where that is?

Mr THOMAS: No, there was other information which related to it before you came in, Mr Chairman. Elsewhere in the letter the variations are said to be \$4m; therefore, an amount in the order of \$77m from that project went to escalation. That is a 13 per cent increase on the contract price which occurred in a period when the underlying rate of inflation was exactly half that, 6.5 per cent. Will the minister provide the information to account for that increase in the contract price of the magnitude of \$77m in that period?

Mr BARNETT: There may be several factors. Does the member have any idea what happened to the Australian dollar during the construction period? There could be many components.

Mr THOMAS: Foreign exchange is accounted for separately where it is involved. I want a detailed explanation of the escalation of 13 per cent.

Mr BARNETT: I will give the member a tip. Next week he should ask me a question in Parliament and I will answer it. I will not make that commitment in an estimates committee.

Mr THOMAS: I am asking the minister now.

Mr BARNETT: The member is out of order.

Mr THOMAS: I am not out of order at all. I can ask the minister what I like.

Mr BARNETT: The member can ask what he likes but I will choose to answer what I want.

*Ruling by the Chairman*

The CHAIRMAN: I will make a ruling. The member for Cockburn may refer to it. The minister does not have to answer a question that is not related directly to the budget papers. That is my decision.

*Debate Resumed*

Mr THOMAS: Accepting that ruling, Mr Chairman, I draw your attention to page 1545 of the *Budget Statements*. It states there that the coal-fired Collie power station has cost \$784m. That is a budget item. I believe that about \$77m of that figure relates to escalation. The normal thing is that if the minister does not have the information, he undertakes to get it and make it available to members. I am asking the minister now if he will account for that \$77m component over and above the contract price?

Mr BARNETT: For the third time, the member has given me a letter. I have not read the letter. The member said it has different figures compared with the budget figures and I have told him I will write to him with a reconciliation of the two sets of information.

Mr THOMAS: The minister is not listening.

Mr BARNETT: I have not read the letter yet.

Mr THOMAS: Clean your ears out and just listen for a moment!

Mr BARNETT: I have not read your letter and I am not going to read it in an estimates committee.

Mr THOMAS: I have asked the minister to reconcile the difference of \$20m; however, I am now asking a second question. On the information contained in that letter there is an indication of a \$77m increase in the price of the project in the period from February 1994 until now. I am asking the minister if he will provide the information to account for the increase of \$77m. That is a different question altogether from the \$20m.

Mr BARNETT: I was going to say that the member would know, but he probably does not know, that the contract includes the base contract for construction of \$575m and it has escalation clauses and all sorts of adjustments related to exchange rates and so on.

Mr THOMAS: Of course.

Mr BARNETT: As I said, the project is on time and on budget. The additional on-costs, if you like, above the construction cost had been budgeted for and came in broadly as expected. Some components are up, some are down, but overall the project is on budget. As I said to the member, now for the fourth time, when I have read the letter if the figures differ from those in the budget I will provide him with a reconciliation and explanation of the differences.

Mr THOMAS: The suggestion I am making to the minister is that an increase of \$77m, that is 13 per cent, over that period suggests that there may have been a generous escalation clause. The member for Avon, as an accountant, would be aware that there are different ways in which escalation clauses can be written.

Mr TRENORDEN: That is the biggest promotion I have ever had. The member for Avon is desperately wanting to get on to energy so that he can ask the minister a question.

Mr THOMAS: The member for Avon should be aware of the fact that this is the biggest single item in the State budget.

Mr TRENORDEN: You have asked the same question for 20 minutes.

Mr THOMAS: I do not like to see \$77m of public money -

Mr TRENORDEN: Ask it at question time when you should ask it.

Mr THOMAS: I am asking the minister if he will now give an undertaking that he will explain that \$77m.

Mr BARNETT: Mr Chairman, I am not going to answer the question for a fifth time; I have done it four times.

The CHAIRMAN: Members, the minister has agreed to supply supplementary information on the differences.

Mr TRENORDEN: Mr Chairman, can a division be put?

Mr THOMAS: Is the member for Avon trying to gag the debate?

Mr TRENORDEN: I am trying to get on to energy. I have been telling the member for Cockburn that for about half an hour.

The CHAIRMAN: I am about to give the member for Avon the call.

Mr THOMAS: But this is energy.

Mr TRENORDEN: No this is power. It is a totally different division.

Mr THOMAS: If the minister will say he will account for the \$77m escalation in the cost of the project, we can get back onto energy.

Mr TRENORDEN: What, in three minutes?

The CHAIRMAN: Members have three minutes to discuss division 24. Division 23 has been put. If the member for Avon has a question, let us have it.

Mr TRENORDEN: The minister spoke earlier in answer to a question about energy and industry development when we talked about the national competition policy. I am smarting and a little bit annoyed because I received a telephone call this morning from an industry that had four locations where it wished to locate to and it has not located to its preferred location, which is in my electorate, because Western Power refused to give it a quotation. When I say "refused", after two weeks it still has not received a reply whereas Western Power has replied to three other locations in the State which are not in my electorate. I tell the minister that I am boiling over this matter.

In the *Budget Statements* at page 429 at the bottom dot point on major achievements for 1998-99 and also the expected achievements for next year, reference is made to energy reform. It does not use the minister's words about equity and industry development; however, this is the second time this year that I have missed out on what my electorate calls industry; not a \$500m power station, I agree, but still an important development for my electorate. Western Power has an inability to look at those questions of equity and industry development.

Mr BARNETT: I do not know about the particular example referred to by the member for Avon.

Mr TRENORDEN: I do not want to say the company's name.

Mr BARNETT: No. There has been one example of a plant wanting to go into the south west of the State where the demands at first glance seemed reasonable, but it involved welding which has enormous peaks in energy demands. It would have meant an enormous expansion in capacity for the odd peak in demand when equipment was operating and that simply was not sustainable.

[5.00 pm]

Mr TRENORDEN: It is purely an extension.

Mr BARNETT: I am happy to talk to the member privately about the case. It is extremely expensive to extend into some of the wheatbelt areas. In broad terms there is probably a strong argument for enhancing and upgrading the system. However, we have some problems, we have some long lead lines and our power stations are not necessarily all in the right positions. For example, there is a lot of attraction in building a power station in the northern wheatbelt which will help stabilise the system. Getting some power generation around the Esperance area would also help. I will look at the case. A place like Northam should not be constrained by electricity.

Mr TRENORDEN: I totally agree with your own words, "equity" and "industry development". They are key words and are the two things which are hurting my electorate. If they enter that program, I would love to talk to the minister about a process whereby those considerations go in with the rest of them.

Mr BARNETT: We are currently working on matters of supply extension in the metropolitan area. They will relate to new urban subdivisions because the system has been unfair; one developer has been required to wear the cost for subsequent subdivisions. Similar but different issues apply in the country area.

Before we start the next division I want to put some remarks on the record. When we have Estimates Committees, senior public servants and departments go to a great deal of trouble to come in here prepared with briefing notes to provide information to members of Parliament. What we have seen in here today is an abuse of the Estimates Committee. I do not deny that the Collie Power Station is an important issue but there are plenty of forums in the Parliament to deal with it and the member for Cockburn has abused the Estimates Committee and unnecessarily abused the interests of the Public Service in this State. It has been an absolute disgrace. When I summarise these Estimates Committees in a week's time I intend to say something about the appalling conduct of the Opposition, particularly the member for Cockburn. I am embarrassed to require senior public servants who report to me to go to the effort of preparing themselves and material for the benefit of this Parliament and to have their time abused in that way. The member for Cockburn's conduct has been disgraceful. I have said my piece and I will leave it at that.

Mr MARSHALL: I support those comments wholeheartedly.

The CHAIRMAN: I do not think we need that at the Estimates Committee.

### **Division 33: Minerals and Energy, \$51 794 000 -**

[Mr Bloffwitch, Chairman.]

[Mr Barnett, Minister for Resources Development.]

[Mr L. Ranford, Director General, Department of Minerals and Energy.]

[Mr P. Palmer, General Manager, Finance and Administration.]

[Dr J. Hosking, Director, Chemistry Centre.]

[Mr G. Clarkson, Finance Manager, Chemistry Centre.]

[Dr C. Branch, Chairman, Minerals and Energy Research Centre of Western Australia.]

Mr GRILL: On the face of it, it appears there is a very substantial cut in funding for the department this year and that that

cut will continue in accelerated terms for the years 2000-01, 2001-02 and 2002-03. These gross figures have been a bit misleading in a lot of the estimates this year. I hope to be informed that the funding for this department has not suffered this apparent major cut and there is an explanation for that impression.

Mr BARNETT: This is a tight budget year right across the government agencies. I understand that some programs are drawing to a conclusion within the Department of Minerals and Energy.

Mr RANFORD: There is about a \$2.25m reduction in funding for the department this year. However, that is the result of the completion of certain prior commitments; a number of previous programs have finished such as special arrangements for Year 2000 compliance, geocentric datum and a number of databases with a limited lifetime. The one area which has suffered a real cut has been the geoscience mapping program.

Mr GRILL: It appears that program has been deferred altogether.

Mr RANFORD: It appears that way but the minister has requested the deferral of the expenditure of about \$1.7m on that area. A certain amount was voted for that subject over a number of years and a request has been made to defer it although I admit that the forward estimates do not show that. The end product is the interplay between the programs which have finished and some new ones. An additional \$350 000 has been provided to work on a database for inventory of abandoned mine sites. That was agreed to in Parliament last year.

Mr GRILL: While we are dealing with the question of a cut in funding, I would have thought that geoscience mapping was a basic tool used by most of the people in the industry. Is the Government not being somewhat irresponsible in deferring that project?

Mr RANFORD: When money is tight, one has to look at priorities and the department and Government's priorities at present have been mine safety and particularly expansion in the petroleum area. We have had to reflect our priorities in the program where it has been possible to readjust things without receiving additional funds. Special funding was agreed to increase the level of geoscience mapping over a number of years and the minister sought to defer part of that for this year. I admit that that is not reflected in the *Budget Statements*. I can say that he has sought that the adjustment be made in the future.

[5.10 pm]

Mr GRILL: You would not deny that geoscience mapping is a fairly important tool.

Mr RANFORD: It is a very important tool,

Mr GRILL: Is it the type of thing one would like to see deferred indefinitely?

Mr RANFORD: It is not deferred indefinitely. At the moment our main priority is to maintain geoscience capability. We have been able to achieve the reduction without putting off any staff in that area. That was important to us. We have changed the nature of the program to concentrate on the areas which are more labour intensive. It is attending to the mapping programs, rather than some geochemical and geophysical data collection which might have been done.

Mr GRILL: Following that theme, the mineral processing laboratory has been leased to the Commonwealth Scientific and Industrial Research Organisation which seems to be another area where the department has vacated its historic position.

Mr RANFORD: Yes, it has. A decision faced in the past couple of years was whether to expand the minerals processing laboratory from a fairly small operation to one of effective size. The experts estimated that we needed to double or more the size of our laboratory to make it effective. Our consultations with industry and various customers who might support such a facility indicated that we would have trouble attracting the business ourselves to justify that expansion. In the circumstances, we looked at alternatives through which to maintain the capacity. After talking to various people who may have been interested in assisting us, the most attractive proposition was to make it a node of the national laboratory of the CSIRO. Part of that process was a commitment from the CSIRO to expand the size of its laboratory operation and to bring to Western Australia effectively double the effort we could manage ourselves. This made it part of a national laboratory. That gave the facility the synergies which arise from a much bigger operation. We believe that industry in this State is better served by that outcome.

Mr MARSHALL: The recent fall in gold prices is a matter of concern. How does the minister anticipate it will affect exploration, employment and, more importantly, the budget calculations?

Mr BARNETT: The further fall in price of gold in recent days is a concern. It is having a depressing effect on exploration activity. It is fair to say that the major gold producers are largely insulated as most have sold their production at around \$600 an ounce or thereabouts. The big producers tend to be in a strong position, and there is no lack of acquisition on their part of smaller companies and other prospects. Under the combined impact of native title and a low gold price, a sharp cutback has been experienced in gold exploration activity. This is a concern particularly to the Department of Minerals and Energy in developing prospects on future sites.

Mr RANFORD: Obviously, we are all very concerned about the effect of the reduced gold price, and we are monitoring that situation. It is very difficult to separate the effects we are suffering as a result of native title issues from the impact of lower commodity prices. Both those aspects are impacting significantly on the level of effort in the State. We expect a 30 or 40 per cent reduction in private sector exploration activity this year in the mineral fields. We hope that we will see a turnaround in the prices which might effect that exploration activity. Gold accounts for about 70 per cent of exploration expenditure; therefore, it has a major impact on employment.



Mr BARNETT: I believe that the medium-term prospect for gold is not depressing at all. Clearly the central bank's selling of gold has put a cap on the price, as Peter Lalor describes it. I suspect the future will be strong given the demand for gold. This is a hard time for the gold industry, but it will not be a long-term and permanent feature.

Mr GRILL: It is interesting to hear the minister speak in those terms.

Mr BARNETT: I am always optimistic.

Mr GRILL: It will be reassuring to the people in Kalgoorlie who have made big investments.

Mr RIPPER: I refer to output 1 on page 897 of the *Budget Statements* which refers to the system for the granting and maintenance of title to explore for, and mine, minerals. The total cost for the output shows a cut in the budget of \$1.7m. On a cash basis, the total cut is about \$1.4m. My understanding from information previously presented to Parliament during other debate was that the Department of Minerals and Energy had a backlog of unprocessed applications to explore for, and mine, minerals. In those circumstances, given the priority the Government has given this issue in public debate, why is the Government cutting money and staff allocated to this function?

Mr RANFORD: The cuts reflect some short-term programs which are completed. We had additional money for projects such as geocentric data compliance. Short-term money was provided in last year's budget for a number of projects which are largely completed. An electronic lodgment pilot study was conducted to make all our systems available over the Internet. A number of those programs have run down. A special survey program had a one-year life. These limited programs were designed to finish or be nearly complete this year, resulting in the budget reduction. There is a reduction of about three people from a staff of 190-odd, and this relates to improved efficiencies following the move to electronic systems. It has been planned over a number of years. No cut has been made that was not planned four or five years ago in this area. It is attrition as we introduce more efficient systems. We have the Tengraph and the MiTiS mineral title system which are not as labour intensive as traditional processes.

Mr RIPPER: We do not have the budget allocations from before 1997-98, but the budget allocations for 1999-2000 is less than the allocation last year as well as that in 1997-98. If this area has the high priority the Government claimed it to have in native title debates in Parliament, the Government might have maintained this budget in order to overcome the backlog.

Mr BARNETT: The Deputy Leader of the Opposition could assist by passing a piece of legislation in this House.

