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LEGISLATIVE ASSEMBLY

ESTIMATES COMMITTEE A

Thursday, 22 May 1997

Legislative Assembly

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The meeting commenced at 9.00 am.

The CHAIRMAN (Mr Osborne): For the information of members, this 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 them to lodge the question on notice with the clerk's office. Only supplementary information which the Minister agrees to provide will be sought within one week.

It will also greatly assist Hansard if when referring to the Budget Statements volumes or the Consolidated Fund Estimates, members give the page number, item, program and amount in preface to their question.

As has been the practice of previous Estimates Committees, members should not raise questions about matters of general concern which do not have an item of expenditure in the consolidated fund. The Estimates Committee's consideration of the Consolidated Fund's Estimates of Expenditure will be restricted to discussion of those items for which a vote of money is proposed. We are dealing with estimates of expenditure and that should be the prime focus of this committee. While there is scope for members to examine many matters, 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 the intention of the Chairman to ensure that as many questions as possible can be 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/she agrees to provide.

Details in relation to supplementary information has been provided to both members and advisers, and accordingly I ask the Minister to cooperate with those requirements.

Division 25: Education, \$1 333 957 000 -

[Mr Osborne, Chairman.]

[Mr Barnett, Minister for Education.]

[Ms C.A. Vardon, Director General.]

[Mr R.V. Mance, Executive Director, Resources and Services.]

[Ms D.I. Kerr, Executive Director, Education Services.]

[Mr N.T. Jarvis, Acting Executive Director, Strategic Planning and Direction.]

[Mr P.J. McCaffrey, Director, Finance.]

[Mr P.L. Barrett, Acting Director, Facilities and Services.]

Mr RIPPER: What cuts to projected budget expenditures in 1996-97 have been made between 14 December 1996 and now?

Mr BARNETT: A couple of programs have been cut - for example, the First Steps program has been cut back slightly - but there have been no major cuts. There is limited scope within Education to implement major cuts. We are re-examining the priorities, for example, in Aboriginal education, but there are no significant cuts as such. In 1996-97, the Government increased spending by about 7 per cent and the department will spend that.

Ms VARDON: During that time there were some minor adjustments as a result of people returning to school, because the period covers the beginning of the school year. Adjustments were made for people whose contract had

come to an end and for those involved in projects that had come to an end. However, there have been no major reductions or cuts across the board.

Mr RIPPER: Has the Education Department sought to delay spending on capital works during this financial year?

Mr BARNETT: No, it has not; if anything, the department is spending more. Some schools have needed repairs. The capital works program is \$100m and another \$150m has been budgeted for maintenance. There is always some rejigging of capital works; sometimes plans for a school might be delayed. For example, in my electorate of Cottesloe there is a debate about \$900 000 allocated for a school and whether it should be reallocated. Timing is an issue, but there are no major changes.

Ms VARDON: There have been no major changes, cuts or delays to capital works.

Mr RIPPER: Was the 1996-97 facilities management budget overspent and, if so, by how much and why?

Mr MANCE: I do not believe so, but we do not have that information here. We will take the question on notice.

Mr BARNETT: That will be provided as supplementary information.

Mr RIPPER: Why was there an overrun in the 1996-97 education budget of \$20.7m as revealed in the Treasurer's Advance Authorization Bill second reading speech? Given that overrun, can we have confidence in the budget figures presented for 1997-98?

Mr BARNETT: The major increase in spending would have resulted from the enterprise bargaining agreement - the two 7.5 per cent increases in teachers' salaries.

Ms VARDON: That relates to normal Treasury adjustments and was certainly as a result of wage increases.

Mr MANCE: We provide regular estimated outturns to Treasury. Those variations are primarily the adjustments as a result of increased salaries. There are smaller amounts, such as that related to the government housing subsidy, but they are only small.

Mr BARNETT: Education has a budget of \$1.25b, and \$17m is a lot of money, but it is a small proportion of that total budget. Unlike the health sector, the education sector does not have many surprises. It involves a large amount of money spread very widely across the State to cater for different functions and programs. One can have a lot of confidence in the budget process. The only wild factor can be unanticipated or uncontrolled wage increases. All other things are in control and managed more easily than they would be in Health.

[9.10 am]

Dr CONSTABLE: I am concerned about the possible effect on staffing as a result of universities changing the satisfactory performance criteria for students. Does the Minister have any ideas about how that might affect staffing, given that many students will not be doing six subjects in year 12 but maybe four or five? What areas might be affected by that change?

Mr BARNETT: We were at a school yesterday where that issue came up. The member would agree that staffing is an important issue as is also the broad range of subjects that students study. Students in that Churchlands school may concentrate solely on their academic program and do no vocational or art design-type of broadening subjects. That is a concern.

Ms VARDON: We are working through some of the detail. Principals are interested in the notion of whether some young people will be part time at school and what effect that will have on staffing and on the degree to which students may choose to take a restricted number of subjects. There are a number of subjects still to be worked through. I do not anticipate that for next year there will be a wholesale impact on staffing.

Mr BARRETT: The TAFE entry requires at least five subjects. The Education Department in consultation with the secondary principals is reviewing the implications of this at the moment.

Dr CONSTABLE: I have spoken to people in non-government schools who are concerned that this will have an impact on staffing. I cannot see why the effect should be different in the government system. Certain subjects will not be viable if they do not have enough students studying them, particularly the non-TEE subjects. I anticipate that there would be an effect on staffing.

Mr BARRETT: That could depend on the size of the school and the number of students; the smaller the school, the more dramatic will be the impact.

Dr CONSTABLE: That is not the case with some of the non-government schools. It will be interesting to see what happens. With regard to the First Steps program, what was the revenue and expenditure in 1996-97 and what is expected?

Mr BARNETT: First Steps has been a successful and interesting program. It has also been commercialised. I have some concerns about that. I do not think there is anything wrong in what has happened to this point. As it is commercialised and operated overseas in particular, some aspects are no longer core activities of the Education Department. At my request some moves have been made over the last six months or so to restructure the way in which First Steps is delivered.

Ms VARDON: The funding profile for First Steps shows the revenue for 1996-97 was \$2m or more; for 1997-98 it was \$4.6m; and for 1998-99 the projected figure is \$5.4m. I can give more detail.

Dr CONSTABLE: That is the revenue from the commercialisation of First Steps?

Ms VARDON: Yes.

Dr CONSTABLE: What about the expenditure?

Ms VARDON: We can provide these figures in explicit detail. The matching expenditure for 1996-97 was \$1.6m, which gave a surplus of \$475 000. In 1997-98 the projected expenditure is \$1.5m with a surplus of \$3.1m. Looking ahead to 1998-99 we anticipate a revenue of \$5.4m with a surplus of \$3.8m. As the Minister has said, we are looking at some changes to the way in which First Steps is managed and relates to the Education Department.

Dr CONSTABLE: Could we have a detailed breakdown of where the revenue is coming from and the expenditure is going to?

Ms VARDON: Yes.

Mr RIPPER: On page 285 the amount for salaries and wages indicates an increase of \$45.1m. The Minister will recall my presenting some calculations to Parliament in a speech on the Curriculum Council Bill in which I spoke of the number of staff who would be employed in this financial year compared to the last financial year. Salaries and wages equate to \$39 126 per FTE in 1996-97 and \$40 823 per FTE in 1997-98. That is an increase of 4.3 per cent per FTE, which looks reasonable, if one forgets about the fact that some low paid employees are being removed from the payroll because of the contracting out of school cleaning. My concern is that the budget has to take account of the full year effects of the 7.5 per cent salary increase awarded to teachers as from 1 January of this year. The department has had to pay that for six months in this current financial year and it will have to pay it for 12 months in the next financial year. The full year effects of that 7.5 per cent increase and the higher cost for administrators will take up virtually all of that 4.3 per cent increase per FTE. It seems that pressure will be exerted on the budget because no provision is made for salary increases expected to flow from the next round of enterprise bargaining agreement negotiations which are due to commence on 1 July. Will this budget not be under great pressure, despite the increase, because no provision has been made for salary increases flowing from 1 January next year?

Mr BARNETT: The Education budget is always under pressure. If one looks at 23 000 FTEs, obviously salaries and wages dominate expenditure. The two increases over this year and last year of 7.5 per cent are significant and above what has occurred in the wider community. They will be accommodated within the budget. I agree that depending on the outcome of the enterprise bargain agreement negotiations, supplementary funding may be needed. We cannot estimate what that will be; however, I guess that will be the crunch time. At the same time there are many other approaches to try to get better value in the education system. The member will be aware that we are moving towards local area planning, which will entail some restructuring and redirecting of resources. There are opportunities to get better value for what is already a large budget. I will not hide from the fact that there is pressure on the Education budget. Depending on the quantum of the enterprise bargaining agreement, we will see what happens early next year. The current climate is not particularly conducive to generosity in salaries and wages.

Mr RIPPER: Does the Minister agree that these negotiations will take place in an industrial atmosphere inflamed by the actions of the Government in forcing through the Minister for Labour Relations' third wave of industrial legislation?

Mr BARNETT: Some modest industrial action in schools does not create the best environment for negotiations. I hope that will conclude and negotiations can be conducted in the same spirit in which they were conducted early last year. We will talk about many things apart from dollars. It is reasonable for the community to assess the success of professional development. A number of other agendas will be pursued. The agreement will be important but it is unrealistic to expect an increase along the lines of the quantum of the last couple of years. I hope that we can negotiate a fair salary package for the next two years.

Mr RIPPER: What provision is there in the budget for paying those expected salary increases? Has the Minister allowed for a 0.5 per cent, one per cent or five per cent increase?

[9.20 am]

Mr BARNETT: At this stage there is a nominal 2 per cent and it does not allow for any trade-offs. It is a starting point.

Mr RIPPER: It is difficult to find that 2 per cent in the Budget because of the full year effects of the seven and a half per cent increase which applied from 1 January. The full year effects of that must be 3.75 per cent and there is only 4.3 per cent per full time equivalent. The figure is exaggerated because of the loss of some low paid employees from the payroll.

Ms VARDON: As the Minister said, the Education budget is very tight and there are opportunities this year to look at streamlining and efficiencies. We are very conscious, following the last round of agreements, that there are issues in the current agreement which we must make sure will be fulfilled before we pursue further negotiations. I am confident we will do it in a reasonable and practical way. From our early discussions with the union I understand that that is its feeling as well.

Mrs ROBERTS: On page 300 of the Budget Statements under the heading "Miscellaneous" there is an entry for computers in schools. I understand that this is for completed works. I found it strange that there is no entry for computers in schools under completed cost or estimated expenditure. I wonder why the line item was listed. Under the heading of "New Works" there is a total estimated cost of \$9.4m as well as an expenditure item of \$1m in 1997-98 for computers in schools. What was spent on computers in the last financial year and what is proposed to be provided from the \$9.4m and \$1m? What equipment will be provided to high schools and primary schools?

Mr BARNETT: In last year's budget the Government announced a \$20m computers in schools program and it was supplemented by a further \$17m, which was a major boost. I concede that the department must go further in providing computers.

Mrs ROBERTS: Has that money been spent?

Mr BARNETT: Yes, and if the member visits schools all over the State, she will find computers and satellite dishes installed in them. The demand for the funds is great. We will continue to spend more on computing in successive budgets. If we take the simple spending from within government in a literal sense, it underestimates the amount of computing equipment in schools. Schools, from their own budgets, have acquired computer equipment. They have also received support from parents and citizens associations and industry. Even though in a nominal sense there may be a formula to determine the computer student ratio, the reality is that schools are acquiring computers at a far quicker rate than the figures suggest.

Mrs ROBERTS: With respect to primary schools in my electorate, that has not been the experience.

Mr BARNETT: I will obtain an account of how the money has been spent.

Ms VARDON: With regard to the \$17m expenditure, there is a technicality and I will ask Mr Mance to provide further information on money being moved from capital to recurrent expenditure. The money is certainly being spent on a range of programs, from computer replacement to the technology for schools programs and the bigger program announced last year of computers in classrooms. I am happy to go through that in detail. The expansion of wide area networks is a good example of increased expenditure on technology. I am confident that by spending the money we have carefully schools will, over time, pick up the resources and children will certainly benefit.

Mr MANCE: When the money first came into the Education budget last year it was shown as a capital item. We suggested to Treasury that it should be recurrent expenditure and should be shown in the forward estimates in that way. That is the reason the figures appear in the budget papers in that form. It was simply a move from capital to recurrent expenditure and the money is being spent.

Mrs ROBERTS: I would like an explanation of the \$9.4m which is estimated for new works this financial year and the \$1m as outlined in the budget papers.

Ms VARDON: The programs which are under way include the computers in classrooms program, which is part of the \$20m program. Technology focus schools are schools which are particularly selected to be used and developed as models of schools able to use information technology as a source for teaching and learning. The professional development of teachers is a critical and important part of that program. Another program is Internet in the curriculum and once again professional development for teachers is important, as it is in every aspect of our computer expansion programs. Every school has been given extra money to enable it to be connected to the Internet over this

year. Another project deals with innovation in the classroom and it is about increasing teachers' level of expertise and using information technology. There is also the Ednet, which is about extending the department's wide area network. A range of other issues are being put in place. I have outlined the major focus of the system.

Mrs ROBERTS: How much of that is going to primary schools? Have they been put on the Internet?

Ms VARDON: All schools are on the Internet.

Mr MANCE: Two allowances were made for schools which were not on the Internet. Those schools which had Internet access through their own resources were given an allowance to enhance that access.

Mrs ROBERTS: Is the total expenditure this year \$1m or more than that? I am referring to the entry for computers in schools on page 301 which appears under the heading "Miscellaneous Other".

Mr MANCE: That is part of the capital program. That figure is part of the drawdown in capital for the computers program. The member will recall that the three year program of \$20m was announced in the 1996-97 budget. In addition, \$17.8m has been allocated to this program. In this instance, the amount shown is out of the capital program and that is the figure that is being moved from capital to recurrent expenditure.

Mrs ROBERTS: Is the \$9.4m the first part of the \$17.8m?

Mr BARNETT: In broad terms the figure is \$37m over three years, which commenced in July last year. We committed \$20m and then added \$17.8m. This is what will go into computing in schools.

Mrs ROBERTS: How much will be expended this year?

Ms VARDON: We expect to see funds moving out this year to cover the range of programs I described. If the member would like further information, it can be provided.

Mr MANCE: We have a schedule which shows each program, initiative, the cash flow for 1996-97 and the expected outturn for each of the forward years.

Mrs ROBERTS: I would like a copy of the schedule at your convenience.

Mr MANCE: It is fairly complicated because it involves two programs across a range of initiatives. With the Minister's permission we can provide a copy of it to the member.

The CHAIRMAN: Supplementary information has been sought and agreed.

[9.30 am]

Mr BARNETT: Obviously you have particular schools in mind. The program will ensure that every school in the State will have either Internet or optic fibre connections this calendar year. The member for Midland can speak to me about any schools missing out on that program.

Dr CONSTABLE: Although I acknowledge your program for computers in schools is commendable, in my electorate particularly in primary schools, parents are spending enormous amounts of effort and time raising huge amounts of money to put banks of computers in schools or to buy computers. Do you have any idea how much money is being provided throughout the State by parents, from sponsorship or by organisations to provide computers in schools?

Ms VARDON: We do not have that information in detail but we have some information on the leasing of computers and parents' moneys involved in that.

Dr CONSTABLE: I would like whatever information is necessary to be able to compare it with what the Education Department is spending.

Mr MANCE: We do not have the details of donations or other local purchases that schools make out of their own grants. However, we can provide information on the value of computer leases across the system. You could extrapolate that into averages.

Dr CONSTABLE: I expect it is a large contribution.

Mr MANCE: It is. Schools are leasing a lot of equipment.

Mr BARNETT: I do not know whether it is implicit in the member's question that to the extent parents support schools it could be argued that the more prosperous communities would provide more support. It has been raised in this Parliament. A little later in this week I will cite an example of a major company giving 500 very advanced

computers to a school that would not necessarily be regarded as a wealthy school. It is a quantum leap in the provision of equipment for that school. That company will also install the computers and train the teachers.

Dr CONSTABLE: That was partly why I asked the question. I referred to sponsorship and other sources.

Mr RIPPER: It concerns me that in a number of statements on this issue the Government has implied that the department does not really know how many computers are in the system. You are happy to talk about a base allocation, but then you say schools used their grant, parents provided equipment or company donations might have assisted. This is a sensitive issue which many parents are concerned about. Surely the Government should be able to indicate how many computers are in the system.

Mr BARNETT: Estimates have been done of how many computers are in the schools. I do not know whether they are available now. I have seen figures on what is the base provision and what is the reality. The reality is far more attractive.

Mr RIPPER: It is so much of an issue with parents that an audit of computers at schools should be done.

Ms VARDON: Those figures could be provided but they change rapidly and constantly. We can provide information on our program for the intended ratio of computers to students in schools, which is the important figure. Computers themselves vary in age. I am not sure that it would be very useful to count them all across the system.

Mr RIPPER: It is an important fact for educational debate.

Mr BARNETT: Particularly during election campaigns.

Mr RIPPER: If you cannot say how many computers you have, you are vulnerable.

Dr CONSTABLE: I refer to the proposed change to the district structure, from I understand 29 to 20 districts, which I believe will happen before too long. Will that change result in cost savings or will it lead to extra expenditure? What staffing changes will result? Will more people be employed? What impact will it have on head office staff?

Mr BARNETT: Probably next week an announcement will be made about the changes regarding local area planning and the structure of districts. It will involve implications for staffing. The broad thrust will be to shift resources, both people and money, away from central offices to district offices closer to schools. Full details will be provided next week.

Mr CARPENTER: I refer to page 286 regarding parents of children with intellectual disabilities. What allocation has been made specifically for further integration of children with intellectual disabilities into the education mainstream?

Mr BARNETT: During the election campaign we made a commitment to progressively increase integration of intellectually disabled children. The value of it escapes me. It was certainly included in the budget and a program is in place.

Ms VARDON: The program is developing and increasing and we have more money to spend on it. The funding profile for the inclusion of students with intellectual disabilities into regular classes for 1997-98 will be \$600 000 and growing beyond that. I can provide more explicit figures. It is a developing program, therefore, it is difficult to match numbers of students against the budget allocation because there will be a different level of support for each child once he or she is assessed.

Ms KERR: As Ms Vardon said, \$600 000 is allocated for 1997-98. We estimate that this will involve the inclusion of 20 students for 1997-98.

Mr CARPENTER: How does the figure of 20 students relate to the number of students seeking inclusion?

Ms KERR: At present I think it is somewhat more than the number of parents of students seeking inclusion.

Mr CARPENTER: So there are less than 20?

Ms KERR: Yes.

Mr CARPENTER: I believe a technical working party was established to examine the issue of children diagnosed with attention deficit disorder in education. Separate from mainstream integration of the intellectually disabled, is money available for the implementation of the recommendations of that working party?

Mr BARNETT: A ministerial group covering health, education and family services examined the matter. We decided it was primarily a health issue, so it is under the auspices of the Minister for Health.

Ms KERR: A project is in place to develop a strategy for students at educational risk. One of the elements of that strategy is to look at students whose psychological wellbeing is such that they are not succeeding as well as they may in school. Attention deficit disorder and associated areas are being considered within that and a working party will soon be formed to examine not only the technical report but also the national health and medical research council report.

[9.40 am]

Mr CARPENTER: Has any specific funding through the Education Department been directed at meeting the problems of attention deficit disorder?

Mr BARNETT: We see it primarily as a health issue, recognising it has a major impact on schools and that there is a geographic pattern in Perth to the diagnosis of ADD. It is bizarre if this complaint is somehow geographically dispersed in different ways across the metropolitan area. Evidence suggests that around particular physicians the incidence of ADD is higher than it otherwise would be. My personal observation is that there is an inclination within education that as soon as a child has a problem people will label that as ADD. We have a plague of ADD. It is not so prevalent in other States. I do not discount that as a serious issue and problem for education but some of the evidence makes one sceptical.

Ms VARDON: The issue for our children is medication or potential over-medication and being at school unable to learn. ADD is a health problem across Australia and, as the Minister said, it is related to doctors' patterns of dealing with children with behavioural problems. It manifests itself in the classroom through a range of matters to do with levels of difficult behaviour and poor attention. In managing and dealing with that we use strategies, money and support which is available through teachers specifically supported by staff from district offices.

Mr CARPENTER: I accept that, but I was expecting to be able to lump together some figures. Is the \$600 000 for integration additional to the allocation last year?

Mr BARNETT: Yes. I do not pretend to be an expert, but anecdotal comments indicate that often if a child is integrated, that may occur in the early years of education. The parents may not want the child in an integrated setting after a few years as the child reaches different stages of intellectual and physical development. Some would argue that all these children should be integrated, but the reality is somewhat different.

Mr CARPENTER: I realise it is a case by case scenario.

Mrs ROBERTS: When students who have been diagnosed with ADD or similar problems are integrated into schools, are any changes made to the staffing formula? I have been told that in particular classes from time to time a student with some form of disability has been integrated and other students have been diagnosed with ADD. Therefore, some account of that should be taken in determining the staffing formula at the school when it is faced with those difficulties.

Ms VARDON: When children with intellectual or physical disabilities are integrated, an additional level of support is provided. I referred earlier to the fact that children with ADD or any other kind of special need in schools are supported by the visiting teacher service, which is expanding and is an extensive and good service. A considerable amount of money is spent on that. Those children are supported also by school psychologists and others in district offices. When looking ahead at changes to the staffing formula, we consider closely the need for a different pattern of staffing across schools relating to children with special needs.

Mr RIPPER: I return to the theme of pressure on the budget and early childhood education. Where will the money be found for every four year old and five year old to find a place in the government system in 1998, on request? I understand money would be required for additional teaching and non-teaching staff, buildings, additional play areas, specialist teachers for music, art, physical education, drama, the integration of four year olds and five year olds with disabilities and training for the remainder of the school staff to deal with new age groups. Has money been allocated for that program and its expansion? Will your commitment to offer a place in the system in 1988 to every four year old and five year old whose parents wish it, place the rest of the budget under fairly extreme pressure?

Mr BARNETT: I do not deny that the commitment to early childhood education has been huge. Eighty per cent of five year olds are in full time or four day programs now. That will increase to 100 per cent from the beginning of next year. By 1999 all children will have at least two sessions at kindergarten. The transfer of responsibility from Family and Children's Services is proceeding.

All members of Parliament will be conscious of early childhood centres being built within schools. The Kewdale Primary School, which we visited yesterday, has just opened its new centre. It has been a remarkable effort in

logistics by the department. The money is available and to my pleasant surprise the project is going extraordinarily smoothly and quickly.

Mr RIPPER: What is the allocation for the expansion of that program? Can you deliver on that commitment to universal access for four year olds and five year olds in 1998?

Mr BARNETT: It is guaranteed.

Ms VARDON: I can speak in broad terms about the funding profile for the increased expenditure on the programs for four year olds and five year olds. Within that broad allocation I can break down the figures into major expense items; that is, additional teachers, grants, contingencies and a range of increased costs which will occur as access by children to early childhood programs increases.

Mr RIPPER: I would like to know the total figure and the breakdown.

Ms VARDON: The total figure for 1997-98 is \$5.9m. For 1998-99 it is \$9.9m, increasing over the next two years to \$14.7m in 1999-2000, and in the year beyond that back to \$7.7m. We can provide a break-down within that of the four year old program. I will run through the broad allocation for the five year old program. Ms Kerr will outline the detailed breakdown of the major expense items. According to the funding profile, expenditure for the five year old program for 1996-97 was \$27.2m; for 1997-98, \$25.7m; for 1998-99 \$17.8m, moving to \$20.4m in 1999-2000 and, again, \$20.4m in 2000-01. It peaks, as does the four year old program, and settles down to a reasonable level.

Ms KERR: Capital works for the five year old program for 1996-97 was \$18.4m; staffing was \$7.6m; contingencies \$934 000; and training and contingencies connected with that training was \$203 000. In 1996-97, staffing for the four year old program was \$660 000. It must be understood that staffing for the four year old and five year old programs is inextricably linked. They are frequently the same teachers; therefore, a notional split has been done. Contingencies were \$200 000 and grants \$24 000.

[9.50 am]

Mr RIPPER: You have provided global figures. However, is there a breakdown on what will be spent on the expansion of the program in 1997-98?

Ms VARDON: The allocation for new capital works for the planned full time preprimary program is \$10.5m. We can provide you with the rest of the breakdown to reflect the exact detail of the increase.

Mr RIPPER: I was unclear from your earlier comments whether you were talking about capital or recurrent, or capital and recurrent.

Mr BARNETT: The 1997 school year has been the big impact year. More capital and recurrent has gone into this year than will go into next year. Most of the programs have been put in place this year.

Ms VARDON: The figures I referred to were recurrent figures. I have mentioned the capital on top of that. Within the recurrent figures I was able to break down the major expense items, as Ms Kerr did, for 1996-97. We are able to do that for each year. The global figures I gave reflect the increase in funding for the programs.

Mr RIPPER: I hope this can be provided as supplementary information. I am interested in what has been spent in 1996-97 and what is projected to be spent in 1997-98, broken down, on the expansion of the program for four year olds and five year olds.

The CHAIRMAN: That supplementary information will be provided by the Minister.

Dr CONSTABLE: Is there a specific line in the budget that indicates how much money is being spent on extending teachers' understanding of Aboriginal cultures? Is this yet an area of compulsion in preservice training?

Mr BARNETT: To my knowledge all education faculties provide Aboriginal studies and it will be a policy of the department that teachers will have some training in Aboriginal education when they are employed.

Dr CONSTABLE: But it will not be compulsory?

Mr BARNETT: I do not know that it will be made compulsory. There is an expectation that all teachers going through the system will have some training in that area. It would be rare that we would employ teachers who have not had that preparation. In many respects, more important is what happens when teachers are assigned to an area where there are cultural differences. A lot of effort is going into that. I saw some of that work last week at Mullewa, with which I was most impressed.

Ms VARDON: Extensive preparation through professional development is provided in the development of the Aboriginal studies curriculum, cross-cultural work, and the preparation for young teachers who move into remote community and country schools. We are continuing to expand that. Aboriginal people are involved in giving that kind of perspective and professional development understanding to non-Aboriginal teachers.

Dr CONSTABLE: Could you put a dollar figure on how much the department is putting into teacher development in this area?

Ms VARDON: I do not have specific figures on that. We will find them in the general funding to Aboriginal education and provide them as supplementary information.

Mr BARNETT: It is significant that since 1990 in excess of \$500m has been spent in the broad area of Aboriginal education. I do not think there is a shortage of expenditure. The effectiveness of the results is a more relevant issue.

Mr CARPENTER: I am informed that in the south suburban area I represent, around only 70 per cent of Aboriginal children find their way into year 8 at high school and that less than 2 per cent get to year 12. Does the Education Department have a specific allocation of funding for areas where lack of retention rates and truancy rates among Aboriginal children are identifiably high; and, if so, what is it?

Mr BARNETT: That is of great concern. There are various estimates, but somewhere between 15 and 20 per cent of Aboriginal children do not even go to school.

Mr CARPENTER: That figure was given to me for my area. I could not believe it; I thought it was too high. I could believe it for some remote areas. A senior person in the Education Department told me that 20 per cent of Aboriginal people in my area do not get past year 8, and they are not identified as reappearing elsewhere in the education system. I know the Minister recognises this is a critical problem. If they were white children, massive amounts of money would be allocated to find out why this is occurring. What specific money is being spent to address that problem?

Mr BARNETT: A most important task in education in this State is to provide quality education and to ensure that children are educated. That is easier said than done. Successive Education Ministers have said it over the years. There is no shortage of funding in the broad area: Expenditure has been enormous and it continues at that level. My anecdotal observation is that there have probably been too many programs and that we should concentrate on the programs that work; for example, the homework program after school, which is successful. The department is looking at other initiatives which may be controversial in the community. We are looking seriously at a residential complex, perhaps in Carnarvon or Geraldton, that would operate from Monday to Friday and would support the Aboriginal children's education and health standards and the like. That could be seen as contentious. We are advanced in developing an Aboriginal school in the metropolitan area. That will be important. There are Aboriginal schools in Victoria and South Australia at least. We are introducing teacher scholarships to encourage young Aboriginal people to take up teaching as a career. That will be in place from the start of next year.

The department is also developing a promotional work program for Aboriginal education workers so they have a career path in front of them, and it is hoped they will go on to become fully qualified teachers. This is a huge social, economic and educational issue for this State and for other parts of Australia.

I assure you that there is no lack of resources in that area and also no lack of commitment. There have been plenty of failures, and also plenty of successes. One problem with the figure that you and I quoted is that it tends to concentrate on where the system has failed. There are many examples of where it is succeeding. We need to have a positive debate about it.

[10.00 am]

Ms VARDON: We are redirecting funds to the issue of retention rates for Aboriginal children at those critical retention points to ensure that as many Aboriginal children as possible attend school for as long as possible. We are also working closely with Aboriginal education workers in schools, who over time have sometimes slipped with regard to their home-school liaison duties by taking up more teaching-type duties, to return them to their specific task of working between the home and the school to ensure that children come to school. That work is being done in the city and in the country. Recently I was in the Murchison and worked with the school principal and teachers in getting the children to school. The issues are different between the country and the city.

Another strategy on which we are spending considerable amounts of money is a school computer system called MAZE, which allows us to track children so that if a child who is enrolled at a particular school does not turn up, we can link with other schools to find out where that child has gone. That works particularly well in the country. It allows remote schools to track children who move between communities to ensure that they go to school.

A third direction is Aboriginal curriculum studies, which will encourage Aboriginal children in schools not to feel as alienated, and to feel that their culture is important and recognised and they have a place in our society.

We are specifically targeting the issue of retention rates. Another strategy that is being used is the greater employment of Aboriginal people in our schools. We also do a great deal of interagency work with the Health Department, the Police Service, Family and Children's Services and so on to deal with the health and justice issues for young people to ensure that when they go to school, they are happy and healthy.

Mr CARPENTER: There used to be a truancy officer system; I am not sure whether it still exists. Is there any program whereby an officer or someone attached to the Education Department will look for an Aboriginal child who is registered as attending a particular school but does not attend on a particular day?

Ms VARDON: That happens in some cases, although the Aboriginal education workers and their home-school liaison work is a better way to encourage children to come to school, and through the computer system we are also able to work with parents to encourage children to come to school.

Mr CARPENTER: You said that one of the problems with the home-school liaison was that those people tend to become classroom oriented more than home oriented.

Ms VARDON: That seems to be the case in many education systems, but in Western Australia we have turned that around to make sure that Aboriginal education workers focus on home-school liaison, which is an important part of their duties. It is difficult to put the label "truant" on every child who happens not to be at school on a particular day, and it is a little unfair, because there are many reasons that Aboriginal children do not attend school, and the home-school liaison work and the electronic tracking are two replacements for the old fashioned truancy officer. Some country areas conduct bus runs around the school communities to pick up the children and take them to school, and that is a critical support.

Mr CARPENTER: I understand what you are saying about the change from the old fashioned truancy officer approach, but is that identifiably more effective?

Ms VARDON: Is the new approach better? Yes, it is.

Mr CARPENTER: "Better" is a subjective term. Are more students coming to school now?

Ms VARDON: Yes. Retention rates are increasing slowly, and that is the fundamental issue that we are confronting and dealing with now.

Ms KERR: Some data that I saw the other day for the 1997 school year indicated a very pleasing increase in Aboriginal students' enrolment and attendance.

Mr CARPENTER: To what level in the school system?

Ms VARDON: Perhaps that could be provided as supplementary information.

Mr BARNETT: A lot of supplementary information has been asked for, quite rightly, but we are talking about a large amount of material, and although we are happy to provide that information as quickly as we can, it will take some time to prepare, and some forbearance would be appreciated.

Mr CARPENTER: I turn now to the change in the curriculum to include Aboriginal studies. Would it not be preferable to make Aboriginal studies a compulsory rather than an optional unit of education? Is it economically unviable or unattractive to do that, or is there some other reason for that decision?

Mr BARNETT: Last week or so when we launched the Aboriginal studies curriculum, which I think is excellent, I made it clear that I as Education Minister and the Director General of Education expected all state and non-government schools to take up that program. The Director General of Education and I will be writing jointly to all government schools, and the Director of Catholic Education and I will be writing jointly to all Catholic schools, and I hope to do the same with independent schools. I do not believe it is necessary to make it mandatory. I do not want to force restrictions on schools in that way. However, next year I would be interested to find any government school that was not doing that, and if there were such a school, I would want to know why. If a school was not doing that, it would be for a particular reason - perhaps it is a small school, or it has staffing problems.

Mr CARPENTER: What the Minister is proposing is good, but will the schools that take up that program make it available only for those students who want it, or will it be compulsory for all students to undertake Aboriginal studies as part of their education? Some schools have had an Aboriginal studies program for some time but few students take it up.

Mr BARNETT: It will depend upon the courses that students pursue during their secondary education, but it will be part of the education of all students in primary school and in the early years of secondary education up to year 10. I am not about to mandate it, but if the take-up rate was not adequate, I might do that.