Mr RIPPER: Surely resourcing issues are involved here as well.

Mr RANFORD: Some of that cut reflects some of the adjustments made a couple of years ago when I took on this position as I was very concerned about shortages in the department. I put together a package of action which needed to be taken in the short and medium term to recover the situation in the department. This package was sold to industry and then the Government. It included an agreement to increase rentals by 3 per cent in July of last year to fund some of the arrangements I introduced. Some of these additional expenditures were designed to tail off after the first year. Therefore, it was necessary to give a short-term funding boost. No cut has been made in this area, I assure the member, other than the rundown of the special allocations made at an earlier stage.

[5.20 pm]

Mr RIPPER: Can you clarify the backlog of unprocessed title applications that you presently have in the department? What do you expect that backlog to be at the conclusion of the financial year which we are discussing in the budget? What is it now and what will it be at the end of 1999-2000?

Mr RANFORD: I wish I could answer that. I can tell you what it is now, and I can tell you what will affect the number, but many of those things are out of my control. It is normal in our system to have approximately 2 800 titles in the process. A backlog of 2 800 titles is traditionally what we have because of delays and processing through the Mining Act. When the native title process is added, which follows the Mining Act, a new complication is introduced. As a result of those native title complications, we currently have about 11 000 titles in the backlog. Nearly all of those titles could be granted by us if the parties, the company or the individual concerned and the native title parties, came to agreement. We do not even have to be involved, but the truth is that those people have either been unwilling or unable to achieve agreement in the native title processes. Only a very small percentage of the titles are going through the system now without having objections made by native title parties and being forced into a negotiation process, which results in delays for a range of reasons. I suggest that some of the delays are because of the different expectations of the parties as a result of court decisions. The Miriung-Gajerrong decision last year had the effect of creating among the native title parties tremendous expectations of their rights and what they are negotiating for. At the same time many companies and individuals believe that the decision can be interpreted in other ways and they do not believe that it will end up the way that the native title parties are interpreting it. Until the High Court resolves that sort of difference, parties will be standing off and not negotiating unless extreme pressure is put on them. I know of some people who are proceeding to agreement only because it is a matter of survival and the force that is being exerted on them. However, when they do not have to make a decision in the short term, they do not reach agreement.

Mr GRILL: You told us what is not going through the system. Can you tell us what is going through the system in comparison to what went through the system previously?

Mr RANFORD: We had a process that effectively passed all titles within six months except for the odd unusual one. Many of the titles now have been in the system for four years. Only about 7 per cent of the titles that have gone into the native title process have ever come out and been granted. The rest of them are held up because -

Mr GRILL: Do you have any figures on them? The Premier produced a table in Parliament a couple of months ago indicating the terms of mining titles.

Mr RANFORD: Mining leases.

Mr GRILL: I presume it meant mining leases; I was not absolutely certain. It indicated that only 146 came out during the past 12 months. Do you have any figures on what is happening with exploration or prospecting licences and general purpose leases?

Mr RANFORD: Off the top of my head, I know of about 3 500 titles that have been put into the right-to-negotiate process. A total of 256 titles have come out of that process during the past four years. That gives an indication.

Mr GRILL: Is it possible for you to put the figures together by category and indicate what is coming out of the system?

Mr RANFORD: Yes, it is possible.

Mr GRILL: Would the minister be prepared to make that information available by way of supplementary information?

Mr BARNETT: Yes, we are prepared to make that commitment.

Mr MARSHALL: Page 914 refers to the major achievements that apply to the gold royalty system and collections. How was the implementation of the gold royalty system and the collections received last year? The next heading is the major initiatives for the coming year which mentions a review of the royalty arrangements. Can you explain more fully what changes are anticipated?

Mr BARNETT: In broad terms the royalty arrangements for gold normally would have been the 2.5 per cent royalty under the mining legislation. We introduced the gold royalty at 1.25 per cent with a proviso that it would revert to the normal royalty rate subject to the price of gold being \$A450. That proviso was to remain in place for a five-year period. The current gold prices indicate that we will not be collecting the full royalty for some period to come. Some technical issues may also be involved in the administration of the royalty.

Mr RANFORD: There may be some misunderstanding of the major initiative proposed for this year which refers to ensuring that the community receives at least 10 per cent of the mine or wellhead value of its minerals. As the minister mentioned, for a refined mineral, that equates to about 2.5 per cent of the value of the product sold which equates to 10 per cent of the value of the material as mined, so that might cause some confusion. If it were in a concentrate form at the wellhead, or in the mine head, a certain value is placed on it. If it goes through for higher level processing, the rate lowers to reflect the processing and the contained metal and its value. It all works back to a value of about 10 per cent of the material removed from the mine.

Mr MARSHALL: In answer to my first question when you said the gold is forward sold, are the royalties being gauged on forward selling or the fact that the gold prices are now extremely low? Will that affect the budgetary projections?

Mr RANFORD: The gold royalties are based on the gold price as recorded in London each day. It is not based on the sales the company has made, forward selling or anything like that. It is the price as determined by the market on the day of the sale.

Mr BARNETT: If companies punt on forward markets, we do not punt with them.

Mr MARSHALL: How does our projected budget record the anticipated gains from the gold royalty? How is that affected by the low prices?

Mr RANFORD: At this stage, the royalty is 1.25 per cent. From memory, the gold royalty contribution was about \$28m for this year, which accounted for three quarters of the year. No great change would be expected over the next year except that it will be for four quarters. There will be a slight reduction, but other things affect it as well. Currency valuation must also be taken into account.

[5.30 pm]

Mr BARNETT: Despite the low prices, the volume of gold production has stayed reasonably strong.

Mr RANFORD: It is anticipated to stay at that level.

Mr RIPPER: We were discussing the title backlog problem and we certainly agree that it is a problem. I was confused by some of the figures given. I understood you to say that we are facing an unprocessed titles backlog of 11 000, but then you indicated that 2 500 have gone into the native title process and 156 have come out. Are we facing a 2 500 title problem or an 11 000 title problem? If there are only 2 500 titles in the native title process, what is holding up the other 8 500?

Mr RANFORD: There are a number of aspects to that. One is to do with the titles that have not yet been submitted to the process, and some of the backlog could be attributed to the companies' desire not to proceed as from last year when the amendments were being made to the Native Title Act. It was a result of pressure from industry and the fact that the amendments could have required some companies to go through the process twice. In other words, they would have had to submit their applications under the law as it then existed, and then, if the Wik amendments had gone through, they would have had to resubmit to the process. Many of them pushed to not do that and they were keen to await the proposed state processes which had been foreshadowed. As a result, some of them were delayed and not put into the native title process. There had been a change also in the way native title parties were reacting to exploration and prospecting tenements.

Historically, in the first year or two of the process, they let between 95 and 97 per cent of those titles through an expedited procedure without objection. It was discovered, as a result of the Dann decision, when the Federal Court ruled in 1996, that there were wider grounds for them to object than had previously been thought possible, and the objection rate increased dramatically. In the middle of last year, probably only between five and 10 per cent went through without objection, and explorers and prospectors were being forced into a full right-to-negotiate process. This was unattractive to them and they were hoping that the Wik amendments and the forthcoming state legislation would offer them an opportunity to redress that. It looked as though the procedure would speed up the processing of titles.

The member may have noticed that recently the minister announced that he would no longer hold such titles. In a recent package of measures the decision has been made to submit to the native title process all titles that have been through the Mining Act process. This was for two reasons. First, the backlog was building up; and, second, there was an indication that some of the native title parties may have been more sympathetic to exploration and prospecting titles and prepared to show a willingness to let a high percentage through without objecting. As a result of that, it was decided to put them into the process, irrespective of the wishes of the companies. That started on 19 May in an attempt to reduce the backlog for exploration titles. Those are the ones that have been held up. I cannot give a breakdown of the figures off the top of my head.

Mr RIPPER: There has been agreement to provide supplementary information on these issues, and I hope there will be some clarity in that information about the constituent parts of the 11 000 title backlog.

Mr RANFORD: I can show you where they are in the process.

Mr RIPPER: That would be very interesting.

Mr GRILL: The allegation has been made that the companies are holding off putting them through the process because they do not want to meet the expenditure commitments.

Mr RANFORD: I can understand that that might be a natural reaction in some cases.

Mr GRILL: My question is about the Regional Forest Agreement. Under one of the significant issues and trends it is stated that in this context it is also important that finalisation of the Regional Forest Agreement take into consideration the significant potential value of the mineral and petroleum prospectivity of the south west of Western Australia to the economy of the State. That has been superseded because the RFA has been agreed to by the relevant parties. It was put to me very forcefully, by a senior person in the Department of Conservation and Land Management, that the value of petroleum and minerals in the forest, and to some extent in old-growth forests, far exceeds the value of timber production. I do not know whether that is right or wrong. Obviously, when these notes for the budget were written there were some concerns about that. Is it correct that there are large amounts of petroleum and minerals in some of these areas? Has it been quantified?

Mr BARNETT: The value of mineral production from the south west areas is certainly in excess of \$3b. The alumina industry is producing \$1.9b and of course that industry is essentially operating within state forest areas. It was a major consideration and an enormous amount of work went into it from both the Department of Resources Development and the Department of Minerals and Energy, which are administering those agreement Acts. DME probably took the lead with regard to the lease of the tenements. At the end of the day we got a reasonable outcome, and the Commonwealth was receptive to making sure it did not unnecessarily impede the development of those industries. On the alumina side there were changes to mine development plans, to reflect the needs of the RFA. That was one of the complications in the RFA process.

Mr GRILL: It is strange that the whole process took place in the media and there was not much mention of minerals at all.

Mr BARNETT: No-one was looking for a high profile on the issue. All parties recognised that there would be an RFA and that they had a privileged position of mining in forest areas. They recognised that they had a corporate, social and environmental responsibility to make sure their mining interests were compatible with preserving the high conservation value forests. I commend the companies and the government agencies involved for the way that part of the issue was handled. It was complicated.

Mr TRENORDEN: I refer to page 898 in connection with the mineral titles system. It is pleasing that last year an assessment of the mineral titles system was carried out, and that in the coming year it will go live to the Kalgoorlie region. Is it planned to cover all the State, or is the Government waiting for greater demand from other regions before they have access to this? The publication of these maps, reports and databases is important, particularly the geological maps. I imagine the same sort of mapping would be important for salinity and environmental issues. Are they done in association with the WA land information system or someone else so that they become available to groups wider than the mining industry?

[5.40 pm]

Mr BARNETT: I do not know whether the member has seen the Tengraph system, which is impressive. It has been developed through the Department of Minerals and Energy. On behalf of the Minister for Mines I invite members to have a briefing and to see the display. It is a sophisticated on-line facility. I am sure it is a service that has an international market place. It is an outstanding development by DME.

Mr RANFORD: Your question about the mineral titles system at page 898 referred to a program to evaluate the impact of placing this graphic system online.

Mr TRENORDEN: I understood that.

Mr RANFORD: We selected a range of customers, from prospectors to major companies, and ran a test program over a period to see how effective it was and what was the reaction. We also had to assess the impact on us of providing a service. We cannot offer a service like that without being able to deliver, so costs associated with it were important. We ran the test and the pilot program was very successful. People were keen for us to continue. I had to make a difficult decision to stop them from having access at a certain time; they wished to continue. I wished to make it available to everybody at the same time when we had done our figures. We stopped the pilot program at a point. The minister recently announced as part of his package that at the beginning of the new financial year it will be available online to all regions. It will be available to anyone who has a computer and has access to an Internet service provider.

One of our concerns earlier was that some of the prospectors and people in regional areas believed they were disadvantaged because of the higher cost of access through the telephone. The State has had a program to introduce telecentres throughout the State. We have supported that with the view to ensuring as wide an access as possible at a lower price. The department is also testing to see whether shires are prepared to look after such systems in some smaller towns that do not yet have telecentres. We are looking into the possibility of our installing them in some centres to increase the service and access to Tengraph.

Mr TRENORDEN: Are they the same maps that would be of interest to the environmental people?

Mr RANFORD: Yes. The air-borne geophysical work is extremely valuable to people doing salinity studies. That information is made freely available to those people. We have a close relationship with the various users. The people who use them for salinity studies were part of this department and are now in the Water Resources Commission.

Mr RIPPER: In support of the argument that some mining companies might be relaxed about the delay in processing their exploration title because they were not interested in committing finance to conduct the exploration, the Goldfields Land Council issued a press release which resulted in an ABC story to the effect that there had been a significant increase in applications for the holders of licences for exemptions from the expenditure requirements. Has there been an increase in applications by holders of exploration licences for deferral or exemption from their requirements?

Mr BARNETT: The Minister for Mines recently announced some measures.

Mr RANFORD: I am not aware of any significant increase in applications for exemption in the past year or anything like that. I would expect them in the light of reduced commodity prices and companies looking for special treatment or for opportunities to defer programs. However, I have no evidence of that. Exemptions are a normal part of the system. There are two major reasons for seeking deferrals: One is because companies work on projects and put groups of titles together and then seek automatic exemption when they are not working on a part of the group. It is a process that has been underway in some form since 1904. Originally it was labour exemptions; now they are exemptions from financial commitments. The other reason is to have time to evaluate programs. The expenditure of money on exploration is spotty; it is not regular on these programs. A company may spend millions of dollars beyond its commitment in one year and then seek an exemption to study the results for the next year to plan its program. A process is in place for evaluating applications to ensure that the companies have performed and are judged to be working the land efficiently, as is desired. I do not see any change, but if gold prices continue at these levels, there will be more pressure on us to grant exemptions. That would be a natural outcome.

Mr GRILL: Is that information available?

Mr RANFORD: Yes. It is given in the annual report each year. We list the exemptions and their value.

Mr GRILL: If someone were quoting figures like this, from where would they obtain the information, or would they be just surmising?

Mr RANFORD: I have not seen anyone quoting figures other than the minister.

Mr GRILL: I do not mean quoting in the true sense, but in the sense of alleging that the incidence of applications to be excused from financial requirements has increased.

Mr RANFORD: I have not seen any such figures. I have seen accusations of some companies based on the information provided through a parliamentary question listing all the exemptions that had been given to a company or group of companies. Someone had added that up and concluded -

Mr GRILL: That referred to the Sons of Gwalia Ltd which Hon Tom Helm raised.

Mr RANFORD: Over eight or nine years that company had been given \$28m worth of exemptions which was meaningless in terms of the billions it had spent.

Mr GRILL: I saw the response. Are you saying those figures are probably not available?

Mr RANFORD: Each annual report lists the applications for exemptions. Those granted in the context of the total number of titles is provided in the annual report. It shows the number from year to year.