Mr CARPENTER: Will you guarantee that?

Mr BARNETT: I will be prepared to do that for government schools, but I will do that reluctantly. I think we can achieve it by schools doing it for the right reasons and building it into their program.

Mr CARPENTER: What do you consider to be a sufficient take-up rate?

Mr BARNETT: One hundred per cent in government schools, with very few exceptions, being small schools or schools which have staffing issues. I expect all government schools to take it up.

[10.10 am]

Dr CONSTABLE: I raise the issue of children who are educated at home, and parents seeking permission to teach their children at home. I am interested to know the number of children involved in home education and perhaps the number of FTEs provided by the Education Department to ensure that standards are maintained for those children. I would also like an estimate of the number of children who are not attending school and whose parents do not have permission to educate them at home.

Mr BARNETT: I have some concerns about that issue. The number of children not attending school and allegedly being educated at home is a problem, particularly in the south west of the State.

Ms VARDON: Presently the department recognises 1 000 children on home tuition programs. That is an increase of 200 a year since 1994. The breakdown of figures between metropolitan and country areas indicates what one would expect - a slightly greater number of children are being home schooled in the country compared with the city. After primary school parents tend to lose their patience and they think that secondary school is not such a bad option after all. The children who are registered for home tuition receive supervision and curriculum support from district officers.

The department has broadly heralded the notion of paying more attention to that through district officers and is considering resources and perhaps a redirection of some resources. Other States have introduced an amnesty to encourage parents either to send their children to school or to enrol them in home tuition programs, and have set aside some time to pursue areas where they suspect children are being taught at home but have not been registered. It is of great concern to me, because in my experience it can cover up some alarming issues occurring at home. I see that as a priority, and the department has already started to move in those sorts of directions to capture that child population. I do not have a figure on the number of children who are not in school. However, I would not be surprised if it is the same number as those who are currently registered.

Dr CONSTABLE: Are you suggesting there might be as many as another 1 000?

Ms VARDON: There could be. It would be unwise to say that it was not a big issue. It is a problem across the world. Parents are deciding that the best option for them is to educate their children at home. Although it is a significant issue in Western Australia, and we must tackle it, we do not have the highest rate in Australia by any means.

Mr BARNETT: We have valid concerns about the welfare of some of those children.

Mr RIPPER: Is there a joint program with Family and Children's Services to investigate this phenomenon and take action?

Ms VARDON: Our district offices have interagency groups cooperating and working together to follow up on those families whose children are not at school. The issue of abuse at home is widely recognised and we work successfully with Family and Children's Services. We must take account of issues of confidentiality and other territorial matters that sometimes emerge. It is an issue that makes me quite uneasy, and the department is pursuing it.

Mr RIPPER: Is the Minister satisfied with the level of cooperation between the Education Department and Family and Children's Services in dealing with this issue? The department says that as many as 1 000 children are not registered for home tuition and are not at school. Are we double counting the Aboriginal issues that we discussed before, or is this another 1 000 children? It seems to be a problem that we should be dealing with now on a case by case basis. Is the Minister satisfied with the level of cooperation and the action that is occurring on this issue?

Mr BARNETT: The director general will comment on the level of cooperation. This issue has been a sleeper, and no-one is to blame for that. It is a serious issue and it is our responsibility to do something about it now.

Ms VARDON: On the issue of double counting, of course some of these children are Aboriginal children and we deal with that in a slightly different way. It is an interesting subject that is particularly difficult when one publicises it, because it does one of two things. Either it scares parents and makes them feel punished, or it encourages them to enrol their children in school. How we find these children, identify them, and encourage them to come to school or be registered for home tuition - that is a parental choice - must be balanced carefully in terms of the publicity that is given. I once found a group of 27 children in another State whom we did not know about. They asked for a school bus before they would come to school. I thought that was interesting.

Mrs ROBERTS: The Minister has acknowledged that truancy is a serious issue that has been something of a sleeper. I attended a meeting in the northern suburbs of parents whose children had either died of overdoses or had heroin and other drug problems. I went along as the opposition spokesperson on police. A number of the mothers said that the only time that they found their kids had had long periods away from school was in end of year reports. They were concerned that they had not had sufficient contact from the school. One mother stated that both her home and work numbers were available to the school, yet no-one had telephoned her to say that her child had not been at school. She found that her child had spent most of her time breaking and entering, pawning goods and using the money to fund a heroin and drug habit.

One of the schools that was referred to at that meeting used a computerised system of advising parents when their child was truanting. A computerised message was automatically sent that the child was not at school. This is hopeless. If those children are not at school, they are likely to be at home and they will erase the telephone message. The problem of children truanting and the importance of parents knowing where teenagers are relates not just to their missed education, but also the serious social, emotional and drugs problems that may result.

Nobody seems to know or care that the kids are not attending school. If parents are not aware of it, they are not in a position to do anything about it. In the meantime kids are breaking into homes and using the money to fund drug habits. For many very important reasons, much more must happen so that we know where teenage students are, and that includes people working with parents. It is all very time consuming dealing with parents and informing them. Although it is easy to push responsibility back on parents and say that they should know whether their children are going to school, in some circumstances the parents go to work early; they rely on the kids to get themselves to school; and the parents come home after school is finished. The parents really would not know whether the kids are showing up unless there is communication with the school.

[10.20 am]

The CHAIRMAN (Mr Osborne): I ask the member to bring her question to a close.

Mrs ROBERTS: Does the department support a system where a computer telephones the parent's house and leaves a message on an answering machine when a child does not attend school?

Ms VARDON: I will talk briefly about the range of strategies I expect schools to employ to follow up students who, firstly, are absent for a day or two or, secondly, are habitually absent. The strategy is for schools to contact the parents at home and to continue to do that until some personal contact and successful outcome occurs, and that is done. I will comment on the computer system in a moment, because when I spoke to the people installing the answering machine, I raised similar questions.

Some parents are unable to persuade their children to go to school. Where that happens, we have strategies including our students at educational risk program which we are beginning to put in place. We also have special programs at schools to get alienated children back into the school system. We also have interagency cooperation, particularly between the police and health and welfare officers to ensure children come to school or, at least, are identified and known as being safe.

A few schools have installed the computer system. It is a relatively expensive system for schools to install. Perth Modern School is an example of where it works well. The system is not as cold and impersonal as it sounds and a fair bit of manual input goes into it. The computer triggers a telephone call for somebody to leave a message at home at night. The member mentioned kids erasing messages. If there is no response, a telephone call is made from the school or there is manual intervention to make sure the matter is followed up.

Mrs ROBERTS: Another complaint was that the kids answer the telephone when the computer rings.

Ms VARDON: I have not been on the receiving end of one of these telephone calls for a long time. I raised this question with the computer company when it came to see me to ask whether I would support the system - these people were advertising their wares, so to speak - and I said no. Their response was that they made sure that the telephone calls happened late at night.

Mrs ROBERTS: If children have not been to school on a specific day, they know the computer will ring that night. They are waiting by the telephone. They are anticipating the call from the computer. The parents do not know to be waiting by the telephone for the call because they are anticipating that the kids have been to school; whereas, if the children take say, Friday, off school, they know on Friday night a computerised telephone call will be made to their home and they listen for the call or whatever.

Ms VARDON: The students do not necessarily know that. Schools are pretty adept at making sure they get value for money. If there was no response to the automated telephone call, I think the schools would ask for a refund of their \$7 000. People in the schools which have installed the program have told me that they are very satisfied with the degree of parental response. I take the point; however, it is simply one strategy in a whole range of ways in which schools are doing their utmost to ensure children within the compulsory age range attend school. We are talking about those children being at school when they are meant to be.

Mr RIPPER: Does Ms Vardon accept the figures from the institute of child health survey on truancy? From memory, it suggested there were 1 950 unexplained absences a day in the school system and about 15 per cent of adolescents had a record of absence from school of a half day per week or more. If those figures are accepted, does that mean another 1 000 children, over and above the 1 950, are not involved in the school system at all? Would it be advisable to invest in the provision of more home school liaison officers in district offices to deal with this problem? I understand in the Perth South district there is one home school liaison officer, welfare officer or truancy officer - I am not sure of the modern description of the role - and in some school districts not one officer has been allocated the responsibility for dealing with this problem. Given the record of truancy and problems there might be in the Perth South district - I represent part of that district - one officer is a totally inadequate allocation. Is the information presented to this committee a strong argument for more investment in staff to deal with this problem?

Mr BARNETT: We regard the results of the institute of child health as being on the high side. Truancy performance varies dramatically from school to school, and district to district. If the member is interested, a number of strategies can be outlined on the way in which this has been dealt with. A couple of programs dealing with truancy received substantial publicity, probably a bit beyond their effectiveness.

Ms VARDON: I will ask Ms Kerr to make specific comments on the child health survey which we found very helpful. We worked with the institute in compiling that report. It reflected many of the strategies we have put in place. I will make two points. The first is about district office school support. District officers have some flexibility in allocating human resources to the issue of truancy.

Mr RIPPER: Some do not make an allocation at all.

Ms VARDON: I would be surprised if some proportion of some officers' time was not devoted when it was needed to working on the issue of truancy. We have developed and are trialling a model in some districts which reflects an interagency approach to reducing the incidence of truancy. I want to convey a picture of the recognition of school attendance as a big issue for us. Many strategies, programs and resources are diverted to it. Unfortunately sometimes we get hijacked by an anecdote that might eventuate and that takes some explaining. I am satisfied that the degree of activity to prevent truancy is well focused.

Ms KERR: The child health survey data is important. It was gathered on a sample basis. It did not involve certain areas of Western Australia, so there was quite an emphasis on city areas.

[10.30 am]

It was based on children's attendance on one day. Our view is that it is somewhat high. Nevertheless, it is good data for 1993-94. Student welfare officers in our districts undertake the role that was formerly called truant officers and as you have heard it is our view that truancy is a major interagency area of work. During 1996-97 a report was put together called "The interagency approach to addressing the issues of maintaining the attendance in WA schools". Set out in that are a series of draft protocols for interagency collaboration on this issue. These have been signed off and are being put into place by a number of agencies. Fundamentally, the FTEs that we provide to schools and districts are our major strategy for working to ensure that students attend school.

Mr RIPPER: It is interesting that that comment should be made. I do not think the Minister or his officers answered my question, which was: Does the information that has been presented to this committee not justify more investment in staff at district office level to deal with this problem? I am asking the Minister whether he should adopt the policy which we went into the election campaign supporting; that is, additional staff in district offices to deal with the truancy problem?

Mr BARNETT: That is a policy issue. We are about to reorganise district offices. I guess there will be more local planning and decision making on truancy. In some areas of the city it will be more important than others. I do not discount that as a strategy.

Sitting suspended from 10.32 to 10.45 pm

Mr RIPPER: I understand the Kewdale Senior High School fairly soon will start the Belmont area youth intervention program, which is a multi-agency initiative aimed at providing programs for alienated students and chronic truants. How much has been allocated in this budget for programs similar to that across the system?

Ms KERR: New money of \$3.1m has been allocated over three years, building on current money for specific alienated student programs of \$1.2m. The plan for 1997 is to look very carefully at all the alienated youth programs we offer to ensure coverage, both in Education Department programs and interagency programs, of all areas in the State where there are problems with alienated students. At the moment there are programs in most areas, but not quite all.

Mr RIPPER: What is the recurrent expenditure in 1997-98 on programs for alienated students, and roughly how many students are involved in these programs?

Ms KERR: That is a very difficult question to answer. Most schools that have problems with alienated young people have programs they have worked up from within their own resources, using their school grant and their staff. The figures I gave are for programs above and beyond that. I cannot answer that question in the specific detail requested.

Mr RIPPER: I understand that with at least one of the northern suburbs programs the attendance by the alienated students was indicative of their alienated status - it was very low. Is the experience with all or a number of these programs that they are not successful in incorporating these students into the education programs?

Ms KERR: That would be the exception rather than the rule. Indeed, one or two programs currently have low attendance; however, I point to the Fremantle fast-track program which over three years has grown from 30 to 150 places and is still growing. Elements of programs clearly work, many of which are specifically connected to the dedication of the teachers. The commitment of those teachers is to ensure that the young people learn real curriculum information and, where possible, return successfully to mainstream schooling.

The small problem of one or two programs with low numbers, connected with the successes of some others, has prompted us to undertake a review of all programs to specifically determine what does and does not work and ensure the successes are replicated around the State.

Mr RIPPER: Can the results of that review be made available to Parliament, Minister?

Mr BARNETT: I am not aware of any reason why not, although that would be on the proviso that it did not break confidentiality of student information.

Mr RIPPER: What is the over-representation of Aboriginal students among this group? Aboriginal students comprise about 4 per cent of the student population, but what percentage of alienated students are Aboriginal?

Mr BARNETT: From memory, Aboriginal students represent about five per cent of the student population but comprise 25 to 30 per cent of trancies and other aspects of alienation. They are heavily disproportionately represented.

Mr RIPPER: The truancy figure in the Institute of Child Health Studies report specifically excluded remote area schools. If one included that aspect, one would have a much larger figure. The truancy figure is on the low side with the exclusion of these schools.

Mr BARNETT: If we are honest, we should consider days not at school rather than focusing on truancy. Some communities and families are not orientated to education and students are not attending school. We should focus on that rather than truancy, but it is a difficult issue.

Mrs ROBERTS: Page 298 contains a listing of library resources centres and a 1997-98 total estimated cost of \$1.883m. The expenditure to June was \$815 000 with \$1.068m being expended during 1997-98. In my electorate, Bellevue Primary School has no multipurpose facility or library resource centre worth talking about. It has a very small demountable classroom and one of the most inadequate libraries I have seen in any school. What priority is given to improving facilities at Bellevue Primary School, and what does that priority mean in terms of the timetable?

Mr BARNETT: I have been to that school and I agree with the member's comment. Also, we are trying to acquire some extra land for that school.

Mrs ROBERTS: My other question related to the time table for providing Bellevue Primary School with safe access to a good children's oval.

Mr BARNETT: I have met with the landowner recently and, in principle, he has agreed to a transfer of land to the school.

Mr BARRETT: That is correct. The finalisation of the library building program for 1997-98 has not yet been completed. However, Bellevue is being assessed and has a high priority in the district and within the schools division.

Mrs ROBERTS: When will I know whether it has been successful in gaining funding as part of that budget?

Mr BARRETT: Information will be available in July when the remainder of the program is made public.

Mrs ROBERTS: I was to be provided with further advice on the children's oval.

Mr BARRETT: Negotiations are still under way with the owner who lives opposite. I hope that in conjunction with the two local authorities involved - a boundary runs between the existing school and the land to be acquired - every opportunity exists for some joint school-community programs to be part of a relocated facility.

Dr CONSTABLE: I have a question about the Curriculum Council and its relationship with the Secondary Education Authority.

Mr BARNETT: The Curriculum Council has a separate item.

Dr CONSTABLE: A dot point on page 276 deals with the council. What is the funding in the 1996-97 financial year for the Secondary Education Authority, and what will be the funding for the Curriculum Council in the next financial year? I ask that question in the context of two concerns expressed to me.

Mr BARNETT: If the member is asking specifically about the SEA and the Curriculum Council, she will have to wait until we reach that session.

Dr CONSTABLE: I will not be here after lunch. Can I raise the concerns and forget the dollars? They relate to this dot point.

Mr BARNETT: I am happy to provide information. I will have different advisers for that matter - it is not an Education Department issue. The member should ask the question, which we will note for reference during that session.

Dr CONSTABLE: Two concerns have been expressed to me. First, sufficient funding will not be provided to fully meet the Secondary Education Authority's activities which are to pass to the Curriculum Council; second, and this is more basic in relation to teacher development, a lot of teacher development both now and in the future will arise from developments on the part of the Curriculum Council. The concern expressed to me is that insufficient funding is to be provided to teacher development; also, if this matter is left to schools, it will not occur. Can we deal with the teacher development side of this matter?

Mr BARNETT: We will leave the question of the funding of the Secondary Education Authority and the Curriculum Council until later, but we will comment on professional development at schools.

Ms VARDON: I will comment broadly and ask Ms Kerr, who has been closely associated with the development of the Curriculum Council, for further comment. That dot point in the papers refers to challenges, and wherever change is made challenge arises. The challenge for the Education Department and Curriculum Council is to very clearly work out the separate responsibilities in the interface, and to make sure we have the resources available to support the Curriculum Council. We are talking at the moment about transferring some human resources to work with the Curriculum Council.

Also, we must be ready to ensure some professional development dollars are available to improve teacher understanding of the framework and the development which flows from that framework. We are aware of the issues. A great deal of activity is going on in the area. The department spends a lot of money on professional development and curriculum oriented professional development, and this is a continuum of what we are doing at the moment.

[11.00 am]

Ms KERR: As part of our improvement programs for 1997-98 in relation to curriculum implementation, which will centre around implementation in government schools of the curriculum framework developed by the Curriculum Council, the department is allocating \$1.529m.

Mr RIPPER: How many staff and what funds have been allocated to curriculum development in the Education Department in 1997-98, and how do those figures compare with this financial year?

Ms KERR: The Education Department has a curriculum directorate. Its role is to provide curriculum leadership, assurance and support. Curriculum development has not been a major feature of the directorate's work for some years. This was clearly exemplified in the Temby report on curriculum development in Western Australia. The major work in curriculum development undertaken since 1990 has been the student outcome statements. If the Minister agrees, I will provide supplementary information on the cost of the student outcome statement development project.

Mr RIPPER: How many staff are working in the department on curriculum matters and what is the budget allocation to that area? I am interested that the department has not done much curriculum development work for some years.

Ms VARDON: We can provide that as supplementary information.

Mr RIPPER: And the comparison with 1996-97?

Ms VARDON: Yes.

Mr RIPPER: Does the department expect to be making approaches to the Government for additional resources for curriculum development or other curriculum issues as a result of Curriculum Council initiatives?

Ms KERR: No, we do not. However, as part of the collaborative activity sponsored by the Curriculum Council, we will be talking to the other school systems about joint activities to support the implementation of the curriculum framework.

Mr RIPPER: Will the staff in the department and, in particular, in the curriculum directorate be working on projects other than the implementation of the curriculum framework in government schools in the next financial year?

Ms KERR: They will.

Mr RIPPER: What will the projects be?

Ms KERR: The curriculum directorate is one area of the central office that will be substantially realigned in terms of support to districts and the Curriculum Council. My expectation is that in 1998, the curriculum directorate will be a very small and highly focused unit that deals with policy issues and the provision of leadership to curriculum support staff in districts.

Mr RIPPER: We are getting to an important issue here. The budget for this coming financial year is under pressure. One of the responses to that will be a head office restructure. One of the tasks of the head office is the development of curriculum. Will the department's effort on curriculum matters, and curriculum development in particular, be less in 1997-98 as a result of these developments? Will the department have a lesser role in curriculum development following the establishment of the Curriculum Council?

Mr BARNETT: The establishment of the council, which we will discuss later, is a major change in education. There is no doubt that, in covering kindergarten to year 10, it will take a leading role in curriculum development and policy. That is natural.

Mr RIPPER: As a consequence, will the department give up some of its effort?

Mr BARNETT: In the totality of education we are seeing more focus on curriculum than previously, but it is being done in a different way.

Ms VARDON: The department's contribution to the system in relation to curriculum development is very substantial and will need to be more so. That support is better placed closer to schools with some improvement in the way in which district officers are able to support schools in curriculum reform and development. The effort, as Ms Kerr has said, is more specific and highly focused, and that is the way it should be. Teachers want particular help with strategies and materials. That is where we must put our effort and that is the leadership that Ms Kerr referred to in each of the eight learning areas.

Mr RIPPER: If I were working in the department in curriculum development, I would be highly suspicious of words such as "specific" and "more focused". I would fear for my job.

Mr BARNETT: In your case, I can understand that!

Mr RIPPER: Will the department have more or fewer staff working on curriculum matters as a result of the projected head office and district office reorganisations?

Mr BARNETT: Curriculum has been relatively neglected in recent years. As the Curriculum Council gets into full swing and starts addressing all curriculum areas right back to the early childhood areas, curriculum related work in all education systems will increase, not decrease. That will involve new materials, new programs, implementation and assessment. It is a different structure, but I do not see the effort diminishing.

Mr RIPPER: I would like to know that that is backed up by what is happening in the department.

Mr BARNETT: It will be a reality. Hopefully, the Curriculum Council will work very well. It will be very proactive and things will move very quickly. That will put a lot of pressure on the department to develop the materials, implement the programs, assess them and so on in all school systems.

Dr CONSTABLE: I refer to page 293 and the development of a policy in relation to sponsorship and promotion in government schools. Was a draft circulated to interested parties, particularly schools, before the policy was finalised, and when will it be available? What is "sponsorship and promotion"? There is some concern in schools in the United States that that is simply a method of advertising and using children to push products through schools. What estimates are being made of the amount of money or in-kind sponsorship the department might expect from this source in any one year?

[11.10 am]

Mr BARNETT: The Government will not be supporting sponsorship for the purpose of advertising.

Dr CONSTABLE: It can be hard to know where to draw the line.

Mr BARNETT: Yes. Obviously guidelines must be put in place. Concern has been expressed that sponsorship provides some sense of equity across the system. That is valid. I have supported closer associations between business, government agencies, statutory authorities and the like and schools. The best example in this State is probably Kwinana with the association between major employers and several schools in the district. Retention rates are going up and young adults are staying on to Year 12 and doing a mixture of schooling, vocational programs, TAFE and paid employment. One might loosely call that sponsorship. I do not think that BP Refinery (Kwinana) Pty Ltd expect to sell one more drop of petrol because of its involvement and neither does the Chamber of Commerce and Industry of Western Australia group of companies involved expect to profit by it. They are raising the standard of education in their district and hoping to see prospective employees coming out of the system. Similarly, some of the work that Woodside and other mining companies are doing in the Pilbara is highly commendable. I do not know the answer to this because it is a rhetorical question: Does one object to seeing children in football jumpers with the name of a business on the back?

Dr CONSTABLE: I raised the question of whether children should be doing that.

Mr BARNETT: Most of the examples of so-called sponsorship that I have seen have involved generally large companies where the objectives and relationships are correct. However, at the local school level it becomes a little more complicated.

Dr CONSTABLE: How does one stop a school accepting sponsorship from, say, the local estate agent, who quite legitimately wants to spread the word in the community about his business, and that involves some sort of trade-off for something the school needs?

Mr BARNETT: That is why we need guidelines. People in the community can often be cynical and assume that the local real estate agent is out to do a deal. Invariably the situation arises because the real estate agent or manager of the local supermarket happens to have children in school and has his arm twisted to help out with the school uniform or sporting equipment. It is generally done for the right motives but it can be interpreted the wrong way.

Dr CONSTABLE: There is a grey area.

Mr BARNETT: I agree.

Ms VARDON: We have a draft policy on a detailed set of guidelines available to schools for consultation and comment. We can make that available. It covers a lot of the concerns the member has mentioned. It is about time we had sponsorship guidelines because we need to regulate some of the activities that schools have already undertaken and monitor what is going on. We cannot put the guidelines in place until the State Trading Concerns Act is amended. That is part of the Government's legislative change program and will occur shortly. We must also deal with an Education Act regulation before we can put the policy in place. It is certainly in schools and people are able to look at it and review it. From my experience the sponsorship dollar is not enormous. People get concerned about McDonald's, which is engaged quite significantly in sponsorship in education. It tends to sponsor national programs; for example, at the moment it sponsors Musica Viva across Australia. The bigger companies which cause

people some anxiety do not look so much at local schools and programs where the relationship is more likely to be with the local supermarket or whatever, as we have said. However, we will be monitoring, watching and working with schools very closely to ensure that sponsorship is used appropriately and ethically. That is one of my concerns.

Dr CONSTABLE: Who is expected to decide on whether to accept sponsorship in an individual school?

Mr BARNETT: The consultation is going on. I would be concerned if there were any exclusive arrangement; for example, that a school always bought computers from one company. Everyone can have an input into the consultation, but at the end of the day the Government will make a policy decision. All that discussion can go on but at the end of the day I as Minister will make the decision.

Dr CONSTABLE: Could a copy of the policy document be made available to members of Parliament, because I would like to get one in the mail soon?

Mr BARNETT: Yes.

Mr RIPPER: I have come across an example of suggested sponsorship, which I regard as inappropriate. Fortunately the school and parents decided it was inappropriate. A real estate agency offered to sponsor a school in my area to the tune of some hundreds of dollars in return for a very large sign in a corner of the school grounds on a very busy intersection. It wanted access to the list of parents and their addresses. The school and principal rightly strongly rejected that. I hope that sort of breach of privacy would not be allowed under sponsorship guidelines.

Mr BARNETT: I agree.

Mr RIPPER: It points out that not all commercial operators are as altruistic as the Minister would believe.

Mr BARNETT: I agree.

Mrs ROBERTS: Covered assembly areas are listed on page 298 under the heading on school facilities. The provision for estimated total cost is \$25m. The estimated expenditure until 1997 was to be \$7.482m. It seems the actual expenditure is more likely to be \$4.124m, so it has not all been expended. In my electorate a couple of covered assembly areas were anticipated, but did not eventuate. The Bellevue Primary School one is currently under construction, so I will not ask about it. The other is at Guildford Primary School. What is causing the delay in the decision about the location of the covered assembly area for Guildford Primary School? When is it proposed to commence work on it?

Mr BARNETT: Guildford Primary School involves some heritage issues as well. There are wider planning issues involved in it.

Mr BARRETT: The major difficulty at Guildford relates to construction, because we must retain the student toilets as part of the covered assembly area and also the bicycle shed, both of which are considered to be heritage areas. A great deal of work is being done by the architect to try to incorporate those facilities into the redevelopment. It is proceeding as rapidly as possible. Although a final sketch plan has not yet been developed, it will be available shortly to the school.

Mrs ROBERTS: I seek an assurance that Guildford Primary School will get a covered assembly area within the next financial year.

Mr BARRETT: To the best of my knowledge it is included in the program.

Mr RIPPER: The budget indicates that a net increase of 124 FTEs will be allocated to the department, increasing the numbers from 23 562 to 23 686 FTEs. What are the projected losses of FTEs among school cleaners, staff employed at head office and staff employed at district offices? What is the projected loss or gain of FTEs among school administrators? What is the projected gain in teacher FTEs? There is a net increase of 124. What are the calculations in the different categories of employee that account for this increase? I am interested in the figures because the budget must have been calculated on the projected outcomes from the head office and district offices restructures. What assumptions did the department make when the budget was constructed on full time equivalents subject to the outcome of the proposed restructures?

[11.20 am]

Ms VARDON: I refer specifically to the figure of 124 FTEs. Before I go into the detail of that I advise the member that the figure does not relate to any decisions about restructuring across the system because an announcement about those decisions has not been made.

Mr RIPPER: When a budget is prepared, it must be done on the basis of certain assumptions. Assumptions must have been made on the outcome of the restructures, otherwise the budget could not have been developed.

Mr BARNETT: I can assure the member that the decision about restructuring has been very recent. It was definitely post-budget.

Ms VARDON: The early childhood program has had an increase of 283; new schools with enrolments - their flow-on and part year effect - equate to an increase of 94; the cleaners and gardeners reform program resulted in a loss of 152 FTEs; and additions in other minor programs resulted in an increase of 25.

In addition, a general FTE adjustment across the system, which is simply to do with additional 1996-97 FTEs not provided for in 1997-98 because of the change in mix between salaries and contingencies of various programs, resulted in a loss of 126. The increases and decreases result in the variation of 124.

Mr RIPPER: Can the Opposition be provided with a breakdown of the loss of 126 FTEs in what Ms Vardon obscurely referred to as the result of differences between FTE and contingency allocations?

Ms VARDON: We can certainly provide that information if the Minister agrees.

Mr BARNETT: The information will be provided in supplementary information.

Mr RIPPER: I was interested in the reference to additional teachers. The 283 additional FTEs for early childhood education will not all be teachers?

Ms VARDON: It is staff generally and it includes support staff.

Mr RIPPER: Additional teachers includes kindergarten, preprimary, primary and secondary teachers. What is the breakdown of additional teacher FTEs in those four areas?

Mr BARNETT: There are overall changes because the whole system is growing in student numbers, teaching staff, support staff and schools.

Ms VARDON: We can provide to the member the breakdown in the percentage growth of teachers at the same time as we provide the information about the mix of salaries and contingencies which relate to particular curriculum programs and projects finalised at the end of each year. I am pleased the department is employing a significant number of graduates this year. It is good for graduates and employment in Western Australia.

Mr RIPPER: Is the Minister unable to tell the committee how many staff would be lost as a result of the head office restructuring and how many staff will be lost or gained as a result of the restructuring of the district offices?

Mr BARNETT: I am able to, but I will not do that now. I will provide the information next week. I reassure the member that there will be changes to the way Education will be managed. There will not be large changes in personnel, but there will be a shift of resources from the central office to a fewer number of district offices. Some people will probably leave the system and I will outline details of that next week. It is not a major change in that sense, but it will be a change to the way Education is managed and the way in which service of education is delivered.

Dr CONSTABLE: I refer to the Liberal Party's policy before the 1993 election to establish environmental science high schools. Is that a current policy of the Government and, if so, what action has been taken to establish those schools; or are there any schools the department has in mind to establish as environmental science high schools?

Mr BARNETT: It is still a Liberal Party policy and we would like to implement it. As part of the shift towards more district area planning I hope that in the metropolitan area there will be a merging of schools, particularly in the member's electorate.

Dr CONSTABLE: The City Beach Senior High School is an ideal location for such a school.

Mr BARNETT: It is. Out of the merging of schools not only will we achieve more viable student numbers in years 11 and 12, but also resources will be freed up and that will allow the extra things to be done. The member for Belmont will agree that what was achieved at Kewdale Primary School, while it was a primary school situation, is really quite outstanding. At a high school level the benefits of what can be created out of, for example, a Swanbourne-City Beach merger would be exciting. If it is something that that school wants to do, we will support it.

Mr CARPENTER: Will the Minister advise whether there is a list outlining the categories of schools which are earmarked for closure or amalgamation?

Mr BARNETT: No, there is not. It is not the path local area planning will take. The idea will be to take an area, for example, in the electorate the member represents, and look at the high schools and primary schools to work out which schools specialise in certain areas. They may be different from each other and out of that there may come a proposal that some schools close, merge or increase in size. It is something which will be generated by the local community and managed by the Education Department. From my visits to schools I can think of some which, even though they might be viable now, will not be in the future. The City Beach and Swanbourne Senior High Schools are on opposite sides of an area of public open space. By definition, their draw area is cut in half and something logically needs to happen. The Scarborough Senior High School is another school which has seen its student numbers decline. The Belmont and Kewdale Senior High Schools, in the member for Belmont's electorate, should be looked at.

There will not be a hit list of schools and I am not about revolutionary change, but I am about getting better education results. If two schools merge, not only can the quality of education improve, but also the resources which are freed up will allow special things to be done for those schools and other schools. It should not be seen as a threatening process. When opportunities occur, they should be grasped. Another example in my electorate is the Swanbourne Primary School, which is on a very small site and has a growing student population. It has been allocated \$900 000 for improvements. The school community is forming the view that it is not wise to spend that money on the existing school and it would be better to find a new site and build a new school. It may be cost neutral, but it is a one-off chance to get a new school which otherwise may not have been possible. Similarly, in Port Hedland a school had concrete cancer and, rather than patch it up, two schools agreed to merge and have a new school. Those opportunities are rare and when they arise the community would be foolish if it did not grab them. In the older inner city areas there are not many new schools, and there is no doubt the quality of facilities the department provides in new schools is superb. I would like to see that standard of facilities in my electorate.

[11.30 am]

Mr CARPENTER: I understand what you are saying about community involvement, but ultimately who does the decision making?

Mr BARNETT: The Minister, on the advice of the Director General of Education.

Mr CARPENTER: In my electorate, for example, there are two primary schools in Willagee and three in Coolbellup which are under capacity. Is there any plan or strategy to amalgamate the two primary schools at Willagee and two of the three in Coolbellup?

Mr BARNETT: I am not familiar with them. From the way you described it, there may be an opportunity for schools to amalgamate and enjoy enhanced facilities as a result. I hope that something will emerge from the community. I am sure the superintendents and others involved have examined some scenarios. I would be disappointed if they have not.

Mr CARPENTER: They have. I understand there has been a fair amount of resistance among the parent population. The previous Minister had a policy on it, which you changed. Where is the balance between what the community - that is, the parents - may want, and what the Education Department decides may be the better option?

Mr BARNETT: While the final decision lies with the department and Government as it should, for a new school or a merged school to work well it needs the support of the school and wider community. That must be nurtured. As a caring and responsible local member of Parliament, I am sure you will play a proactive role in trying to achieve better results there.

Mr CARPENTER: I hope you play the same role as Minister.

Mr BARNETT: I do in my own electorate.

Mr CARPENTER: I am talking about my electorate.

Mr BARNETT: I know some situations have been controversial. However, at least over the past couple of years all the situations in which I have been involved were based on consensus and community support. In the past two years I have not been in a hostile environment on that issue, except for Burekup.

Mr CARPENTER: I referred to Melville Senior High School earlier. The parent population fears that the school's future is not rosy. Does the department have a plan for the future of Melville High School on which you could give information?

Ms VARDON: No specific plan is in place for any school. We would like the issues of amalgamation, reorganisation and school reform to emerge through the local area planning process, although some areas have more critical needs for attention than others.

In Perth many senior high schools are experiencing a decline in post compulsory enrolments. Recently I sat with the parents and students from Melville Senior High School to talk through staffing issues and some of the issues relating to the school and its future. They are very keen to have the best outcomes for students in the area while retaining some identity for the school. They were interested in the different ways the process of change could be encouraged. However, like many school communities they were first very concerned about how they might increase enrolments in the area. That is always the first stand by a school community when changes are being discussed.

Mr CARPENTER: That is a reasonable position for them to take if as a result of the continual decline in enrolments the school's future is threatened. Can you give some indication of the support the Education Department is prepared to give parents at that school who, from what I understand, have the responsibility to increase enrolments at the school?

Ms VARDON: That was simply a matter we discussed. We covered the demographics in the area, population movements, the age of the population and so forth. The help given at the time the student council negotiated with me was in the area of behaviour management at the school. Concern arose about a reduction in teacher numbers and the effect the student number reduction would have on the behaviour management program trial at Melville High School. As a result of negotiations with the students we put in place some support to continue the behaviour management trial. The students pointed out to me that the school had a reputation for difficult children and from time to time this reputation scared away some students.

Mr BARNETT: Often what parents say is different from the actions they finally take. In a controversial issue in 1994-95 Warwick Primary School voted to keep its school open. Two other schools merged and received upgraded facilities. A number of the parents, however, made a different decision for their children, and moved them to the newer school.

Mr CARPENTER: They may have been the parents who did not vote.

Mr BARNETT: They did and the parents of the children at Warwick Primary School are saying perhaps it should close. It can be difficult for parents to see the bigger picture or look into the future.

Mr CARPENTER: The point about Melville is that there is a leakage in the population of the feeder primary schools away from the high school. The overall demography of the area is not in decline, only the number of students finding their way to Melville High School. The parents were hoping that the department, rather than they, would develop strategies to address the problem. The parents were told they should find ways to attract more students to the school. Surely it is the responsibility of the Education Department to attract students back to the school and to market it.

Ms VARDON: I am interested if they felt they were told that, because that is not reasonable.

Mr CARPENTER: They were told to market the school.

Ms VARDON: An issue in local planning is to work with the community to establish what is happening in the community. It is not possible to generate enrolments if the children are not there and it is not possible to force parents to send their children to a particular school if they are exercising their choice and sending them elsewhere. That cuts across a range of freedoms we want parents to have. Working through that with the community is often a slow and difficult process.

Mr CARPENTER: It may not be possible to force them, but it is possible to provide incentives or enticements for parents to send their children to a school which is suffering declining numbers.

Ms VARDON: There are incentives at Melville High School such as the behaviour management program. Students and parents were keen to talk publicly about the good programs at that school. However, sometimes it is not possible to reverse the decline in enrolments. If we leave that for too long the effects on the children can be detrimental. Local area planning is about working through those issues and confronting them.

Mr CARPENTER: It sounds as though, if Melville High School did not close, you would not mind seeing it change to a middle school or something like that.

Ms VARDON: That is for the community, for example, when we collect the information.

Point of Order

Mr TUBBY: We are getting bogged down on one school. Perhaps the member should take it up at a later date.

The CHAIRMAN: I accept that as a point of order.

Committee Resumed

The CHAIRMAN: Members should quote the page number, the item and the program from within a division.

Dr CONSTABLE: How many non-departmental organisations provide educational programs and receive staffing assistance? How many FTEs are provided, and what is the total funding for those organisations? I am referring to organisations such as the Sir Francis Burt Organisation and the Herdsman Wildlife Centre.

Ms VARDON: I have a list of organisations that receive subsidies and grants.

[11.40 am]

Dr CONSTABLE: That is not exactly what I asked. I am interested in the organisations that offer educational programs and receive funding for staffing. If the information is not readily available I am happy to receive it by way of supplementary information.

Ms VARDON: I will go through the list. The Australian Children's Television Foundation receives a direct grant; it does not have staff attached. The principals' associations, primary and secondary, receive grants and some minimal staffing support within their offices.

Dr CONSTABLE: I am asking a different question. I am interested in those organisations that offer direct educational programs for children, such as the Herdsman Wildlife Centre. I am interested in the teaching aspect.

Ms VARDON: You are referring to teachers at the Art Gallery or in the Gould League. We are conducting a process of making sure we have counted all those teachers, and know exactly where they are, so that we are able to develop service agreements with the agencies to put an end date on the secondment or perhaps roll it over. We want to come to more specific agreements with agencies on where teachers are located. I can provide the list at a later date. The number of teachers estimated in those locations is around 66.

Dr CONSTABLE: I would like to see the list. I presume that because the 66 FTEs are being funded, the Education Department places great value on those education programs which offer excursions and other activities.

Ms VARDON: I expect that is the case in most examples. However, early information indicates that the salaries of the teachers are being paid by the department when the service is not needed any more. That is an outcome of the review.

Dr CONSTABLE: So, you are saying that a review is considering the effectiveness and quality -

Ms VARDON: Yes, to consider quality, effectiveness, and to redirect some of those resources to other agencies that would benefit educationally in the short term. An example is the recent arts education organisation set up to encourage more children to have access to the theatre with their teachers.

Mr BARNETT: While that is happening within the Education Department, the Government, together with the Education Department and the Department of Education Services, is looking at the future of the public education endowment trust fund, which is a long established fund with substantial assets. The moneys have not always been well used for educational purposes. We are considering how much money should properly be used and accountable in the future. One possibility may be to help fund some of those activities.

Dr CONSTABLE: How much is in the fund?

Ms VARDON: Because a lot is to do with land assets which would need to be realised, the figure is around \$7m.

Mr BARNETT: It is \$7m in assets and about \$750 000 a year. The trust owns property and all sorts of strange things. It will require legislative change.

Dr CONSTABLE: Do you envisage that income continuing to be used for those educational purposes?

Mr BARNETT: That is an option. The use of the fund should be more accountable. It should be shared between government and non-government sectors. Some of the extra curricula activities, worthwhile as they are, perhaps should be supported through the use of those moneys.

Ms MacTIERNAN: I return to an issue touched on by the member for Willagee, and which relates to a more general principle. It seems that the decline in numbers many schools are experiencing, particularly at high school level, is not just a result of demographic change but a considerable outpouring of students into private education. Is there a concern that in the long run there will be a ghettoisation of public education? That is, public schools will become education of last resort, and we will not have a broad based school population, which will affect the quality of

education in the public sector. Marketing is relevant. Many private schools, even relatively small private schools, and those without large fee structures, including many Catholic schools, have full time marketing managers. Of course that makes it difficult for schools such as Melville Senior High School and many others, to compete. It is relevant to see what the department is doing to counter that situation - if it is interested in countering that situation. It has been put to me that the Federal Government has set its target at around 93 000 students moving from state secondary schools to private schools because it is cheaper - we pay only a percentage.

Mr BARNETT: I am not aware of the figures for the current school year, but last year enrolments at non-government schools increased by about 5 per cent, and about 1 per cent or a little more in the public sector. That reflects a trend. It may reflect also some troubles in the government sector in 1995. I do not know how to quantify that. However, I suspect the proportion of students in the non-government sector is about 28 per cent, which is below the national average of about 30 per cent. In Victoria it is about 32 per cent. One would expect a continuing trend for faster growth in the non-government sector rather than the government sector. There will be no ghettoisation - as the member put it - in the government sector.

It almost goes back to the previous discussion, to the extent that parents and communities resist mergers, modernisation and upgrading at government schools, which may happen for all sorts of local reasons. What parents do will hold back the ability of the government system to modernise and keep up in regional areas or parts of Perth. Those community constraints are not on the non-government sector. We have had debate about the size of schools. It is easy for people to become emotional. However, the Warnbro Senior High School and the Ballajura Community College - the two recently opened government schools - are superb. They will match, if not exceed, anything in the non-government sector. It requires an economy of scale to reach that situation. I suggest that members take a look at those schools. They will realise just how good they are.

Ms MacTIERNAN: Perhaps parents should be offered a greater choice in government schools. If parents believed in school uniforms and perhaps a stricter regime of discipline for their children, a school could be given more autonomy to structure itself around that desire, so that parents have a genuine choice. That would mean a little more devolvement of power to local schools, to develop an identity. They could then have the funding, as do the private schools, to enable proper marketing of those schools. Another possibility is the development of matriculation colleges for the last two years of school. They could play a positive part in attracting people to the government sector and providing economies of scale so that a substantial range of tertiary entrance examination subjects could be offered.

[11.50 am]

Mr BARNETT: The system is going down all those paths. The two high schools in Geraldton merged to form Geraldton Secondary College. A similar process will occur in Kalgoorlie and probably in the Peel area, and I am sure opportunities exist in the member's electorate. However, a steady canter rather than a reckless gallop is the way to go. It must be managed properly.

Mr RIPPER: I understand the Federal Government has embarked on a policy called the enrolment benchmark adjustment that will deprive public schools of federal funding to the extent that there will be a drift to the private school sector. How much money will Western Australia lose in 1997-98 and in forward estimate years as a result of this policy? Does the State Government regard the enrolment benchmark adjustment as a fair mechanism? If not, what representations have been made to the Federal Government to change it?

Mr BARNETT: That issue was discussed at the Ministers' meeting in Melbourne three months ago and will be a major topic in the next few weeks at the Ministerial Council on Education, Employment, Training and Youth Affairs meeting in Darwin. There is a fair level of naïvety at the commonwealth level about the funding implications of the policy and how government schools, and to a lesser extent non-government schools, operate. A strong view was expressed by all state and territory Ministers. The Commonwealth is rethinking its position on that.

Ms VARDON: I reinforce that the matter is still being negotiated. At an officer to officer level we are making strong representation about the fact that Western Australia has a government and non-government sector in which enrolments are growing. It will not be possible to put the ruler, in the commonwealth sense, across our State. It is still up for grabs.

Mr RIPPER: If the policy were to be applied, how much would the State lose?

Mr BARNETT: I do not think it would be applied in its original form as suggested by the Commonwealth.

Ms VARDON: In its original form it is possible that in the first year there would be a reduction of around \$2.5m.

Dr CONSTABLE: A report of the Australian Council of Deans of Education predicts a shortfall across Australia of 7 000 teachers by 2003. How do you expect Western Australia to be affected by this shortfall? Which teaching areas are likely to be affected? If there will be a problem in Western Australia, what planning has been put in place to do something about it?

Ms VARDON: The deans of education in Australia, with the support of Barbara Preston in Canberra, produced that report. It has been received by systems and Ministers of Education with a degree of interest. At the last Ministers' meeting a few months ago it was suggested that systems themselves conduct national work to see whether they came up with the same figure as the deans of education did. From the Western Australian perspective, a number of things will impact on the supply of teachers. At present the State has an oversupply of primary teachers and a reasonable balance of secondary teachers. We also have a shortfall in secondary teaching support in specific areas. Student numbers at the education faculties in Western Australia are flourishing. The department is employing increasing numbers of graduates because the student numbers are increasing.

It is interesting to consider whether in the long term the age profile of teachers will mean a mass exodus when the baby boomers retire in five years and whether the surplus of teachers will balance out. That situation requires keeping up the confidence and interest of young teachers so they do not drift away from the profession and they are able to see a career path for themselves in the next five to eight years. Given the conversations and meetings I had with graduate teachers around the State earlier in the year, that enthusiasm will carry them through. It would be dramatic if we saw people retiring in five to eight years, plus the oversupply of graduates across Australia losing interest and going somewhere else. I do not think that will occur.

Dr CONSTABLE: In which areas in the secondary sector are there problems?

Ms VARDON: I said there was a possible shortage in the secondary sector, but one must remember the early childhood area as well, given the increased access to it. The areas of concern are technology; mathematics; languages other than English; education support; and manual arts, including vocational education programs that are increasingly put in place in schools. The projected shortfall in those areas can be addressed through retraining some teachers who then can see a better career path for themselves. That is an important relationship that we must work on between the universities and the system. Given the general anxiety of the deans about numbers of graduates versus numbers of places, they have an interest in providing major employers with teachers who are trained in the areas in which they are most likely to find employment, rather than turning out people willy nilly as generalists. We do not anticipate a general shortage of teachers in Western Australia.

Dr CONSTABLE: What adaptations is the department making for part time positions and job sharing, particularly for women?

Ms VARDON: That is an option. I do not believe we do that particularly well now. Our human resources policies and practices are in the process of a major overhaul. There are issues wider than part time work in our system, such as mobility, permanency, probation and the points transfer system. Flexible employment opportunities for women and men must be pursued more strongly than is done now. Another issue for women is that around 75 per cent of the work force is female, but only 30 per cent of administrators are female. We are turning that around over time, and the retirement of the baby boomers will make a big difference. The organisation has established a work force planning unit, which recently had a new head appointed, and that is proceeding down that path with a great deal of enthusiasm and is supported by the Equal Opportunity Commission.

[12 noon]

Ms MacTIERNAN: I turn now to the funding for the Principals Federation that you mentioned earlier. In what program is that funding found?

Ms VARDON: The heads of the two major principals' associations have been seconded into central office to work with the system on a range of reforms and changes. Each of those administrators has a specific service agreement about professional activities, and that agreement excludes any participation in industrial activities. With regard to specific support that we give to those associations, apart from the salaries of those two principals -

Ms MacTIERNAN: What are the precise names of those organisations?

Ms VARDON: The Western Australian Primary Principals Association, called WAPPA, and the Western Australian Secondary Principals Association, called WASPA.

Ms MacTIERNAN: What about the organisation known as the Principals Federation?

Ms VARDON: That is the industrial arm of the Primary Principals Association, which is a separate activity from the professional activities that are undertaken by the two principals who are presently working with the system.

Those professional activities are spelt out clearly in their service agreements, and are management improvement; promotion of equity groups - to pick up the issue of the imbalance between men and women in positions; supporting the use of technology in schools; and promoting Western Australian government education in national and international forums.

Ms MacTIERNAN: Why have you selected the heads of these two associations to perform that task, and have you considered also employing the President of the State School Teachers Union, which is also, in part, a professional organisation?

Ms VARDON: The principals' associations are professional associations. One of them has an industrial arm, which operates at arm's length, certainly from us. The teachers' union is established as an industrial body, and it carries out professional work, as do all unions from time to time, but it is specifically an industrial body, whereas the principals' associations are professional associations, set up for that purpose.

Ms MacTIERNAN: Why, of all the people whom you could have engaged to look at equity and promotional issues, did you select the principals of those two organisations, which represent people who are already employed as principals? They would not necessarily be in the vanguard of change.

Ms VARDON: I think they are in the vanguard of change. They are doing great work.

Ms MacTIERNAN: Why select from them? Why not advertise the positions and choose the most appropriate person for the job rather than people who were elected by a limited constituency?

Ms VARDON: The constituency that elected each of those people is all of the principals in Western Australia, who believe that those two people are best suited to carry out professional work on their behalf with the department.

Ms MacTIERNAN: This is aimed only at principals and not at deputies and other staff?

Ms VARDON: Deputies and other staff are included, but it is primarily for principals. The major focus in the service agreements is management improvement, promotion of equity groups, supporting the use of technology in schools, and promoting government school education. That does not preclude other appropriate people within the government system from being selected from time to time to promote those professional activities, and that certainly happens, but the association presidents are the leaders in that area.

Ms MacTIERNAN: These are ex officio positions, so would a person who was elected to head one of those organisations automatically get a job with the Education Department?

Ms VARDON: That person already has a job with the Education Department because he is a principal.

Ms MacTIERNAN: He would be taken out of his role as principal and put into this position?

Ms VARDON: Not necessarily, but the reform that is needed in the Western Australian system must be led by principals, so it is appropriate to use those two people, for perhaps this year and next year, depending on how the service agreements go. That is a commonsense thing to do. With regard to the representation and participation of the teachers' union, the department has established a number of joint committees, which have on them senior union representatives, to advance reforms in some of the areas that I have mentioned. Professional activities take place right across the system.

Recently, some members of the teachers' union executive who are in the system met for a couple of days to have a good look at our management policies with regard to teacher movement, transfer and appointment to see what we could improve in which areas. Those activities take place across the board and involve everyone. However, the teachers' union is established specifically as an industrial entity.

Ms MacTIERNAN: Is it possible to get by way of supplementary information a copy of the duty statement of those positions?

Ms VARDON: It certainly is, and we have published it in the school newspaper.

Ms MacTIERNAN: Good. My original question was about the Principals Federation; and I understand the distinction you have made. According to past questions that we have asked in *Hansard*, we know that in 1995 the federation received a grant of some \$136 000. Was the federation likewise blessed in 1996, and is any funding provided for it in this Budget?

Ms VARDON: We would need to look at the *Hansard* to which you are referring in order to give you a specific answer; 1995 was a difficult year.

Ms MacTIERNAN: We have the answer for 1995. We are interested to know what moneys were allocated in the 1996-97 Budget, or even in the 1996 calendar year, and whether any moneys have been set aside in this budget for the Principals Federation. You mentioned the Principals Federation earlier.

Ms VARDON: I did; it is a separate industrial organisation, and no funding has been provided for that, but funding has certainly been provided for the two professional associations that I mentioned.

Ms MacTIERNAN: What moneys were provided last year?

Mr TUBBY: We will provide that as supplementary information because that is not available at this stage.

Ms MacTIERNAN: Is that listed in this Budget?

[12.10 pm]

Ms VARDON: I have the figures for the 1997 school year. The support to the Primary Principals Association was conference support \$34 000; other travel support \$1 000; and the salary of the WAPPA president. The support to the Secondary Principals' Association is roughly the same and covers conference support \$8 000; travel support to attend an international principals' conference, \$2 000; salary of the president and a small contingency budget of \$9 000. The support to those two associations is roughly the same and it relates to conference attendance, travel support, and the salary cost of the presidents in each case.

Ms MacTIERNAN: We understand these organisations traditionally availed themselves of the use of the departmental fax stream?

Ms VARDON: They are not able to do that now without my express permission and only if it is a professional issue. I understand that in 1995, when things were a little more heated and disrupted than they are now, there was some use of the fax stream for industrial purposes, but I would have to confirm that.

Ms MacTIERNAN: That is not happening now?

Ms VARDON: It had better not be.

Mr RIPPER: Will the enterprise bargaining agreement negotiations for teachers and administrators that commence on 1 July be conducted solely with the State School Teachers Union of Western Australia or also with the principals' associations for which this support is provided?

Ms VARDON: We will conduct negotiations with the industrial organisations, and we will wait to see what decisions administrators make on how they want to negotiate with us. It is not up to us to tell them how to organise their industrial support.

Mr RIPPER: Does the department expect to be negotiating with that industrial wing of the principals?

Ms VARDON: They have not made a final decision.

Mr RIPPER: Was the First Steps mathematics project deferred in 1996 and, if so, why; and what is its current status?

Ms VARDON: I would rather the First Steps program were called just good mathematics strategies, as First Steps literacy is just good literacy strategies with a commercial package around it. That work is important and it is continuing. Ms Kerr will provide the details of the costs of that program, its objectives and the funding profile. We are able to unpick from that funding profile the major expense items in 1996-97, and the source of funding, because the Commonwealth has made a contribution as well.

Ms KERR: The mathematics project is a significant project. It commenced in 1995 and continued through 1996. In 1995 it was anticipated that its implementation would begin in 1997. However, the Curriculum Council's work in the curriculum framework area is closely connected to this project. The implementation of the curriculum framework will begin in 1998, and so will the implementation of this project. In 1996-97 we spent \$1m. In 1997-98 we expect to spend a similar amount. To give members a sense of the expenditure in 1996-97, staffing was \$600 000, consultancies, \$150 000, travel accommodation, \$100 000, equipment, \$20 000, and grants and contracts, \$30 000.

Mr RIPPER: What money is allocated in this budget for professional development for teachers to implement this project?

Ms KERR: In this budget our aim is to spend the dollars that I referred to on further development of the actual curriculum materials, because they are not yet completed. Our aim is implementation during 1998; which would be in the financial year that follows this one.

Mr RIPPER: Implementation was originally projected for 1997 and now it will be the second half of 1998?

Ms KERR: It will be.

Mr RIPPER: It will not be operating until the beginning of 1999 school year?

Ms KERR: That would be fair. In the same way that the curriculum framework's implementation will be operating within that same time frame. It is vital that they are connected because the project will serve as vitally important support material for the learning area statement in mathematics.

Mr RIPPER: Was the third year of the three year Physical Steps program abandoned and, if so, why? What is the current status of the Physical Steps program?

Ms VARDON: The program was not abandoned.

Mr RIPPER: The department did not supply the funding for the third year, as it did in the first and second years, as originally anticipated.

Ms VARDON: The funding for projects is reviewed on a year to year basis and no funding was made available for the Physical Steps program; it was funded internally. The major initiatives of the program have been maintained. The program was wound up as it was meant to be at the end of 1997 with a decreased resource allocation. As a result of that we have clear guidelines to schools on physical education programs. We have implemented train the trainer programs for district representatives to support physical education teacher networks and those networks will be established and maintained through service agreements with district office funding.

Ms KERR: Projects of this sort had their genesis before the interim Curriculum Council was set up and before it undertook the work to develop the curriculum framework, including the highly important eight learning area statements. As a consequence of this project we have ongoing networks of coordinators in physical education set up in all districts, the planned curriculum support material and documentation has been completed and it will be implemented through 1997-98, 1999 and 2000 as part of our overall implementation of the curriculum framework.

The CHAIRMAN: We must get a few of the ground rules sorted out. Each question should be directed to the Parliamentary Secretary assisting the Minister. *Hansard* will make interesting reading to see whether the questions are going directly to the advisers. Although the advisers are doing a great job, members must relay their questions through the Parliamentary Secretary assisting the Minister so *Hansard* can pick it up and record it accurately.

[12.20 pm]

Mr RIPPER: I understand that. I was directing my questions to the Parliamentary Secretary. I took his silence as acquiescence of his advisers' comments. What moneys are allocated for professional development of teachers to implement the Physical Steps program in this current budget?

Ms KERR: It is \$166 000.

Mr CARPENTER: I refer to the table on page 289 which sets out a summary of key program level outputs. I notice the primary education figures show a reduction from \$143 000 in 1996-97 to \$142 000 in 1997-98. Is there an explanation for that slight decline?

Ms VARDON: There is no specific answer except that the student population of 257 000 has peaks and troughs right across the system. It is not a significant change. It is an estimate for the future.

Mr CARPENTER: Is that abnormal?

Ms VARDON: No; it is not.

Mr CARPENTER: In the same table, I refer to key outputs for isolated and distance education services for students who cannot attend a school in person. This question emanates from a communication I received from parents in the Kimberley. I am not familiar with this matter, but perhaps the Parliamentary Secretary can shed some light on it for me. These people have asked whether changes will be made to the School of the Air this year to replace analogue satellite decoders with digital decoders, making the current analogue decoders redundant, a situation which if it were to occur would seriously affect all families who use the School of the Air, not to mention the schools. Is such a plan in train?

Ms VARDON: We can provide a response to that.

Mr MANCE: There is a program for satellite dishes for schools. As part of that we will be replacing any dishes that have the analogue decoders in them. We cannot do it yet because the digital technology has not been produced. The

estimated time for the replacement was May this year but it looks like it will probably be November or December this year before the digital technology is ready for installation. Yes, they will all be replaced.

Mr CARPENTER: There is a concern that many families would not be in a situation to spend \$1 000 or \$2 000 at short notice and as a result aspects of the education of their children will be affected. Is there recognition that this could be a problem?

Mr MANCE: Yes, it has been recognised. We have been working with the School of Isolated and Distance Education to try to work out how we can assist those families to put this technology into those properties. The plan is to make sure that with the changeover in the technology, those students are not disadvantaged. The advice from the telecommunications carrier is that there will be quite a long transition period and the button will not simply be turned off and on at one time, thereby disadvantaging our clientele.

Mr CARPENTER: When will that transition period be? I am trying to raise the concern that has been put to me and, if possible, to allay it.

Mr MANCE: The estimated time for the introduction of this new technology was 12 months, and will be put off until the end of this year. I assume the transition time will be significant. I cannot give that time; it is up to the carriers. We have expressed our concern and it has given us a guarantee that there will be a sufficient transition time.

Mr CARPENTER: Is there some allowance for financial support for those who need to make the necessary change, and who might otherwise find it financially impossible?

Mr JARVIS: That has not been budgeted for at this stage. It will be a broad issue across the community when we go from analogue to digital. Many families in country towns or on stations are looking at the issue. Along with other departments, we are examining the same issue. There is no easy answer; I do not have a black and white answer.

Ms VARDON: We can look at a package that might assist in some way. We are not ignoring it.

Mr McGOWAN: I represent an outer suburb of the metropolitan area; namely Rockingham. We have a major problem in that a lot of students in that area are not achieving the average academic levels that are found in students throughout the Perth metropolitan area and the rest of the State. One reason has to do with the lack of experience of children in the outer metropolitan area and another factor is the growth of that area. These schools are fairly heavily overcrowded, particularly in the growing southern areas of Rockingham. I have some questions about a number of schools in the southern metropolitan area. An allocation of \$750 000 has been made to the Rockingham Senior High School, but I am not sure what it is for. How will that money be spent? Rockingham Senior High School is in need of a dramatic upgrading of facilities. Will the funding go to that area? If not, into which area will it go?

Mr BARRETT: As the member has suggested, it is going into the improvement area, particularly the technology field. The details of the upgrading will be negotiated with the school during the year.

Mr McGOWAN: The Warnbro Community High School, in the deep south of Rockingham, is state of the art and as good as anything found in the private sector, and of course I welcome that development. Safety Bay Senior High School and the Rockingham Senior High School are in the north of the area. I am comforted to know that some money will be spent on Rockingham Senior High School. However, I am concerned about Safety Bay Senior High School because it has some problems; in particular, vandalism, asbestos in the roof and lack of security. Is the department aware of these problems at Safety Bay Senior High School? Is there any intention to overcome them?

Mr BARRETT: The program for the removal of asbestos has not yet been finalised, but all asbestos roofing will be replaced over a time frame which has been explained by the Government. Matters, such as the improvement and upgrading of Safety Bay Senior High School, are dealt with on a priority basis. We are conscious of the need for an improvement and upgrade program for older schools, and Safety Bay Senior High School falls into that category. The member may be assured that each year due consideration is given to the needs of Safety Bay Senior High School and all older schools and a plan is put together for approval by the Government.

Mr McGOWAN: Does that mean the department is aware of the roofing and security problems at Safety Bay Senior High School?

Mr BARRETT: Yes.

Mr McGOWAN: I refer to the Charthouse Primary School in Waikiki, which is basically half demountables and half permanent buildings. It has a population of about 900 students, which is one of the highest in the State. It is also in the midst of one of the fastest growing regions in the State. I wrote to the Minister recently about whether another

school will be constructed in the east Waikiki area to take account of the rapid population growth. He was not very helpful. Are there any plans for that area? Is there any intention to construct another primary school in that area?

[12.30 pm]

Mr BARRETT: There is no site to the east which will relieve the school. However, negotiations with the school have been undertaken this year to provide improved facilities and amenities. For example, additional funding has been spent on the recreation areas of the school so that the large number of students at Charthouse Primary will not be disadvantaged by having inadequate recreation facilities. Similarly, I believe an extra classroom was provided to enable the school to offer supplementary programs for the larger numbers. Town planning in that area is continuing to expand. However, it has not been easy for the department to find another school which can readily relieve the situation. We believe the numbers have now peaked and those improvement programs which were undertaken earlier this year will assist in alleviating the situation.

Mr McGOWAN: Are you saying you do not have any plans to build another school in Waikiki in the immediate future to alleviate this problem?

Mr BARRETT: Not in the immediate future. As our demographers provide further information and as the town planning schemes expand to the east and south, further school sites will be provided and established as numbers demand.

Mr McGOWAN: The Rockingham Malibu special school was the subject of some media debate last year. The school is not airconditioned. Because of their medical conditions some of the students suffer from the lack of airconditioning. Are you aware of that situation? What actions are in train to address it? I know there was some talk of airconditioning being installed; however, I have been advised that it has not happened yet.

Mr BARRETT: The Malibu school, in common with other schools for students with specific difficulties, is to be provided with airconditioning. I do not have the date on which that will be undertaken. However, it is a priority to be undertaken in the forthcoming year.

Mr McGOWAN: Could the exact date on which it will be installed be given to me as supplementary information?

Mr TUBBY: We will provide that information for you.

Mrs HOLMES: I refer to the third dot point on page 287 of the Program Statements which states that school provisions will take into account the changing population concentration. There is a lot of growth in my electorate, particularly in the Canning Vale area. Is it the intention of this dot point to allow new schools to be portable? If so, when do you envisage that the flexibility of design will be available? Will this approach lead to budget savings?

Ms VARDON: One of the issues confronting the government school system is demographic changes - movements in population and developments. Sometimes that can happen very quickly. Often we do not get sufficient long term warning. We cannot always tell numbers of children relating to numbers of families that move into an area. We need to develop schools to provide a quick response. In Western Australia, as in South Australia, we have in place some very innovative responses to that planning. I am referring to schools in houses and a school in shops, which provide interesting ways to house new schools until there is sufficient population to provide long term school buildings. The only problem is that some of the children enjoy going to school in a house or shop and are not keen to move into a regular school. There are all sorts of ways to provide schooling. We do not have to have the traditional core-plus set of arrangements.

Mr MANCE: As we build new facilities we have what is called a post occupancy review in which we get input from the community and teachers about how suitable the amenity is to the programs that are being offered. The comment was made earlier about the comparison of new facilities to long standing facilities. As we have projected, there will be changes in the curriculum in areas such as design and technology and the creative and performing arts. Teaching practices may change and some teachers may say that they would like to open two rooms for team teaching arrangements and things like that. We need to make sure that the designs can accommodate those sorts of changes, as opposed to the bricks and mortar that are in place and which do not allow much flexibility.

Mr BARRETT: An alternative asset management strategy which is being developed for one school in the northern suburbs next year raises the possibility of having a finite term school also. This will be a school which has a nominated life and the community has agreed to that nominated life and it will be of the type of construction to which the member has alluded; that is, it can be dismantled and re-erected in an alternative configuration at another location when the life of that school has expired.

Mrs HOLMES: Obviously that design is in train. I am aware of schools in houses and shops. The population in my area is growing very fast. Therefore, it would be a waste of money to build a school in an area that has a need now

because that need will change over a number of years. We do not want to waste CF money on a school that will be empty in the future. Is that design available?

Mr BARRETT: The principles upon which the design are to be based are available. However, we have not yet had final submissions from the contractors about the exact configuration, materials and costs. That information will become available as the year progresses.

Mrs HOLMES: Can I be kept informed of that when you get that information?

Mr BARRETT: Certainly.

Mr RIPPER: The Parliamentary Secretary will be aware of the debate about salary packaging and officially promoted tax evasion in the Health Department. A number of people have phoned us to say that salary packages have been offered to personnel of the Education Department and those salary packages enable them to receive tax free fringe benefits. Is that the case?

Ms VARDON: Salary packaging is available for people with workplace agreements. We do not have a workplace agreement in our central office. I understand the Health Department does. That may be the issue to which the member is referring. Some of our principals are able to access salary packaging.

Mr RIPPER: Is anybody in the Education Department on a salary package which enables him or her to receive a tax free fringe benefit or has anybody in the Education Department - schools, head office, district offices or wherever - been offered such a package which would enable him or her to receive tax free fringe benefits?

MS VARDON: Some school principals who have signed workplace agreements are able to access salary packaging. That is consistent with industrial relations rules, regulations and legislation.

Mr RIPPER: What is the nature of those packages, what types of benefits will be paid for, and how much commonwealth tax is avoided by the operation of these packages? This information has been provided by the Health Department, so I hope the Education Department can also provide it.

[12.40 pm]

Mr TUBBY: Are you asking about superannuation packaging?

Mr RIPPER: I understand that in the Health Department people get all sorts of things paid, not only superannuation but also mortgage payments, private school fees and so on.

Mr TUBBY: I cannot answer for anything that goes on in the Health Department.

Mr RIPPER: I am asking about the Education Department.

Ms VARDON: The salary packages principals can access certainly do not include major contractual workplace agreements salary packages, which are generally available only to senior executives. Principals are able to access cars through their salary packaging and that is about the limit.

Mr RIPPER: It applies only to cars and superannuation?

Ms VARDON: No.

Mr RIPPER: What about the payment of fringe benefits tax? One of the reasons this scheme is attractive to the Health Department, despite the ethical issues, is that hospitals as charitable organisations do not pay fringe benefits tax. Does the Education Department pay fringe benefits tax on the benefits offered as part of salary packaging?

Ms VARDON: No.