Mr GRILL: I notice that at page 895 you have made provision for mine site rehabilitation with the sum of \$350 000, and it is ongoing. There is an increasing resentment about the back-filling of mine shafts. People do not like it. Prospectors do not like it because it destroys evidence of the mineralogy in the area. They use them as prospecting aids. The tourism industry also hates it because it is causing the social history of the area to be destroyed. We are proud of our social history and we do not want to see it destroyed. As far as I can see - I stand to be corrected - they do not represent any danger in a statistical sense.

[5.50 pm]

Mr BARNETT: There are environmental and, I suppose, safety issues.

Mr RANFORD: I will add to that by explaining the current policy. There is some misunderstanding that the department, in enforcing its environmental practices, forces people to fill in holes and things like that. That certainly applies to new excavations made by parties who undertake work at this time, who are required to rehabilitate any holes and excavations that are made, the same as is the case with drill holes. However, there is no such requirement for what we might call heritage from past works. In some cases, we suggest to companies that when they are rehabilitating their own mining sites, it might be in the interests of the community to see whether some of those heritage sites should also be rehabilitated. We also draw to people's attention that as occupiers of the land they are liable from a safety point of view if any person is injured as a result of, for example, falling down a shaft on a tenement that they hold, even if they did not create the hole, and we suggest to people that they take what they regard as appropriate action. We do not tell people what to do, but we suggest they take into account the fact that they have a liability. The main concern in Western Australia is safety. We have had a couple of serious accidents in the past few years, particularly because of the large number of people who take four-wheel drive vehicles into these areas, which are potentially dangerous because of the thousands of abandoned pits and holes in this State. That is the reason for the program. It is proposed to develop an inventory that will include a comprehensive assessment of the safety, environmental and heritage aspects that must be taken into account before any rehabilitation work is done.

The CHAIRMAN (Mr Bloffwitch): Many small prospectors who do a bit of prospecting in Geraldton and who stake mines have said that under the new native title regime, they are not in a position to negotiate and to fund a court action; consequently, they have virtually stopped doing anything. Have we given any thought to giving any sort of collective help to these people to enable them to participate in the negotiations?

Mr BARNETT: To some extent, that depends upon the ultimate resolution of some of the claims. The interests of small prospectors should not be ignored. That is easy to say and hard to achieve. The fundamental reform in native title for which we should strive is to take the right to negotiate out of exploration. If we could do that, the problem would largely evaporate.

Mr GRILL: I do not oppose that. In the north eastern goldfields, the majority of the Aboriginal claimants have made a collective decision to withdraw all of their objections to exploration licences. It is interesting that they have reached that conclusion.

Mr BARNETT: We have native title and a Native Title Act. Neither will go away. Most people in the industry would recognise that a right to negotiate about a project development has legitimacy, but a right to negotiate over exploration serves no purpose for any interest on either side of the debate, so long as there is consideration of heritage and due respect for the people who live in the area, and that should be commonsense when we are talking about responsible exploration. If we took the right to negotiate out of exploration, whether it be by statute or agreement, we would go a long way forward.

Mr GRILL: It would be better done by statute. It would then be uniform.

Mr BARNETT: Yes, if we can do it. Talk to your federal colleagues!

*Sitting suspended from 5.56 to 7.00 pm*

**Division 69: Aboriginal Affairs, \$17 564 000 -**

[Dr Edwards, Chairman.]

[Dr Hames, Minister for Aboriginal Affairs.]

[Mr H Lowe, Chief Executive Officer, Aboriginal Affairs Department.]

[Mr H Bowen, Director, Strategic and Business Services, Aboriginal Affairs Department.]

Mr RIPPER: I am keen to ask questions in relation to the item on the Government Employees Housing Authority on page 620 of the *Budget Statements*.

The CHAIRMAN: We are dealing with divisions 69 to 72. It is up to the minister and the committee to decide the order in which they wish to deal with them; the minister has indicated Aboriginal Affairs.

Dr HAMES: We are not fussed about the order; however, GEHA does not have appropriations; therefore, it will not be one of the items for discussion.

Mr RIEBELING: When do we get to debate it?

Dr HAMES: I will be releasing an annual budget in August for Homeswest and GEHA when members will be free to ask me questions.

Mr RIEBELING: What questions do we get to ask on housing?

Dr HAMES: We are dealing with division 69 to 72. Housing appears in the *Budget Statements* but does not have an appropriation. We are debating items that appear in the budget with an appropriation. If there is no appropriation, it is not part of the discussion before the House.

Ms MacTIERNAN: Following on the member for Burrup's question, notwithstanding that anomaly in our standing orders that allows these major organisations to escape parliamentary scrutiny, the practice of the previous Minister for Housing,

Kevin Prince, was to bring housing into this debate so that there could be an informal discussion. Why has the minister not continued that practice of his predecessor?

Dr HAMES: I was not aware that was the practice. I have acted on the advice of the Clerk who said that those items are not up for debate because we have to debate the appropriation that is before the House, and that is not before the House. There will be an opportunity for members to debate those matters when I release the budget in August. Members will then be free to ask any questions and we will do our best to answer them.

Mr RIEBELING: The first dot point on page 50 under significant issues and trends in Aboriginal Affairs refers to poor living standards and problems in the Aboriginal population in Western Australia. I notice in dot point two that housing is mentioned. Can the minister advise what type of housing developments are occurring in the Roebourne area and in the Aboriginal communities outside Tom Price and Paraburdoo?

Dr HAMES: We can cover housing for Aboriginal communities in this debate. The member must be referring to housing in these towns and the town fringes rather than the remote communities like Jigalong.

Mr RIEBELING: Yes, I am interested in Roebourne where there is a village and the communities just outside of Tom Price and Paraburdoo.

Dr HAMES: I can start and then ask one of my advisers to follow. In general terms we receive funds from the Commonwealth Government in the order of \$19m per year for housing of Aboriginal people. We have set up, as part of our new commonwealth-state housing agreement, an Aboriginal housing board that is situated within Homeswest, staffed 50 per cent by the Aboriginal and Torres Strait Islander Commission's staff and 50 per cent by staff appointed by me. They manage the housing infrastructure in Western Australia in both remote communities and town fringes where they are not just part of the matrix of Aboriginal housing. It provides housing for those areas. This operation is managed by Homeswest, not by the Aboriginal Affairs Department.

[7.10 pm]

Mr LOWE: Those three communities are not of the highest priority in the environmental health needs survey, which is the basis for funding building infrastructure, community support and the like. The demonstration projects tend to be in remote communities. We provide some support to the management of those communities, but I cannot say how much. The town reserves receive support, but I am not aware of any other growth in those towns.

Mr RIEBELING: The town patrol in Roebourne has been remarkably successful and is appreciated by the community. It is still not up and running despite the grievance voiced several months ago, and is not likely to be unless a management program is put in place. What is happening about the town patrol in Roebourne?

Dr HAMES: The wardens and the community patrols are funded by AAD. We have had problems, but I hope they have been resolved. One of the problems was that virtually every community had difficulty acquitting the funds. The system made it extremely difficult. They would be allocated funding for a year, but to attract funding for next year they had to acquit their funds by 1 July. We have recently changed that system, particularly after visiting Kalgoorlie and clarifying the problems. We now have a system of three-monthly acquittals. The groups get their funding for the next three months and then have three months to acquit the previous three months' allocation. They are allocated funds for the start of the new financial year and have three months to acquit the last three months' funding plus the package for the previous year. We are trying to provide support to do that. Hopefully that will resolve many of the problems we have had with Aboriginal communities.

Most groups use the community development employment program as part of the funding package, but some do not, and I think Roebourne is one. That makes it difficult. AAD allocates between \$30 000 and \$50 000, and in future that will be set at \$50 000 for each community. That is used for top up and other additional costs. It is very important that Roebourne be up and running; it is one of the most important communities.

Mr LOWE: I cannot see any reason that it will not be funded and up and running. The problem was acquittals, not the availability of help to acquit the grants. There was a problem last November, which I gather is still not resolved.

Mr RIEBELING: It relates to accounting, not to the service. The service ran very well. It was supported, especially by the police. They are now required to perform that role and they are very annoyed; they do not see it as their job. Whether these people were doing the right thing, I do not know. However, the funds were intended to provide a service and it is now not being provided. My understanding of the November crisis is that the funds were not allocated. The patrol ran on credit for some time, and when the funding came through it had to be paid to the creditors. As a result, the organisers decided to close it down.

Dr HAMES: That was not the case. As I said, hopefully the new system will resolve that. The previous system partly contributed to the problems, but the patrol did not acquit its funds. When it came time to allocate funds, which AAD did, the patrol still had not accounted for \$7 000. All these communities must account for the money they are allocated. According to the figures provided by the patrol, it should still have had \$7 000 in the bank.

Mr RIEBELING: The problem is the lack of accounting skills in that group. I do not know whether the department can assist in providing those skills. A large amount of money goes into these areas but not many groups have the required accounting skills. Money is allocated and government departments expect a level of accountability that will never exist. I do not know whether AAD can provide those skills so that we do not end up with services which, on the face of it, operate as the funding body requires but which do not have good bookkeeping and reporting practices. Perhaps the minister can

implement a system to assist these people. Many projects for Aboriginal people do not necessarily work well, but this project worked particularly well. It was closed down because of a lack of accounting skills. That seems sad.

Dr HAMES: There are opportunities for Aboriginal communities to get assistance with their accounting. AAD has always been willing to assist these communities in acquitting their funds, and often does. Their budgets allow them to contract out to others in the community, and others in Roebourne have that ability. Those groups can also tie in with the local government authority. That is being done in Kalgoorlie. Because the community was having a problem acquitting funds, a management committee was formed comprising representatives from local government, AAD and the original Aboriginal participants. Those opportunities exist. The member is correct: It is a shame to have these agencies unable to function through lack of accountability. The new system addresses that situation. Aboriginal resource agencies funded by ATSIC provide that assistance.

Mr RIEBELING: They do not work very well.

Mr MARSHALL: I believe an Aboriginal heritage information system was developed last year. How has it performed and what funding has been set aside in this year's budget to protect Aboriginal heritage and cultural sites?

Dr HAMES: The problems we have had in managing Aboriginal heritage sites have been commented upon by Aboriginal people. They say that the sites are not being protected well enough. This budget increases the funding for Aboriginal heritage sites to provide better protection. I will ask Mr Lowe to comment further on that and on the changes he has made to address that problem in the budget and the new structure.

[7.20 pm]

Mr LOWE: There are about 15 000 heritage sites registered with the department, although there are undoubtedly many more sites than that. We have been through those 15 000 files where the information is accurate to determine whether it is worth wanting. That information, particularly for open sites, is available to anybody coming to the office and can be readily accessed by mining companies and the like. We have identified the information so it is easy to access. We have also made available about \$20 000 a region for Aboriginal communities to protect their own sites. In addition, we are increasing the staff in the heritage cultural area by one to provide additional training for our people in the regions. The information is now much better and more accurate and we are starting to put money into the sites themselves.

Mr MARSHALL: If people in Mandurah, Pinjarra or the Peel region are keen to identify these sites, can they ring up and get that information?

Mr LOWE: Yes. Also if you have a site or an area of land you wish to identify as being a potential site, it is simply a matter of calling.

Ms MacTIERNAN: The member for Kalgoorlie has expressed much concern about the Wunngagutu Patrol in her area and has pointed out that although it was notionally allocated \$50 000 last year, it received only \$12 500. I would like some account of that discrepancy because it means that a vital service is not being provided. A committee which has been working very hard and which has sought and received private sector support for the patrol operations has been let down by a lack of funding from the State Government. It appears that \$50 000 was promised but only \$12 500 was provided. Could the minister explain that and also confirm how much is allocated to the patrol in this year's budget?

Dr HAMES: This is what I was discussing earlier when talking about Kalgoorlie. The Wunngagutu Patrol certainly had problems and when those problems arose I visited Kalgoorlie and sat down in the Aboriginal Affairs Department office with the AAD officer and James Murphy. The problem was the patrol had not acquitted its funds. It was not until that meeting that Mr Murphy tabled the final documents for the acquittal of previous funds. At the end of the last financial year - this is not altogether Mr Murphy's fault; the previous system caused a problem - Mr Murphy held on to some of the patrol's funds. The patrol scaled down some of its services in the lead-up to the end of the financial year to be able to do more the next year while acquitting its funds, but it did not do that. At the end of financial year the patrol held on to an amount of money - I cannot remember how much it was - when it was doing the acquittals for the previous funding but it did not acquit that money which was still listed as being outstanding. The patrol did not provide those documents until I was there.

Ms MacTIERNAN: When was that?

Dr HAMES: I do not recall precisely; it was February or March this year. The patrol did not acquit those funds until I was there and Mr Murphy brought in those documents. The patrol was given further funding once the previous funding had been acquitted. The department came to an arrangement with the patrol because of the difficulty the patrol was having in acquitting the funds. It introduced the new system of acquittals which made it much easier for the patrol. We also created a new committee comprising Mr Murphy, someone from the Aboriginal medical centre in Kalgoorlie where he works, the chief executive officer of the local council and the Aboriginal Affairs Department representative. Mr Murphy is still be running the show but the committee provides him with assistance with financial management so that he can better manage the funds. In this budget \$50 000 has been allocated to the Wunngagutu Patrol and it will receive one-quarter of that money on 1 July. It will receive another quarter three months later and will have to acquit the previous funding.

Ms MacTIERNAN: I accept what the minister says about the new acquittal arrangements; it seems to be a sensible system. The minister's explanation of what happened in this financial year would make sense if we were talking about a shortfall of \$10 000, but we are talking about the patrol being paid only a quarter of the funding allocated to it. There must have been a complete lack of vigilance on the part of the minister's department to have allowed this to continue and the patrol to receive only one-quarter of its funding. When did this problem first come to the attention of the department's officers?

Dr HAMES: The department put a lot of pressure on the patrol to provide the documents acquitting the funds after the patrol did not submit them in the early part of the year. I am talking about September, October and November.

Ms MacTIERNAN: What did you start asking about in September, October last year?

Dr HAMES: We asked why Mr Murphy had not got the funds. This was discussed with him constantly to get him to do the funding.

Ms MacTIERNAN: Nothing happened until you went there personally?

Dr HAMES: The department did not get the acquittals. The member was going to the media after that, complaining about not getting the funds. The department was telling the patrol to provide the acquittals. Those acquittals were not provided until I was there in February.

Ms MacTIERNAN: What assistance did the department give the patrol to get those acquittals done? Obviously there was a skill problem. This is the point the member for Burrup was making; it is all very well to say the patrol is not providing the documentation and it well might not have been, but the minister has a whole bureaucracy here. Surely someone could have gone up there and told them how to do it, sat down with the patrol and sorted it out. The minister is telling the committee that it become evident in September that there was a problem but it was not until the minister attended in February that anything was done about it.