Mr RIPPER: Is nowhere in the Education Department exempt from payment of fringe benefits tax?

Mr MANCE: Not that I am aware of.

Mr RIPPER: What is the extent of this practice within the Education Department? How many employees are on the workplace agreements that include salary packaging, and how many are eligible to participate in the future?

Ms VARDON: Employees who participate in workplace agreements are eligible for salary packaging, and it is done in a limited way for school principals. For teachers and central and district office staff it was decided not to pursue workplace agreements. That may be reviewed over time but the extent of salary packaging at the moment is limited to some school principals. I am checking to see whether we have the exact figures of those who have signed up at this stage.

Mr RIPPER: I would like that information provided as supplementary information.

Ms VARDEN: We can provide supplementary information about the number of school administrators on workplace agreements and the nature of the salary packaging they can access, but in our organisation it is done in a very limited way.

Ms MacTIERNAN: I refer to the 12 years of schooling offered in Western Australia from the first year of compulsory schooling. It is generally perceived in other States that 13 years of schooling should be offered. There is talk in this State of moving towards national standards. Has consideration been given to making the first year of schooling for five year olds' compulsory, so that 13 years of schooling will be available to children in this State?

Ms VARDON: There is a distinction between the number of years of schooling provided by the system and the number of years that are compulsory. Increased access to school in early childhood years has been provided, but the number of compulsory years - 10 years - will not change.

Ms MacTIERNAN: The view of education authorities in other States is that they provide one year more schooling than Western Australia does, and that becomes manifest when people in Western Australia graduate from school, generally after the tertiary entrance examination, at a younger age than those in the Eastern States. I understand most of the other States offer 13 years of available schooling, plus one or two preschool years. Western Australia offers 12 years of schooling, plus one or two preschool years.

Ms VARDON: When the access to the program for five year old children is fully completed, 13 years of schooling will be offered in Western Australia which will bring it into line with all other States and Territories, apart from Queensland which has suffered from similar lack of access to schooling in early childhood years which Western Australia is now addressing. This State will be consistent but it does not mean that the program for five year olds will be compulsory.

Ms MacTIERNAN: Should it be compulsory if we are to establish a national standard, because it is compulsory in other States?

Ms VARDON: There is a great deal of debate about that matter because the continuum from zero to eight is considered early childhood years and, instead of imposing restrictions on schooling on the basis of age, we look at the children's developmental needs. That is considered important throughout the school years, but particularly up to eight years of age. Western Australia will now offer the same access to 13 years of schooling. Some children repeat year 12 as in other States and Territories, and we cannot provide any additional years of schooling.

Ms MacTIERNAN: If that first year for five year olds is not a compulsory year of schooling, many of the disadvantaged groups will not avail themselves of the opportunity and their children will fall even further behind. The more common the five year old program becomes, the more profound the disadvantage of those groups in which the children do not attend school until it is compulsory. Why is this State not considering making that first year compulsory, as it is in other States?

Ms VARDON: We need to debate whether it is compulsory in other States.

Ms KERR: Basically, we should consider the legal situation. In other States and Territories the program offered before year 1 is not legally compulsory. However, in some States it has been in place for so long that it is conventional for parents to choose to send their children to that program. We certainly hope that situation will apply here in the future. With the change to the starting age, and the change to ensure that the five-year-old program operates five days a week, we will have the same conditions as that of conventional compulsion in other States.

[12.50 pm]

Mr TUBBY: The leaving age will also move out as the entrance age moves out. They will be about the same age when leaving our system at the end of year 12 as young people in other States.

Ms MacTIERNAN: If we accept that the five-year-old program operates by convention as fundamentally our thirteenth year of school, it leaves us in a different situation from other States. We will effectively have eight years of primary school and five years of high school, whereas the other States have seven and six respectively. From the figures the department provided me in answer to parliamentary questions, clearly a cost saving is achieved in having the eight-five system: The amount allocated per pupil in primary school is substantially less than that for secondary school students. Do you see that WA students are disadvantaged by the eight-five configuration rather than the seven-six?

Ms VARDON: This matter varies from State to State. Our situation will be the same as that in South Australia, so the balance of secondary and primary differs from State to State regarding the two options outlined; it depends on

the history of education in each State. We are advantaged in Western Australia because that primary school age range up to year 7 is appropriate. It is a good transition point, as to finish at year 6 poses a few problems. The movement towards different school structures with the emergence of middle schools and children's needs, including adolescent needs, are things all schools are considering. The lock step primary-secondary division around year 6 or 7 is one choice open to parents, and we hope to develop more options. The ACT, for example, has a system of senior secondary campuses for years 11 and 12. We have those in Western Australia. More flexibility in the school organisations is important to parents' choice according to the needs and developmental stages of their children. The move in Western Australia advantages children in the early years considerably.

Mr TUBBY: It will be evolution rather than revolution and more choices will be available. As we have more super schools and top-end colleges, we will see more of the Roleystone scenario with years 6 or 7 to year 10 housed in middle schools.

Ms MacTIERNAN: We should have matriculation colleges followed by years 7 to 10 facilities.

Ms VARDON: It would depend; a lot of debate has ensued on that subject. It is a culture shift in our State for parents to expect to send five-year-olds to school five days a week with full access. The convention in all other States, apart from Queensland, is that that has happened for 50 years.

Ms MacTIERNAN: Many of us have had five-year-olds who have done that.

Mr RIPPER: The "LOTE 2 000, New Horizons" program was announced in March 1995. At the time the Premier said that the aim of the program was to have all government students in years 3 to 10 studying a language other than English by 2000. Also, it was to increase the minimum instruction time in years 3 to 7 to 90 minutes a week, and to have 60 per cent of students studying a language other than English that was an Asian language.

I compare those aims with the current position. My calculations indicate we presently have 42 000 students in years 3 to 7 studying a language other than English, which is 41 per cent of the enrolment group. On 1995 figures published in the annual report, we have 41.8 per cent of year 8 students; 19.4 per cent of year 9 and only 12.9 per cent of year 10 students studying a LOTE. I understand that the current instructional time is one hour, so the aim is to increase instructional time in primary schools by 50 per cent. The current distribution of language studies is European languages, 63 per cent, and Asian languages, 33 per cent. At present, we are a long way from achieving the aims of the "LOTE 2 000, New Horizons" program as outlined by the Premier. The annual report states that \$14m was allocated to implement this program over three years. Given how far we are behind the goals we are supposed to reach by 2000, is \$14m not a woefully inadequate amount to allocate?

Ms KERR: Firstly, we are seeing a tremendous increase in school take-up of LOTE as 150 new primary schools came on board last year. We expect the increase rate will improve greatly over the next couple of years. It is still our expectation that the targets in 2000 will be achieved, and we are working very hard on the major hold-up at the moment; namely, the availability of trained teachers. Programs to train teachers have been put in place since the start of the strategy. We are only now starting to see the numbers of teachers coming through which will see a big increase in the program over the next couple of years. Our view is that \$14m is adequate.

Mr RIPPER: What is allocated in the 1997-98 budget for the expansion of the LOTE program? Is it one-third of \$14m or some different amount?

Ms KERR: The estimated allocation is \$5.5m.

Mr RIPPER: On the question of training teachers, I am told we will not have enough teachers trained to implement the program goals as outlined by the Premier. Also, I am told that the quality of the training is not sufficient. I understand that many teachers are undertaking six-week courses; that is, three lots of two weeks in vocations. That compares to a private college training teachers to teach languages other than English, when taking fluent speakers of languages, with a four-month course at 15 to 18 hours a week. That is what they regard as sufficient, which is way in advance of three, two-week courses for a teacher who may not be a fluent speaker although he or she may understand the written language. Do you think we are giving sufficient attention to the quality and extent of the training which the teachers are receiving?

Ms KERR: I do. The tertiary institutions in this State are heavily involved in training our teachers. We are involved in a project as part of the national LOTE strategy to identify the competency that teachers need to teach a LOTE. Our clear findings are that our teachers, some of whom have short training programs because they are already reasonably confident in that LOTE, and some of whom are confident in another LOTE, have a rather longer transition program. We expect all our teachers of LOTE will meet clearly recognised standards for the teaching of LOTE.

Mr TUBBY: In a number of schools I visit, I am amazed by the LOTE program across the primary school years. We have made a tremendous inroad in introducing LOTEs in our primary schools, in particular, and it will get better.

Mr RIPPER: Some people outside the department have great misgivings about the progress of the project.

Mr TUBBY: It is easy to sit outside and take potshots. The member should go into the classrooms and see which programs are being delivered and see how competent some of the students are in some of the foreign languages; he will be surprised.

Mr RIPPER: It takes a year's full time tertiary study to gain qualification to teach English as a foreign language. That is another comparison with the extent of the training offered.

Sitting suspended from 1.01 to 2.00 pm

Mr RIPPER: Is it true that redeployed former school cleaners have been appointed to work as teacher aides in education support centres or schools? If yes, how many such cases have there been? Have they in some cases replaced experienced teacher aides on temporary contracts whose contracts have lapsed, and on how many occasions has this occurred?

Ms VARDON: The staff the member is referring to had the same choices as other people in the public sector; that is, to be redeployed, paid out or moved to private enterprise. In this case, redeployment of permanent staff can take precedence, as it does everywhere else and if people are suitable, over those who might be on temporary contracts. The instances the member refers to certainly could have happened. However, the people who would have been redeployed into those positions as aides would have been suitable people for the position; they cannot be appointed otherwise.

Mr MANCE: I cannot provide specific figures.

Mr RIPPER: Has the department received complaints from parents about this practice? Has the department been threatened with legal action by upset parents of children with disabilities over this issue?

Ms VARDON: The department has received a couple of complaints, but as far as I know, no threats of legal action. However, the department will need to keep an eye on that.

Mr RIPPER: On the basis of my information, it might need to. Has this budget been constructed on the basis that the cleaning of additional schools will be contracted out in 1997-98? If so, how many additional schools will be transferred to contract cleaning?

Ms VARDON: No, it has not.

Mr RIPPER: How much was paid to Phil Deschamp, the consultant who did the review of school cleaning? Did he submit any drafts of his report before he submitted the final report? Did the department or the Minister request any changes and, if so, were the changes made? Did the cost of the review run over budget or the original tender or quote? When will the Government make its final response following the period of public consultation?

Ms VARDON: A final report with submissions is about to go to the Minister. The other questions the member asked will need to be taken on notice.

Mr TUBBY: We will provide those answers as supplementary information.

Mr RIPPER: How many people are employed to monitor the compliance of contract cleaners with the terms of their contracts? How many companies have failed to perform in accordance with their contracts? Have companies that failed to meet cleaning performance requirements been prevented from tendering for new contracts?

Ms VARDON: In 1996, four contracts involving 15 schools were terminated. Those contracts have been awarded to Master-Care Maintenance and Cleaning Services. Temporary contractors were appointed to do the work. The contracts are due to be relet in October 1997. As well as termination of contracts, we have surrender of contracts, which is similar. In 1996, Berkley Challenge made a commercial decision to surrender two contracts involving 16 schools. Temporary contractors were originally appointed to do the work and since then the contracts have been relet.

We are not in a position to prevent anyone tendering in future to carry out that work. The compliance system is really a quality assurance system. I do not have information about the number of people employed to monitor those cleaning standards; we might be able to provide that. However, together with the Master Cleaners Guild, the department has developed and implemented a quality assurance system that has improved the monitoring of cleaning

standards at the school level. The standard of cleaning, as I would expect as we move into this, has improved considerably. It is a good case for co-regulation of standards of cleaning in schools.

Mr MANCE: We can provide information about the number of supervisory staff. About four or six cleaning supervisors are the conduit between the contractors and the department.

Mr TUBBY: We will provide those details as supplementary information.

Mr RIPPER: Will principals be expected to take a greater role in supervising the performance of contract cleaners? Will this not detract from their role of offering educational leadership in the school? If they do have a role in supervising this cleaning, what say will they have in the awarding of new contracts for the cleaning of their school?

Mr TUBBY: Whether the schools have contract cleaners or day labour cleaners, it is up to the principal to supervise the cleaning. My experience as a principal, having supervised both contract cleaned schools and departmental day labour cleaned schools, is that the contract cleaned schools took far less of my time than did the day labour cleaned schools.

[2.10 pm]

Mr RIPPER: As regards the policy on country incentives, has it been difficult to find or retain staff in many rural schools? I am looking for an estimate rather than a precise number. What is in the current budget to provide incentives to teachers to serve in country areas and rural and remote locations?

Ms VARDON: There are two different categories. The remote teaching package is well in place and proving to be successful; in fact, it will be difficult to move people out of those schools.

Mr RIPPER: Let us look at schools in the wheatbelt, for example.

Ms VARDON: I visited some of those schools last week. The State School Teachers Union of WA and the system agreed to produce a country incentive package in consultation. It has been developed and agreed to and is on its way out, if not already out, to schools for teachers to look at and give us some feedback. For schools that were difficult to staff, the member may recall, apart from some temporary vacancies, our staffing exercise was well in place by Christmas of last year, which was ahead of time. From memory, initially a number of small schools with level 3 principals' positions in the wheatbelt were difficult to fill. We had to do some proactive work to fill them. Certainly all schools are staffed now. For about 30 schools it was difficult to obtain the right complement of teachers by the right time, particularly those level 3 principals' positions. Country incentives may go some way to addressing that, but the whole question of mobility around the system is as important as the dollar value, allowances and so forth.

Mr RIPPER: I note that a country incentives package has been circulated for consultation. What budgetary provision has been made to fund that package, assuming that it meets with teachers' approval?

Ms VARDON: The funding for it will be found from within existing resources. It means looking at a range of allowances and provisions that we presently offer as incentives to people.

Mr RIPPER: Is the witness saying that the net amount paid to teachers in rural areas will not increase?

Ms VARDON: No. As the Minister said this morning, the Education budget is tight and we have to look at our resources very carefully. Country incentives are an important part of the mobility exercise. Those resources will need to be found internally.

Mr RIPPER: The Liberal Party pre-election policy promised to appoint many teachers to the new level 3 teaching positions in the salary structure. How many teachers will be appointed to this level and what is the budget for the initiative?

Ms VARDON: The issue of extra teachers being appointed, to the figure of 300, arose from the enterprise bargaining agreement. Was that the figure the member was after?

Mr RIPPER: I had heard that 300 teachers were to be appointed. I was really directing my question to the Parliamentary Secretary. Does 300 equate to the "many" promised in the Liberal Party pre-election policy?

Mr TUBBY: The member will have to address that question to the Minister. I notice that 300 is the figure to be implemented at this stage.

Mr RIPPER: Will there be more?

Ms VARDON: There may be, depending on growth in the system. I think the figure of 300 does equate to "many".

Mr CARPENTER: Is there an allocation in the budget for school chaplaincy services and, if so, what is the amount?

Mr TUBBY: It is \$90 000. That grant is provided for them to split up and organise how they wish. We do not direct it to individual schools.

Mr MINSON: My concern is that many distance educational centres involve the local community paying considerable sums of money. A case in point is Kalbarri, which I have had to deal with mainly. The local community has put something like \$30 000 into the school. Taxpayers then have to pay again. It is time that we were a little kinder to communities like Kalbarri. The CEO has visited the school this year and, thankfully, shortly after her visit a transportable arrived to relieve the problem. I do not know whether it was fortuitous or whether the CEO initiated it.

Ms VARDON: It was fortuitous.

Mr MINSON: About 18 children attend the school. Having paid their taxes, the parents have to fork out again as members of the community. My other concern relates to the payment from the Federal Government that goes to parents. I cannot remember the amount but I think it is \$1 500.

Ms VARDON: It is means tested.

Mr MINSON: That money is paid directly to parents but the parents who operate the distance educational centre have no right to ask for that money as a matter of course. That must be changed. If we have to change the Education Act to achieve that, then we should do so as a matter of priority, because that money is specifically paid to the parents for educational purposes. Kalbarri has one or two people this year who are not paying. That really means that they are pocketing the \$1 500 and then sponging off the rest of the parents. That is not fair. Apparently it has to do with our Act, which lays down that we cannot raise the fee other than by something like \$50 a year. There are two parts to my question; the first relating to the amount of help that goes to the communities with distance educational centres and the second relating to whether we can as a matter of priority make it compulsory for the money that comes from the Federal Government and goes to parents to be paid directly to the distance educational centres.

Ms VARDON: I spent a considerable time with the parents in Kalbarri. They have expended a great deal of time, money and effort to keep that relatively small number of children going in that good learning environment. I saw successful, achieving children there. The answer to the second issue about whether we can force the Federal Government to pay directly to schools the allowance being paid to parents, is no. If the allowance is paid to parents, then it is paid to parents.

Mr MINSON: I also asked about the support the State gives to centres which set themselves up.

Ms VARDON: There are different models for the way in which parents have chosen to group their children to deal with distance education. There is some teaching time provision and whatever resources the school is able to direct to the children and parents. I agree that, as part of the way in which the School of Isolated and Distance Education delivers its services, there is a need to look at a more supportive and flexible set of arrangements. That is a top priority for that group at this moment.

[2.20 pm]

Mr JARVIS: A key policy issue here is that they are students of the School of Isolated and Distance Education and, therefore, like all other isolated students they are fully supported by that budget. With our help, the parents may choose to get together a group at the local school to provide some sort of support. There comes a point when some people perceive that we are paying for education twice in the sense that these students are full students of the School of Isolated and Distant Education and are also receiving considerable support, which parents on stations are not receiving, to come together as a group in a particular geographical location. It is difficult to provide any equity because there are a variety of these communities throughout Western Australia and they all want different arrangements.

Mr TUBBY: The Government has requested the Commonwealth Government to consider an arrangement where the money is paid to the school or to the parents through the school. The request has fallen on deaf ears.

Mr MINSON: Irrespective of what the Federal Government does, the State Government should amend its legislation. The only distance education centre I have in my electorate is at Kalbarri. The parents involved in that centre spend about \$30 000 of their money and other parents come along and, even though they receive \$1 500, they do not make a contribution to the distance education centre. They put the money they receive in their pocket. The other parents pay the \$1 500 and contribute their own money to meet the cost of the resources and the teachers' additional time, to which the Government contributes, although it is not always for a fulltime teacher. An issue should be made of

it. The money which the parents refuse to pay is paid to them by the Federal Government for the purposes of education and they spend it on something else.

Mr TUBBY: The Government hopes that within four weeks the Green Bill for the new education legislation will be released for public discussion. It will gratefully accept a submission from the member for Greenough on that issue.

Mr RIPPER: On behalf of the Opposition I would like to thank the officers of the Education Department for the information they have provided.

Division 26: Country High School Hostels Authority, \$2 074 000 -

[Mr Johnson, Chairman.]

[Mr Tubby, Parliamentary Secretary.]

[Mr P.L. Barrett, Acting Director, Facilities and Services, Education Department.]

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

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

Mr MINSON: My question relates specifically to the Morawa hostel, but it can be applied across the State. It is in a similar vein to the question I put when we debated the previous division. I have served for a long time on the Morawa agricultural school board. I have not been an active member of the board for the past three years because I was a Minister. However, a number of parents of the students at that school do not pay the boarding fees even though they receive assistance of between \$5 000 and \$6 000 from the Commonwealth Government. For a long time we have tried to get the Federal Government to pay that money directly to the hostel if the student is a boarder. It is even worse than the example I gave previously because parents are prepared to pocket thousands of dollars and leave the Morawa hostel to pick up the tab. I do not know what the State Government can do. It is a legal issue and it must be resolved as quickly as possible. It is not fair on the other students and parents.

Mr TUBBY: My advice is that the Morawa hostel does not come under the Country High Schools Hostel Authority. It comes under the Education Department.

Mr MINSON: I ask the Parliamentary Secretary to pass my question to the Education Department.

Division 27: Curriculum Council, \$6 230 000 -

[Mr Johnson, Chairman.]

[Mr Tubby, Parliamentary Secretary.]

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

[Mr P.L. Barrett, Acting Director, Facilities and Services, Education Department.]

[Mr P.J. Browne, Acting Chief Executive Office, Department of Education Services.]

[Mr T. Gillespie, Manager, Finance and Accounting, Department of Curriculum Council.]

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

Mr RIPPER: The Opposition does not have many questions on this division because the Department of Curriculum Council legislation was debated recently in the Parliament. One of the issues raised in the debate was the question of resources. The Curriculum Council has a budget of \$6m and it is responsible for matters currently handled by the Secondary Education Authority. It will be responsible for developing a curriculum framework from kindergarten through to Year 12. I believe it will take over the mandate for curriculum development from the Education Department. A budget of \$6m is not adequate for this task. Both the Education Department and the non-government sector will end up making approaches to the Government for additional resources to implement curriculum as a result of Curriculum Council initiatives. Is this budget adequate and for how long will it remain at \$6m?

Mr TUBBY: Before I ask Mr Albert to respond I advise that the Minister answered a question earlier in which he said that this is the first full year the Curriculum Council will be funded. It will take some time before it develops detailed curriculum material. The eight curriculum learning areas are still being developed. I have no doubt that the budget will increase in future years.

Mr RIPPER: I suggest the Parliamentary Secretary look at the forward estimates because the figure decreases slightly.

Mr ALBERT: The budget has been framed for the first year as a planning year. Negotiations are currently underway with the Education Department. The director general alluded to that during the debate on division 25 when she referred to the transfer of resources from the beginning of 1998. The Minister indicated that he wants a submission put forward in the coming budget process to take the Curriculum Council to the next stage, which is implementation.

Mr RIPPER: What is the rough division between the Secondary Education Authority and the new Curriculum Council activities?

Mr ALBERT: The Curriculum Council part is \$1.215m. I refer the member to page 252 of the Budget Statements where it is listed as "Curriculum Framework and Support, Accreditation, and Student Assessment and Certification".

[2.30 pm]

Division 28: Education Services, \$113 562 000 -

[Mr Johnson, Chairman.]

[Mr Tubby, Parliamentary Secretary.]

[Mr Browne, Acting Chief Executive Officer.]

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

Mr RIPPER: This part of the budget shows a reduction in expenditure. I understand it relates to a decision which may have been made to outsource the capital for the low interest loan schemes for non-government schools. I think the issue is referred to in the Budget Papers but information I have suggests the Government is not proceeding with that proposal. What is the reason for the disappearance of \$26m from the capital services section of the Education Services budget? What decision, if any, has the Government made on the low interest loan schemes?

Mr BROWNE: The \$26m difference relates to the omission now of that money previously loaned to the non-government sector. It will be the system in future, but not necessarily from 1 July, for the money to be borrowed from Treasury Corp. It will not be borrowed from the private sector beyond Treasury Corp.

Mr PARKIN: Currently negotiations with Treasury and Treasury Corp are seeking access for non-government schools to the same amount of money. Provision is in the budget for a further \$10m, which will bring the total in the new financial year to \$36.5m. That is \$10m more than in the current financial year. It is a case of changing the reporting of the information. Previously, the money for the low interest loan scheme came from Treasury Corp to Treasury. It was put into the consolidated fund. Now in the consolidated fund for the department's expenditure is the cost of the interest subsidy.

The Cabinet agreement of last year to do this gave a guarantee that non-government schools would continue to access the same scheme. In all the discussions, the integrity of the scheme is being preserved. An allocation of \$2.1m is in the budget to meet the cost of the interest subsidy for allowing schools access to the \$36.5m.

Mr RIPPER: Can the Parliamentary Secretary give the committee a guarantee there will be no impact on the current concessional arrangements available to the private school sector?

Mr TUBBY: There will be no negative impact.

Mr RIPPER: Two issues may be creating pressure on the resources of non-government schools in particular, especially in the Catholic sector. One issue is the necessity to implement new curriculum initiatives. It has been suggested to me that it may be necessary to provide additional assistance to non-government schools to enable them to effectively implement initiatives arising from the work of the Curriculum Council.

The second issue of concern to me is the provision of computers. This is a big issue for all parents and the government school sector. Is there a danger that certain non-government school sectors might have trouble keeping up with the demand to install information technology, therefore placing pressure on the Government to provide more assistance in that area?

Mr BROWNE: The Department of Education Services, particularly the directorate of the non-government sector, is responsible for the per capita payments to non-government schools and for low interest loan schemes. Beyond that we cannot speak about the manner in which they meet resourcing demands. However, the Government has moved towards achieving the 25 per cent it said it would endeavour to achieve. In this financial year it comes close to that, if not achieves it.

Regarding the curriculum framework, professional development is an issue. That was discussed this morning. I suspect that in the next few years the non-government sector will be asking where the funding for that will come from.

There is some expectation that although the professional development will be the responsibility of the respective systems, the non-government sector will be looking for some assistance. That has not yet been resolved.

Mr PARKIN: Other than what might be accessible to non-government schools or indeed government schools through the budget of the Curriculum Council to implement initiatives such as meeting relief teacher costs, the model we operate on for the funding of non-government schools is based on what it costs the Government to educate a child in a government school. Therefore, any costs to the Education Department in computing and curriculum over a period indirectly flow through with the adjustments made to the rates paid for students in non-government schools. Admittedly there is a time lag of one or two years. However, the consequences of increased costs for government schools eventually flow on to the non-government sector through the subsidy arrangement.

Mr RIPPER: I thought the time lag might be only one year, but you indicated that it could be up to two years. The non-government systems are constantly behind increases in costs in government schools. If an initiative is taken in computers or some other area the Catholic system, for example, will have to delay implementation of that initiative for a year or two or cover the costs for that time itself. Has any consideration been given to changing the formula to deal with the time lag?

Mr PARKIN: Burdens on non-government schools for costs such as increases to teachers' salaries are addressed through a submission to the Government for an additional amount to bridge that gap. In the areas you speak of it is always open to the Catholic Education Office to seek to have that gap met during its budget submissions.

The reason for the time lag is that it takes more than a year for the basket of costs to be assembled and calculated by the Education Department. They then go into a national collection before being returned to us so that we can adjust the grants. It is the way the calculations are done. The catch-up could be the subject of a separate submission in a forthcoming budget.

Mr RIPPER: I understand that a difficulty for non-government school systems is obtaining land for new primary school sites. Developers are required to make available land for a government primary school site when a subdivision is prepared but are not required to make a site available for a non-government school. Non-government schools can be required to pay perhaps \$1m or more for a primary school site. I understand that a non-government system was asked to pay \$1.4m for a four hectare school site. Has consideration been given to arrangements for making land for school sites more easily available for non-government systems?

[2.40 pm]

Mr PARKIN: We are well aware of the issue. The low interest loan scheme is an avenue whereby the Government provides subsidised interest loans for non-government schools to meet that cost burden. The policy issue involves more than the Minister for Education. It would be necessary to effect some change in the relationship between the land development industry and the Government to enable land to be provided more cheaply to the non-government sector. The policy at the moment is that primary school sites are ceded free of cost to the Government by land developers. One or two enlightened land developers can see the advantages in subdivisions of having a non-government school, from a marketing point of view. They offer concessional rates to the non-government school as an incentive to go in and open a school at an early stage. The issue, I guess, is for the land development industry to have more pressure applied to it to see a non-government school as part of the necessary infrastructure for a community. Until such time as it accepts that, I cannot see that many developers will want to provide land free of charge or at a substantially reduced cost to private schools.

Mr RIPPER: I understand that all school systems have trouble providing resources for the integration of children with disabilities into mainstream schooling. We discussed this issue this morning. Does the Government recognise the difficulties that non-government systems might have in meeting the demands and expectations of parents that their children with disabilities should be able to have a non-government education similar to that available to children without disabilities?

Mr TUBBY: We recognise that, and pay a higher level of grant to the non-government sector for a small group of children who attend with special disabilities.

Mr RIPPER: Does the Government intend to increase the allocation provided for that program?

Mr PARKIN: The issue is raised during budget submission time when, say, the department has put to the non-government sector representations about carving up the cake which they would advance as a priority. Their preference is always to increase the general per capita funding. Unfortunately, any money in the cake for special education purposes tends to get a lower priority. Some people would argue, as you do, that the level of support for special education should be higher. The supplementation we provide is a very small amount extra to those children who also receive commonwealth funding at a slightly higher rate in non-government schools.

Mr RIPPER: What amount is provided?

Mr PARKIN: The budget amount on top of the general per capita amount is \$450 000 in the coming financial year. It is not in the budget papers but in the document which outlines the details. The cost of mounting special services in non-government schools, as in government schools, is high. Students in non-government schools who require special education, if the parents make that choice, face a limited choice because of a lack of resources. They may well find they get a better standard of service in the government system for dealing with the difficulty.

Mr THOMAS: A subheading of the summary of key program level outputs is "Higher Education". Reference is made to policy advice and output, and database information. What policy advice is being provided to the Government on higher education? The allocation is \$4.6m. The major achievements for 1996-97 do not include any reference to higher education. What subjects are being canvassed in any advice to the Government?

Mr BROWNE: I assure the member that it is not \$4.6m-worth of advice, however hard we may try! The advice relates to representing Western Australia at the commonwealth level in the joint planning committee negotiations for commonwealth funding both for student places at the universities in Western Australia and for capital growth. It has become increasingly important in Western Australia, where we have four public universities and one private university, with something like 13 or 14 campuses, and in some cases campuses on opposite sides of the road, that we move towards more rational delivery of higher education. We work extensively in that area.

It was a decision of the Government to move from Miscellaneous Services to the budget of the Department of Education Services funding for a range of matters, largely loans to Curtin University - then the Western Australian Institute of Technology - and the American university which go back to 1973 and 1975. The funding was also for the Music Examinations Board and other matters, including the university superannuation fund. That reflects the main part of the \$4.6m.

Mr THOMAS: Is all of that \$4.6m covered by policy advice and support for higher education?

Mr BROWNE: "Support" is the significant word.

[2.50 pm]

Mr THOMAS: That is a bit misleading. A concern is the lack of policy on higher education matters. A concern that has been raised with the Opposition is the amalgamation of universities generally. The Minister said he thought it was desirable and that perhaps there should be only two public universities in Western Australia. One issue that has been canvassed extensively is the proposal for the amalgamation of Murdoch University and Edith Cowan University. That seems to make sense. The Opposition is concerned that the Government and Minister for Education are not providing leadership in this issue. It is an issue in which the State Government should properly have a view because these institutions are constituted under state legislation and their amalgamation would require legislation, presumably introduced by the Government. Has the department been provided with any advice on that matter? If so, what was the nature of that advice?

Mr BROWNE: The Minister is keen to see the number of universities in Western Australia reduced. When we consider the number of universities we have per head of population, one can understand his reasoning. Murdoch University and Edith Cowan University initiated discussions about a merger. Discussions on a merger occurred previously between Murdoch University and the University of Western Australia; however, on both occasions they found the obstacles were too great. Although the Minister has met the vice-chancellors of those universities frequently, he has chosen not to make a more significant move at this time.

More recently Murdoch University initiated discussions with the Bunbury campus of Edith Cowan University. There was some untidiness in that matter. This issue gives rise to the consideration of the rational delivery of tertiary education in Western Australia. Following their discussions with the Minister for Education, commonwealth officers are coming to Western Australia in June to meet us and the Minister to discuss ways we may utilise some of the Commonwealth's \$26m - a national fund for the rationalisation of the delivery of tertiary education in Australia - and to see whether we can offer some funding to bring about a rationalisation. I do not think it will be a merger. Moves may be made in Western Australia. We can consider the matter from a demographic point of view or a strictly geographic view. Rationalisation has occurred in Kalgoorlie, Midland, Bunbury, Mandurah, Rockingham and Joondalup. We have not moved further north than Joondalup; however, we will need to do that at some time. We must look at ways to get the four public universities to the table to discuss rationalisation.

Mr THOMAS: The Government should be providing more leadership in this area than it is. If we wait for all the institutions to agree, we might be waiting a long time.

The Government's budget paper on science and technology announces the establishment of a fund of \$4m a year to provide scientific infrastructure for centres of excellence. One presumes that most, if not all, of those would be located in the universities. From where is the Government obtaining advice on which institutions those funds will be directed to?

Mr BROWNE: This does not fall within the strict domain of the Department of Education Services.

Mr THOMAS: Presumably that infrastructure will end up being owned by universities; therefore, the Government must prioritise the allocations to universities. Are those allocations at ministerial discretion?

Mr BROWNE: The matter is handled by the Department of Commerce and Trade. That department established an advisory council, on which I serve. Beyond that, it has established expert committees that examine each submission before the funds are allocated. It has put in place strict monitoring and accountability mechanisms.

Mr THOMAS: What is the name of the advisory council and who is on it?

Mr BROWNE: It is for the development of the centres for excellence.

Mr THOMAS: Apart from you, who else serves on it?

Mr BROWNE: The chief executive officers of the Department of Commerce and Trade and the Department of Minerals and Energy, a number of heads of sections in the Department of Commerce and Trade, and a number of industry representatives.

Mr RIPPER: Is the State Government tightening its assessment and registration procedures to adjust to the situation caused by the abolition of the Federal Government's new schools policy? If not, why not?

Mr BROWNE: The perception by some is that with the abolition of the new schools policy there will be a proliferation in Western Australia of schools with small numbers. Since the abolition of that policy there has been no discernible difference in the rate of application for those schools. More specifically, we are putting in place a mechanism to ensure there will not be an irrational development of those sorts of schools.

Mr TUBBY: Those mechanisms, which the Minister hopes to release for general comment in about a month, will be included in the Education Act.

Mr PARKIN: To replace the new schools committee process Ministers agreed in principle to the formation of a committee that will undertake basically the same type of assessment of new non-government school proposals and examine the impact of those schools on existing schools so the viability of government or non-government schools is not threatened.

Mr RIPPER: Who will be represented on that committee?

Mr PARKIN: It will comprise representatives of the Education Department and the peak non-government school representatives, such as the Catholic Education Centre and the Association of Independent Schools. For decades non-government schools in this State have contained a small number of students; the median size is about 200. Our registration guidelines already contain provision for a financial viability check. We do not allow any school to open unless we are convinced from the student enrolment numbers that it will have the financial wherewithal to sustain itself in the long term, rather than being a fly-by-nighter that operates for only a short time. We do not have a specific figure in our guidelines that replaces the commonwealth figure. That may be something the committee suggests the Government include in guidelines for the registration of new schools.

[3.00 pm]

Division 23: Resources Development, \$23 615 000 -

[Mr Johnson, Chairman.]

[Mr Barnett, Minister for Resources Development.]

[Dr D.R. Kelly, Chief Executive Officer.]

[Mr R. Atkin, Manager, Financial Branch.]

Mr GRILL: Certain figures at page 828 and 829 leap out at you. The major one is the huge drop between the actual for 1996-97 of \$30 257 000 and the estimate for 1997-98 of \$23 615 000. That appears to be due to a corresponding drop of about \$7m for coordinating resource development projects. That indicates, on the face of it, that over the next 12 months there will be a huge drop in resource development projects that need coordination. I presume that is not true, but why is there such a huge drop between those two figures?

Mr BARNETT: The member for Eyre is right; certain figures do jump out. It is a little difficult to interpret expenditure within the Department of Resources Development from year to year, and we have discussed this matter within government. The actual expenditure of the department in its public sector role for salaries, administration, rentals and travel is reasonably stable. However, expenditure by other agencies is often channelled through the department for a major development - for example, the department's work on the Ord River expansion, or the state assistance for the direct reduced iron plant - and those items tend to be highly volatile from year to year according to timing and are often difficult to nail down to a particular year. They may happen in the year that we estimate, or in the following year, or the project may not come to fruition and disappear. We will see whether next year we can distinguish between the day to day operation of the department and what Dr Kelly calls pass through items - items which appear in the budget of the department but are expended by other agencies.

Dr KELLY: In going from the 1996-97 estimate of \$30.257m to the 1997-98 estimate of \$23.615m, a number of items have finished or are tapering off, and that accounts for the drop in those figures. For example, the amount that will be spent on stage 2 of the Ord River development will decrease by \$600 000. Similarly, a total commitment of \$2.5m has been made for the Boodarie Estate in Port Hedland, but next year that amount will decrease by \$2.5m because we have paid the money that is necessary.

Another substantial amount which was paid this year but will not be paid next year was a rebate of \$8.8m to BHP for stamp duty, which flowed out of various agreements. Stamp duty was paid by BHP to State Taxation and was then rebated though a payment from DRD.

Those major items that were paid last year will not be payable in the coming year. Additional funds, which we will be expending this year, include \$4.8m for infrastructure for the AUSI steel project; and \$1m for a number of initiatives connected with Pilbara processing; that is, for various studies and work on petrochemical industries, liquefied natural gas and iron ore processing. Those are the major differences between the \$30m spent in 1996-97 and the \$23.6m intended to be spent in 1997-98.

Mr GRILL: The \$8.84m rebate of stamp duty is an extraordinary item. Does that account for the drop from \$15m to \$6m for the coordination of resource development projects?

Dr KELLY: That \$8m makes up most of that.

[3.10 pm]

Mr GRILL: On page 828 the actual expenditure for this year is \$30m, and the forward estimates show a fairly big drop off of \$7m in the next year and then \$11m and \$11m for the succeeding two years. We are only two years out and the projection for the department's funding is that it will decrease by about two-thirds. I appreciate the volatilities that the Minister referred to; however, these estimates must have some sort of reality attached to them to be useful. The cost of running the department with other extraneous factors will not come down to below \$12m. How realistic are these figures? Should not forward estimates be presented on a basis that reflects future reality?

Mr BARNETT: It is hard to do that in a budget. The cost of the core administrative side of the department can be predicted as that is fairly stable; it is probably tied given the level of development. I agree that the figures for 1999-2000 and 2001 will be well above that. Who knows at what stage we will be with the petrochemical project. We cannot predict those things or what other projects might drop out of the sky.

Mr GRILL: Page 829 refers to an adjustment for the transfer of the Minister's office costs to the Ministry of the Premier and Cabinet. Is that happening right across the board?

Mr BARNETT: The Department of Resources Development had been the host department, which is somewhat strange. Since I have taken on Education extra staffing and expenditure has been required. Ministerial offices are now listed under the Ministry of the Premier and Cabinet.

Mr MINSON: On page 831 reference is made to significant reductions in energy costs and some of the projects that are taking place. Since we are now the major producer of oil and gas, are we nearing the point at which we may foster the establishment of another refinery somewhere in Western Australia? Western Australia gets nailed to the wall on the prices of diesel fuel and liquefied petroleum gas. The price of auto gas in this State is considerably higher than in other States; sometimes it is 25 to 30 per cent higher. It has been like that for a long time. I spoke to our own refinery about it and got a most unsatisfactory answer. Since competition seems to solve these problems, I am interested in whether the Minister believes it is feasible to establish a second refinery in Western Australia at some time.

Mr BARNETT: It is an issue that I have not thought about. The major emphasis with new projects is on getting something started in the petrochemical area, rather than on other projects which are at various stages of feasibility.

Dr KELLY: Refineries are mainly aimed at the market that they serve. We are still a relatively small number of people. I would have thought that the opportunity for direct competition with existing refineries is fairly remote for some time to come. We may have the chance, through what we are doing with petrochemicals and the North West Shelf to do something about methanol and chemicals of that nature. We might start to get into other products which are used elsewhere in the State.

I suppose LPG is one example, where it is produced not only adjacent to the existing refinery, but also on the North West Shelf out of natural gas. There will be competition with some of those products. However, replicating an existing refinery with a range of products is some way away.

Mr MINSON: I understand that refineries can be quite small operations and still operate economically; in other words, there are no economies of scale after a certain point. In Western Australia the use of energy - that is, diesel fuel and petrol - per capita is high. Although we are only 1.7m people we cover great distances. I thought the department may have given some thought to this, and it might be something for the future.

Mr GRILL: On the basis of the Treasurer's advance projections and last year's advance estimates the department appears to have overrun its budget substantially by something like \$10m. If that is correct, what is the reason for that?

Mr BARNETT: It is not so much that the department has overrun its budget, but rather that the Government makes decisions during the year to do certain things which are often channelled through this department. An example that comes to mind is the expenditure on planning and environmental assessment of the Oakajee estate that emerged during the year.

[3.20 pm]

Dr KELLY: There is a difference in the 1996-97 estimate of \$19.9m and the estimated outturn of about \$32.57m, which is attributed to the \$8.8m for stamp duty which I have mentioned. That was decided during the year and added to our budget as a supplement. An additional figure of \$1m represents further expenditure on the South Hedland enhancement scheme, which was added during the financial year. The other major contribution has been half a million dollars for the Oakajee study. Along with those three major items, there were a few minor ones which had been added to our activities during the year and were therefore added to our budget.

Mr GRILL: Those raw figures seem to leap out a bit.

Mr BARNETT: I do not know how we can deal with that in the overall format of the budget papers. It would be better, particularly for this department, and easier to interpret if we had a base operation area and special items clearly distinguished. That may upset Treasury's format, but it is very difficult to look at these figures to make comparisons from one year to another.

Mr GRILL: The inclusion of the \$8.8m of stamp duty seems quite extraordinary. People looking back at that item, without the help of the explanation I have been given, would have been rather concerned about it. I am happy with the explanation given. An item on page 830 refers to services and contracts. It looks like a fairly big ticket item at \$7.102m. I presume that has gone to an array of contractors or consultants.

Mr BARNETT: Yes, it has. Much of the work the department does is project based and many of the tasks are, therefore, taken on by consultants, rather than its increasing the internal staff. Obviously a whole range of expertise is required. For example, we now need people who understand hydrology, sea beds and the like for the Oakajee and the port issues. The department will never contain that sort of expertise. Sometimes it can be accessed from other government agencies; however, the philosophy is very much to use consultants on a project basis.

Mr GRILL: For the sake of accountability, the major recipients of the \$7m should have been disclosed. Is it possible to make that information available?

Mr BARNETT: They are disclosed through procedures put in place by the Premier. A document of all major consultancies and commissions undertaken by government is produced; they are reported publicly. That is available.

Mr GRILL: Not the small ones.

Mr BARNETT: If the member would like a summary of the details, I will happily provide that. We can provide an assessment of the major contracts let through the department over the past 12 months. They are all done through the tender process. It is a very open and accountable process.

Mr GRILL: I have no doubt about that.

Mr BARNETT: We will provide that as supplementary information.

Mr GRILL: I have another question about the transfer payments for trust funds shown on page 830. A fairly large sum, \$5.4m, is in that trust fund now. Which trust fund is that and what is it for?

Mr ATKIN: There are three different trust funds. There is \$3m in the South Hedland enhancement scheme, \$1m in the Channar fund and about half a million dollars in the forest residue fund.

Mr GRILL: I think they are referred to later in the estimates. A large sum of \$9m was paid out last year under the heading of "Securing Resources Development". I suspect the \$9m includes that \$8.8m.

Mr ATKIN: Correct.

Mr GRILL: It also shows an amount of \$470 000 to be spent in 1997-98. What will that be spent on? It is not a large item; however, it is set out under the category of expenditure referred to as securing resource development.

Mr ATKIN: It is a \$340 000 transfer payment to the Industrial Supplies Office of WA and \$130 000 for assistance to the Bunbury Port Authority.

Mr BARNETT: If I am correct, the Industrial Supplies Office relates to supporting what happens at the Chamber of Commerce and Industry of Western Australia, and also an officer working in the south west on, for example, the Collie Power Station project and the concrete structure at the Bunbury Port, and I hope on some alumina projects. The experience of that has been good in terms of the local content.

Ms ANWYL: On page 830 an increase of \$2.5m is shown for fostering resources development. I am seeking an explanation of the reason for that and also a summary of the way in which that \$5m-odd will be expended.

Dr KELLY: In the 1997-98 estimate of \$5.18m, a major increase of \$4.8m has been set aside for roads connected with the AUSI Steel project, which is based near Cape Lambert. This road would connect Karratha to Cape Lambert. That money will be expended if that project goes ahead. On top of that \$350 000 is being paid to Homeswest for a number of blocks of land in South Hedland which have been purchased by the Broken Hill Proprietary Co Ltd. That company had a right to buy that land at cost. Homeswest had an obligation to sell that land at valuation. This money is to be paid by the State as a community service obligation to Homeswest, reflecting that it was required to sell it at valuation, rather than cost.

Ms ANWYL: The third dot point on page 831 talks about provisional infrastructure. Does that refer to the fostering resources development item, in terms of the existing funding for the projects in the northern goldfields?

[3.30 pm]

Mr BARNETT: The northern goldfields mineral province study has received state and federal funding on a 50-50 basis. I imagine that is included in that.

Mr RIPPER: Dot point 4 on page 834 states in part -

As part of this process during the year the department prepared estimates of forecast infrastructure demands over the next five years and commenced discussions with State Treasury about how these needs might be funded.

We would be fascinated to see what these forecasts of infrastructure demands are. Would you consider making that forecast available to the Parliament?

Mr BARNETT: I do not have any hesitancy about it. However, it was to give Treasury a feel for what sort of infrastructure demands there would be on the public purse. We are trying to get a feel for how resource projects will impact on roads or even on social infrastructure and population changes in towns - that sort of thing. I am not being elusive about it. The purpose is to provide information to Treasury for long term financial planning.

Mr RIPPER: The provision of this information is important to members of Parliament. We will have to make our own judgments on Budgets!

Mr BARNETT: No. With respect, it may not be. The member will know from any research project in which he has been involved that he collects and collates information from all sources. It is then assimilated and put into, in this case by Treasury, the preparation of forward estimates on capital. To take what is fed in and give it stature may be inappropriate in this case. For example, there may be double counting of DRD and transport on road issues or port issues or whatever else.

I do not think it is appropriate because it is information that is prepared for Treasury by this department and then collated with information from a whole lot of agencies and put into the forward estimates process. In other words,

the department and I will not necessarily pin our hats on simply supplying information to Treasury which it will assimilate and produce into some format.

Mr RIPPER: Are you suggesting we ask Treasury?

Mr BARNETT: Essentially, yes. Who knows what has been discounted or eliminated because it has been duplicated or whatever. Part of the role of government agencies is to provide information to the central bodies.

Mr GRILL: Has this information been prepared? The dot point clearly indicates it has.

Mr BARNETT: Obviously. However, I have not seen it and I do not see that as one of my roles. I would be concerned about commitments we may get involved in on individual projects. What the department provides to Treasury so that Treasury is able to have a long term view of the demands on state finances is another exercise. I do not know what level of detail or comprehension the document contains.

Mr GRILL: Are you saying definitively that you cannot make it available to the Opposition?

Mr BARNETT: I have not seen it; that is not surprising. I think it would be wrong to suggest that this is some sort of infrastructure plan or anything else. It is not a document or material of that standing.

Mr MINSON: The Kemerton Industrial Park expansion is referred to on page 836 of the Program Statements. Has a decision been made about that? What must be done from this point on? I understand the park is approaching being full.

Mr BARNETT: Kemerton has a lot of capacity. One of its limitations is that it does not have a deep sea port immediately adjacent to it. I expect there will be further investment in Kemerton - perhaps power generation and a few other things.

Mr MINSON: Will the expansion take place?

Mr BARNETT: We would like to expand the core area. However, it would not be done to accommodate industry that is around the corner; it would be a long term project to try to maximise the long term viability of Kemerton. There is space now for new industry to go in. However, in 10 years there may not be.

Mr MINSON: Is there any chance that the port will be built one day.

Mr BARNETT: There is a lot of local opposition to doing something. I would like to see something done about a port. The long term future is in that direction. Currently work is being done on a transport corridor into Bunbury, which is a good port.

Mr MINSON: It is bit far away, is it not?

Mr BARNETT: Yes. There is also frustration with an industrial site such as Kemerton which is almost on the coast, but not quite. If it could be given direct seagoing access, it would be much more attractive for investment.

Mr GRILL: I was involved with the setting up of Kemerton, as was Dr Kelly. We made a number of commitments to local authorities in the area about the nature of that industrial park and its buffers. It was a very touchy issue in those days. I see in these papers that the Government intends to enlarge the park. Can we be assured that an enlargement will retain substantial buffer areas and that it will be environmentally sensitive to that area?

Mr BARNETT: Yes. Part of the more recent concern has been people owning properties in the buffer zone who find themselves caught between a rock and a hard place. We are keen that there be buffer zones but they can also be used productively.

Mr GRILL: Will there be compensation packages for those people caught in that situation?

Dr KELLY: A series of planning studies have been done on how much the existing Kemerton core area is able to be expanded, so that, together with the surrounding buffer zone, it is accommodated in the region. There has been a lot of consultation with the shires about that. It has almost reached the stage where a proposal can be put to government with a view to expanding the core, which would require some acquisition of land for that purpose and also acquisition of land for a buffer. Major consideration has been given to having a sufficiently large buffer so that what happens in the core is properly separated from the rest of the community.

Mr GRILL: Kemerton Park totals about 4 000 hectares, does it not?

Dr KELLY: No. There is only 1 000 ha of core area.

Mr GRILL: And the rest is made up of buffer?

Dr KELLY: Yes.

Mr GRILL: By how much is it proposed to enlarge the park?

Dr KELLY: We would like to enlarge it by at least 1 000 ha and if possible by 2 000 ha if that can be properly accommodated.

Mr MINSON: I begged a previous Minister for Planning to introduce changes to the Act to prevent anyone who purposely built in a buffer zone from moving to have environmental regulations tightened to screw down on industry. There was talk of that happening when I left Cabinet. Is that a priority? It is farcical to zone an industrial site and put a buffer zone around it, and allow the buffer to be destroyed by local councils, for example, giving permission for people to build residences on the edge of the buffer close to industry and the core. The occupiers can then invoke the Environmental Protection Act. There are suspicions that sometimes people purposely get permission to build a house. In one case a person had a pad laid and was compensated because of the noise factor. Let us compensate those who are affected who were in the area before. Those who build a house in a buffer zone knowing full well the industry is in place, should not be compensated. This must be dealt with as a matter of priority.

[3.40 pm]

Mr BARNETT: I agree with the member. A buffer zone policy is currently being gazetted which addresses those issues. There have been problems at Kemerton, Dardanup, and potentially around the conveyor line for the Worsley project. It could apply in the future to Oakajee.

Dr KELLY: That security of buffer zones has emerged as a very important question, and the Government will be asked to consider a system whereby it acquires the land in the buffer zone, puts a caveat on the title with regard to building, and then on-sells it, if necessary to the people from whom it was purchased. That would be a sure mechanism of preventing building in buffer zones. That is seen to give greater security than the straight planning process.

Sitting suspended from 3.42 to 3.54 pm

Mr GRILL: I put a Dorothy Dix question to the Minister. Will he outline for the edification of the committee the major projects which might get up, or have a realistic chance of getting up, in the next three years or so?

Mr BARNETT: I am happy to offer my views, but that is all they will be - it is impossible to predict, as the member will know, which ones will succeed.

I am confident the Kingstream project will go ahead, but the proponents still have a significant amount of work to do, both technical and financial. I know they are claiming they will start construction in October of this year - I would be pleasantly surprised if that were achieved - but, more realistically, it would be an achievement in itself if they reached the construction stage some time in 1998. They are putting in resources so it can happen.

In the north of the State, the AUSI steel project has effectively been taken over by Kvaerner, but I think it is still coming to grips with the project and some of its implications. For all practical purposes, we have concluded negotiations on a state agreement. Once Kvaerner reassesses the project, we will have further discussion. I hope a state agreement will be before the Parliament later this year.

Mr GRILL: Will you tell us a little about Kvaerner?

[4.00 pm]

Mr BARNETT: I met the company in London a couple of weeks ago and my assessment was that it has put substantial funds into the project and is a serious player. It has the capacity to bring together financiers and other players. It is properly going back and reassessing the project. I treat it as a serious project, but I cannot put a probability on whether it will succeed. The mineralogy project has slipped. It has suffered from being perhaps too ambitious in concept. It has always been my view - I have made it clear to the proponent - that it would be better to concentrate on a mine and perhaps a direct reduced iron or pellet project, and to leave steel scenarios for the future. Proponents always seem to want to promote three projects at once. That confused the market for the product and the investors in the project, and it has lost some ground.

Again, the Government has put enormous resources into negotiating the agreement Act, which is not finalised but it is not far off. However, that project is certainly behind Kingstream Resources and AUSI. I rank Kingstream, AUSI and Mineralogy in that sequence in terms of probability of going ahead in the short term.

In other areas, the Government has made it clear that it sees a petrochemical industry as a priority symbol of development in the Pilbara. There is great international interest in that; it is seen as the last greenfields opportunity

in the Asian-Pacific region and it is close to the market. There has been ongoing debate and wrangling about ethane availability and access to ethane in future liquefied natural gas trains. Those issues are both chemical and complex. I am very keen, as is Dr Kelly, to get the process under way. It is like the goldfields pipeline: Once we start an agreed process, the main players will emerge, perhaps with a new joint venture arrangement, and the commercial, chemical and market properties will be dealt with by people in the industry who know how to handle them best. We hope to start that process in the middle of the year with expressions of interest. That process is yet to be finalised. If we can handle the ethane issue, I am confident that we will see a petrochemical establishment under construction by 2000.

Mr GRILL: It was very interesting the other day to hear the Minister make a brief reference during debate to the possibility of a further nickel smelter at Geraldton or Oakajee. I believe the Minister mentioned Western Mining Corporation in that regard. How far along the track is that?

Mr BARNETT: That is in the future. In looking at whether the State is justified in spending large amounts of money on Oakajee and the port, work has been done on probable scenarios. The obvious scenario is that if Kingstream goes ahead, it will certainly expand and the Mt Gibson iron project will probably relocate to Oakajee. There is the prospect of an alumina plant based initially and ironically on the Mitchell Plateau. However, Western Mining Corporation is likely to need to build a new nickel smelter -

Mr GRILL: Did the Minister say "likely"?

Mr BARNETT: Yes, within the next 10 years, not immediately. As its capacity expands and as its projects tend to move to the north eastern goldfields, Oakajee, with its availability of lower cost energy than in the goldfields, would be an attractive location. WMC is looking at that as a long term scenario. Other possibilities are urea plants, methanol plants and so on. We have tried to identify the types of industries that might locate there, and a nickel smelter is one possibility. If Kingstream Resources goes through to the production of steel, the combination of steel and nickel would suggest the possibility of a stainless steel plant as well.

Mr GRILL: I presume that if Mt Gibson goes ahead it will do so at Oakajee?

Mr BARNETT: No commitment has been made and the Government has not put on any pressure. If Oakajee does go ahead, the economics mean that Mt Gibson would go there. It would allow it to produce pellets plus DRI, and it would allow for a larger project. Mt Gibson would experience substantial savings in its operations.

Mr GRILL: I do not know whether the Minister has mentioned an agreement with Mt Gibson.

Mr BARNETT: State agreement negotiations have taken place, but I have not been as directly involved in them.

Mr GRILL: How far advanced are they?

Dr KELLY: They are very much in the early stage. Whether the project will be based at Oakajee or east of Geraldton is still to be decided. It depends on whether Oakajee goes ahead.

Mr GRILL: Does it have a problem with the grinding and processing of its ore?

Dr KELLY: Not a particular problem. In all of these secondary processing projects, the cost of grinding the ore is a very important factor that is often overlooked. It is significant in the overall economics of these projects.

Mr GRILL: It was thought a year or two ago that Western Australia would become an advanced materials province. Of course, some steps have been taken down that track, but not much seems to have happened of late. Have we hit hurdles we cannot negotiate?

Mr BARNETT: I assume the member is referring to ceramics. The AFM plant has quietly gone along and Hanwha Advanced Ceramics Australia Pty Ltd has taken over the other plant at Rockingham. That has not happened as quickly and the focus has been on some of the large resource extractive and processing projects.

Dr KELLY: Generally, it is acknowledged that a lot more needs to be done in the whole area of research into the further processing of our minerals. Moves have been made by the Government to try to increase research capacity in Western Australia. Approaches have been made to the CSIRO to establish more people here and to coordinate education in the mining and petroleum industries and associated research areas to encourage more people to go into those areas.

Mr BARNETT: The department has produced a couple of excellent publications in the past six months. One related to mineral sands, another to industrial minerals and another was released this week dealing with ferro-alloys. If the member has not seen them, I will provide copies. Again, they have been a proactive method of showing some of the less spectacular parts of the resources sector that have smaller scale value adding opportunities.

Mr GRILL: I would appreciate that.

Dr KELLY: In regard to future projects, we should not overlook the expansion of the Worsley and Alcoa alumina projects, each of which involves probably \$750m in investment. They are just waiting for the market.

Mr BARNETT: They will probably be the next real projects.

Mr GRILL: I presumed they had not been mentioned because they are a given.

Dr KELLY: The other two certainties just waiting for the market are the Millennium, which was SCM's expansion of its titanium dioxide plant, and the Tiwest expansion.

Mr GRILL: What is the dimension of those projects?

Dr KELLY: They involve \$300m to \$400m each.

Mr BARNETT: The other project that I regard as a given, although the proponent would not, is LNG trains four and five. That project is scheduled for 2003, but I suspect that it will be a year early. That is a given too.

Mr GRILL: Does the Minister see the nickel concentrate from the north east goldfields going out through Geraldton?

Mr BARNETT: It is a possibility for Oakajee; but I do not necessarily see it that way. The company and economics will largely determine how that is done.

[4.10 pm]

Mr MINSON: I note that on page 840 mention is made of the Wesfarmers' pulp mill. It was a disappointment to me that Wesfarmers considered it uneconomic to proceed at the time. It was especially disappointing given the work that has been done in nearly the last decade in getting plantations established around the south west and that much of the prime land for the establishment of the plantations was effectively sterilised because we were trying to reserve the bulk of it for Bunnings or whoever was successful in establishing a pulp mill. Does the Minister see Bunnings or Wesfarmers coming to the party on that or does he think another party will establish there in reasonable time to take advantage of some of the fibre that is being produced?

Mr BARNETT: I do not see the project as finished. It was unfortunate that the price fell during the critical period. I cannot remember the numbers and perhaps I should not get involved in them, but the project showed a positive rate of return. I guess it had not reached the hurdle mark of the company. My observation, which may not be valid, is that it would have been better had it formed a joint venture with a major overseas paper or pulp group. It is a different type of pulp which is difficult to market. Had a major Japanese or Korean company or another in that realm been a full participant in the project, it might have reduced market risk, and the increased expertise would have helped. My view, and I think the department's, is that we have not given up on that. The WA chip and pulp agreement is coming up, so it will be a public issue. It is already getting some public attention. The issue of further value adding and pulp production is about to re-emerge.

Mr MINSON: The comment on joint venturing is a good one. If Kingstream does get going, I suspect it will be largely as a result of having a secure market, which means it can go ahead and plan with a fairly predictable economic base. If one is producing pulp for the spot market, one is really at other people's mercy. If it can get together in a joint venture which would ease its own capital situation as well as giving it a guaranteed market, I hope it succeeds.

Mr BARNETT: The member mentioned Kingstream in that context. The fact that Kingstream has a secure market makes the project a lot stronger than it otherwise would be.

Mr RIPPER: The pulp mill project unfortunately did not proceed. Does the Minister regard as too high the hurdle that the company set for the internal rate of return it required on the project before it would make the investment? Is the Minister indicating that the Government might want to invoke those clauses of the agreement which require the company to be serious about further processing?

Mr BARNETT: I do not regard the hurdle rate as too high. Had there been an overseas partner which had the market and need for the product, the company would have been a little more encouraged about the difference between the rate of return and its hurdle mark. It might have been prepared to take a longer term strategic view. The analysis was purely financial. I merely make that observation in reminding the member that it will be an issue. The extension of the agreement requires a parliamentary process. Woodchips and forests are current issues and we are about to have another round on them.

Mr GRILL: Page 831 indicates that the agreement between the State and Federal Governments for revenue sharing for offshore oil and gas is something of a challenge. I seem to recollect, although I cannot pick up the figure now,

the estimated royalties for the State are declining when it would appear that reserves are increasing. To what degree do we have agreement with the Federal Government on the sharing of resource taxes and royalties? What are the prospects of coming up with something a little more realistic in that respect?

Mr BARNETT: The revenues are coming principally from the North West Shelf project agreement. They will continue to rise and become important. We do not have agreement with the Commonwealth. There has been a fair bit of work and discussion. I hope that if a Gorgon project were to develop as a green field project, we could negotiate some arrangement on that. If a Gorgon project were to develop in conjunction with the North West Shelf project, obviously the State would argue the case that it should not be subsumed into the existing agreement through which we derive royalties. This will be an ongoing saga because we are talking about large amounts of money. From the industry's point of view, and the member may agree with me, there should be a common regime.

Mr GRILL: We have about four or five at the moment.

Mr BARNETT: Yes. That should occur no matter where the oil or gas is situated. The only thing that should vary is the share between the Commonwealth and State Governments. We are a long way from obtaining that. I have spoken to the federal Minister and he agrees it is sensible, but when it comes down to arguing the toss on individual projects worth millions of dollars, it is another matter. The Premier and the Treasury see it as critically important. There is no doubt that the north west coastline and the area up to Timor is becoming an incredibly important resource.

Mr GRILL: The Minister makes the point well in the estimates that the State provides most of the infrastructure.

Mr BARNETT: It is somewhat ironic, as a project like Kingstream dramatically shows. Not only does the State provide the infrastructure but also it is responsible for managing the marine environment in all respects, which is becoming a more demanding task. At least we have now a legislative framework for it. The position is inequitable; there should be sharing and a simpler taxation regime.

Mr GRILL: At the top of page 832 reference is made specifically to the questions of agreements and the relationship with the Federal Government. To ask a pointed question, has the Minister noticed any better attitude by the current Federal Government than the attitude of the previous Labor Government?

Mr BARNETT: The former Prime Minister understood the issues well, given his early involvement as opposition spokesman when the North West Shelf project was originally negotiated. In a couple of casual conversations I had with him, I was impressed by his depth of knowledge. Obviously he is not there. Given that Warwick Powell is formerly from the mining industry, he tends to have a very pragmatic view of things. The Industry Minister, John Moore, equally is a very pragmatic person. We are not there yet. The department has been dominated by current resource issues and projects such as Kingstream which have come in a rush. I hope that in the second half of the year we can try to nut out some deal with the Commonwealth but I do not think it will be easy.

Mr GRILL: I refer to the dot point at the bottom of page 831. I suspect the Minister may have dealt with this question in his capacity as Minister for Education. He has made a number of statements privately and publicly about preserving the position of the Western Australian School of Mines in the framework of centres of excellence for minerals and energy. Has the Minister appointed a chairman; how far along the track are we; and how will the School of Mines be preserved?

[4.20 pm]

Dr KELLY: The Minister has issued invitations to people from universities, government departments and the industry to form a working party to report back to him within a few months about what administrative arrangements should be set up to coordinate mining and petroleum education and research in Western Australia. Hopefully, it will be an organisation that can channel industry, commonwealth and state funds through to academic institutions so they can achieve new initiatives in mining and petroleum education. However, the invitations have only just been sent out. First the chairmanship of that committee must change because the nominee of the mining industry is now no longer available. The Chamber of Mines and Energy of Western Australia is looking for a replacement chairman whom they can recommend to the Minister so that the working party can continue its work.

Mr GRILL: The WA School of Mines is set apart from other tertiary institutions because it runs a mining engineering course. It seems that while the negotiations for the school of excellence are continuing - I have no doubt the Minister is sincere in his belief that the position of the WA School of Mines should be preserved - the University of Western Australia is setting up a thinly disguised mining engineering course. Does that not conflict with the goal of cutting out duplication and properly rationalising these courses in Western Australia? I am disturbed to hear that is happening, especially when that committee has been set up.

Dr KELLY: There is room for many different approaches to mining and petroleum education. Making first and second year Perth students at Curtin University finish their courses at the WA School of Mines is a good step. I do not believe the University of Western Australia is thinking of duplicating the mining engineering expertise that exists at the School of Mines or, indeed, in Eastern States' universities, but it intends to try to utilise its resources to provide a first or second year course to provide mining and petroleum-type engineering degrees. It is not so much about duplication but about a complementary activity.

The other possibility is, say, a five-year engineering degree, where one might do the first three or three and a half years at a Perth institution and then finish off at the WA School of Mines. Those are the sorts of things that are being explored. We expect that the working party will come back with a recommendation for a coordinating group which can pull all of this together to ensure that we do not have duplication but that we end up with an expanded range of mining and petroleum education activities.

Mr GRILL: That is reassuring, and I hope it comes about, but in the meantime people in Kalgoorlie and at Curtin University suspect that the University of Western Australia is setting up a mining engineering course by stealth, which would be a direct competitor with any course offered by Curtin - and that would be a worry. I would be happy if Dr Kelly were to bear that in mind when the committee considers the matter.

Mr BARNETT: All the faculties were off doing their own thing until the industry, and in particular Dick Carter, gave them a serve about what the industry expected. I have been impressed with their responses to that, because it jolted them into reacting positively. They are now working cooperatively to enhance the level of mining and petroleum education both here and in the other States.

Mr GRILL: That has also highlighted the fact that educational facilities for petroleum, geology and engineering were deficient. That is an area the University of Western Australia could easily move into and there would be few problems. However, we are still concerned about the duplication of courses at UWA especially if they conflict with courses at the WA School of Mines.

Mr BARNETT: Sure.

Mr GRILL: I now raise two points about dot point 2 on page 832. Firstly, we have been deficient in dealing with heavy industry sites. How much capacity is left at Kwinana? Does the Government intend to have another crack at Breton Bay?

Mr BARNETT: It is a difficult situation. We are currently trying to expand Kemerton. There is some capacity at Kwinana, but not much. The main thrust is on Oakajee. Work has already been going on at Boodarie, which is in a sense a reality, and Maitland is progressing. Other spots around Karratha are also going ahead. I would be thrilled if we could get all of those in place because those plans have been around for some time.

We would like to try to preserve an option at Breton Bay. We are not about to make any decisions about Breton Bay in the short term, but there is the site that was originally proposed for a nuclear power station which will become part of the reserve structure in national parks. We are trying to acquire some land at Breton Bay to at least preserve a position for the future. The decision on whether it goes ahead will be made in the future, particularly if Oakajee happens, because the focus will then be on attracting investment for Oakajee.