Dr HAMES: The patrol had an accountant doing its books in August and September. The accountant was not working on the funding the patrol had held on to but on the previous funding and he signed the documents in November. The accountant was doing this work but he was waiting for paperwork from the organisation and he signed off on it in November. It was not lodged in the Aboriginal Affairs Department's office until the early part of the new year. The department was chasing the acquittals from the accountant and then the agency for the funds it held on to and had not accounted for. The information was not forthcoming and until the patrol produced the documents to show where it spent the money, the department could not provide it with taxpayers' money. The department wanted nothing more than to see the Wunngagutu Patrol up and running and it made every offer of support and assistance possible. The department would have hired another accountant for the patrol if it would have made any difference. However, without the paperwork no accountant can work out what the books show.

[7.30 pm]

Ms MacTIERNAN: I agree with you entirely; you cannot hand over taxpayers' money if the previous lot has not been acquitted. My concern is the lack of proactivity on the part of your officers going out there and saying, "Listen, we must sit down here and get this paperwork out." The whole notion of an Aboriginal Affairs Department surely should be geared towards that, particularly when we are talking about absolutely basic, on-the-ground services, such as patrols, which take Aboriginal people out of situations of conflict in which they are at risk of imprisonment and where there are problems with the interface with the rest of society. It is absolutely base-load work. The position could not be that complex.

Dr HAMES: The fact is that it was that complex. It was complex in the sense that the information I have from talking to the staff of the Aboriginal Affairs Department is that is exactly what they did.

Ms MacTIERNAN: They were up there?

Dr HAMES: Our senior staff were up there; in fact, the person who is currently there was one of our senior staff here in Perth before we changed the arrangements and spread staff to the country. They did exactly that. They put a lot of pressure on him to provide the documents. If my accountant is hassling me to provide him with documents so that he can finish my returns and I do not give them to him, there is not a great deal he can do. The same applies to the staff from the Aboriginal Affairs Department. They did everything possible, but the difficulty was the management and the provision of those funds. We had to say that we were uncertain that those funds had been correctly acquitted. We thought that may have been the reason for not being able to get those figures in. In the end we did get them cleared, but it took a long time to be able to do that.

Mr TRENORDEN: On page 50 the fourth dot point refers to regional offices. One of the gripes we have in the central wheatbelt is that you like to deliver our services out of Perth. Our community is no different. People have been complaining to me for a number of years. Do the extra offices mean that there will be an office in the wheatbelt?

Dr HAMES: That is exactly it. The difficulty has always been that the head office has always been a bit top heavy and we are not getting officers out on the ground in the Aboriginal communities where they should be. As part of the restructuring of the Aboriginal Affairs Department, we have spread officers right throughout the regions in Western Australia. We have gone from seven regional officers to 23. I think one of them is going to Northam and another to Merredin. The complaints we get from Moora is that we keep sticking things in Northam but not in Moora, but that is a different question.

Mr RIEBELING: Page 54 shows output measures from the previous page. The last paragraph shows the average cost of community initiatives supported. It would appear on the face of it that last year those projects were supported to the tune of \$93 000-odd and this year the support is going down to \$37 000-odd, which represents a cut of 300 per cent. On page 56 the last paragraph of the output measures refers to the average cost per regional Aboriginal forum, which this year cost \$49 000-odd and next year will cost \$156 000-odd. The previous page shows that there will be fewer of the forums, probably because we cannot afford to have any more. Why will we have less at three times the cost of the previous year? Were the forums deemed not to be a success and therefore you are changing the structure of them?



Mr LOWE: There are two main factors in the reduction of the cost of community initiatives. One is increased productivity improvements. On the cost side there is an increased emphasis on individual and family support. Therefore, less complex and costly initiatives are being entered into. We are significantly expanding the degree to which services are available. That often means that the sort of services we provide are informal rather than formal and not of a program nature, so they are more cost-effective solutions for what people are trying to do. We can do more with the same amount of money simply by being there.

As for the apparent increase in amount of money going into forums, it would be fair to say that forums have not been anything like as effective as we would like them to be. The reason another part of the documentation shows six and not 20 is that there used to be six and not seven. The Kimberley has two different cost areas but they are under one umbrella. What has happened is that we have funded together the seven Aboriginal justice councils and commissions of elders. We had intended at one stage to pursue the object of trying to get an Aboriginal justice council combined with ATSIC in each area to try to get some smarter way of getting community input. If everybody runs the same number of community consultative mechanisms with two people asking the same consumer the same question, it is not particularly effective. What is likely to happen is that number will not be six but 12, reflecting the separate existence of both of those bodies. The total dollars we have in there are about the same as they were last year.

Mr MARLBOROUGH: The *Budget Statements* appear to show a reduction of money for Aboriginal housing in the current financial year. Am I correct in my reading of the *Budget Statements*? Is there a reduction in the vicinity of \$3m for Aboriginal housing; if not, will the minister advise how much money is available for Aboriginal housing for next year and how that compares with the money he has available this year?

Dr HAMES: That is not part of this division but I am happy to say that there is no reduction in funding for Aboriginal housing; in fact today I was looking at the quarterly review of the Homeswest budget. We are maintaining that funding for Aboriginal housing.

Mr MARLBOROUGH: Last week I was in Newman. Your head of department and a number of officers attended a meeting with the Western Desert group and fringe dwellers in the Newman townsite. Obviously an attempt was made by your department to overcome the problems existing there. At the end of that process a number of commitments were made which I am not convinced are achievable. I am generalising but, as I recall them, the key factors were that the Aboriginal people who are in the small community attached to Newman -

Dr HAMES: Parnpajinya.

[7.40 pm]

Mr MARLBOROUGH: They would be relocated from that site by June or July of next year and housing would be available for them in two areas, one being Jigalong and the other, Newman. It appears that the housing requirements at either of those sites with a promise to relocate by June next year would require additional funding to deal with the problems in that area. How will the Government work to that time frame and is there a fall-back plan if this does not work out in the way that has been suggested? I am of the view that historically, for 10 years, some of the people in the Jigalong community made decisions that others could not go back there for a number of reasons. It is a bit like a bad divorce: I am not sure that somebody putting out a welcome mat will necessarily entice those people back home. I think the same problems will exist in Newman next year and people will not relocate, even with the best will. I am concerned that a plan was preconceived by the department and craftily put before those groups of people -

The CHAIRMAN (Ms McHale): I ask the member to bring the question to a conclusion.

Mr TRENORDEN: He is answering the question.

Mr MARLBOROUGH: It suited the Government's position, rather than the needs of the community.

Dr HAMES: The last point is not true. As the member knows, two Labor members have been at loggerheads about what should be done at Parnpajinya. The member for Pilbara supports total demolition of all of those houses on the sites. I am unsure of where he wanted those people to move to, but certainly it was out to somewhere else; I think back to their communities. Hon Tom Helm has an opposing point of view; he believes that the houses should be kept on that site. I shared his view that there was no point bulldozing them because these people would set up somewhere else. The community did not want them back. We tried to get as many of them as we could into the town with a lot of support, and some, particularly those with children, went there.

The problem is that this is an ever-changing community; it has different people coming into it all the time. They tend to be those who have been rejected, mainly because of unacceptable marriages between different skin groups who should not be together. There is a high incidence of alcoholism and violence in that community. We did not go up there with any preconceived ideas. I have been up there three times in 18 months to try to get all government departments, the Jigalong community and the town council working together to find a new solution. We upgraded the standard of accommodation, but we did not want to create a new town fringe community with new houses. We went back to try again because it just was not working; things had deteriorated further.

The Western Desert Puntukurnuparna Aboriginal Corporation, WDPAC, put together a plan to get these people out of the community again. The suggestion was to try to return as many of the permanent residents as possible to the communities they came from. The temporary ones would be moved back to wherever they came from. About 15 or 20 groups were there. The idea was to move into the town as many as possible of those who would go, with a lot of support. Housing is available in the town. Broken Hill Proprietary Co Ltd has just sold 10 houses. Homeswest has bought five and is looking at buying

the other five. We would have to provide extra housing at Jigalong, or whichever community these people went back to. I will talk about where the funds came from in a moment.

We then looked at either bulldozing the buildings once they became empty so that a new group would not move in there, or putting them under the total management of WDPAC. Aboriginal people would be managing the site and they could use the buildings as temporary, strictly controlled accommodation where people would come in, camp in the huts, pay rent, pay for their power, and be there for only a limited time. It would be managed by the Aboriginal community with the support of the wardens at Jigalong, the town council and the police. They would try to work together to manage it better. If some of the people do not go to either place, we will be stuck with that community still living there. We would probably still hand it over to WDPAC to manage. It could stop those who had moved out from coming in on a permanent basis. In that way it could try to manage better those who were still there.

We are putting in the management support program to upgrade Aboriginal communities through Homeswest and the community development employment program. We allocated about CDEP 20 positions so that people in the community could work. We have also spoken to the liquor outlets to try to restrict the sale of alcohol, particularly early morning sales.

Mr MARLBOROUGH: Much more than just talking to them will be needed.

Dr HAMES: Under the new liquor licensing legislation, we can put in restrictions. We think these outlets will volunteer to do that first. If they do not, we will make them to do that. One of those places was selling alcohol at six o'clock in the morning. We will stop that from happening.

The housing funding is fairly flexible within Homeswest. The Aboriginal Housing Board can allocate extra money to Jigalong. I doubt that the temporary people would get first choice of housing. People in Jigalong would probably get first choice of the best houses and the others would go into housing of a lesser standard, but that would be up to the Aboriginal community to decide. We are also diverting funding to buy the houses in Newman.

Mr MARSHALL: I believe the Aboriginal Affairs Coordinating Committee has endorsed a number of goals. Can the minister explain what they are? How successful has the minister been in coordinating the activities of the government and non-government agencies to address those goals?

Dr HAMES: The Aboriginal Affairs Coordinating Committee has been set up to coordinate all of the government departments that have an association with Aboriginal people. This is an opportunity to draw those people together regularly.

[7.50 pm]

Mr LOWE: The committee consists of all the chief executive officers of agencies that have significant roles in Aboriginal affairs. The idea is try to get a coordinated response to banner goals. One is to reduce indigenous overrepresentation in the criminal justice system and work closely with the justice coordinating committee. A Perth Aboriginal reference group is putting together a major plan which will be funded between agencies, within the total dollar cost of the agencies, rather than by an increase. It will deal very much with Aboriginal families and youth in the metropolitan area.

Another goal is to eliminate substandard living conditions in Aboriginal communities - there is a joint commission chaired by the Aboriginal and Torres Strait Islander Commission that looks at environmental health needs across Western Australia in Aboriginal communities, and coordinates the degree to which funds go to communities, setting the priorities and so on. Another goal is to increase the capacity of Aboriginal individuals, families and communities to engage in economic enterprise. This is just starting and we are working very closely with the Department of Commerce and Trade to develop more Aboriginal inclusion in things. I cannot claim credit for it because it happened before I arrived, but the department has provided funds to Aboriginal corporations in the Kimberley and eastern goldfields which are to provide essential services, such as maintenance and the like. Communities are now being paid to do their own work and are not drawing in external service providers.

A further goal is to prevent suicide and suicidal behaviour among Aboriginal youth. The lead agency is Health and the target is self-explanatory. Another goal is protecting and managing Aboriginal culture. We have a fairly lengthy educational exercise going on with mining industries, other service providers, local government and the like on Aboriginal heritage and culture. There is a collective effort to make it much easier for people to get approvals for development and the like, and at the same time make sure they go through the necessary steps with Aboriginal communities to ensure protection at both ends. That is making the process much easier.

Mr MARSHALL: Is the Winjah community at Mandurah aware of the access to lectures and teaching facilities from the various departments that have been mentioned?

Dr HAMES: The access is provided through the Aboriginal Affairs Department representative for that region. We try to make sure that any assistance required with any government department or through the AAD can be sourced through that Aboriginal officer in that regional office. That is the purpose of the AAD. We have moved away from direct funding, other than for a few specific matters, and our operation has a coordinating role between the different government departments. It acts as the representative for the Aboriginal community. If the member's local Aboriginal community has an issue with Homeswest, for example, they can go to the office of the Aboriginal Affairs Department, get the officer to go with them to Homeswest and discuss their problem. He can also assist with accessing lottery funding, government departments, and whatever is required. That officer is the liaising agent in that area.

Ms MacTIERNAN: My question relates to an item on page 50 of the *Budget Statements*. Reference is made to the large proportion of Aboriginal people who live in isolated communities, and it is said that increased effort is required by service

providers to address the issue of access, equity and achieving improved outcomes for Aboriginal people. It is evident from the minister's performance tonight that, unlike many of his colleagues, he knows something about his portfolio and takes an active interest in it. That is impressive. However, I am concerned about the extent to which the minister has been able to persuade his colleagues - the ministers responsible for the provision of other services - to deliver to Aboriginal people in an equitable manner. I refer particularly to the Warmun community at Turkey Creek. The minister will be aware that it has made complaints to the Human Rights Commission about the discriminatory practices of Western Power, which has left this long-established Aboriginal community, and many other Aboriginal communities and population centres, without access to Western Power electricity at uniform tariff rates. They are paying enormous prices for electricity, which are much higher than that paid by the general community.

Beagle Bay is another example. It is a community of 350 people which has been in existence for 100 years. It does not have the benefit of Western Power access at a uniform tariff rate. I compare that to Nullagine, which has only 50 people but electricity is delivered to that community at the uniform tariff rate. How does the minister account for that discrimination in the delivery of services?

Dr HAMES: It is a fairly complicated procedure. In 1986 a commonwealth-state housing agreement was signed which dealt with the provision of essential services to remote Aboriginal communities. A list of 48 communities was drawn up, including Warmun and Beagle Bay, of large, permanently established, remote Aboriginal communities. It was agreed that the Commonwealth would provide, through ATSIC, all the funding for the infrastructure within those communities, which included the sewerage, water, power supplies and most of the housing. The State Government agreed to provide the maintenance of that infrastructure. It was doing that through both Western Power and the Water Corporation and they each received approximately \$2m. Changes have been made to that and it is a long answer to detail those changes. That is the agreement.

Ms MacTIERNAN: In relation to power, the understanding was that the Commonwealth would implement the actual infrastructure?

Dr HAMES: The Federal Government had dollars to look after those communities. They were state dollars in the first place, most of which came from the Burrup electorate. It went to the Federal Government which wanted to give some of that money back to the State to look after the Aboriginal communities. There were two ways of doing it. One method was to give it to the State Government to manage the whole situation, and the other was to give some of it to the State Government. That is done through the \$19m for housing, and the rest is given to ATSIC. ATSIC was created so that the money to look after those communities could go through Aboriginal hands and not non-Aboriginal hands. That is how it was created. There is a written, signed agreement from 1986 that that is how the communities would be managed.