Dr KELLY: The one we should not overlook is Mungari, where ICI is considering building a sodium cyanide plant.

Mr GRILL: I think it is a real possibility. There was a story on that recently in the *Kalgoorlie Miner* saying that they were going ahead with the commencement of civil works. It looks like they are serious about it.

Dr KELLY: Getting the services out there is the first step in securing Mungari. After that other things will follow.

Mr GRILL: The next step will be to convince the Minister he should intervene and decrease the transmission costs of the goldfields gas pipeline.

Dr KELLY: Competition will solve all of those things.

Mr GRILL: Within that paragraph you refer to competing land and marine use conflict. The major concern for the resource sector at the moment is Mabo-related costs. The State Government has indicated that the costs for compensation on crown land for future acts in respect of Mabo will be transferred from the State Government to the resource sector. When do you intend to bring forward legislation to formalise the Government's intent? Is it correct that by adopting this course the Government has missed out on a fair swag of compensation which the Commonwealth was prepared to pay in the event that the State set up its own tribunal and accepted these responsibilities? I understand the figure is about \$220m.

[4.30 pm]

Mr BARNETT: The member for Eyre has expressed his view. It is not within this portfolio area. It is relevant, but it is not my responsibility to state strategy on Mabo, other than to say that in the industrial estates we can use public works powers to resume land and pay compensation. We are going through that native title process at Maitland at present.

Mr GRILL: It is mentioned that a Mabo working group is in place. Is that correct?

Mr BARNETT: There is one within the Ministry of the Premier and Cabinet.

Mr GRILL: Is there one within the Department of Resources Development?

Mr BARNETT: A fair bit of expertise has been acquired on projects on the issue. People from DRD are involved in the Premier's group.

Mr GRILL: At the bottom of page 833 reference is made to the summary of key program level outputs. What are the performance measurement mechanisms?

Dr KELLY: We have been attempting to measure our outputs and the outcomes of the department by gauging our performance. We have done this by looking at the critical success factors in each area which we know are doing a good job. Having identified them, we set about trying to measure them. Ours is a very difficult area in which to do that. We are not just producing widgets which can be counted; rather, we are in the policy and promotion areas, which is quite difficult to measure. However, we have had a go.

Depending on the area, critical success factors are used to try to measure our performance. The results of these measures often come about from surveys of our clients, or companies, or other departments, or by asking the Minister about the performance of certain policy areas. We try to bring our performance back to a scale which goes from minus three to plus seven. On that scale a zero is pretty ordinary; seven is fantastic and out of this world; and in between we are trying to get as far up the scale as possible. I could give an example in the policy area. We measure things such as the extent of the Minister's satisfaction of the policy advice we put forward. We ask that he should rank us based on a whole series of criteria.

Mr BARNETT: That assumes the Minister is competent to do that!

Dr KELLY: We rely entirely on that. The result of that process is behind that average figure of 3.5, or thereabouts, on that scale that ranges between minus three to plus seven. That information comes from surveys that we get individual external consultants to undertake for us. Arthur Andersen has also come in and audited the process concerning performance across the department. We have 57 different measures which have been averaged to produce the figure that is shown. That is our attempt to measure our performance

Mr GRILL: Considering the Minister plays a part in this performance audit, is there a reciprocal process whereby the department gives him a mark out of seven?

Mr BARNETT: That is left to the Opposition of the day! Over the past few years the department has been very proactive and successful in generating projects; for example, the goldfields pipeline; the iron ore projects; and the Kingstream project, which was an initiative during the time of the Labor Government when the leases were issued, which we discussed the other day.

As the member will know, it is not easy; and as we now also know, it is not easy to get a petrochemical plant started. However, the department is doing a good job in that regard. It is not easy dealing with the Ord River project; it is very hard.

Mr GRILL: Waterfront reform is mentioned on page 834. Normally industry and elements of the Government are very critical of the waterfront performance. I understand we are up to world standard in moving bulk cargos. Is that correct?

Mr BARNETT: I think the member is correct. Large volume scale ships, very efficient ports and turnaround time on liquefied natural gas and iron ore are very impressive. The issue is coastal cargo. If we want to see more processing, it will be necessary to move raw materials around the Australian coastline. That is a constraint.

Mr GRILL: Mention is made of the state heavy industry policy in the next dot point. Has that been made available in booklet form?

Mr BARNETT: Yes.

Dr KELLY: The state heavy industry policy has nine different areas, one of which - the buffer zone policy - was published recently. It was gazetted. We expect the others will be published as Government adopts them in the next few months.

Mr GRILL: Will they be posted out to members of Parliament?

Dr KELLY: Sure.

Mr GRILL: There is an ongoing vexed question about the national greenhouse strategy and the departure of the Federal Government from some of the international protocols that have been set. What is the position of the State Government on the national greenhouse strategy? Does this Government endorse the Federal Government's distancing itself from the international protocols? My view, for what it is worth, is that if we are to attract the sorts of industries that we say we want to attract, we cannot possibly meet the protocols that have been demanded of us.

Mr BARNETT: I have a similar view. There is an obligation on everybody to be efficient in energy use. If it is true that greenhouse gas emission is a global issue, it would make a lot more sense to see more energy intensive activities in a place such as Australia, distant from the populated parts of the globe. There are more pressures, but I agree that those arbitrary constraints and limits on emissions applied across all nations are a somewhat superficial way of tackling the issue.

Mr THOMAS: I agree with the Minister that greenhouse gas emission is a global issue. It does not matter where it is found. The more efficient processes for the same output are likely to produce fewer greenhouse gases.

Mr BARNETT: I talked to one of the Chinese vice-premiers who was here about 18 months ago. I asked him what attitude China would have to the Rio de Janeiro convention. I explained why it was a problem for Australia. He said that there was no problem for China as long as it was calculated on a per capita basis. It shows how cynical people can be about those mandatory international targets. It made no sense at all in China. It is probably a good argument and China had a simple position because on a per capita basis it does not matter.

Mr GRILL: I think China, India and places like that are exempt from those protocols.

Mr BARNETT: It is a nonsense in that sense.

Mr GRILL: I have been going to India for years. I love the place - its culture; its food; its architecture. The last time I was there I was absolutely appalled with the level of pollution. I have read since I have been back that just breathing the air in New Delhi is equivalent to a child smoking 10 cigarettes. I just could not get over the fact that that had happened since my last visit. I do not know whether the dichotomy - that is, the developing countries on one hand and development on the other - is correct at all.

[4.40 pm]

Mr BARNETT: One of China's few resources is its coal resource. It is burning vast quantities of coal a year.

Dr KELLY: It is burning 1 000 million tonnes of coal. Western Australia burns about five million tonnes. I should add that the role of the department - it has been doing this for a couple of years - is to try to alert Western Australian industry to the seriousness of this greenhouse issue.

Following on from that, in conjunction with industry, we have been trying to inform the policy makers at the federal level about the very serious impact on Western Australia if some of these policies were adopted and how they would affect us in regard to resources development.

Ms ANWYL: Irrigation proposals in the West Kimberley are referred to on page 837 of the Budget Statements. Could I have a rough idea of what is involved in that? Is a time frame in place? What is the rough cost of that to date?

Dr KELLY: The position with the West Kimberley as distinct from the Ord is that expressions of interest were called for approximately three months ago. They have closed. There were four responses, which are being analysed with a view to making a recommendation to Government soon as to one or more of those that should proceed. Having been selected or given approval, the applicant would then enter into a feasibility study. That study would be quite extensive and would probably include trial cropping of the various ideas.

At the end of the feasibility study, which I expect would take a year, the applicant would come back to Government. If the study were sound and the applicant still wished to proceed, an agreement for a development in the West Kimberley would be reached between the State and the proponent. That is the process that will be followed.

Mr GRILL: Under recurrent expenditure on page 837 there is an item "Grants, Subsidies and Transfer Payments". Would it be possible to make available the nature of those grants, subsidies and transfer payments, who they were made to and for what purpose?

Mr BARNETT: Some will involve funding of scholarships through engineering - a few things like that. The department sometimes supports conferences and exhibitions.

Mr GRILL: The amount involved is \$1.88m. That is a fair bit of money.

Mr BARNETT: I imagine those things fit into that amount.

Mr GRILL: Rather than take the time of the Committee now, could that information be made available by way of supplementary information?

Mr BARNETT: Yes.

Mr BAKER: I refer to the seventh dot point on page 834 of the Budget Statements. Is it agreed that BHP Iron Ore's HBI plant at Port Hedland is a major resource development?

Mr BARNETT: Yes.

Mr BAKER: That paragraph refers to a local content policy. What is the percentage split of the total construction costs of the HBI plant between WA companies, Australian companies, and non-Australian companies?

Mr BARNETT: That project operates under a state agreement and there are quite stringent requirements for reporting on local content. I think we are running at about 65 per cent or thereabouts.

Mr BAKER: Sixty-five percent local as in WA and Australian?

Mr BARNETT: Yes.

Mr BAKER: Does the same apply to the skilled labour force working in the construction -

Mr BARNETT: That would be Western Australian.

Division24 : Office of Energy, \$13 302 000 -

[Mr Sweetman, Chairman.]

[Mr Barnett, Minister for Energy.]

[Mr K.E. Hodgkin, Acting Coordinator of Energy.]

[Mr G. Gilbert, Manager, Corporate Services.]

Mr THOMAS: I am surprised that the Minister notes this as a major achievement. However, under "Major Achievements for 1996-97" at page 328 of the Program Statements, the Minister states that negotiation of strategic development plans and statements of corporate intent have to be undertaken by the utilities - obviously the Office of Energy has a role to play in that - and the production of those documents has been cited as one of the major achievements for 1996-97. The Minister is aware the legislation requires that those documents be prepared in advance of the financial year to which they relate. The Minister was in breach of the Act in that the documents were not provided to the Parliament until three months after the commencement of the financial year to which they relate. When the legislation to create the two utilities went through the Parliament, they were referred to in the second reading speech by the Minister as being one of the key accountability provisions in the legislation. Part of being properly accountable in relation to these matters, particularly in terms of the way in which we deal with budgetary items these days, is that they should be made available prior to the commencement of the financial year to which they relate. At present, we are coming up to the beginning of the 1997-98 financial year and we are debating the Budget Estimates for that financial year. Consistent with that we should have the relevant documents from the utilities in the public domain if not now then in the fairly near future. Does the Minister anticipate that these documents will be available within the time prescribed by the legislation this year, or will this be the third year in a row in which he is not able to produce the documents on time?

Mr BARNETT: We will do our best. I concede the process has not worked as well as was envisaged. However, it provides a good planning and accountability mechanism. I agree that the timeliness has not been adequate. To annually redo strategic development documents is proving to be too frequent, too onerous and too expensive. We are examining ways to streamline this procedure. The statement of corporate intent should be done on an annual basis. We are trying to reassess the position. There has been ongoing dialogue - friction if you like - between the

Minister, the Office of Energy and the utilities. It has not been a satisfactory process and we will try to improve it. The principle is still right.

[4.50 pm]

Mr THOMAS: Does that mean we will have the documents within the time prescribed in the legislation?

Mr BARNETT: I cannot answer that until the day arrives, but I will do my best to comply with the legislation.

Mr THOMAS: Under the achievements for 1996-97 reference is made to the formulation of advice for the Minister on changes taking place in the gas transmission industry, the drafting of regulations and the like. Today we have read a statement by the Minister indicating it is the Government's intention that 100 per cent interest in the Dampier to Bunbury natural gas pipeline will be sold, and there will be no opportunity for people to submit expressions of interest in the construction of another pipeline for two years. There seemed to be an indication in the statement that the principal determinant of the Government's decision making in this process will be the price obtained for the sale of that asset. Was this the subject of advice to the Minister from the Office of Energy? If so, what was that advice?

Mr BARNETT: It was the subject of advice to me from the Office of Energy, the Department of Resources Development, Treasury, the Chamber of Mines and Energy, the Chamber of Commerce and Industry of Western Australia and many other interested parties. I wrote to the gas sales steering committee six weeks ago with my assessment of the issues and how best to proceed. That included some of my views and some views I had gathered from debate over several months.

The Office of Energy has been a key player in that process, and it handles all the detailed issues to do with access requirements, the national code and the rest of it. It is extraordinarily complicated and it is the principal source of advice and contact with other state and commonwealth jurisdictions.

Mr THOMAS: What was the advice?

Mr BARNETT: I do not know of specific advice. I am not a Minister who waits for a piece of advice and then says yes or no. I played an active role in evolving the decision announced today. Some advice has been rejected, amended and discussed. To my knowledge there was no advice to which I said yes or no. That was not the process involved.

Mr THOMAS: We are aware from information in the public domain that Treasury had a view on some aspects of this matter. We are interested to know the views of the Office of Energy in relation to those key aspects of the decisions announced today, namely, the criteria by which potential bids will be assessed and the fact that the Government will not consider expressions of interest in the construction of another pipeline for two years. What are the views of the Office of Energy on that? We are told one of the key roles of that office is providing advice to the Minister.

Mr BARNETT: It is a key role of the office and it has advised me. I am not being defensive because what has been announced today is exactly the way to proceed. I have played a major role in the formation of the policy and the way it was developed. I will not ask any government employee to be in a position of proffering a view or opinion to an Estimates Committee. I am not secret about the advice. Advice was given to me several months ago to run a parallel process which I rejected out of hand.

Mr THOMAS: What do you mean?

Mr BARNETT: It was suggested that sales, auctions and so on should happen at the same time. For reasons I have stated publicly, that would be contrary to the program in place following disaggregation of the North West Shelf project. From my experience in public policy and the business environment, I consider it would be a totally confusing approach. Every scenario has been considered, so it cannot be called advice. Endless meetings have been held with Ian Baker as chairman of the steering committee. This decision has evolved. Mr Hodgkin is free to comment. The advice the member mentioned from Treasury was a document referred to the sales steering committee, of which a Treasury representative is a member, which the committee rejected. I read about that so-called advice in the newspaper and I was not impressed by that. Everybody has an opinion. Even after the presentation today some opinions were expressed which I believe were off the planet.

Mr HODGKIN: With regard to the process, obviously we participate in the gas sales steering committee. It is a source of advice and we are part of that advice. Also we, and our colleagues from Treasury and the Department of Resources Development, have talked to each other. The outcome, together with the Minister's input, is the decision announced today.

Mr THOMAS: The Minister can understand our frustration. When the Office of Energy was created by the legislation, its principal role, apart from the safety aspects which are taken as a given, was to provide advice to government.

Mr BARNETT: It does so regularly.

Mr THOMAS: When the Education Department is before the Estimates Committee members can ask how it conducts its business, which is education. The role of the Office of Energy is to provide advice and we want to know what that advice is. So far we have not been able to obtain that and we have been told there are lots of different communications. In assessing the basis upon which the decision announced was made, we should have access to that advice. On other occasions when we have asked about Treasury advice and similar information in the public domain, the Minister's response has been that he is not one to interfere, that other people are doing their job and when matters get to him he will look at them. Today the Minister has said he is proactive and involves himself in these matters, that advice would have been received at different stages, and that he cannot distinguish between that advice and give the view of the Office of Energy. He has posited himself in two different roles.

Mr BARNETT: They relate to different situations. On all the major resource development issues in this State I am personally and actively involved.

Mr THOMAS: That is different from the way he has answered previously.

Mr BARNETT: The member might be talking about advice I could be given about a grant to a non-government school. On matters such as that I wait for advice. When I visit schools I may make suggestions but, unlike many of my predecessors, particularly from the Labor Government, I rarely interfere with the allocation of public money or the responsibilities of public officials. I am involved up to my armpits in major projects and major decisions which are government policy, as I should be.

Mr THOMAS: The Minister said earlier that one of the impediments to opening up the gas transmission industry to expressions of interest for a second pipeline was undertakings given at the time of the disaggregation of the North West Shelf gas sales agreements. What were those undertakings and to whom were they given?

Mr BARNETT: The undertakings were reached at a key meeting in Melbourne between each of the partners in the North West Shelf joint venture, me, and Ian Baker as chairman of the energy implementation group. Implicit in my presence were the interests of the about to be established Western Power and AlintaGas. Those obligations essentially were the deal that was struck: It was to disaggregate the contract; deregulate the Pilbara; phase in deregulation in the south west; honour the 393 terajoules a day take-or-pay contract; to share that between AlintaGas and Western Power; to take responsibility and to share ownership of the gas inventory; and to consume that gas. That is the guts of the agreement.

[5.00 pm]

Mr THOMAS: How will that prevent your opening expressions of interest now?

Mr BARNETT: I must be an extremely poor communicator or the member is an extremely poor absorber of information!

Mr THOMAS: Try me anyway.

Mr BARNETT: I will not bother because I have explained it in the House 10 times and I took an hour at lunch going through it again.

Mr THOMAS: We were not at lunch so tell us again.

Mr BARNETT: My friend, for the fiftieth damned time, phased deregulation is about allowing a progressive move to a competitive market. The North West Shelf had a totally controlled monopolistic market situation with a 20-year contract of which 10 years had gone. There was no reason under God's sun for venturers to tear that up unless we could persuade them to do so. There were clear commitments for phased deregulation. The State would continue to wear some risk, the North West Shelf partners would wear some risk, and progressively over five years we would open up the market. That is why I and the Government will honour, and continue to honour, the commitments given. They were not contractual commitments. They are like, to coin an old-fashioned term, a shake of a hand, a moral position or an undertaking.

Mr THOMAS: A secret deal.

Mr BARNETT: I can see why the member's Government got into the problem it did in the 1980s! It was not a secret deal. It was done and announced publicly and has been the most proper and open process. As I said at lunch, I give

great credit and gratitude from Western Australia to the North West Shelf joint venturers who, for the interest of the State and nation, took that risk. In the long term even they may prosper.

Division 33: Minerals and Energy, \$64 261 000 -

[Mr Johnson, Chairman.]

[Mr Barnett, Minister for Energy.]

[Mr L.C. Ranford, Acting Director General.]

[Mr P.H. Palmer, Principal Accounting Officer.]

Ms ANWYL: Given the statement on page 628 noting industry expansion, what is the appropriateness of that slight reduction in overall expenditure, as outlined on page 625, especially in light of the regulation of the industry generally?

Mr RANFORD: I think the figures are a little misleading, mainly because of the importance of the provision of commonwealth share petroleum royalty collections, which have reduced. The increase in the operating budget is in the vicinity of 4 per cent, or just under \$2m. There is an actual increase for the department.

Ms ANWYL: Is that decrease, as it relates to the Petroleum (Submerged Lands) Act, a reflection in the reduction in royalties? Page 637 outlines an estimated decrease of about \$8m in revenue to be collected from the petroleum industry. Please explain this matter to me; is it strictly mathematical?

Mr RANFORD: We operate as collector for the Commonwealth for offshore waters. It is a matter of reimbursing it, as is shown in our budget. As the estimates indicate, decreased royalties are expected next year as the amount we will reimburse will be less; hence, the amount we ask for in the budget is less.

Ms ANWYL: I understand the figure for the previous financial year was \$178m. We have seen a marked increase in the current financial year and a decrease in the following year. What is the reason for that?

Mr RANFORD: The decrease in the North West Shelf royalty is expected. It is an anticipated decrease due to large excise deductions for the Cossack and Monia oilfields. The crude oil royalty from other projects are expected to reduce in 1997-98 due to a decline in production sales from the Saladin, Roller, Skate and Barrow Island projects. We expect a reduction next year.

Ms ANWYL: Are you able to give a forecast beyond the next financial year?

Mr RANFORD: We can do so as a department, but I do not have that information in front of me now. Clearly, a decline will occur unless there are further discoveries and developments. I do not have a schedule in front of me at the moment so I cannot give that answer.

Ms ANWYL: Page 625 outlines a \$1m decrease in the category of mineral titles subprogram. Could you explain that to me?

Mr RANFORD: It is the interaction of a number of factors. We had a major IT project which is running down in the money we receive. That is offset to an extent by the extra \$1.5m received in the budget to compensate for native title. It is an interaction of a number of factors. There is no significant decrease in the operating expenditure as it is a matter of funding particular projects and some recoupment of the cost of native title, which has been quite severe.

Ms ANWYL: Is the reduction of 10 FTEs a discrete unit in the program?

Mr RANFORD: That was anticipated. It has been built in as we move on to the installation of the tengraph program and the automation of the title management system. These had been scheduled to be gradually reduced over time. This matter reduces the manpower requirement as we introduce these computerised systems. We expect that to continue in the future as we move to more on-line provision of services.

Ms ANWYL: With respect to the subject program under industry support on the same page of geological survey, is that a one-off in this budget or is that amount expected to remain consistent with the work in the area?

Mr RANFORD: A significant amount of money was made available in the budget for the geological survey.

[5.10 pm]

Ms ANWYL: The Minister advised me of that.

Mr RANFORD: That was a total of about \$20m over four years. It comprised a number of elements: A \$2.5m per annum initiative had come to an end, and it was decided to refund that program; and an additional \$2.5m was provided to speed up the provision of services, primarily geoscience mapping, geophysical mapping, and various geochemical programs.

Ms ANWYL: Can we expect to see that level maintained for this four year program?

Mr RANFORD: Yes.

Ms ANWYL: Minister, I have a general question. I appreciate it is not your portfolio, but it is reflected in the budget papers, and you may be able to assist me. All of the budget papers that I have perused in various portfolios focus this year on significant issues and trends and achievements for the current financial year, but contain no statement of projected programs or developments. Is there some reason for that, and will that continue in future years?

Mr BARNETT: I do not think that observation is true of the resources and mines area; you may disagree. To some extent this Budget followed on from an election, and in an election the political side of government is effectively out of action not only in campaigning but also in a government sense for at least a month, but in reality longer, and the budget cycle, while it does not lose momentum, is perhaps driven more by government in the sense of the Public Service than it is by the political side. That is not a criticism; it is a reality. Therefore, this Budget may be a bit more conservative than it would be normally.

Ms ANWYL: I hope that more detail will be provided next year, because from my limited experience - this is only my second Budget - last year's budget papers provided more detail about projected programs, and that is absent from this Budget.

Mr BARNETT: There was a conscious decision to try to condense the budget papers - the number of publications and the amount of material. You may disagree with that.

Mr RANFORD: You have drawn attention to a slight change of focus. In this year's Budget, all of the programs have a summary of outcomes and outputs, as we are moving into a phase of program outcome-based management, which will become the focus for reporting to Parliament. Those elements were included in previous budget papers, but it is now a requirement that departments report to Parliament in terms of outcomes and outputs; and you will see those tables for each program. This Budget does replace certain of the planned achievements, which historically were listed in the budget papers and against which we reported. I understand that in future we will be reporting largely against the outcomes and outputs. This is the last year of the changeover from one system to the other, so we have commented on the achievements this year,

Ms ANWYL: That may be gone next year too?

Mr RANFORD: That is my understanding of the intent of the system.

Ms ANWYL: I refer to page 626, devolution of the miscellaneous services division. Are the Aboriginal Lands Trust moneys divided between a variety of portfolios?

Mr RANFORD: No. That is money from rentals and royalties on Aboriginal reserve land. It was agreed some time ago that equivalents of some part of royalties and rentals on Aboriginal reserve land would be paid to the Aboriginal Lands Trust, and that \$155 000 is the amount of money that came in and will be paid to it this financial year. A rather complex formula sets out how that is calculated. It is disbursed by the ALT.

Ms ANWYL: I turn to the capital works program at page 636 and to the provision of funding for the state drill core storage facility. That proposal has been around for a number of years. I know from the 1993 election promises document for the goldfields that it was envisaged that libraries would be set up in Kalgoorlie and Meekatharra. What is the current status of that program? I note that there is no expenditure in this year's Budget for planning fees.

Mr RANFORD: A small amount of money - about \$200 000 - was provided in last year's budget for planning purposes. This year, we have allocated \$1.2m towards that purpose. A total of \$9m has been committed to this project over a number of years, but only \$4m of that amount is in these budget papers, because of the timing of the estimates. The Government did announce that it would provide those facilities in Kalgoorlie and Perth, and possibly also in some other country centres, but that is subject to further consultation with industry. A liaison committee has had considerable discussion about where such a facility would be most effective. The first stage of the plan is to develop a facility in Kalgoorlie, and we hope that will be operating within the next two years. We will then commence the development of a facility in Perth. We are probably the only State that does not have a decent core storage facility, yet we are the leading mining state. It is a long overdue facility, and the people in the industry will be very grateful for that.

Ms ANWYL: Can you say what other regional centres may be considered, or is that too speculative?

Mr RANFORD: In the past, Meekatharra has been raised as a possibility, but I do not want to speculate, because we need to look at where it will be used most effectively by the geoscientists who are running the programs. There is no doubt about Kalgoorlie and Perth. There is considerable speculation about which other country centre will be the most useful, and that will be determined over time.

Ms ANWYL: Does the fact that no further money has been allocated in this Budget for planning fees indicate that the plans are more or less confirmed?

Mr RANFORD: The money allocated will be used for planning and construction. We have been able to start the planning process because some money was allocated for it in last year's Budget.

Ms ANWYL: It may be just that the line items are a bit misleading in the way they are set out.

Mr RANFORD: I agree.

[5.20 pm]

Mr GRILL: I refer to works in progress at page 636. The first item is Kalgoorlie explosives reserve roadworks. It appears that over \$200 000 will be spent on that. Is there a finite life on that reserve and were the companies given notice that they should move out? What plans does the Department of Minerals and Energy have to encourage them to go to Mungari? Why are we spending money on the old reserve when we should be spending it on Mungari? How will the department overcome what appears to be some hostility towards a move to Mungari?

Mr RANFORD: Certainly the companies have been told that the existing reserve in Kalgoorlie will not be available to them after 2004. I was involved with Minister Cash a couple of years ago in giving them 10 years' notice that they would be required to move from that site, because it is required for development of Kalgoorlie residential areas. In the meantime use of that facility has expanded, and it was necessary to upgrade the roads and construct additional roads to facilitate access to Piccadilly Street in Kalgoorlie. There were complaints from the shire about the direction they accessed the reserve and the effect that was having on access to the town. We have purchased a new gate arrangement to enter the reserve, and that is part of that short term planning. In the meantime LandCorp is acting on our behalf in site investigations at Mungari. The companies indicated recently that they would prefer to own the land rather than lease land in a reserve. We are currently looking at the option of setting aside an area for the purpose.

Mr GRILL: Have the companies indicated they are prepared to relocate to Mungari?

Mr RANFORD: From memory there are two large and two small factories there. They have come to us as a group and indicated that they are interested in moving rather than operating on a government reserve on a lease basis. However, because of the cost of establishing their own facilities, they would like us to look at the possibility of a freehold site. This has implications for us because the requirement for buffering of the area is slightly greater than if it is a managed shared site. Those discussions are currently under way.

Ms ANWYL: On page 636 there is a reference in the capital works program to the Meekatharra warden's court. Is there any perceived need in other smaller centres to improve the facilities available for the warden's courts? What is the general arrangement - I presume there is some Ministry of Justice contribution?

Mr RANFORD: Meekatharra was a special case. I was involved some years ago. We had the joint interest of both the police and ourselves. Some people believed there was not room for more than two people to stand behind the counter; it was totally unsuitable for the use.

Ms ANWYL: Most of the courts are unsuitable. That is why I asked whether there was any ongoing planning.

Mr RANFORD: From memory, we have rebuilt some of the warden's courts. Leonora was upgraded in the past couple of years. I cannot say offhand; I am happy to provide that information.

Ms ANWYL: The work of the Kalgoorlie warden has increased considerably through a couple of serial actions and the delays are substantial. Various proposals have been mooted about the appointment of a separate Kalgoorlie based warden or even elevating the status of warden. Is there any ongoing planning in that respect?

Mr RANFORD: I am not sure planning would be the correct word; there are ongoing discussions. I am aware of that issue. I am in an acting capacity, so I have been catching up in the past few weeks. I am aware of discussions that have gone on over the years through the mining industry liaison committee about options for improving the service and access through the court system. I suspect that we are unlikely to change the system in the short term. However, depending on the outcome of the Native Title Act discussions that are currently going on with the Prime

Minister, we may have different responsibilities for the warden's court and we may need to look at how we operate as a State. We may need to consider something like the member has suggested.

The CHAIRMAN: Members will please direct questions through the Minister.

Mr BARNETT: Mr Chairman, you are correct; however, I am happy for Mr Ranford to answer. I readily confess I have no experience with warden's courts.

Mr GRILL: Some time ago that there was some considerable media controversy about the safety of the *Griffin Venture* and its sister ship the *Jabiru*. Allegations were made by senior people in the maritime industry that the ships were not safe, and there were dangerous mixtures of petroleum, petroleum gas, water and air within some of the tanks. Some quite colourful adjectives were used to describe the safety hazard. The subsequent investigation by the department ultimately indicated that the situation was safe. However, rumours persist in the industry that the department's report glossed over the dangers, and that there are real safety problems. Is the fact that the petroleum branch of the department is being funded for a new senior member in recognition of the severe safety problems with new technology involved with the offtake of petroleum gas in some of these deep water facilities?

Mr BARNETT: Obviously the growth of the offshore oil and gas area has meant more players and the role of the department in supervision and safety issues is growing. With more players and more competitive operations the market becomes tighter, and perhaps some smaller companies become involved, so the Government and the department must play a greater role. While there are only one or two significant players there is more confidence in the safety standards. I imagine the trend will be for increased responsibilities in that area.

[5.30 pm]

Mr GRILL: Could I have a specific answer?

Mr RANFORD: That is the context in which a couple of decisions have been made. One decision was to upgrade the position of director of the petroleum division to reflect increased responsibilities and the complexities of the job and to ensure that we were adequately led in that area.

The second decision was, and is supported in a new initiative in next year's budget, the allocation of additional funds to increase the number of inspectors to extend the department's capability of handling the growing offshore industry. I would not like to suggest that it grew out of any particular incident. It has been a desire for some time. There is no doubt that the number of operations which require monitoring has substantially increased and the industry has become more complex.

Mr GRILL: Now that we are dealing with safety, inspection and the upgrading of expertise, what is the situation with the new direct reduced iron plant at Port Hedland, the proposed new steel plant, if it goes ahead, at Oakajee and other projects? Does the department have the expertise to allow it to put in place a full safety regime in respect of, for instance, the steel mill? How does the department intend to superintend the safety hazards?

Mr BARNETT: Something like a steel mill is moving further down the spectrum of mining to a manufacturing operation. I guess there will be issues about ultimate responsibility and jurisdiction. For example, the steel project will not be anywhere near the mine.

Mr RANFORD: I cannot comment specifically on that project. We do cover some plants and processes under the Mines Safety and Inspection Act. There is a boundary between ourselves and WorkSafe Western Australia. However, we work closely together. We both have responsibility for some sites and in some areas we have an understanding worked out to delineate it so that the people operating the site have a clear indication of to whom they are responsible. Occasionally it has created difficulties. We have expertise which it does not have and vice versa.

Mr GRILL: Where is the interface at the present time? I understood all the transport and shipping activities in relation to iron ore came under your jurisdiction. What will happen with the DRI plant?

Mr BARNETT: My understanding is that a DRI plant will come under the jurisdiction of Minerals and Energy. Steel is getting further away from that jurisdiction. As a matter of convenience, and the fact that it comes under an agreement Act and is part of the mining operation certainly the DRI plant will come under Minerals and Energy. The steel mill at Oakajee may come under that jurisdiction, but if there is a subsequent related industry - for example, a stainless steel plant - I do not know what the situation will be. Because of the long relationship, the Department of Resources Development is comfortable working with the Department of Minerals and Energy. That is no disrespect to WorkSafe, but there is a natural relationship between resource oriented industry.

Mr GRILL: The Minister is well aware of the recent fatalities in the mining industry in the eastern goldfields. The perception is that safety standards have slipped somewhat with contractors moving in and doing some of the

underground operations. I do not know whether that is right or wrong, only time will tell. In view of some of the remarks made by the chief mining engineer about longer shifts and things of that nature, is a full monitoring system in place so that the department can take pre-emptive action if it appears the spate of fatalities will continue? The member for Kalgoorlie and I get a lot of anecdotal stuff through our offices about close shaves and dangerous situations. We are concerned that the department appears to be under a lot of pressure to cover all the new mining and underground operations. It also appears to be under pressure to keep expertise within the department, with the sort of lucrative contracts which are floating around within the private sector.

Mr BARNETT: At first glance of the issue, one could assume that a shift to more contract mining will mean a compromise of safety standards. If an accident occurs on a property it will be an issue for the project owner. The project owner must be insistent on the standards of the contractors. Nevertheless, it is an issue for the industry to look at. At the end of the day it can be answered objectively only by looking at the evidence. I am interested to know whether any work is being done either within the department or by academics to assess the performance of in-house and contract mining.

Mr RANFORD: I know there is concern about the increase in the use of contractors. As much as anything else, it is a change in the form of operation and hence a change in interaction between the parties concerned. If proper education programs and other programs were in place it would be simpler because we would end up dealing with fewer people. We would then deal with the contractors who would know what they had to do. Previously, we might have focused on a site where everyone on it worked for the company involved. There is no doubt that with the use of contractors we must adopt a different approach to safety.