Nullagine gets power from the State Government because it is not an Aboriginal community alone; it is a gazetted townsite. The Aboriginal communities are not gazetted townsites. We are changing that. We are in the middle of discussions with both ATSIC and the Commonwealth Government on two matters. One is between me and them about a bilateral agreement to expand the list of 48 communities, to include communities of 50 or more people. There are 72 of those communities in which the Government wants to carry out the maintenance of essential services. There are increases in this budget of up to \$4.8m to expand the list of communities for which maintenance is carried out.

Also, Minister Barnett, through the Office of Energy, is in the middle of discussions with ATSIC about taking over the management of that power source. Warmun is one of the communities being discussed. Initially they are looking at communities of 200 or more, and they will start a trial with three of those communities. It has not been finalised or signed yet, but there is strong intent by Western Power to do that. Part of the reason is that we recently changed the arrangements whereby Western Power got a community service obligation for losses it made in those communities, in the same way that the Water Corporation gets a CSO wherever it makes a loss. We are considering the possibility of gazetting those towns, which will mean there is an obligation for the State Government to provide all those essential services. I strongly support that, and we have been working very hard to achieve that.

Ms MacTIERNAN: Does the minister have a time frame for when the uniform tariff policy will apply to those communities? Does he have any idea how long it might be before the areas are gazetted and Western Power involvement is introduced?

[8.00 pm]

Dr HAMES: The gazetting is a different matter. To have them gazetted as townsites, we need the agreement of the Aboriginal communities, and that has not been decided. We will almost certainly proceed with the agreement on power anyway, and it is up to the Minister for Energy to work that out. I hope that it will happen in the next six months or so, but I cannot be sure. One of the difficulties with the Warmun Community is that the contractor which provided the power service made the mistake of coming into that community and having the you beaut, latest system that would not need any maintenance and work as it was all self-contained and which would be the best for the community. The contractor forgot that systems like that are great, providing they do not break down; however, as soon as they break down, no-one has the expertise to fix them, let alone remote Aboriginal communities. Instead of having an old Lister motor to provide the energy, which most people can fix, it had a very expensive to run, fuel hungry system and when it broke down, it was very difficult to fix. That has created a lot of problems. When Western Power takes over the management of the systems, one of the agreements is that it must be a good quality system. We have just put a brand new system into Oombulgurri, in conjunction with the Aboriginal and Torres Strait Islander Commission. Western Power will be happy to take over that community because it is well managed. At present, those communities receive some funding through ATSIC to provide the power, and they also receive the diesel fuel rebate funding. The rest comes as chuck in; the problem with Warmun is that a fair bit more must be chucked in than in most other Aboriginal communities. In effect, the residents are paying for their power. The way

it has worked in the Northern Territory is that residents have meters and they buy cards. They can go to the local shop, pay \$10 or \$20 and buy a card that will provide them with the power they need. Then they have the ownership and control of how that power is used. One of the agreements will be that the meters must be in place in each house in each community before we take that over. There is a much better system of their paying for the use of that power.

Mr TRENORDEN: On page 57, output 3 refers to the services which maintain civil order and which divert Aboriginal people from harm or minimise harm. One of the difficulties we always have is the way that the Government likes to do things vertically, and there is difficulty mixing programs. The people in Avon, including white people, would like to start doing some of these issues collectively, not in isolation; for example, in Avon people can buy a solvent straight off the shelf in a supermarket, whereas they cannot do that in Perth. We had a death in Avon not long ago, but not as a result of solvent abuse. Nevertheless, kids can buy these products off the shelf. We would like coordination of the programs that our community wants, not necessarily what the system wants to deliver. A group of people wants to buy premises to accommodate a detoxification centre for adults, whether it is alcohol or another substance. The youth would like to do a youth program to give some of the Aboriginal kids who have not been used to going to school and who now have been attracted back to school a few more social skills on a very short basis. They would also like a cultural centre. They are keen to do it, but it is very difficult to raise those funds. With things like business plans, I would normally be told to go to Commerce and Trade. It is difficult for people to go to different groups and haul these little pots into one activity. Under this program, is your agency looking to give some assistance so people can turn goodwill into solid programs?

Dr HAMES: That is the role of the officer from the Aboriginal Affairs Department. One of the difficulties AAD officers have - they are not necessarily junior officers, they are generally level 7 officers - is that getting cooperation and agreement from all government departments is sometimes a trial. That is where local members can have more influence in working with AAD and getting the support of ministers to make sure their staff do the right thing and cooperate. It happens more often in some areas than in others. Department representatives often get together very well. In Albany a group of Aboriginal officers from different government departments have regular meetings every month. Most departments have one or more Aboriginal officers. These officers get together and work out how they can cooperate to get the best result. That is a great initiative by those Aboriginal people in Albany. They kicked that off on their own, with the support of AAD. I would like to see local members get more involved with AAD to resolve some of those issues, because they are never easy and generally need a lot of political push, not just departmental push.

Mr MARLBOROUGH: Page 51 indicates that remote Aboriginal locality infrastructure and services have been removed from next year's budget. Why? Does that fit into item 6 on page 50?

Dr HAMES: That is exactly the reason.

Mr MARLBOROUGH: Why have you transferred it? What is its role?

Dr HAMES: When I was a backbencher, I chaired a committee that came out of the report on social justice by Mike Daube. It was designed to get all the chief executive officers of government departments working together to formulate a plan for the management of remote Aboriginal communities. It was called the "Chief Executive Officer Working Party for the Provision of Essential Services to Remote Aboriginal Communities". One of the recommendations we made was to start what we called normalising Aboriginal communities; that is, get them to be like a normal town in terms of the provision of services through state and federal government departments, local government departments and town plans, and put in proper funding - not necessarily more funding, but a much better coordination of existing funding. The proposal from that committee report was that it would be based at Homeswest because it had all the housing funding, the expertise and the staff to do it.

One of the other options at the time was for it to stay in the Aboriginal Affairs Department. The chief executive officer at the time was keen to keep it there, and that is where it was established. I formed the view over a period that it was much better to have it in Homeswest and so, subsequently, with the support of the chief executive officer from AAD, we transferred those two programs to Homeswest. One of the programs is the demonstration program, which is now called the Aboriginal Community and Strategic Infrastructure Program and which looks after the infrastructure of those Aboriginal communities. That funding has been transferred and has slightly increased this year. The Remote Area Essential Services Program funding was also transferred. It is that money, to which I referred before, which used to be with the Water Corporation and Western Power. Now we have contracted that out to the regions and we are trying to get Aboriginal people to do the maintenance and management. We have increased that funding from \$4m to \$4.8m to expand the number of communities managed under that maintenance program. Both schemes have been transferred and that is why that money no longer appears there.

[8.10 pm]

Mr MARLBOROUGH: As that has been transferred to the Homeswest budget and the budget format will not change next financial year, will that money not be shown in the *Budget Statements*?

Dr HAMES: It will not be before us in the Estimates Committees. However, I am prepared at any time to inform members of where that funding is, what it is and where it goes. I can do that in the normal course of events. It will be published when we do our budget for Homeswest in August and then members will be able to see it in written form. If they want to know anything prior to that, I will provide the information.

Mr SWEETMAN: I refer to the first dot point at page 50. Comment was made earlier by the members for Peel and Burrup about Capricorn. My points are more philosophical than of an economic nature; nevertheless the issues will ultimately impact on the appropriation figures. I have some agreement with Hon Tom Helm's views about Parnpajinya and Capricorn.

I attended the meetings in Newman a little more than a week ago. The outcome was that the facilities at Parnpajinya will be closed by 30 June next year and relocated in Newman. It will require some outlay, whether federal, state, Aboriginal Affairs Department or Homeswest funds, to acquire those houses. I am sure a noble principle is at stake in giving people the choice. The minister and others like him have made that point previously.

The Aboriginal leader of the Martu people from the western desert, Teddy Biljabu, who chaired the two days of forums in Newman was imploring his people to go back home. It is extraordinary that the Government, through all its agencies, attended those forums and encouraged those people to exercise their right of choice to live in Newman. Where will we accommodate those people? Apart from that, the agencies indicated that they would put in a safe house/womens refuge, a sobering up shelter, an Aboriginal patrol, an Aboriginal legal service and ultimately an Aboriginal medical service.

It seemed as though we were preparing for an invasion or a disaster. For the Aboriginal community in the Western Desert, the leader of the Martu people and his supporters are concerned that the Parnpajinya people might besmirch the reputation of the Aboriginal people as a whole, particularly the Martu people. Why can we not back people like Teddy Biljabu and his elders and deliver power into their hands by not giving those people an opportunity to exercise their choice and allow them to live in a town like Newman where 20 or 30 families have the capacity to change the entire social structure of a community because they have the right? The minister said that Parnpajinya and Capricorn were created predominantly as a result of mixed marriages. They were not; it is because the people there like to have a drink and to party and that is not accepted in the communities from which they come. Standards of behaviour and responsibility are expected of them if they go back to their community. That is why they do not want to go back into those communities. We would have done the Martu people a favour and given leaders like Teddy Biljabu a huge lift if we had backed him and his elders in trying to get those people back into the communities where they are subject to some discipline and shoulder responsibilities for themselves and their families.

Dr HAMES: Everybody who lives in Jigalong lives there because they want to. People in places like Beagle Bay and Carnarvon live there because they want to. Nobody in Western Australia or Australia, other than people in jail, are forced to live in any place in Australia. Like you and me, they live where they want to live. We strongly support the people in that community next to Newman going back to where they come from. They are primarily in mixed marriages, which is why they were kicked out in the first place and most of them have an alcohol problem. They have both those difficulties.

I would like nothing better than to support Teddy and have them go back to where they came from. We will do everything possible to assist them to do that. However, if through their own choice, which everybody here in Australia has, they go somewhere else, we can either do nothing with them, in which case they end up in places like Parnpajinya, or we can try to get them to fit in with non-Aboriginal society by providing all the support mechanisms that enable them to do that. Trouble occurs in many places in Western Australia, particularly places like Newman and Kalgoorlie, where Nanny-goat Hill, which was a collection of tin sheds, was created by one of the previous Labor members. Those people would not stay in the remote communities; they were sleeping on the streets in the town and in the gutters. Nanny-goat Hill was established in an effort to find somewhere for them to live. That did not work. Nothing I have seen in any of the communities in which temporary facilities are provided around a town has worked. They were refuges for alcoholics and those involved in fights. We want to close that down if we can. If they will not return to their own communities as an alternative to living on the fringes of town, we will provide the facilities in Newman.

I heard the member for Ningaloo's comments on the radio that those Aboriginal people moving into Newman would cause a huge increase in problems. Those people are in the town now; they go out to that community and have some drinks. Much of the time they are in that community and drinking within the town of Newman now. Their children go to school in the town now. They are part of Newman society. We want to make them a better and more responsible part of Newman society than they are at present. We will move as many of them out as we can. However, legally we cannot force them to go back to those communities. If we put them on a truck and took them back to Jigalong, what would we do if they did not want to stay? It is not part of the Aboriginal culture to force them to stay. They cannot chain them to buildings or lock them up to make them stay there. They will be on the first truck back to the town where they want to be.

Mr LOWE: I do not know how the member for Ningaloo can say he supports Teddy Biljabu, because his comments are the antithesis of what Teddy said. He called that meeting in company with Brian Sampson, the Deputy Chairman of Western Desert Puntukurnuparna Aboriginal Corporation. Teddy Biljabu said that he wanted people to come home for cultural reasons and feel welcome at Jigalong or the other communities. He prefers that because he is afraid that his culture is at risk of dying out. He said that those people who choose to live in Newman can live there but they must live by the rules the Wadjalas had within Newman.

We are taking 12 months to move people into Newman precisely because we want to overcome the problems to which you are alluding. They want to go there. Ninety per cent of the permanent residents of Parnpajinya wish to leave there and most want to move into Newman. Newman has 56 Homeswest houses, more than half of which are occupied by Aboriginal people. They are not a major problem. The reason the people moving to Newman will receive additional support is because we believe that we can help people to live decently in a community away from the rigmarole associated with Parnpajinya. The Aboriginal Lands Trust will transfer that land to WDPAC.

It is a sorry place. It is a place of shame, like Capricorn. It is not a place that should remain. Funds already exist in Newman for housing, and Homeswest is being flexible and is prepared to transfer those funds to Jigalong for those people who prefer to go there. The liquor and gaming people are there to talk to publicans. Homeswest is putting in a person; we are putting in a coordinator to work with WDPAC; and two people have been put there from Family and Children's Services. We have taken 12 months to try to integrate people into normal community living in the town. They have been there for

14 years. If we can get it done in 12 months, it is a tribute to WDPAC and the people who are helping it. I would not try to encourage people to do other than what they want.

[8.20 pm]

Mr SWEETMAN: The point that was made is that half of the Homeswest houses are currently occupied by Aboriginal people from the western desert, and they create no problems. Our anecdotal evidence and the information we get from going to Newman is contrary to that. Therefore, you cannot say that. To talk about the liquor outlets is a further indication of what is ultimately to come. Newman is a shift workers' town. I find it extraordinary that people can drink at eight o'clock in the morning, but it is not unusual for people who come off shift to go to the pub for a drink, or to grab a six pack to drink at home. That will be changed simply because of what is coming into Newman. We were both at the meeting, but we have different views about the outcomes of that meeting.

Mr LOWE: I can say only that to move people out to Jigalong rather than allow them to live in the town with everybody else is a solution that was tried in South Africa and it failed.

Ms MacTIERNAN: I refer to the heading "Non-current Assets" at page 66 of the *Budget Statements*, which indicates a sizeable increase in the amount for plant, equipment and vehicles. Is this an item of capital expenditure, and are the department's vehicles subject to lease from Lease Plan Australia Ltd?

Mr BOWEN: The increase from 1998-99 to 1999-2000 is the result of the purchase of additional assets associated with the expansion of the regional office network.

Ms MacTIERNAN: This is presumably for capital items. Do you own and manage your own vehicles or do you, like the rest of the Government, lease your vehicles through Lease Plan?

Mr BOWEN: Our vehicles are leased through another company, the name of which escapes me at the moment.

Ms MacTIERNAN: Matrix Australia Pty Ltd?

Mr BOWEN: NBM Fleetcare, I think, but I will clarify that for you.

Ms MacTIERNAN: Where in the budget is the item for the moneys that you pay to whoever is your vehicle provider?

Mr BOWEN: It comes under plant, equipment and vehicles.

Ms MacTIERNAN: Are these sums of money that will go to a leasing company?