We are experiencing quite a change in attitude to safety. The performance is actually improving. We are putting greater responsibility on the operators and the management. That is part of the new Mines Safety and Inspection Act. There is no doubt we are doing less in the way of prescriptive inspection work and are focused on ensuring that the companies have the systems in place to look after safety. We are operating more as auditors rather than walking around and pointing to things that are wrong. We are in a transition period in the introduction of that approach.

There is no doubt that the very big companies are much more advanced than some of the smaller operators. Our time is allocated accordingly. We must pay more attention to those companies which have not fully adopted the desired approach to safety. We work very closely with the Chamber of Mines and Energy of Western Australia and through meetings with committees, including the Occupational Health and Safety Advisory Board and the Industrial Foundation for Accident Prevention, to try to make sure we get a good cover. There is concern about the introduction of more contractors, and about the longer shifts and the implications that may have in some circumstances.

They are being monitored carefully by our organisation. We are finding it extremely difficult to obtain and maintain the quality of staff we require. I am having discussions with the Chamber of Minerals and Energy about some options to deal with that. Now with the expansion of the industry there is a tremendous demand. We need high calibre people. We have even brought them in from South Africa to help us out. However, within a year or two they get taken by companies offering considerable increases in salaries. It is a struggle for us.

[5.40 pm]

Mr GRILL: Another department recently indicated in one of the Estimates Committees it was given a fair amount of latitude in writing more flexible employment contracts for the expertise it requires. Safety is a very worrying area. Is the Government prepared to allow that sort of thing to happen within the Department of Minerals and Energy?

Mr BARNETT: I am not competent to comment on what happens within DOME. We have tried to provide more flexibility in employment contracts. If that suggests the standard of the service drops, and affects the ability of a person to assess safety situations and take necessary action, that should not happen. I can speak only on behalf of the Minister. I think he would be most concerned if there were any evidence of that, as would the chief executive officer.

Mr BAKER: Does the department have a policy about the perceived need for random drug testing of mine workers?

Mr RANFORD: I understand the policy was that we did not support random drug testing of mine workers, but I think we regarded it as a matter for the industry rather than something which needed a prescribed approach. Part of the duty of care is to pass on that responsibility. A number of companies have different approaches to it. As long as they are legal we do not have any view on that. We have concerns about the effect and we become involved in education programs to make both companies and the people concerned aware of the dangers and the importance of the issue.

Mr BARNETT: That sort of testing may be seen as an infringement on rights of individuals. In the offshore oil and gas industry a number of companies, quite properly, have strict procedures for dealing with situations where the lives of a large number of people are endangered. Even though it may be seen as an infringement, I support that.

Ms ANWYL: At page 630 under industry and resources management the number of FTEs for 1996-97 is 411, which will reduce to 405 in the 1997-98 financial year. Does that include the safety staff such as inspectors, and engineers within that category?

Mr RANFORD: At page 625 under industry and resources management there are 110 FTEs against mining operations.

Ms ANWYL: Are they all involved in safety?

Mr RANFORD: No, safety and environment; predominantly safety. At a guess about 80 per cent or 90 per cent are involved in safety.

Ms ANWYL: In that case the 110 FTE figure is static from the current financial year to the next. Given the bleeding of staff just referred to, which I understand relates to not only private industry but also a government appointment interstate, and in the light of the growth of the industry surely there is a need for commensurate growth in safety staff?

Mr RANFORD: We hope to cover much of our requirements in the safety area by improved efficiency and productivity and the approach to safety. I cannot say that I do not want to add more staff in some areas. The industry has expressed some concerns about the level of staffing for safety work. However, that may be related to the fact that we have lost some staff members, whom we are now trying to replace.

You will notice that under petroleum industry management an increase of five is shown. That has been picked up as a specific initiative this year. No particular additions will be made for mining operations this year.

Ms ANWYL: I refer to page 637. How is the \$19m estimated gold royalty calculated?

Mr BARNETT: That assumes 1.25 per cent from 1 January.

Ms ANWYL: Is there any planned review of royalty levels?

Mr RANFORD: The Government has given an undertaking for discussions on the implementation of the rest of the gold royalty arrangements.

Ms ANWYL: I am talking about royalties generally. A note from last year's estimates indicated some discussion by Mr Perry about the need for review of royalties generally, not just the gold royalty. Is anything planned in that regard?

Mr BARNETT: The Premier commented that we should review royalties, but to my knowledge it has not progressed beyond that. Concern has been expressed about the level of royalties in the iron ore sector. Once initial developments have occurred and capital has been paid off, should concessional royalties continue in the long term? That is an inherited position and should be honoured.

[5.50 pm]

Ms ANWYL: How many applications are pending under the native title legislation? Has there been any real change from the position last year when most exploration or prospecting licences were not being delayed? Is there any trend? What has been the cost of advertising the statutory notices, which seem to take up many of the classified columns from time to time?

Mr RANFORD: We could probably spend the rest of the day trying to answer that question. Last year about 90 per cent of exploration and prospecting licences were being cleared through the process in the first two months after notification without any objection to the expedited procedure, and we were able to grant. That percentage has recently dropped a little. We would have averaged about 85 per cent since March 1995 when the process was introduced. In the past couple of months we might have dropped to perhaps only two-thirds getting through without injunction. In other words, there is an increased interest in objection, and flowing from tribunal and Federal Court decisions virtually any objection now appears likely to succeed. That will create a problem for exploration and prospecting licences unless some further amendments are made in the near future.

As to the number of titles outstanding, in the right to negotiate process there are currently about 1 500 that our department is actively involved in negotiating. Because multiple parties are involved we are conducting approximately 2 500 concurrent negotiations with parties in an attempt to reach agreement. Since March 1995 we have granted about 78 or 80 titles through that process, therefore the success rate is not very high. We have had two batches of titles, a total of 11, go through the Federal Court for determination - that is, 10 or 11 titles are not appealed and will go to the Federal Court in July - so we have had nothing effectively come out of that to date. That is a pretty sorry record since March 1995.

Division 34: Chemistry Centre (WA), \$520 000 -

[Mr Sweetman, Chairman.]

[Mr Barnett, Minister for Resources Development.]

[Dr J.W. Hosking, Director.]

Mr THOMAS: One of the major achievements last year for the Chemistry Centre was a plan for relocation to new premises. I see no capital works allocation to provide for that relocation. I have visited the Chemistry Centre and observed the work done there. I have been most impressed. I am also impressed that it is probably sited in the wrong place, and that the premises are in real need of an upgrade. Such a facility should be appropriately accommodated. Has any progress been made on that relocation?

Dr HOSKING: The only progress has been to determine the magnitude of the building. We have looked for sites. We must go through the process of putting through a Cabinet submission.

Mr THOMAS: The Government's science and technology policy was released a couple of weeks ago. It contains a marked preference for collocation of government facilities undertaking research and matters of a similar nature at universities. Has that possibility been considered? Has any progress been made in that area?

Mr BARNETT: I have not followed the fine detail, but, in principle, that is supported. I note the member is also indicating his support. It is the way to go, and I hope that is a realistic option for the Chemistry Centre. It should be.

Dr HOSKING: One of the locations which has been considered seriously is Murdoch University.

Mr BARNETT: The Government at the Cabinet level would like to see that happen.

Mr BAKER: What alternative sites have you considered?

Dr HOSKING: We have considered whether we could move into a pre-existing building -

Mr BAKER: What about Joondalup?

Dr HOSKING: No. Because of the nature of the scientific business we undertake we need to collocate with appropriate facilities.

Division 35 : Minerals and Energy Research Institute of WA, \$835 000 -

[Mr Sweetman, Chairman.]

[Mr Barnett, Minister for Resources Development.]

[Dr C. Branch, Accountable Officer.]

Mr THOMAS: In the Government's science and technology policy statement early this year, the Deputy Premier - who is foreshadowed to become the Minister for science and technology - highlighted a need for a substantial increase in funds available to MERIWA. However, I note that the budget allocation this year has decreased. The policy statement also foreshadowed a submission for funds. Will funding for the institute be increased, and by how much?

Mr BARNETT: We have been sorting out the mines and energy area with the development of the Alternative Energy Development Board. That means that funding will be directed that way. MERIWA is concentrating more on the mines and petroleum sector.

Dr BRANCH: The figures in the budget papers are the total MERIWA grant, which includes minerals, petroleum and alternative energy. We are still the banker for alternative energy but funds are allocated from the Office of Energy through the Alternative Energy Development Board. Small cuts have been made to the MERIWA budget because of funds required by the Government from all agencies, and that has affected both alternative energy and the minerals side. We applied for additional funding this financial year, which was not successful, but I was pleased to see the very positive recognition of the value of MERIWA in the State's science and technology policy. We hope that will be successful.

Sitting suspended from 6.00 to 7.00 pm

Division 73: Aboriginal Affairs, \$23 890 000 -

[Mr Johnson, Chairman.]

[Dr Hames, Minister for Aboriginal Affairs.]

[Mr C. Wyatt, Chief Executive Officer.]

[Mr B. Warner, Acting Director, Aboriginal Programs.]

Dr EDWARDS: On page 73 of the Budget Statements community planning is down by \$3.5m and service provision is up by a similar amount. Are those changes in finances linked? Will you explain what each means and why there is the change in each?

Dr HAMES: They are linked. They are just rearrangements of budgets in the Aboriginal Affairs Department. The department is changing direction and it is looking to be orientated more towards the delivery of services. Much work has been done on preparing reports and investigating the direction the department should take. We are now more interested in getting people on the ground and involved in program management and the development of policies.

Dr EDWARDS: Given the current political climate and concern about expenditure, particularly in this area, what sorts of things will the remote communities demonstration project cover and how will the project be evaluated?

Dr HAMES: The demonstration program developed from a series of reports which commenced with the social justice task force report. One of the recommendations in that report is that a committee be formed. That committee was called the Chief Executive Officer Working Party on the Provision of Essential Services to Remote Aboriginal Communities.

Dr EDWARDS: Who chaired that?

Dr HAMES: I did. As part of that we put together a plan to better coordinate the provision of services to Aboriginal communities and to ensure accountability and, in particular, local management by Aboriginal people in those communities. The committee recommended that the so-called list of 48 communities - for which the State Government is responsible by agreement for managing the maintenance of the power, water and sewerage supply - be expanded. It recommended also that as part of that we have a more coordinated effort with government departments, local government and the Federal Government through the Aboriginal and Torres Strait Islander Commission. From that we developed a 10 year plan to upgrade all of those communities to a minimum standard.

The department undertook a process, which originated with Cedric Wyatt, for the normalisation of those communities so they would have the same facilities as any Aboriginal or non-Aboriginal town would have. The committee developed town plans and management structures and tried to tie those in with ATSIC funds. An amount of \$3m has been allocated in the current budget and \$3m will be allocated in next year's budget to undertake the first stage. Two demonstration projects are provided for in this year's budget - Oombulgurri and Jigalong.

Much of that money has not been spent because we are trying to get the Aboriginal communities to drive the pace for doing those things. We have probably picked the two most difficult communities in Western Australia, because their facilities were in a sad state. However, the project is going particularly well; the communities are behind it. We have done a lot of work on management. Homeswest is focusing its funding and training support on Aboriginal housing, and ATSIC money is coming in as well. The \$3m will be spent - some on infrastructure, a lot on management training, and a lot on developing plans. The \$3m in next year's budget has not been allocated to specific communities yet, but another three or four demonstration projects will be done with that money. In the future I hope to use the knowledge from the project in those two smaller groups as the base to expand the 10 year program. It is an exciting program. It is strongly supported by the communities and ATSIC. It has the potential to achieve one of the best improvements we have seen.

Dr EDWARDS: What about evaluation?

Dr HAMES: Evaluation of the process will be done in two different ways. First, we will start to contract out the management of some essential services. At the moment the Water Corporation manages the water testing and the maintenance of the water and sewerage systems to those 48 Aboriginal communities. Western Power manages the power supply. It does not look after any of the outstations. If a major breakdown occurs, funding comes from ATSIC. Currently \$4m in the budget goes partly to the Water Corporation and partly to Western Power to pay for those services. That is an inefficient method. The department advertised recently for a program manager, which will be funded partly by AAD funds and partly by ATSIC, to put in place a private sector program. The department will tender in three regions - the Gascoyne, goldfields and Kimberley regions - for someone to manage all of those services. That may be an Aboriginal group - we will encourage Aboriginal groups to become involved - but it may not be. The department will insist that they be involved in training and employing Aboriginal people wherever possible. It will also involve them in the maintenance programs. It will be very successful.

In the past, if a pump broke down or something went wrong at Kiwirrkurra, out in the western desert, a Water Corporation officer had to fly there to inspect the problem. That officer might then discover that a part needed replacing and would fly back to the larger town to get that part and then fly back to do the repair. Many efficiencies could be achieved by training the Aboriginal people to assess what is required and by having someone responsible for regional management to supervise the program.

The other important aspect is the overall coordination. Following the committee, Les McCarrey, a consultant, did a legislative review committee report. That continued on from what the committee suggested and recommended some of those changes. However, he also recommended setting up utilities in each region that would undertake the supervision of the maintenance program. Therefore, when the Aboriginal housing authority builds houses, these people will be able to ensure the work is up to a certain standard and can look after ongoing maintenance.

[7.10 pm]

Ms MacTIERNAN: Obviously, this is not just a question of efficiency. Very positive community development ends can be served by having Aboriginal people able to identify and provide services within their own community.

Dr HAMES: That is absolutely true, particularly when we consider a group such as the Marra Worra Worra Aboriginal Corporation, which is based in Fitzroy. That group is very well run and organised and it could take control of that region as a subcontractor to whoever undertakes the main contract. The department is trying to involve Aboriginals wherever possible. It has training programs linked into this to provide training for Aboriginal people to look after these services themselves.

Dr EDWARDS: Page 79 contains reference to strategies for bringing the wide-ranging government departments together to coordinate services. How is the work with local government progressing in terms of the recommendations of the Minister's committee and the other committees mentioned in the Budget Papers? Is the department getting the cooperation needed to rectify the problems on the ground?

Dr HAMES: The department recognises that local government has a major role to play in Aboriginal communities that it is not playing at present. Many discussions have been held, particularly with the Western Australian Municipal Association, in an attempt to achieve much better involvement.

Local governments in those remote communities do not seem to realise that they have a responsibility. Not only do they get funding for the Aboriginal people living in their electorates but they also get a loading for them. Yet, local government provision of services in many cases is sadly lacking. Those Aboriginal communities are seen as isolated and unwelcoming to local government. That is not the case. One of the aims of this program is to bring local government into the whole process and get it much more involved. That is successful in some areas and not in others.

Dr EDWARDS: Is WAMA generally supportive?

Dr HAMES: It is very supportive. The Aboriginal people want local government to be involved, but they feel left out. A local Aboriginal community like Jigalong has between 400 and 800 residents, depending on the season. In Marble Bar, which is a predominantly white community with some Aboriginals, the council provides a rubbish collection. It is organised by the locals, but the workers are paid as employees of local government. That town has fewer people than Jigalong. Of course, the council at Marble Bar collects rates. The general rates at Tom Price represent about one-third of the total annual budget; that is, two-thirds of the rates come from either the mining companies or as grants from other sources. A rubbish collection could just as easily be established at Jigalong, with Aboriginal people running it. That would be equitable. Much work needs to be done to support local government.

Mr WYATT: Local government's performance in honouring its responsibilities to communities in the regions has improved enormously. The Minister referred to two demonstration projects. The department's funding is aimed at those other agencies that have a responsibility to provide services, but departmental funds are certainly not significant. However, at the end of the demonstration program those communities will become towns - gazetted in the normal process - and eventually their future will rest with the Grants Commission in terms of providing ongoing financial and management support.

Local government is about to join the department on a committee to ensure a closer working relationship, particularly with WAMA. At the commonwealth and state level, with the ministerial council on Aboriginal affairs, local government is a key player. It has been difficult in that it was believed that shires provided services only to ratepayers. That was a myth and it has been exploded. The demonstration project is a normalisation program. We must deal with the whole question of rates in Aboriginal communities. Local government is a key part of that and its support has been excellent.

Ms MacTIERNAN: Obviously the situation in the outer metropolitan areas is somewhat different. The Minister might be familiar with the situation in Gosnells, where the council was attempting to do something by providing a centre and facility for its local Aboriginal community. It was subjected to an enormous public backlash. Because under normal circumstances local government is elected by such a small percentage of the population, the council was fearful and scrapped the entire project. Has any thought been given to how we might constructively engage local government in the metropolitan area, particularly those areas such as Armadale and Gosnells that have substantial Aboriginal populations?

Dr HAMES: The Department of Aboriginal Affairs and a whole range of other government departments provide facilities, some which are used specifically by Aboriginal people and some which are available to anyone but which are largely used by Aboriginal people. For example, today a crisis accommodation centre was opened at Midland. About two-thirds of the clients are Aboriginal people, primarily from the Midland region. That centre was supported by the council, despite a fair bit of opposition from local residents. I gather that since it was established there have been no problems whatsoever. It is always difficult. Councils are elected in the same manner as politicians. While they are elected by a much smaller number of voters, hopefully that will change when more councils adopt postal voting. However, we are not in a position to force on local government initiatives we want to introduce and believe are necessary. Obviously, we prefer to work with councils.

[7.20 pm]

Ms MacTIERNAN: I understand that. I am not suggesting that any obligation should be placed on local government but perhaps things could be made a little easier by assisting with funding, for example. As the Minister will be aware, councils like Gosnells are elected on a vote of 10 per cent of the population, which is substantially smaller than the number we have here. It is not just a question of community facilities that Aboriginal people can use. There is very much an overwhelming need in those areas for a centre for Aboriginal people which is their own; not one that deals with crisis care, but one that is a positive affirmation of the Aboriginal community in an area. Until we are prepared to provide funding, the huge problems we have with Aboriginal juveniles in particular in those areas will not be addressed.

Dr HAMES: I understand the sentiments the member expressed. I agree with the broad thrust of what she says. She must remember though that we are discussing the Aboriginal Affairs Department budget. We are mostly a coordinating department. We have some role in capital funding for demonstration projects. We do not have funds within the budget to provide capital works in any of those areas. They tend to be provided by specific departments, such as Family and Children's Services, the Police Force and the Education Department. They do not come under my portfolio as the Minister. We are supporting those departments in general terms. There is a strong push in the Northbridge area for the facilities to which the member referred. The Aboriginal Affairs Department has supported that by helping with coordination and discussion to bring it to fruition.

Mr MARLBOROUGH: I refer to a number of items on page 75. The Minister stated that his department had a facilitating role with many of the community needs and concerns. Where are we at in this State with regard to the Royal Commission into Aboriginal Deaths in Custody? The publicity that I have read, certainly that from the Aboriginal community, continually indicates that this State is sadly lacking in applying many of the recommendations. How does the Minister view that? What recommendations of the Royal Commission into Aboriginal Deaths in Custody are still outstanding, bearing in mind that its report was brought down a number of years ago? What is the program for ensuring that those recommendations are fulfilled in the next 12 months? It may be that I need to put the question on notice because I want a detailed answer about those recommendations and what the Minister intends to do about overcoming the deficiency.

Dr HAMES: I am not in a position to provide those answers. The responsibility for the carriage of the report of the Royal Commission into Aboriginal Deaths in Custody lies with the Attorney General and not me. One of the significant issues and trends on page 75 is that the Department of Aboriginal Affairs has been involved in some of the recommendations of the report, but only some.

Mr MARLBOROUGH: Is the Minister saying that the department has no responsibility for implementing any of the policies or recommendations?

Dr HAMES: No. We have responsibility for some of those things.

Mr MARLBOROUGH: Maybe for the detail of the outstanding matters we should go to the Attorney General. Under the subheading on policy directions the Minister goes to great lengths in listing a number of reports which are supposedly directing his department. Regardless of whether the Attorney General is responsible for pulling the trigger and the Minister is responsible for carrying out the action, I understand from the publicity surrounding the issue that we are extremely deficient in this area. On which aspects of the report of the Royal Commission into

Aboriginal Deaths in Custody is the department working? What has the Minister budgeted for the issues that he has not looked at or has he budgeted at all?

Dr HAMES: My chief executive officer can answer part of that question. He will detail the areas in which the Department of Aboriginal Affairs has been involved. We cannot say specifically what is happening with all of those recommendations because they are not our responsibility. We have not been dealing with the question of whether some are being addressed and some are not.

Mr WYATT: The Western Australian response to the Royal Commission into Aboriginal Deaths in Custody has been better than any other State in this country. The Aboriginal Justice Council is one of the major recommendations of the royal commission.

Mr MARLBOROUGH: That means to me that it is bad; it may not be as bad as other States but it is still bad.

Mr WYATT: The outcomes of the report?

Mr MARLBOROUGH: The whole procedure in relation to the recommendations.

Dr HAMES: I am happy for my CEO to respond to questions on my behalf but not to be involved in a two way conversation. I ask that my CEO might provide his response to that question. If there are any further questions stemming from it, I will be happy to answer them.

The CHAIRMAN: That is a fair comment.

Mr WYATT: We can show in this year's budget and in particular last year's budget where funds have been directed to the maintenance of the operations of the Aboriginal Justice Council. The council is authorised by Cabinet to monitor the implementation of the recommendations of the Royal Commission into Aboriginal Deaths in Custody. That is fully funded by the department. It has a full-time chair. The chairman's appointment has lapsed and we are awaiting the appointment of a new chair, which involves a national summit. We report through the Minister to the Parliament on the implementation of the recommendations of the report. The Minister will present that report to Parliament at the end of this financial year. In this State many of the recommendations have been very clearly implemented. A lot of question and debate has surrounded both quantitative and qualitative reporting, but every other State has followed what Western Australia has done. No other State has funded Aboriginal representation and Aboriginal monitoring of the Royal Commission into Aboriginal Deaths in Custody as we have done. We can demonstrate figures in the existing budget where we support the operations of seven regional Aboriginal Justice Councils where Aboriginal people are working on the ground with other service deliverers on justice issues. They are working very closely to ensure that those recommendations are implemented. That is funded through the agency. A number of other appointments are made through local regional executive officers. Those positions are funded by the Commonwealth in an agreement we have with ATSIC. Although we do not have particularly good rates of incarceration, Western Australia's response to the report of the Royal Commission into Aboriginal Deaths in Custody has been far greater than any other State.

Mr WARNER: The direct financial contribution for the operation of the seven regional Aboriginal Justice Councils is being assumed by this State next year. We are not anticipating the same level of commonwealth support for that activity, which will equate to \$500 000. In addition we are continuing to support the operation of 11 Aboriginal community patrols in regional Western Australia and the Perth metropolitan area. They represent a diversionary strategy to reduce Aboriginal people's contact with the criminal justice system. That is part of the package of reform for which the Department of Aboriginal Affairs is directly responsible. In addition, as Mr Wyatt has said, we report annually to Parliament. We also support a critique of the report on government agencies through an independent report which the Aboriginal Justice Council supplies and is tabled in Parliament.

[7.30 pm]

Mr MARLBOROUGH: Is it correct that the Aboriginal Justice Commission, whose role is to oversee the implementation of the recommendations of the Royal Commission into Aboriginal Deaths in Custody, has not met since before Christmas and presently lacks a chairperson? How often does that committee meet, how long has it been without a chairperson and when do you intend getting that committee back on track to oversee such important royal commission recommendations?

Mr WYATT: There was such a long break over Christmas because we went out specifically to involve the Aboriginal community in the selection of who should represent them on the Aboriginal Justice Council.

Mr MARLBOROUGH: Are you now telling me that it is a newly formed council or that it has been waiting for a chairperson to be appointed to it?

Mr WYATT: The committee has been operating for three years now, but it is undergoing some change. In the next couple of months we intend to set up the panel, after an extensive period of consultation with Aboriginal people all over Western Australia. That was done through the Commission of Elders, which is another body supported by the department, and included the Aboriginal legal and medical services. We want the council to sit before the national summit in July so that the chairperson is able to attend that summit.

Mr MARLBOROUGH: It is one thing to say that Western Australia is better than any every other State, but it appears we have more to do in this area. I do not have a lot of faith in a committee - which is responsible under your budget for overseeing the implementation of many of the royal commission's recommendations - which has not formally sat since before Christmas. Although I sympathise with the need to discuss with Aboriginal communities and groups - I do not know how many of the members of the present committee were members of the former committee - it is totally inappropriate for that process to have taken well over six months of one financial year. That should be rectified. If in the future the changeover of committees is required, we should look at a process that replaces those people fairly quickly without any hold-up.

Dr HAMES: I accept the comments that it is inappropriate not to have somebody there. There have been some delays because the recommended procedure for setting up a committee was not that it be a ministerial appointment, with me choosing the person to be chairman, but that there would be a panel of people with strong Aboriginal representatives to make that recommendation to me. We do not foresee changing the chairperson again in the near future, so I do not envisage that issue arising again. Once that committee is in place I see it proceeding for a long time.

Mr MARLBOROUGH: Are the members appointed for a certain time?

Dr HAMES: It will be three in two years, so that we always maintain a continuity of persons on the committee.

Dr EDWARDS: At page 80 you refer to regional Aboriginal Justice Councils. Can you tell us about them and how they fit in with the other council you have been talking about?

Dr HAMES: Mr Wyatt will do that; he mentioned the regional justice councils.

Dr EDWARDS: Are they established?

Dr HAMES: The regional councils are established and operating.

Mr WYATT: Probably one or two are still coming to fruition at the moment, because we are conscious about allowing the community to develop the pace of their establishment. Seven have been formally set up, but another four are yet to be established. They are now operating and are working closely with the state Aboriginal Justice Council.

Dr EDWARDS: Do they feed into that?

Mr WYATT: Absolutely.

Mr MARLBOROUGH: I draw the Minister's attention again to page 75 and to part of the policy direction which states -

... the Aboriginal Affairs Legislative Review Reference Group concept paper Provision of Services to Aboriginal People in Western Australia, An Action Plan and Proposed Legislation.

It goes on to state -

The LRRG concept paper proposes an action plan for a whole of government approach to the provision of services to Aboriginal people and will form the basis for new legislation in Aboriginal affairs.

That appears to be an extremely important body. Who is on the body? Is it a Western Australian driven and funded body or a commonwealth driven and funded body? How long did the report take and who did it liaise with to bring forward that particular paper?

Dr HAMES: I can answer part of that. The committee was set up prior to my time as Minister by the former Minister, Kevin Prince, and it was chaired by Les McCarrey.

Mr MARLBOROUGH: Is it an accounting committee - a dollars and cents committee?

Dr HAMES: A lot of it involved dollars and cents because we were trying to put together a package. It followed on from our report and it had to find a way of putting into practice many of the things we had recommended. It had

to go through all the detail and put an action plan in place. It did a lot of work over about a year and prepared the report which the department is now proceeding to put in place. I went through some of those details before you came.

Mr MARLBOROUGH: Was it a paid consultancy report?

Dr HAMES: It was.

Mr MARLBOROUGH: Were any Aboriginal people involved in that committee or did McCarrey carry out that study as a consultant and go around and talk to different departmental heads and Aboriginal groups?

Dr HAMES: I can answer in general terms, but it would be better if Mr Wyatt responded to that.

Mr WYATT: The Legislative Review Reference Group travelled all over Western Australia, went to Aboriginal communities, met ATSIC regional councils and met commonwealth and state agencies all around the State. It was a most comprehensive consultation process. Other members of the group were representatives from Treasury, the Auditor General, Premier and Cabinet and ourselves.

Mr MARLBOROUGH: Is that report publicly available?

Dr HAMES: Yes.

Mr MARLBOROUGH: From the definition you have given it appears to be a typical McCarrey report. It looks at dollars and cents and how to put processes in place to account for the expenditure of dollars and cents. Is it any more than that?

Dr HAMES: It is an enormous amount more than that. I understand the member for Peel's comments to be based on previous McCarrey reports and his responsibilities in those areas. However, I am pleased to say that he has done a tremendous job on this report. He has taken the needs and wants of Aboriginal people very much to heart and has spent a huge amount of time on the Aboriginal consultation phase. The Aboriginal people from those communities support the report and the recommendations he has made because he has taken what they have said and put a plan around it. As stated, this has the very strong support of ATSIC and that is why it is helping to focus all its funds on the recommendations of his report.

[7.40 pm]

Mr MARLBOROUGH: My final point relates to the statement that the implementation of the Aboriginal Lands Trust review recommendations, particularly the transfer of ALT land to the direct control of Aboriginal people, will represent a major shift in government policy in recognition of the aspirations of Aboriginal people. It also says the High Court Mabo decision and the more recent determination in the Wik case create a sensitive political environment for the negotiation of land issues between Aboriginal people and major industry.

With the present political atmosphere in both this Parliament and the Government about its attitude to the Wik decision and the High Court decision on Mabo, how are those discussions going? Are they going at all? Is the department concerned, or is the Minister able to address any concerns about what appears to be a backing away by the Government in general from the High Court decision and its application to Mabo and/or the Wik decision? The Minister seems to be jumping on hot coals and having difficulty in getting anyone to listen to him.

Dr HAMES: There are two issues to look at. One relates to the Aboriginal Lands Trust land and Aboriginal ownership; and the other is land ownership through the Wik decision and Mabo. The Premier has a specific department that is responsible for native title management. There is a Cabinet native title subcommittee, of which I am a member and which comprises members from the Premier's department and other departments. It has responsibility for dealing, in general terms, with Mabo and the Wik decisions. Aboriginal Lands Trust land is a different matter. Aboriginal Lands Trust ownership has been transferred to Aboriginal people in a lot of areas. That is a totally separate issue from the Wik decision.

We are continuing to look at those issues. I am quite keen on progressing them. At the moment we are looking at a request by the Kiwirrkurra Council, which I mentioned before, for a very large land claim in the western desert. That claim is being considered at the moment as part of our process of looking at Aboriginal Lands Trust land. We are keeping these issues separate. We can do something about the Aboriginal Lands Trust issue now, and we are doing so. The Wik and Mabo decisions require a federal political solution.

Dr EDWARDS: Page 80 of the document mentions that the Government will be supporting Aboriginal communities in improving the operations and effectiveness of 11 community patrols. Can the Minister tell me about those patrols and, in particular, how their effectiveness can be proved?

Dr HAMES: We support those community patrols. The feedback is that they have been extremely effective in reducing the incarceration rate for excess alcohol consumption. I will ask one of my advisers to detail how they are going and the results we are getting.

Mr WYATT: They represent a partnership arrangement between small business, communities and local police. In some areas local Neighbourhood Watch and police-community relations bring the patrols together. Essentially some people must be taken home or to a safe house or to one of the alcohol drying out centres. Police figures will demonstrate how effective the patrols have been in reducing the contact between offenders within the community and the police. We are committed to funding the patrols this year and next year as part of a three year program. We are encouraging the community to take more responsibility for the operations of those patrols. They are supported by local Aboriginal community employment development program funds provided through the Aboriginal and Torres Strait Islander Commission. We provide a top up to ensure those who are providing a full time service take home a respectable package, including uniforms. We change the vehicles every couple of years.

Dr EDWARDS: Does each patrol have a budget or a trust fund? How is the financial effectiveness determined?

Mr WYATT: Each community receives the same amount of money from us. It is set at about \$50 000 and it provides for the operations, the management and the top up to the CDEP where that is in place. Patrols have become so successful that the demands upon us are such that we must look to see whether we can spread the resources further.

Mr WARNER: When we originally started to support them, we had provided a budget of about \$50 000 for each patrol. Bearing in mind that we want to maintain the community ownership of the service, we are looking for ways of stimulating community sponsorship and small business sponsorship of vehicles, for example. That is one way of reducing the capital cost of replacing vehicles and maintaining community ownership for the service. Each patrol is now getting to the stage where it is looking at a discrete budget. The patrol budgets will be determined according to need, depending on the local circumstances, the linkages we make with either the Police Service or sobering up shelters and the way the management committee is constructed.

In the Pilbara we have a strong relationship with the Police Department. It is involved with the management committee and connecting a lot of the local support. It has dedicated a constable to the patrol and has made office facilities available to it. A different arrangement operates in Geraldton where a direct connection will be pursued with local business people.

Dr EDWARDS: This sounds like a good output measure. Why are no output measures listed in these budget papers? Did the department not develop them, or did Treasury not accept them, or were they simply not published?

Dr HAMES: Does the member mean funding for those specific items?

Dr EDWARDS: No, I mean as a general question; for example, page 77 shows a summary of key outputs, but no figures are given under units and measures for this year, although figures are shown for 1997-98.

Mr WARNER: The program statements detail a significant change in the program structure under which the department is operating. Our efforts have been concentrated on developing measures and effectiveness for the future, rather than on a retrospective analysis. We are focusing on the future.

Dr EDWARDS: We had a briefing from Treasury and were told that some departments had been recalcitrant and had not come up with their outputs. Obviously this department was not one of them. Mention is made on page 81 of the evaluations conducted in 1996-97, one of which was the review of the Aboriginal Affairs Planning Act. Is that the same as the McCarrey review or did it flow from that review?