Dr HAMES: We will get more information about this. I am advised that part of the reason is that in changing from seven regional offices to 23 regional offices, we required more vehicles and equipment for those offices, and more GEHA housing and so on. I will provide as supplementary information a breakdown of that figure.

Ms MacTIERNAN: I want to find out about this part of the budget, because it is important. We are talking about plant, equipment and vehicles, which presumably does not include housing. Are these items of capital expenditure, or do they constitute lease payments?

Dr HAMES: I will provide those details as supplementary information.

Ms MacTIERNAN: Has there been an increase of some significance in the past six months in the costs that have been incurred by the department, not because of additional vehicles but on a per unit basis?

Mr BOWEN: No. We have managed to reduce the cost of our vehicle fleet by greater control and accounting through more vigilant use of logbooks, and also by standardising the fleet, with mainly four-cylinder vehicles where we can, and cheaper four-wheel drive vehicles in the more remote areas.

Ms MacTIERNAN: You have been able to control it by virtue of controlling the way in which you use the vehicles, but has the cost to you from the leasing company on a per unit basis increased? Can you give us a comparison of what you were charged by the leasing company at the beginning of the financial year and what you expect to be charged next financial year?

Dr HAMES: We will provide supplementary information on the breakdown of those budgets, and we are happy to look at the costs for leasing prior to current costs.

Ms MacTIERNAN: I am talking about the per unit cost, not the overall cost.

Dr HAMES: I understand that.

Mr TRENORDEN: I refer to page 61 of the *Budget Statements*. What is the Family History Service?

Dr HAMES: Each State made its own response to the Stolen Generations report. As part of our response, we were provided with some funding to assist Aboriginal people either to deal with the emotional trauma of being taken from their families or to trace their family membership. There was \$1m altogether and Family and Children's Services got some of that - \$600 000 or \$700 000 - and the Aboriginal Affairs Department got the rest. This program has come out of that and I will ask my chief executive officer to give more details about how the program has been set up.

[8.30 pm]

Mr TRENORDEN: What are the recurrent costs?

Mr LOWE: The recurrent costs are \$561 000. The original cost was \$1m, which included some information technology infrastructure for Family and Children's Services. There are three elements of the service. A tracking scheme to try to identify from where people came; a reconnection scheme; and also a counselling exercise. We are involved regionally with Family and Children's Services in the first two of those elements. We do not account for those funds as they come from elsewhere.

Mr TRENORDEN: Is the \$561 000 your contribution only to this service? Is there a further contribution by Family and Children's Services or is that the whole figure?

Mr LOWE: That is the total figure.

Mr TRENORDEN: Could you give an indication of what percentage of that your department controls?

Mr LOWE: Yes, we got \$200 000 in the first year, of which \$40 000 was for training. This year we had a budget of \$160 000. Because there was a slight reduction in the total program - not the \$1m to \$561 000 but a proportion of that - we returned a proportion. I think we administer \$151 000 or \$149 000.

Ms MacTIERNAN: The minister has a proposal to build swimming pools in various Aboriginal communities. I understand and appreciate the reasons for that and I am not asking for an explanation of that. However, some of the communities are concerned - and Karalundi is one - about from where the recurrent funding will come. The local authorities in those areas say that the capital expenditure in building a pool is about 25 per cent of the total cost and maintenance is a much greater item given the chemicals, electricity and so on that are required.

Dr HAMES: That is not a difficult question to answer. It does not come within this division, but I will answer it anyway as it is a program with which I have dealt.

Ms MacTIERNAN: What division does it come into?

Dr HAMES: The funds for that program have gone to Homeswest as a new program. It is additional funding that was not previously in the Homeswest budget. There is about \$4.7m in new funding. We are tying together various sources of funding in the program for the capital element to reduce the incidence of infections in Aboriginal children in particular, especially ear, nose, throat and chest infections. It is part of a dust reduction package that involves building the swimming pools, sealing the internal roads and providing reticulation and greening. The cost of the pools, change rooms, kiosk and so on is about \$750 000 per community. We are allocating \$250 000 for the reticulation and greening programs, which include providing mowers and associated infrastructure. The money for the roads is coming from Main Roads out of part of its allocation from Transform WA.

Ms MacTIERNAN: So that is Main Roads money is it?

Dr HAMES: Yes, a sum of \$2m per year for five years, therefore, \$10m in total. The first two communities, Jigalong and Oombulgurri, have already been done. The maintenance of those pools is the most critical issue. We have been getting some criticism that the pools will not be maintained properly and will actually increase the risk of ill health in children. If that were the case, it would increase the risk. However, the pools in the Northern Territory and some in our own State at Warburton and Blackstone are managed exceptionally well, are in good condition and the children who use them are in very good health. I now have to put together a package for the maintenance of those pools before I put in a single pool. We are working towards that. We may well have a commitment from the Education Department to provide some funds as it will be done in conjunction with the schools and teachers being involved in swimming training and so on. Wesfarmers may provide the chlorine gas and the cylinders free of charge to all of the communities for which we provide pools, which is worth about \$12 000 per year to each community. That leaves a total of about \$30 000 per community that we have yet to find. In the first instance we will probably be building five pools in the first round and another three in the second round.

Ms MacTIERNAN: Is that this year?

Dr HAMES: The first round will be this year provided we can put together the maintenance funding. The second round will be in the next financial year.

Ms MacTIERNAN: Is it in the budget?

Dr HAMES: A sum of \$4.7m in the budget has gone to Homeswest to cover part of the program. I have spoken to the Lotteries Commission, which will also put in some funding, and we are also looking to the Ministry of Sport and Recreation for some funding. Therefore, it is a combined package of funding to provide the capital infrastructure. However, I still have to arrange the balance of \$30 000 a year per pool for maintenance. The community in Karalundi was a different matter; it is not a remote Aboriginal community. The communities that will receive the swimming pools are those that were highest on the survey of environmental health needs. Therefore, they will go to communities that have the worst child health problems. Karalundi is not one of those communities; however, we know that Karalundi has a school full of Aboriginal children and the community has already dug the hole for a swimming pool and are desperate to have one; it already has change rooms and so on. The community said that it would look after the maintenance of the pool if the Government would provide the capital expenditure for it. I agreed to do that and we considered providing \$400 000 to \$500 000 for the installation of that swimming pool. Recently, they have come back to us and said, "Can we have some maintenance money as well because we have actually allocated that money elsewhere and we do not have it any more." We are in the middle of negotiating that point because it is tough enough getting the money in the first place without having unexpected requests for more dollars. We will be working on that, but if we do not have money for maintenance we cannot build the pool.

Ms MacTIERNAN: Could you take some of the \$4.7m and allocate that for maintenance?

Dr HAMES: That is for one-off capital funding. The whole point about funding maintenance for swimming pools is that it should not be temporary, it must be permanent funding that is locked into those communities' budgets forever, otherwise two or three years down the track suddenly there is no money for maintenance and they are in big trouble.

Ms MacTIERNAN: We agree with that, minister. Does that mean then that these pools may not be built this year?

Dr HAMES: It does mean that they may not; confirmation of those funds is yet to come. The amount of money that I am missing is only \$30 000 per community. I am planning to put in some of the demonstration moneys. We have long-term commitments for that money to the tune of \$15 000 per community and I am going back to local government, to the Aboriginal and Torres Strait Islander Commission and to the community to see whether they can provide a small amount of funding to ensure that we have ongoing proper management of those pools.

Ms MacTIERNAN: Page 50 of the *Budget Statements* refers to the need to address a very important problem in the Aboriginal community; that is, suicide. I am aware that the minister has a number of strategies in place. Does the minister agree with the attitude of many of the Aboriginal community leaders that the Government's attitude to native title is one of the problems contributing to Aboriginal suicide; that a sense of political oppression is felt, whether or not the minister agrees that they should feel it; and the reality is that many Aboriginal communities, particularly in remote areas, feel a deep sense of political grievance as a result of the Government's stance on native title and some of the inflammatory comments made, not by the minister but by other members of the Government? In fact, this contributes to the very unfortunate levels of suicide that we see in the Aboriginal community.

[8.40 pm]

Dr HAMES: I do not accept that; in fact, I totally reject it. I have a good example to explain that. John Pilger interviewed me on this issue when the program on Aboriginal suicide in the Kimberley was being produced. During the interview, which lasted an hour and 20 minutes, he pressed me on that point. In the end, he used only half of one of my sentences.

The program focused on Beagle Bay. That is the case in point: Beagle Bay has a very high level of suicide, yet it is land totally owned and managed by Aboriginal people. Most of the inhabitants were moved there when the mission was first established. In fact, the native title claim on that area involves some people from within the community and some from outside it.

The interview showed the elders saying that the young men are not interested in what goes on in the community; all they are interested in is their cars, drinking and smoking dope - they want nothing to do with the community. The young men were interviewed and they said that the elders do not care about them; they wanted them to come to their meetings and they did, but the elders would not listen and did not want anything to do with them. All the elders could say was how useless the young men are, so they have not been back. That reflects some of the difficulties for the young people in remote communities, and it is the young people who are killing themselves. The 14, 15 and 16 year olds, who have nothing to do with native title issues, are killing themselves because they have problems with unemployment, drinking alcohol and smoking dope. There is a lack of respect from their elders and a lack of opportunities. That appears to be one of the major causes. We need the Aboriginal elders and the young Aboriginal people to understand each other better, to appreciate their respective needs, to recognise their culture and to recognise that the new ways are not necessarily the old ways.

Ms MacTIERNAN: A good deal of publicity has recently been given to problems emerging from Aboriginal employment programs in the late 1970s and early 1980s, when Aboriginal people were given weed eradication tasks by the Agriculture Protection Board but were not provided with proper training and safety equipment. There have been some horrific descriptions of the long-term injuries that have been sustained by those people. Is the department taking any steps to have this matter investigated to determine what liability the State or the Commonwealth Government might have? This relates particularly to the State because the program was organised through the Agriculture Protection Board.

Dr HAMES: We have significant association with Aboriginal people in various communities through groups such as the Commission of Elders and no-one has raised that issue. I understand the point. Perhaps the Aboriginal health branch of the Health Department is doing something in that area. This relates also to Wittenoom. Many Aboriginal people not only worked in the asbestos mines and lived in the town but they also rode on the back of the trucks, sleeping on the asbestos when travelling from Wittenoom to the port. The health risks for them are enormous, but no-one has raised this issue with me.

Ms MacTIERNAN: Is the minister aware of the issue?

Dr HAMES: No-one has raised it and I have not seen any reports.

Ms MacTIERNAN: There is a much greater culpability here. These were Aboriginal employment training programs and the Aboriginals were employed through the Agriculture Protection Board. It is different from people associated with the private operation at Wittenoom. There is a much more immediate responsibility on the part of the Government given that these people were government employees. Surely there is some knowledge in the department given that these were Aboriginal employment training programs.

Dr HAMES: I look around me and I see shaking heads. No-one has raised the issue. My policy officer, who is a leading representative member of the Nyoongah community, is also shaking his head. None of his relatives or associates has raised that issue. I am not denying that this problem exists or, if it does - as I am sure it does - that something must be done about it. I am simply saying that no-one has raised it with me.



Ms MacTIERNAN: Are departmental officers in the Kimberley unaware of it?

Dr HAMES: Without personally asking those officers whether people have discussed it with them, I have no way of knowing. However, those officers have not contacted the department about it.

[8.50 pm]

**Division 70: Office of Water Regulation, \$5 046 000 -**

[Ms McHale, Chairman.]

[Dr Hames, Minister for Water Resources.]

[Mr B.R. Martin, Coordinator of Water Services.]

[Mr P. Kelly, Executive Director.]

Mr TRENORDEN: I presume the water authority is a licensed authority.

Dr HAMES: It is the Water Corporation.

Mr TRENORDEN: I was just making sure I am correct. The last sentence of the first dot point on page 1530 states -

Reports on technical and service standards are specified in consultation with service utilities to ensure that regulating costs remain reasonable.

What role does the Office of Water Regulation play in community service obligations? If it does not play a role, is there a role for it in the water authority's CSO?

Dr HAMES: The Office of Water Regulation plays a role in community service obligations. I ask Dr Martin to explain it.

Dr MARTIN: The CSOs are determined through consultation between Treasury and the Office of Water Regulation. Treasury's role is a more direct one. CSO arrangements are an agreement between the Treasury and the Water Corporation. However, CSOs are subject to approval from the minister, with reference, if he wishes, to Cabinet. In that process the minister can and does seek advice from my office.

Mr TRENORDEN: Is your office in the area of technical and service standards? Is that a good description of your role?

Dr MARTIN: Yes. The technical and service standards are different in that we have a very direct responsibility in setting them. The Office of Water Regulations has a responsibility to establish a licensing mechanism under the Water Services Coordination Act, which establishes the office, and those licences specify those standards.

Mr TRENORDEN: However, the financial formula is a matter between the Water Authority and Treasury, not yourself.

Dr HAMES: Yes. The financial arrangements regarding the calculation of a CSO were negotiated between Treasury and the Water Corporation and that formula is fixed in place.

Dr EDWARDS: My question relates to page 1529. What changes in the organisation created the \$2m saving over the past two years?

Dr HAMES: That saving relates to the farm water grants which have been provided by this Government to assist farmers in the on-farm provision of water. The Government provides one subsidy for personal-use water and another for stock water. In the early stages of establishing that scheme a large amount of money was put into trying to catch up with the backlog; therefore, significant funds were allocated in the first year. The fund was then reduced to \$2m a year, but there was some carryover in 1998-99. The allocation has been reduced for the coming year. The decrease is simply the funds which were allocated at the start to handle the backlog. An annual allocation of \$2m is now provided for farm water grants.

Dr EDWARDS: Is it fair to say that no services or other functions have changed in that time?

Dr HAMES: The Office of Water Regulation's role has changed in a minor way. A Rural Adjustment and Finance Corporation subsidy scheme for the pastoral region, which had previously been overseen by the Minister for Primary Industry, was recently transferred to us. We have taken on the role of providing that funding, and some of the office's budget will be spent to assist the pastoralists outside the Murchison-Gascoyne agreement gain access to water. Otherwise the role remains the same.

The CHAIRMAN: I do not want to raise any alarms but we need a quorum of four members. The standing orders read that the Chairman may suspend proceedings if a quorum is not present. However, I do not intend to suspend the proceedings if the parties are happy to carry on with less than a quorum.

Dr HAMES: I am happy to continue.

Dr EDWARDS: The work of the Office of Water Regulation is spelt out on page 1533 of the *Budget Statements*. What resources are applied to ensure that water providers meet the health requirements of their operating licences? Do you have an idea of the number of occasions on which that has not happened?

Mr KELLY: The health standards for water quality are set by the Health Department. I and representatives of the Health Department, the Water Corporation and a number of other agencies form a state committee called the Water Purity Committee. The committee is chaired by a consultant employed by the Health Department. It used to report to the Minister for Water Resources but that reporting responsibility has been recently transferred to the Minister for Health.

Dr EDWARDS: Is meeting health requirements part of the licensing?

Mr KELLY: Yes. A condition of the licence is that the licensee must comply with the 1986 National Health and Medical Research Council standards, which are endorsed by the State of Western Australia.

Dr EDWARDS: Have there been breaches? If so, in what areas of the State?

Mr KELLY: Water quality is a complex matter. A failure to comply with a standard normally warrants immediate retesting. Testing results are tabled at the Water Purity Committee - it meets quarterly - and are reviewed. However, the provision of the standard in the operating licence - which is issued from the Office of Water Regulation - allows for the coordinator to recommend that a minister suspend a licence. We have never had occasion to do that. That is not to say that there has not been some variability in the quality of water in some towns and in some test results. However, I am not the best person to answer questions about water quality as it is a Health Department matter.

Dr EDWARDS: If a provider detects a problem in the testing, it is obviously obliged to test again to confirm its results. Does it notify someone before the quarterly meeting?

Mr KELLY: A provider would notify the Health Department if there were a problem. In the event of a serious problem like that which occurred in Sydney, the committee would be convened immediately to review the matter.

Dr EDWARDS: Is a provider also obliged to notify the Office of Water Regulation if it is breaching its licence?

Mr KELLY: There is an understanding between the Health Department and our office that should there be a serious incidence of noncompliance, it will notify us.

Mr MARSHALL: On page 1536 both major achievements and major initiatives mention the Office of Water Regulation and its role of investigating customer complaints. How successful has the office been in resolving complaints?

[9.00 pm]

Dr HAMES: The Office of Water Regulation certainly has a role in reviewing complaints. The Water Corporation has a system for going out and doing surveys to gauge any complaints people have about their service, but of course it is not the only service in town. The Office of Water Regulation has an overriding responsibility for the whole State to look at issues relating to customer complaints and services provided. You will notice that under major initiatives the Office of Water Regulation will do a statewide survey to try to ascertain the attitudes and concerns that customers have about the quality of water services they receive. That will be one of the major initiatives for next year.

Dr MARTIN: I will reiterate a point. Each of the agencies, the Water Corporation and any of the other licence holders, are required to have a procedure for handling customer complaints. By far the greatest majority of complaints are resolved in-house. The member asked how successful we are. There is a high success rate in resolving complaints that are not resolved in the utility but are referred on to us. There were 235 formal complaints referred on to us this year so far, which is really 10 months. Of those, 62 customers were totally satisfied that they had the result they wanted. When they came to us they wanted an outcome and they got that outcome. In 53 complaints, a few less, the actions of the utility were upheld where they had been reasonable. In 51 cases customers were provided with information which satisfied their inquiries. Therefore, out of the 235 complaints, 120 customers have written to let me know that they have been satisfied, a few complaints are outstanding and 50 customers did not get the answer they wanted.

Mr MARSHALL: The last sentence of the major initiatives states that this will provide guidance to the office in the design of licence conditions and the relative emphasis to be placed on different licence requirements. Could you enlarge on that sentence and explain it more fully?

Mr KELLY: That relates to the fact that we initially started the licensing regime in a bit of a vacuum. We had never consulted the community about the sorts of things that would be required in licences and the sorts of things in which they were particularly interested. Part of the reason for the survey was to get some information from the community about such questions as whether water quality is of greater importance than the price of water. Those are the sorts of dimensions that we will measure in the survey so that we can get some idea of the emphasis we should be putting on the conditions in the licences that would apply to the service providers.

Dr HAMES: The breakup of the old water authority occurred at the start of 1996, so the Water Corporation, the Office of Water Regulation and the Water and Rivers Commission have been in operation only since then. We are still finding our feet in finding out what customers want, how we manage the office and what sort of things we need to be looking for. That is why you might think that some things have been done all the time, whereas they are in fact new initiatives as we establish the department properly.

Dr EDWARDS: What assessment did the Office of Water Regulation carry out into the Water Corporation's proposed average daily usage system of billing prior to its introduction and what was the cost of that assessment?

Dr HAMES: What happened with the average daily usage system is that prior to my becoming minister, the previous minister copped a bit of criticism because under the previous Water Corporation billing system, when the increase in fee was brought in at the start of July, someone who might have his meter read right back in February copped the increased cost from July. The Opposition, I think quite rightly, was critical of that. I needed the Water Corporation to change that system so that people got billed from July onwards at the higher rate and not prior to that. Given that some meters are read only once or twice a year, that was very difficult for the computer to do. The corporation proposed spreading out over the whole year the different cost levels and the different scales of costs on the average daily usage system. The corporation did a lot

of modelling on that and presented it to me. It is the Water Corporation's business how it provides its charging system. The Office of Water Regulation is there to provide advice to me, if I require it, on the way in which the corporation does its billing system. The Water Corporation did all the modelling. It presented the results of the modelling to me. I discussed them with the chief executive officer to tell him what the modelling showed and to ask for his opinion on it. We discussed the reason for putting it in, which we were all very keen to see, which was to resolve that issue of people who stayed only six months in accommodation. Whoever was there for the first six months got the cheaper water rate. If they used heaps of water and then left, the person there for the last six months paid the very highest cost for water. We wanted to fix that as well. The advice I was given was that to all appearances it seemed as though that system would be fine. As it turned out it was not. The Water Corporation in doing its modelling - of course it depends what one feeds into a computer - had not taken into account certain things in country areas which skewed those bills quite significantly.

Dr EDWARDS: What sort of things?

Dr HAMES: We have five classes of water charges in country towns depending on the cost of getting water to them. Some move very quickly into a higher scale of payment. Therefore, someone using a fair bit of water on one day could very easily get into the very highest and most expensive cost of water. The Water Corporation did not take into account the fact that some people might use Water Corporation water in the summer and none at all in the winter because they might have their own tanks or whatever. That significantly skewed the results. It did not take into account the fact that we have quite deliberately increased the cost of water just recently by 10 or 13 per cent for the high levels of water consumption to try to discourage it. It did not take into account that increased cost because it was not there when it did the assessment. I am very pleased that the Water Corporation was able to turn all of that around very quickly. It rapidly admitted that there was a major problem and within a couple of weeks had turned it all around, refunded people who had paid too much and resolved the issue without a lot of complaints.

Dr EDWARDS: Did the Office of Water Regulation become involved once the complaints became apparent?

Dr HAMES: It certainly had a lot of complaints made to it which it raised with me. If we went through the whole system again, I would probably get the Office of Water Regulation to do a much more detailed assessment. At the time the Water Corporation's modelling was very detailed. We had no problems with the modelling structures before. We certainly did not anticipate any. Having been through that, I would be a bit more nervous next time and seek more advice.

[9.10 pm]

Mr TRENORDEN: Just to be clear in my mind, the software was not a problem; the modelling was. The same software is usable in rectifying the problem?

Dr HAMES: That is correct. The figures that were fed in to produce the model did not take into account all of the possibilities.

Mr TRENORDEN: I refer to the answer to the question asked by the member for Dawesville about surveys in terms of water licensing. I have spent a bit of time looking at this and it seems to me that there is a great deal of confusion about the law which we have inherited from the United Kingdom, which we are trying get people to understand, and are trying to alter. People are very emotional about some of that input. Has the situation calmed down in the past few months? Is there a need to alter some of the law that was picked from the United Kingdom?

Dr HAMES: The member should raise that when we deal with the Water and Rivers Commission. It handles the licensing of bores. This issue will come up later.

#### **Division 71: Swan River Trust, \$5 225 000 -**

[Ms McHale, Chairman.]

[Mr R.P. Atkins, Manager.]

[Mr R.F. Payne, Chief Executive Officer.]

Dr EDWARDS: On page 1374, the budget papers indicate the number of full-time equivalents will rise from 24 to 35, but under the salaries and allowances item there is an increase of only \$48 000. Where is the expenditure for the other FTEs to come from? Is it within the Swan River Trust; and, if not, will the new FTEs be employed full time or on some sort of contract basis for particular projects?

Dr HAMES: They will be funded from monies going to the Swan River Trust for the Swan-Canning cleanup action plan. As members know, \$2.8m of new recurrent funding for the next five years has been put in by the Government for that program. A whole range of different programs will occur as part of that. That accounts for those extra FTEs.

Dr EDWARDS: Where will they come from? I notice a drop in the allocation of FTEs for the Water and Rivers Commission. Is there any transfer between the two organisations?

Mr PAYNE: Effectively, of the \$2.8m the Water and Rivers Commission will look after spending about \$2.2m. That will be done by contractors or direct employees. It will be spent in a mixture of ways.

Mr TRENORDEN: Are there any other funds in this budget, other than Western Australian; that is, are there any federal grants?

Dr HAMES: The operating revenues item on page 1374 shows an amount for grants and other subsidies of \$45 000. Other funds are coming that are not within this budget; for example, the \$2.8m for the Swan-Canning cleanup action program is

part of a funding program that will cost much more than that; I do not recall the exact dollars. It will come from a range of other sources, including the Federal Government and Alcoa of Australia Ltd.

Mr TRENORDEN: I have a need for that information. Could it be supplied?

Dr HAMES: I am told that we are dealing with the Swan River Trust at the moment. Some funds appear under the Water and Rivers Commission for grants and subsidies of \$2.4m. We can look at that when dealing with that organisation.

Dr EDWARDS: I will follow on with some questions about the Swan-Canning cleanup. Is the \$2.8m which will come every year for five years in addition to the \$1m previously provided for this program? When will the final action plan be released?

Dr HAMES: That is in addition to the \$1m. The \$1m program was to develop the action plan and to do all the studies that had to be done leading up to that. It included things like modelling done by Jorg Imberger and funding of experimental work by the Commonwealth Scientific and Industrial Research Organisation. All of those funds have been expended. This \$2.8m each year is new funding. Fairly shortly we are proposing to launch the action plan. I do not recall the date, but it is in the near future.

Dr EDWARDS: Has other funding been identified that will come in as well? This question is similar to that asked by the member for Avon. Does the minister have on the back of an envelope any other types of funding that will flow into the cleanup program?

Dr HAMES: The action plan details all the dollars that will go into it. There are other sources of funds. In addition to the Swan River Trust funding, the Water and Rivers Commission already has a budget out of which it spends money for this purpose. It has its own budget. There is some funding under the budget of the Minister for the Environment and that of the Minister for Primary Industry, some use of the National Heritage Trust funding, and donations come in. Alcoa is a good example. We will seek further donations from the private sector. Funds also come in as part of the plan to enlist the companies which are doing development adjacent to the river, to incorporate them in some work and to make some contributions towards reducing nutrients coming into the river. A whole group of those areas will come together to provide the total dollars that will be needed for the Swan-Canning cleanup action plan.

Dr EDWARDS: What money has been spent on advertising or promoting the cleanup, and what money is budgeted for that in the next financial year?

Mr ATKINS: The direct promotional budget is about \$210 000. In addition to that, through the Swan catchment centre and directly through catchment groups there is quite a deal of money for the extension program. That program is about \$200 000 on top of that.

Dr HAMES: Funding also goes into organisations like the Ellenbrook catchment group. We recently funded advertising and promotion for that catchment group, which is part of the Swan-Canning cleanup action plan. Those things will not appear in the standard budget items.

[9.20 pm]

Mr MARSHALL: With regard to the chemical runoff from the WA Turf Club that made its way into the river and killed so many fish, are there new conditions to ensure that something similar will not happen again? How did the replenishment of fish stocks go? Was its success measured?

Mr ATKINS: Yes, following successful litigation against the Turf Club, the Department of Environmental Protection required it to provide a management plan for its turf management operations, including the handling of pesticides at the Ascot racecourse as well as the Belmont racecourse. It now has better operating practices and safer chemical handling practices to reduce the risk of that sort of accident happening again.

Mr MARSHALL: Is it likely to occur from any other factories or organisations on either side of the river?

Dr HAMES: It is not something that can be ruled out. Last week a motor vehicle accident occurred on Guildford Road, and a similar chemical was spilt and got into the river system. Luckily, it was a very small amount, but that sort of occurrence can never be entirely prevented.

The member spoke about the loss of fish stock - it was a significant loss of stock. We thought it would take a long time to get the breeding numbers up because it happened at the interface of the fresh water and the more saline water coming up the estuary, which is the breeding site, and large numbers of mature fish were killed. However, I am pleased to say that local fishermen still seem to be catching fish around that area. We thought the fish stocks would be devastated for a long time, but it is not as bad as we thought it would be.

Mr TRENORDEN: When the Swan River Trust was established some years before the minister held this portfolio, there was considerable concern about the number of horses in the Belmont area. Is there a management plan in relation to pollution of water from that area where there are so many horses?

Mr ATKINS: A lot of work has been done with the WA Turf Club and the local horse owners in the Mathieson Road area, near the Ascot racecourse. With the construction of the Ascot Waters development, the South Belmont main drain had to be redirected. As part of that, the Turf Club took a diversion of the main drain from that horse area. There are two large water ponds in the middle of Ascot racecourse, which are part of the treatment system the Turf Club is using to treat water from its stable area and the local horse/residential area. The Turf Club has cleaned up its handling of stable waste material, so there is a reduction in pollution loads through that area.

Mr TRENORDEN: Is that being monitored?

Mr ATKINS: Yes. It is being monitored through the Water and Rivers Commission. There is very little overflow from those ponds in the centre of the racecourse. They are designed to take a fairly high flood level before they overflow. They are basically sinks rather than flow-through systems.

Dr EDWARDS: From output 3 table on page 1371, it is clear that more work will be carried out, because the total cost will increase from \$74 000 to \$158 000 for the Swan-Canning cleanup program. Why is the number of FTEs being cut, and what impact will that have on the ability to carry out that output?

Mr ATKINS: The FTE movement is from that output to output 4 for protection and enhancement. The staff have moved from preparing the action plan to the implementation phase. Those staff are now used to managing the implementation program. The dollar amount is up because two consultants will be preparing management plans. We are using external consultants rather than in-house resources.

Dr EDWARDS: I refer to page 1374 and the "Other" item operating expenses under the cost of services. What comes under "Other" and why has it increased fairly dramatically this year?

Dr HAMES: That relates to other staffing costs which have increased from \$41 000 in 1998-99 to \$75 000, and asset maintenance which has increased from \$81 000 to \$150 000. One other becomes more "Other", but I do not know what it is. I will provide that as supplementary information.

Dr EDWARDS: What Natural Heritage Trust funding did the Swan River Trust receive this financial year and what does it anticipate for the next one?

Dr HAMES: The Swan River Trust did not receive any direct funding from the NHT, but the Water and Rivers Commission did.

Dr EDWARDS: Did the Swan River Trust administer anyone else's NHT funding?

Dr HAMES: That comes under the Water and Rivers Commission, mostly through the catchment and management groups.

**Division 72: Water and Rivers Commission, \$34 594 000 -**

[Ms McHale, Chairman.]

[Dr Hames, Minister for Water Resources.]

[Mr R.F. Payne, Chief Executive Officer, Water and Rivers Commission.]

Mr TRENORDEN: What is the understanding in rural areas about water regulation? Are changes to the legislation needed to get rid of some of the difficult issues, or is an educational process required?

Dr HAMES: We are in the last stages of what has been a very long and drawn out process.

Mr TRENORDEN: And bitter.

Dr HAMES: It has sometimes been a bitter process of changing those water laws. The Government has consulted for a long period, presented drafts, gone back to the community over and over again, presented draft legislation to the community as a Green Paper and had further consultation. The final legislation is now ready to go to Cabinet in the near future and then to Parliament, if it is supported.

Mr TRENORDEN: Will changes be made to the laws?

Dr HAMES: Yes, and they are very close.

Dr EDWARDS: At page 1514 reference is made to the development of environmental water requirements and provisions. Has funding been allocated towards developing the Gngangara Regional Park?

[9.30 pm]

Dr HAMES: The funding for the Gngangara Regional Park comes under the Minister for the Environment. I know that that is very well progressed and I think she is planning to do a launch of that in the near future.

Dr EDWARDS: She has already done it.

Dr HAMES: We are certainly involved and we are spending money on that. I may be a joint presenter of the actual plan when it is finally released, but it comes under the Minister for the Environment.

Mr MARSHALL: I would like to ask a question about the Peel Inlet Management Authority.

Dr HAMES: What page is that on?

Mr MARSHALL: It is not on a page, but it comes under the Water and Rivers Commission. It controls the Peel Inlet. The waterways of the Peel Inlet are three times the size of the Swan River. It has an enormous program to cover. Does the office in Mandurah have enough staff? What percentage of the staff lives in Mandurah, so a lot of time is not wasted in travel? What is the role of PIMA in Mandurah? Does it have the direction now that it had five years ago? Is enough funding going into PIMA in the Mandurah area? Does the minister recognise that it appears to be a huge area to cover and, in some cases,

it is being urbanised much faster than other country areas of Western Australia? With so much magnificent waterways that must be looked after, is PIMA's role beyond it with the staff it has?

Dr HAMES: The Peel Inlet Management Authority is doing an excellent job in following on from the group that you chaired to develop the management strategy. We recognise the importance of that region.

Mr PAYNE: There certainly is enough staff and there is enough budget. The issue that must be realised is that the Water and Rivers Commission stands behind PIMA. There is a grey boundary as to what is the Water and Rivers Commission and what is PIMA; for example, most of the environmental monitoring submissions to the Environmental Protection Authority and the Department of Environmental Protection have been done, or nearly all of them have been done, by the Water and Rivers Commission. However, it looks after the Peel-Harvey inlet. That is an important issue. We had the difficulty with explaining the Swan River Trust. There is a grey boundary that moves all the time. On the issue of the percentage of people that lives in PIMA, I cannot give you an answer as I am not sure. In recent years we had some trouble in getting people to live in the Peel-Harvey area. That had to do with employment for employees, children and other issues like that.

Mr MARSHALL: What do you see as the role of PIMA?

Mr PAYNE: The real role for PIMA is helping the Water and Rivers Commission relate the policies to the local area. Most of the doing work is done by the Water and Rivers Commission. It is an issue of managing policy effectively. A management authority is largely a policy undertaking. One of the things that is going on in the management authorities is a rejigging of how much time is spent on dealing with specific small planning applications that come from local government, as distinct from taking a strategic view and setting a policy and letting those little issues be dealt with by the staff, instead of being taken to a full meeting of PIMA. The Albany and Wilson inlet management authorities have adopted that sort of approach. We are trying to cross fertilise that sort of approach into PIMA at the moment, and we believe it is working.

Mr MARSHALL: Would it be a possibility, as has been mentioned, that PIMA has become outdated and, in fact, that the Water and Rivers Commission should have its own office in Mandurah overseeing everything?

Mr PAYNE: The Water and Rivers Commission has an office in Mandurah; in fact that is the PIMA office - the Water and Rivers Commission office with a PIMA label on the door. Effectively there is a subset of the region and it is supported by the Water and Rivers Commission. There is an ongoing role, but a number of evolutionary processes are in place that the Water and Rivers Commission is following up. One such process is that we have a joint working party with the Western Australian Planning Commission and local government to look at more effective ways in which the planning and policy roles of a management authority and local government and planning can be put together. That is a statewide issue at which we are looking. We have entities like "geocatch", which is a new style of management authority, and that is evolving. We are using what I call controlled evolution. That is overseen by the Rivers and Estuaries Advisory Council within the Water and Rivers Commission. It comprises the chairpersons of all of the management authorities, plus a number of other people, including me. We are taking that forward into the future, we hope.

Dr EDWARDS: I have a question that is a bit like that of the member for Dawesville in that it relates to an authority. Sometime ago, the Minister for Commerce and Trade announced a future Cockburn Sound management authority. Does that come under your umbrella?

Dr HAMES: That is a very sensitive point at the moment. As recently as last week, we debated exactly what that structure would be and what it would come under. The proposal is that it would come under the Water and Rivers Commission. Until that has been through Cabinet, I cannot give you those final details. There have been a few delays, but it is now close to being resolved.

Dr EDWARDS: There would be no allocation in this budget for it at this stage?

Dr HAMES: No, there is no allocation in the budget. When we were looking at creating that as part of the budget process, we put in a request for dollars. Those dollars are not there and must be funded either from Treasury or from funds that are allocated for the development of other projects in that region. Obviously it will be funded.

Mr TRENORDEN: I want to ask a question about the Avon River authority. I lost a bit of fur and blood over the river authority when it was first borne. There was a lot of heat, and a lot of people in the room can remember that heat clearly. I am concerned about this evolution. It is a different concern than that of the member for Dawesville, because the Avon River obviously covers a catchment area larger than Tasmania. It has a complex range of questions that are different from those in other places. I am concerned about the evolving role of the board, the role of the staff and the environmental questions as opposed to the regular questions. A lot of work must be done in the Avon region. It is only in recent times that the farmers have not seen the Avon River authority as a policing mechanism, and have a more cooperative attitude towards working with it. That is where I want to be, and where I still want to be. I have some concerns about its evolution. I hope that the budget remains in Avon; I hope that the staff remains; and I hope that there is some concentration on that evolution.

[9.40 pm]

Dr HAMES: It is reasonable to say that some changes have recently occurred and they are occurring in many places. Part of the reason has been the creation of the Water and Rivers Commission to separate it from the old Water Authority, the catchment management groups and the funding arrangement that takes place by the commission, which is the environmental manager of catchment management and funding of those groups. The amount of money we have been able to put into them through the commission and through national heritage funding will continue that evolution of those catchment groups into real environmental managers rather than policemen. People will have a much better attitude towards them, especially combined with the salinity action plan that the farmers are working so hard towards.

Mr PAYNE: In the Avon area there is great emphasis on what is called natural resource management. In this State and nationally, an evolution is occurring again on how we handle natural resource management. We have a standing committee of Cabinet to overlook that; and the relevant chief executive officers, which includes me and people from Agriculture WA, the Department of Conservation and Land Management and the Department of Environmental Protection, are involved in negotiating that NRM process. The intent is to provide an evolutionary path for many of the land care and river care groups over time rather than doing it in a commander control way and frightening the horses. Much is taking place. The Water and Rivers Commission sees the office in Northam staying and the management authority evolving in the best way to fit into the overall scheme. We are seeking to set up a system that has efficiencies in the way that four NRM agencies relate to the community front-end. It may take five years.

Mr TRENORDEN: It is a long way from being there yet, is it not?

Mr PAYNE: I believe it is progressing well. There are personalities and issues that must be dealt with. However, in dealing with community based groups we must allow them to evolve rather than push them up against the wall.

Mr MARSHALL: When the dewatering program for the Dawesville Channel took place in 1993, a great number of bores dried up in the Dawesville area. It was then that I first realised how many people relied on domestic bores, whether for drinking or for watering the garden. I believe the commission has a scheme to manage domestic bores as a source of water supply in the metropolitan area. Can the minister explain that a little more; and, if so, is it envisaged that one day government might licence domestic bores in the metropolitan area and even in country regions?

Dr HAMES: That is a frequently asked question on domestic bores. I say loudly, no. The reason we do not want to licence domestic bores is that at present 50 per cent of our water comes from underground sources, mostly the Gnangara and Jandakot mounds. Outside those mounds a large amount of water is underlying the metropolitan area. In most cases it is unused and untapped. It flows into the river or out into the ocean. The Water Corporation provides fairly expensive drinking quality water to people's houses. In some communities 70 per cent of that is poured out onto the garden in summer. The provision of infrastructure for that water supply is a significant cost to the community. The more people we can get to use domestic bores to water the garden, the more it saves us from providing the expensive infrastructure. Through the commission we are encouraging people as much as possible to sink domestic bores. Some people say that that is environmentally wrong. However, they must realise that the amount of water that used to evaporate from every block that is cleared by trees and shrubs, etc is about the equivalent of one bore. That water used to be sucked out of the ground and evaporated through the trees. Provided we use bores at night as we are supposed to, 70 per cent of the water goes back into the underground source and 30 per cent is either used by the plants or evaporates. That does not apply to every area. There are areas near wetlands and on the peninsula near Cottesloe where there is insufficient deep water and where there are salt water incursions if it is removed; other areas are polluted. However, in most areas in the metropolitan area - we have put out a large, detailed map, which is readily available to everybody, showing where the water is and where it is best to use it - we want to encourage people to put down bores. I cannot answer the member's question about the Dawesville bores.

Mr MARSHALL: I was using that as an example of my awareness of how many people are using bores. In the Dawesville area is it worthwhile monitoring the amount of use by the bores in case they dry up? Could an overzealous resident take the whole supply from his street?

Dr HAMES: Not in the metropolitan area. The water underlying some areas of the metropolitan area is very shallow. In Morley, for instance, it is 3 or 4 metres down. That is why it is not taken by the Water Corporation. If a bore were sunk and it sucked up the water, there would be a drop off in the levels for adjacent residents and nobody would be able to use it. They would have to suck hard to get sufficient water from that area. However, an individual using a bore is okay. The Water and Rivers Commission monitors the level of water in many places, particularly in areas from where the corporation takes its water. Throughout Western Australia we have many bores that we use to monitor levels and the standard of water.

Mr PAYNE: It is true; much monitoring is done. We have approximately 1 500 monitoring bores around the water use area of Perth. We are pushing for what we call responsible bore use. That relates to the minister's comment that if we get responsible bore use, we return to a natural balance. We can take out more water as long as we have responsible bore use. Right now private bores take about 90 gegalitres a year out of the superficial aquifer. Two hundred and fifty gegalitres are supplied by the Water Corporation. It services approximately 130 000 to 150 000 bores, and the number of bores can increase. If we can drop it from an average of 600 kilolitres a year used from a domestic bore to 300 kilolitres a year, we will stay within the 90 gegalitres a year and that will allow us to have many more bores. The challenge is to reduce the individual use and have more bores. There will also be tight spots such as the strip below Mandurah. That needs to be monitored and both local governments and developers must not be overoptimistic about how much water they take out. We have examples of how we are working through that with the councils and the developers.

Dr EDWARDS: I refer to page 1519. How much did the Water and Rivers Commission spend this year implementing the salinity action plan? How much is in the budget for next year?

Mr PAYNE: Both amounts are in excess of \$3m. The clearly defined item is about \$3.15m. I say there is more than that because it depends on how we define some of the things on which we spend money. If we set about it, we could make the nominal amount of money allocated to salinity much higher. There could be a considerable amount more depending on how it is defined. It is at least \$3.15m.

[9.50 pm]

Dr EDWARDS: What money did the Water and Rivers Commission receive from the Natural Heritage Trust for itself or to channel to other groups?

Mr PAYNE: Our operating statement at page 1522 indicates that grants and subsidies are about \$2.5m. About \$2.4m of that is NHT money. We have recently negotiated some more NHT money which is not in this budget because it came in after the budget had been set. We recently acquired in the order of \$1m over three years from Coast and Clean Seas.

Mr TRENORDEN: From where does the other \$200 000 come? You referred to \$2.4m in grants, but the actual amount is about \$2.6m.

Mr PAYNE: We received some money from the National LandCare Coordination Program and from the Land and Water Resources Research and Development Corporation, and we also received some income from Water Watch, where we sell equipment to schools and others to use in education programs. That makes up the difference.

Dr EDWARDS: For how long would you hold somebody else's NHT money?

Mr PAYNE: One of the difficulties with NHT money is that it generally comes in late in the financial year, and we are able to carry it over to the following financial year, but it must be committed against a particular project. The reason it comes in late is that the Federal Government takes so long to agree on what will be done and bring it in. In any one year, we carry over between \$2m and \$3m as a result of the late arrival of grant money and late negotiations about what that grant money will be spent on.

Dr EDWARDS: One of the major initiatives for 1999-2000 at page 1519, under "Salinity", is -

Implementation of relevant parts of the State's Salinity Action Plan, particularly the establishment of incentive schemes for farmers to improve remnant vegetation management.

What are those incentive schemes?

Mr PAYNE: We have direct arrangements. We give farmers subsidised fencing material as a way of protecting a riverbank, for example. This year we are providing some money to assist farmers in our recovery catchments - that is, our water supply catchments - to trial lucerne pastures, and because lucerne is a deep-rooted perennial, hopefully it will control the watertable as effectively as would trees.

Dr EDWARDS: Page 1522 indicates an increase in FTEs from 316 to 320, but if we add up the FTEs for each output in the document, there is a reduction from 316 to 300. What is the expected number of FTEs?

Dr HAMES: That is an error in printing. It should be 300.

Dr EDWARDS: It will reduce from 316 to 300? How do you envisage losing those 16 FTEs, and from what levels in the organisation are they likely to come?

Mr PAYNE: The first thing to remember is that an FTE is a full-time equivalent, not a real person. Our total resourcing of FTEs is a mixture of contractors, ranging from people on a one-year contract to people on a five-year contract. We also have bundle contracts with consultants, or a range of different types of consultants. Over time, a few people may leave the organisation by attrition. However, most of it is converting between permanent staff and contractors in different categories within the organisation.

*Committee adjourned at 9.55 pm*

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