Mr WARNER: One of our terms of reference was to start to review this Act. The terms included a review of the reform of government resourcing of Aboriginal affairs; however, it is coming from a different angle.

Dr EDWARDS: Could the adviser please explain that again? Is it an offshoot?

Mr WARNER: One of the consequences of the Legislative Review Reference Group plan is a platform for drafting instructions for a new Act.

Dr HAMES: I was about to answer differently because the Aboriginal Affairs Planning Act has been around for a long time and it was a specific requirement from the LRRG to look at that problem. That is why it was given that name. One of the requirements was to look at the way in which the Act should be changed.

[7.50 pm]

Dr EDWARDS: Will the review of the Act be completed by 30 June?

Dr HAMES: No.

Dr EDWARDS: It states that an evaluation was conducted in 1996-97.

Dr HAMES: No. The recommendations gave directions to the ways in which the Act should be changed. However, that process of changing the Act has taken a back seat to some extent to what we plan to do in putting the recommendations of the group relating to remote Aboriginal communities on the ground. In effect, we are giving that a much higher priority than the review of the Act.

Dr EDWARDS: The major achievements for 1996-97 are listed on page 77 of the Program Statements. Will the Minister table by way of supplementary information the proposed major achievements for 1997-98?

Mr WARNER: Treasury did not make that a prerequisite for the presentation of the statements by departments. In fact, we were directed to develop our output measures in our output-based management methodology, I think on the basis of feedback from Parliament. I think it prefers details on outputs and output measures rather than a text-based commentary on what we think our achievements have been. The department has taken that advice literally and it has not developed any text-based commentary on what it thinks will be its major planned achievements. We preferred to develop them around the valuations that we were proposing and the actual outputs that we intend to deliver.

Dr EDWARDS: From the Opposition's viewpoint, that is not very satisfactory, given that this Budget is totally different from the last Budget. Therefore, comparison is difficult. Without having an idea of what you propose to do more formally in the coming financial year, it is a bit unclear what such a superficial document means beyond the 50 minute discussion we have had. I would be very grateful if they could be tabled at some stage.

Dr HAMES: As stated, they have not been prepared. However, I am happy to have the department consider ways in which that could be provided. I am not prepared to provide that information as supplementary information because that puts a time constraint on when we would have to supply that information. I need to get further feedback from the department on what it can do and how it can do it. We have no secrets about what we plan to do. Our plans have been laid out clearly. In the longer term, given that that was our interpretation of Treasury requirements, if the member wants it done differently, it would be a good idea for her to put in a submission to Treasury saying that she felt it was lacking and it would be better to provide that information in the future.

Dr EDWARDS: Most committees have asked for the same information.

The CHAIRMAN: Do you wish to put that on notice?

Dr EDWARDS: Yes.

Dr HAMES: I have been advised that the McCarrey report has not been tabled and is not yet available for public information. However, we are happy to provide a copy to the members for Maylands and Peel for their information.

Division 74: Office of Water Regulation, \$6 573 000 -

[Mr Johnson, Chairman.]

[Dr Hames, Minister for Water Resources.]

[Dr B.R. Martin, Coordinator of Water Services.]

[Mr P.A. Kelly, Director, Operations and Performance.]

[Ms S.J. Henshall, Manager, Corporate Services.]

Dr EDWARDS: A sum of \$200 000 is referred to on page 1050 under "Minister's office transfers". Why does the Office of Water Regulation transfer a proportionally higher amount than the Water and Rivers Commission which transfers only \$100 000?

[8.00 pm]

Dr HAMES: The funding is allocated to different departments and in this case it is partly to the Office of Water Regulation and partly to the Water and Rivers Commission. There is no good reason for that; it is historic. In future it will be managed by the Ministry of the Premier and Cabinet, and this transfer is to bring those funds into line so that the department for which the Minister is responsible will no longer be required to put up those funds for the Minister to use. It will be much more transparent and there will be much better control within the Ministry of the Premier and Cabinet.

Dr EDWARDS: One of the significant issues and trends listed at page 1051 is the clarification of respective roles in the water agencies since the water industry restructure. One of the issues I picked up, particularly in the country,

was that farming people and also public servants in the Water Corporation and the Water and Rivers Commission have had some difficulty adjusting to their roles and their changed brief. Has that settled down? Is the Office of Water Regulation happy with the settling in period?

Dr HAMES: Each of the departments is happy with its respective role. The respective departments have been feeling their way with regard to their roles and how they differ from the previous situation. Each had the same role before but they were all under the Water Authority. Since being split and becoming independent, they have had to determine their responsibilities. That has certainly happened now and each department has developed a very good understanding of its role. There is more to be done, but I am pleased with the progress to date.

Dr EDWARDS: I refer to page 1052. Given the role of the Office of Water Regulation, how many complaints have been received from the providers of the new sewerage service, the companies doing the engineering work, and how many have been received from other people who feel they have been unduly affected by the work?

Dr MARTIN: The complaints received under our complaints process are from customers of the various water agencies. I cannot recall the exact number. The water service providers, whether local government or one of the major metropolitan suppliers, do not make complaints to us in that same formal sense. We are there to establish a customer complaints process, and that is part of the customer charter and the licensing process. Having established that, if customers' concerns are not satisfied, they are referred to us. I think 20 complaints have been received.

Mr KELLY: That is correct. Under the licence each licence holder must have a customer service charter, under which there is a requirement to provide a conciliation process. The Office of Water Regulation does not become involved in complaints in the first instance, and if complaints are made directly to our office we refer them to the respective service provider. It is also a requirement of the service providers' licence that they supply information to all customers about their customer complaints process. Most of them have already done that, and some existing providers are still getting that information out.

Dr HAMES: From my experience, most of the complaints relating to the infill sewerage program are made to the Water Corporation, which is the contractor in most instances, or to local members of Parliament. Almost all are satisfied relatively quickly and without too much difficulty. When they are not, the Water Corporation has a responsibility to advise them that the Office of Water Regulation is available to act as a conciliator and arbitrator if required.

Mr KELLY: We recently met with the Ombudsman, who was very pleased with our complaints and conciliation process. He reported that the number of complaints to his office seemed to have declined since the creation of the restructured water agencies. Much of that is probably directly attributable to the fact that in the first instance customers are encouraged to go through a conciliation process with the water service provider.

Dr EDWARDS: You are the form of external review?

Mr KELLY: Yes. Under the Act there is provision for people to appeal to our office within 21 days of their complaint not being satisfied.

Dr EDWARDS: At page 1052 reference is made to key outputs - the 23 licences for the water service operating licences, three new declared areas increasing to five, and the provision of 310 grants. Will you explain those measures and why the number of licences remains static? Will that number increase over time? Will the number of farm water financial assistance grants also increase over time?

Dr HAMES: Farm water financial assistance is provided under the farm water grants scheme which has been in place for a number of years. It has been significantly revised in the past few years, because of problems with open-endedness and difficulty with coordination, and it is now functioning much better and working extremely well. We have recently been through an advertising program and a significant number of new applications were received. The reason for the apparent reduction is that much of that initial amount has been carried over from previous years. This year the grants have been provided but not paid. The figure decreases from \$6.425m to \$3.984m. That is a carryover of funding for grants made, but they have up to 18 months in which to put in the service for which funds are being provided.

Dr MARTIN: The 23 licences have now been issued for the three urban water providers - Bunbury, Busselton and the Water Corporation - and the 20 local governments that run local sewerage schemes. The measure for next year is not as ambitious as it might appear. Those 23 licences will remain in place. It now looks as though we could do better. I will return to that point.

Reference to the number of declared areas is a strange way of expressing it, but under industry development we want to introduce new operators into Western Australia. For example, we have sought expressions of interest from

agencies and corporations for providing and operating services at Kemerton and Coral Bay. The level of interest and response has been encouraging. In Kemerton we received three expressions of interest earlier this year. We received six expressions of interest for Coral Bay, which is a small operation.

[8.10 pm]

Dr MARTIN: Five of those were from organisations which currently do not run a water service of any sort. They are firms which have some involvement in the water industry, usually in one component of the industry but not as a total provider, operator or manager of systems. A number of straws in the wind show a great deal of interest is evident outside current providers - indeed, outside the State. A number of submissions are from firms that are interested in becoming operators in the ongoing supply of sewerage or water supply and, to a lesser extent, irrigation and drainage. That is one indicator.

The other is the number of people who talk to us about prospective developments in the WA water industry. As soon as I say "irrigation", of course, real prospects arise of a couple of new licences with farmers' cooperatives taking over operations in the south west, in the Ord River and even possibly at Carnarvon.

The 23 licences for this year is not a very enthusiastic statement as we could expect many more. Indeed, a new player at Coral Bay represents another licence. A similar situation would apply at Kemerton, and it may be somebody new from Bunbury or the Water Corporation. Other providers of service may become licensed. We have discovered recently in the course of discussions that the port authorities are providing water services through their operations.

A number of existing players and potential new players will come into the State and will be reflected in these licence numbers. More importantly, we are trying through these measures to reflect the element of competition within the State.

Dr HAMES: The whole purpose of setting up the Office of Water Regulation as a separate entity from the Water Corporation is to look at options for providing competition to the Water Corporation. That is essential for better management of future pricing for water supply.

Dr EDWARDS: Do you think some of the Aboriginal communities we were talking about in the last division, when they are gazetted towns, will have their own licences so the numbers increase over time?

Dr HAMES: I am not sure about that as we have not looked at it in depth. We have had passing discussions, but negatives as well as positives are involved. We need to assess that much further down the track.

Dr MARTIN: Even the legal position with remote Aboriginal communities is not clear regarding our legislation about whether a water service is provided under the definition in our Act. It defines that a service is provided from one party to a third party. The ownership of the service within Aboriginal communities is not clear - we are waiting for advice from Aboriginal Affairs Department on that. The Aboriginal Lands Trust appears to be the owner, but that is coming to a close. The Aboriginal and Torres Strait Islander Commission's role has been to provide the capital works in the past, but it was not the ongoing manager. It is confusing.

Dr HAMES: One of the recommendations of the McCarrey report was to set up a public utility to manage each of the three regions as a separately licensed public utility. One would expect that such a body would have the licence for the provision of the water service.

Dr EDWARDS: Which regions?

Dr HAMES: They are the Kimberley, Pilbara-Gascoyne and the goldfields regions. That utility would have responsibility for water, power, housing and other things to do with the program. We are trying to bring the management down to a regional level. The difficulty is in the ownership question, partly with water, but also with power. Who owns the generators if they are funded by ATSIC but not owned by Western Power? Who owns the water and sewerage system? It is often funded by ATSIC but not owned by the Water Corporation or the community. It is probably owned by the Aboriginal Lands Trust to some degree, but when one takes over the responsibility and the system needs upgrade and change, who pays? It is a complicated issue.

Dr EDWARDS: Can you walk me through the farm water plan trust account on page 1 054?

Mr KELLY: The farm water plan has been transferred from the former Water Authority to the Water and Rivers Commission, and subsequently to our office. The trust account was established. The amounts listed are carried forward with an additional amount made available in the 1997-98 financial year. All the funds in the trust account are fully committed but not drawn down. Unlike a normal grants program where the cheque is sent out on the approval of the grant to, say, a sporting club, this program works on the basis of doing the work first and then putting in a claim. However, the Minister has signed off an initiative to allow some up-front payment.

The maximum amount which can be claimed is \$12 500. A 50 per cent subsidy applies for domestic supplies and a 25 per cent subsidy for on-farm usage. The balance of the trust account at the moment is fully committed. A round has just closed and we would be over-committed if we made payments to all those eligible payments. Payments that would be limited to what is available in the trust account and those applications will be carried forward to the next year. An additional \$1m will be paid into the trust account in the 1997-98 financial year. In 1996-97, we had a supplementary payment of just over \$1.5m to make up the shortfall on the previous commitments.

The Minister mentioned earlier that some question arose about the running of the grant scheme previously where it was not operating as a series of "rounds"; that is, it had no opening and closing dates on application. More applications were received than money was available. We undertook an extensive review of the program and gave a presentation to Treasury about the changes in the administration of this matter. It was pleased with the changes and agreed to meet the shortfall, and that supplementary payment was made.

Dr HAMES: The need for a farm water plan with subsidies arises because the cost of providing potable water through pipeline to those areas is either extremely expensive - often in the order of \$50 000-plus per farm - or impossible to get there. Often, we have a system through application where a loading is rated through certain factors. One factor is the amount of water in the region. Particularly dry areas have a loaded points system so we focus on areas most in need. Domestic supply is to the farmhouse so a 50 per cent subsidy is provided for the provision of water. This may be through a rainwater tank. We provide a 25 per cent subsidy in funding for extra dams for stock water.

Dr EDWARDS: Is anyone in the farming area eligible, or is the round narrowed down before application are made according to the season? Can anyone apply, and are the factors then applied?

[8.20 pm]

Mr KELLY: For the greater south west - I am referring to from Northampton down, so it is not really the greater south west - the area is broken up into seven regions. Those regions are given a locality score based on the average rainfall in the area: If they are further east, the locality score is quite high; if they are on the coastal fringe, particularly the south west coastal fringe, where the rainfall is much higher, the locality score is considerably less. The remainder of the points are worked out through a water deficiency rating, which is an objective process of identifying the number of stock that the farm can potentially carry, or the percentage of the farm that is under crop. Unlike most other grant schemes, which require a bleeding heart approach to the need for money, this is a very objective grants scheme that is quantified by way of points. It is not the Ros Kelly whiteboard! Although I have the same surname, I am not related and certainly do not administer the program in a similar way.

It is a very clear, objective program. It has a cut off point of 85; if you are above 85 points, you are considered to be water deficient. At the close of each round, we work from the highest number of points down until either the money that has been allocated to that round runs out or we reach the 85 cut-off point. In the last round, we received 370-odd applications, of which about 80 were under the 85 cut-off. We have far more eligible applications than we have money available, so we put those through to the next round - they are above the 85, but they are considered in the next round when more money is available.

Mr MARLBOROUGH: I do not profess to be an expert on how the agricultural sector of our State operates, but I find this fairly interesting and difficult to follow. I understand that part of the problem with farming is that we have too much cleared land which does not yield good crops and probably should not run cattle and sheep. Are we putting water to land that, for whatever reason, is not getting an appropriate amount of water but is being further cleared for farming, or is this water for existing farms?

Dr HAMES: We are providing most of the water to areas such as Ravensthorpe, Jerramungup, Lake King, Newdegate and Kondinin, which are out towards the Lake Grace region. Those are the highest producing wheat areas in Western Australia, if not in Australia; it is extremely good quality land for growing wheat and other crops. However, those areas are very dry because the rainfall is not terribly high, it is difficult to retain water, and there is no good underground water supply, so although the rainfall is sufficient for growing crops, it is very difficult for stock and people to get sufficient water to drink through the year. It is a bit of an anomaly.

Mr MARLBOROUGH: It is not a matter of providing water so that farmers can clear more land that is fairly marginal?

Dr HAMES: It has nothing to do with clearing land.

Mr MARLBOROUGH: In light of the comments about encouraging competition in the Water Corporation, have you had or are you having discussions with any overseas companies with regard to their taking over water supply in and around the metropolitan area? When I was in the United Kingdom in 1994, at least one private water company

advised me that it had set up an office in Perth and in other States. Has your authority been dealing with that office? Is it looking at entering into an arrangement whereby that office will take over a substantial part of the metropolitan water supply?

Dr HAMES: We discussed that earlier today. To give an example, one area where we are looking at opportunities for competition is the Armadale-Gosnells area, where a proposal for residential development is being hampered to some extent by Water Corporation prices for bringing water and sewerage to that area. We are looking at going out to tender for whatever company wants to put in a price to provide those services to that area to support the development proposals.

Mr MARLBOROUGH: That would be not only the infrastructure but also the running of the water and sewerage supply systems to those dwellings?

Dr HAMES: Yes.

Mr MARLBOROUGH: Are you proposing to go down that path for this development at Armadale?

Dr HAMES: It was discussed today, and we will have further discussions on it.

Mr MARLBOROUGH: You discussed it at the Estimates Committee today?

Dr HAMES: No. We have regular meetings.

Mr MARLBOROUGH: I asked the question at the right time! I must have been aware of it!

Dr MARTIN: A number of overseas water providers have come through, mainly English. We have had no discussions in the sense of specific proposals, but they are certainly showing a great deal of interest in the Australian scene. At any water conference in Australia these days, you will find lots of English and French water providers who are looking around Australia - not just Western Australia, of course. A number of them have established offices and even operations in other States, so they are all looking.

To go back to the Coral Bay example, you might think that people would hardly travel interstate to hear about a small community like Coral Bay that needed a water service, but a number of these agencies from the United Kingdom to which you referred turned up at that half day seminar just to find out more about what was happening in Western Australia.

Dr HAMES: I am aware that some of the mining companies in particular that are doing major resource developments are going outside the Water Corporation and seeking tenders from private organisations to provide their water.

Mr MARLBOROUGH: Townsites and minesites?

Dr HAMES: Mining developments, such as AUSI steel.

Mr MARLBOROUGH: Is the proposed development in Armadale a 2 000 hectare development, a hills development, or between Armadale and Byford on the flat land, and how far advanced is the proposal for a private company to provide water and sewerage for that development? At what stage is the plan? Has it been approved by the Ministry of Planning?

Dr HAMES: I can answer a proportion of that. It is the flat land between Armadale and Byford. It has not proceeded to that stage. Previously the developers - I gather that more than one developer is looking at developing land in that area - went to the Water Cooperation and got a bit bogged down because they did not accept the price that the Water Corporation quoted for doing the work that was required. There were suggestions by the council that other operators be looked at as an alternative source.

[8.30 pm]

Mr MARLBOROUGH: If they provide the infrastructure would they pay a rate to get the water out of existing dams belonging to the authority, or from underground aquifers? Where would they get their water, what would be the method of acquiring that water and how would they go about paying for it?

Dr MARTIN: The most obvious source of water would be a main off the Wungong Dam, which has a pipeline going down to Armadale. However, they would not be restricted to that source; it would be a matter of whatever is available. The likely scenario would be the new operator taking water out of the Water Corporation's existing pipe or dam and paying a bulk water price to access that source. I am not sure about other sources in the area. The treatment of sewage raises the issue of a local treatment plant. There is a difference of opinion among engineering experts on whether that can be made to work in that low lying area which is so prone to flooding.

Dr HAMES: The developer would have to satisfy requirements of the Department of Environmental Protection. The Water Authority was split into three: The Water Corporation provides the service; the Office of Water Regulation is the licensor, and the Water and Rivers Commission, apart from looking after the Swan River, looks after the water, how much there is and how much can be taken out of it.

Mr MARLBOROUGH: As a member of the Select Committee on Metropolitan Development and Ground Water Supplies I travelled overseas. One of the most worrying aspects of the issue in America, where traditionally many estates are built by private developers who provide the water supply and sewerage system, was that 10 or 15 years after the gloss had gone off the estate - after sales had reached a peak and the life died out of the estate and there was no more money - local and state governments were left with an ageing, outdated sewerage system for which nobody was picking up the bill to resurrect. In many instances the developer had on-sold the development to a new developer and tracing the cost of refurbishment back to the original developer was a nightmare. There were major problems from the east to the west coast of America. If the Minister intends to take the line he is indicating, he will be in for some political heartache.

Dr HAMES: The member for Peel has made some good points. Those are the arguments that the Water Corporation has put. We want competition so that the Water Corporation does not charge what it wants.

Mr MARLBOROUGH: We do not want false competition.

Dr HAMES: We do not want false economies, where the service is cheaper but it does not last. The Select Committee on Recycling and Waste Management saw that problem with rubbish that was not properly managed and was polluting the underground water source; nobody was around to clean it up. Those points are well made and it is appropriate that they have been made while the licensing authority is here to listen.

Mr SWEETMAN: The table on page 1052 shows that 310 grants were provided through the farm water financial program. What is the ratio of the subsidy that is provided? I attempted to make a reconciliation between that and the offer that was made to pastoralists in the Ashburton area to reestablish water points, who used this scheme as a model.

The formula for Ashburton was that for every \$12 000 spent the Government provided \$165 as a subsidy. There was a ceiling on that, and the subsidy cut out at about \$9 000 or \$10 000. Can farmers access this fund in a similar fashion to that, and is there a ceiling on it? The average grant appears to be \$20 000. Is that how it is calculated or is that too simple?

Dr HAMES: The ceiling is \$12 500 and 50 per cent is for water to the householder - that is normally for tanks - and 25 per cent for farm water dams or any other method that provides water for stock. It is similar in some ways, but the member's formula is more complicated.

Division 75: Swan River Trust, \$2 284 000 -

[Mr Johnson, Chairman.]

[Dr Hames, Minister for Water Resources.]

[Mr R.F. Payne, Chief Executive Officer.]

[Mr R.P. Atkins, Acting Manager.]

Mr MARLBOROUGH: Page 931 refers to the competing demands placed on the waterways through population growth, the community demanding a planned approach to developments; community demands for information; and developers, land owners and local government demanding a quick response rate. What steps is the Minister taking to purchase or acquire privately owned land? If the trust is not taking steps to acquire the land, what is it able to do with the management of the privately owned land as it impacts on the river foreshore? What is the trust doing about the access to the foreshore? The Swan River is accessible to the community and that is what Western Australians love about it. Will there be difficulties with that policy being ongoing? Are parts of the foreshore under stress because of the access to the river?

[8.40 pm]

Dr HAMES: The Ministry for Planning has responsibility for purchasing private land along the river foreshore.

Mr MARLBOROUGH: Surely the trust would make recommendations to the Ministry for Planning?

Dr HAMES: I will ask Mr Atkins to answer that shortly. The Swan River Trust has a management plan that covers private development in a certain area within the foreshore boundary. I will ask Mr Atkins to detail those management

plans. Applications for planning development within those boundaries are forwarded to the Swan River Trust for its recommendation and that recommendation is sent to me, as Minister. The recommendation is then referred to the Ministry for Planning.

Mr ATKINS: Public access and the strategy for acquisition of public land around the river is covered by the metropolitan region scheme, which is responsible for parks and recreation reservation. Any development applications which impact on the parks and recreation reservation are considered by the trust and it then puts its recommendations to the Minister. Generally it refuses an application for development that compromises the future acquisition of land which is in public ownership.

Dr HAMES: For example, in the Ascot Waters development we have taken the opportunity to make sure that the foreshore areas are returned for public access. Individual plans which have foreshore ownership are subjected to a process by the Ministry of Planning. It has been a long term policy of the Ministry for Planning to acquire such land, and that has nothing to do with the Swan River Trust.

Dr EDWARDS: One of the major achievements for 1996-97 on page 933 of the Budget Statements refers to completing the review of the Swan River Trust management area boundary. Does that involve the boundary edges and how does it relate to the previous question?

Mr ATKINS: When the trust was first established, the Swan River Trust management area boundary was a line along the parks and recreation reservation in the metropolitan region scheme. In the last six or seven years there have been changes to it as land has been acquired and the boundaries have been adjusted. In a number of areas the parks and recreation reservation boundary and the trust boundary are out of phase. The primary purpose of the management area boundary review was to bring that back into phase so that those parts of the parks and recreation reservation which are outside the trust area are brought into the trust area.

Dr EDWARDS: Has the size of the trust area increased or decreased?

Mr ATKINS: It generally increases because we are talking about the expansion of the parks and recreation reservation.

Dr HAMES: I presume there would not be an opportunity for it to decrease.

Dr EDWARDS: On page 929 reference is made to environmental investigations and standards. Compared with last financial year the amount allocated to this area has decreased by \$500 000.

Dr HAMES: The reason for the decrease is that a three year program was put in place when we came to Government to investigate what should be done with the Swan River. Most of the funding went through the Estuarine Research Foundation. The plan ended this year. We now have to put some of the recommendations in place. The funding for that will come from alternative sources.

Some of the works are continuing and that is the reason for the allocation of \$835 000. Some of the other programs come under the Water and Rivers Commission's budget. Approximately \$500 000 has been allocated to the commission for monitoring water quality and locations for algal growth to obtain a better picture of what is happening in the river.

I am keen to progress some of the recommendations made from those experimental works - for example, using modified clay to absorb phosphates, and an aeration scheme to change the system of water flow. The recommendations are being finalised. The Water and Rivers Commission will provide recommendations to me on what needs to be done. Some of that work will be funded out of the Water and Rivers Commission's budget.

Dr EDWARDS: Will the entire amount of \$835 000 go to the Estuarine Research Foundation?

Dr HAMES: None of that money is allocated to the foundation. It was a three year program and it has concluded.

Dr EDWARDS: Will you look to funding entities such as the National Heritage Trust to implement and evaluate the experimental ideas which have been put forward?

Dr HAMES: It is not simply a matter of managing the Swan River. A number of catchment management groups have a role to play in looking after the Swan River. Some of the work in the river is funded by the Water and Rivers Commission, but a lot of the work in the catchment areas will be funded through the National Heritage Trust. I am on a cabinet committee which has that responsibility and the Chief Executive Officer, Mr Payne, is also on that committee. We are working very hard to make sure we get our fair share of funding to address the issues confronting the river.

Dr EDWARDS: The experimental ideas are beyond the normal work of the Swan River Trust.

Dr HAMES: That is true and Mr Payne has been involved in that work and this is a good opportunity for him to explain the situation.

Mr PAYNE: What is being done in the Swan River estuary is applicable to other estuaries; that is, the rationale for the Water and Rivers Commission to get involved and to share in the funding required. It also applies to the National Heritage Trust issues relating to catchment management. That is the reason for the mix between the Swan River Trust and the Water and Rivers Commission. We hope to be able to translate some of the tools that will develop in the Swan estuary to other estuaries and to on-sell them to other parts of Australia.

[8.50 pm]

Dr EDWARDS: At page 930, under recurrent expenditure exactly what is under "other"?

Mr PAYNE: I do not have a detailed breakdown of the expenses. I assume it is things such as office accommodation, cleaning contracts - the portion of those things that the Swan River Trust must pay for.

Dr EDWARDS: At page 931 reference is made to a quicker response rate to development applications. Has the response rate increased? I received a few complaints at one stage.

Dr HAMES: All of those feed through the Swan River Trust and hence to me. My observation has been that some progress from planning, Swan River Trust, and then me fairly quickly. Others move more slowly, often because I have had problems with what was recommended and sought further advice. A conscious effort has been made to improve the response times.

Mr ATKINS: The response time has improved considerably. During the formation of the new organisation a backlog was created which has been cleared. We are now dealing with current applications.

Mr PAYNE: A project is running jointly with the Ministry for Planning and local government and the Swan River Trust with all the other management authorities within the Water and Rivers Commission to see how the trust can load-share between local government to improve the whole system.

Dr HAMES: There is no doubt the process has been slow in the past. Having been previously involved through local government we are keen to make that work better.

Dr EDWARDS: At page 934 reference is made to administration of industrial discharge licences transferred to the DEP. What does that mean in practical terms and why did it happen?

Mr ATKINS: When the DEP first established its new Act and took over a licensing function for industrial discharges it delegated that function to other agencies such as the Water Authority, the Water and Rivers Commission and the Swan River Trust. After a period it found that it was splitting up the points on which people made applications. The department has therefore taken back that part of its pollution control delegation and now centrally manages all licensing. The agency still has powers under the Act for pollution control, but does not get involved in the licensing of the industries.

Dr EDWARDS: Does salinity affect the Swan River?

Mr PAYNE: The salinity in the estuary is higher today because of the salinity coming from the Avon River which results from the general salinity problems in the outer parts of the catchment. Historically, by removing the bar at Fremantle the estuary has changed in its nature. I think it holds about 5 000 milligrams salinity a litre. It runs through seasonal variations and is coming up towards the ocean concentration because of the interchange with the ocean and the contribution from the Avon River. We are hoping to reduce the contribution from the Avon River. Its condition will never return to what it was 100 years ago.

Dr EDWARDS: Does that affect biodiversity in the river and along the banks?

Mr PAYNE: Yes. We have shifted the mean point of the environment in the river to a more marine environment. In creating the port at Fremantle we let the sea in more and, to a lesser degree, salinity is coming from inland.

Mr MARLBOROUGH: I refer to page 931 regarding the Swan-Canning clean-up program and the algal bloom. How long has the Swan-Canning clean-up program been in place? Why is it more prevalent today than it was?

Mr ATKINS: The clean-up program was established in 1994 as a five year program to research methods to control algal blooms in the river and develop methods to trial in the river system. We are in the third year of the five year program and are now embarking on river trials in a serious way. The statement about algal blooms being more prevalent in the past refers to a 10 year to 15 year period.

Mr MARLBOROUGH: Not in the past three years?

Mr ATKINS: No.

Mr MARLBOROUGH: Are you saying that the past three years have involved mainly research and now a program is in place that will clean it up?

Mr ATKINS: The last three years have involved research. We have selected a number of methods to trial in the river to see whether they will control the problem in the way the research has indicated. We are talking about manipulating a large water body. Only so much can be done in the laboratory before field work must be undertaken.

Dr HAMES: We could not say we are getting on top of it. I do not know how far away we are from that. There are two obvious sources of depletion in the Swan River: One is the silt which has built up over a long period and which contains high levels of phosphate. Seventy tonnes of phosphate a year feed into the Swan component of the river. Much of that gets bound in the sediment. With algal bloom, the phosphate is released from that sediment. In the right conditions the algae is stimulated, which creates the bloom.

A number of deep holes within the river were caused in the past by dredging. In itself dredging is not a problem provided it is done under a broad area and does not create the holes. Salt water gets trapped in the holes from the tidal inflows. When there is no flow of water through the holes there is no oxygen, so phosphate is released. We must try to bind that phosphate or stimulate the water flow. Different experiments have been trying to find a way to do that. I hope in the short term that will reduce the algal blooms.

In the longer term we must reduce the phosphate getting into the river in the first place. The catchment management committees are important because they are responsible for the long-term reduction of phosphate in the river.

[9.00 pm]

Mr MARLBOROUGH: Will the five year program be extended? If so, what arrangements are being made and will funding be provided to remove algae? It has taken three years to assess the problem, and tests will be carried out to see if the laboratory techniques work. It appears to me that the remaining two years will not be long enough to complete the exercise.

Dr HAMES: The five year time frame is important to address the problems associated with the river. The time is open ended to some extent, because we will always work towards improving the quality of the river. The five year plan was an attempt to achieve some change in direction. Three years covered the experimental work, and the two remaining years will allow us to put that into effect. At the end of the five years I am sure that we will continue with that work. We may decide to adopt another five year plan or to continue the committee's work in an open ended way. We will make that decision towards the end of the five years. We will take into account the progress made, whether our work has been successful, and whether we should take other action. We have made a strong commitment. The member can rest assured that further action will be taken when the five year plan comes to an end.

Mr MARLBOROUGH: At page 934 reference is made to the establishment of a computer based system for complaints and incidents referrals. What are incidents referrals? How many complaints do you receive a month? Where do most of the complaints originate, and what are they about?

Mr ATKINS: Complaints can be made about the condition of the water. Incidents relate to pollution such as discharge from a drain or outflow from a pipe. I cannot provide figures now, but they are fairly low, perhaps five to 10 a month. I can provide more accurate figures if the member wishes. Complaints tend to be about rubbish around the foreshore, activities such as worm digging or cutting down vegetation, and damage to the waterway.

Mr MARLBOROUGH: The final point on page 934 refers to financial, logistical, and technical support to the Western Australian Estuarine Research Foundation. What is the Estuarine Research Foundation? Is it situated at the University of Western Australia or is it a government body? Is it funded annually, and what work does it do?

Mr ATKINS: The Estuarine Research Foundation was established to carry out a major portion of research to support the Swan-Canning clean-up program. It is centred at the University of Western Australia, but it is a consortium of all universities, other tertiary institutions, and the Commonwealth Scientific and Industrial Research Organisation. The consortium carries out a full range of research for the trust. The trust provided \$500 000 last financial year, which completes a three year agreement. That explains the reduction to which the member for Maylands referred earlier. The trust has formed a partnership with the Water and Rivers Commission to carry out water quality monitoring, both of the drainage systems entering the river and the river itself. The data is used for trust management purposes to monitor algal bloom and to issue algal alerts. The data is also provided to the Estuarine Research Foundation projects as baseline data which is necessary for its work.

Mr MARLBOROUGH: So your organisation does not intend to fund the Estuarine Research Foundation beyond this year.

Mr ATKINS: That is correct.

Dr HAMES: The foundation has a life of its own. It is a strong group which receives funding not only through projects in Western Australia but throughout the world. Last week we were told that the foundation receives about \$6m a year, much of which comes from other countries. It will carry out some experimental work in Israel on its water supply from a major lake. It is a major group which functions on its own.

Division 76: Water and Rivers Commission, \$33 319 000 -

[Mr Sweetman, Chairman.]

[Dr Hames, Minister for Water Resources.]

[Mr R. Payne, Chief Executive Officer.]

[Mr P. Kent, Director.]

Dr EDWARDS: What is the rationale for moving the Water and Rivers Commission and the Swan River Trust into your jurisdiction?

Dr HAMES: In the past, both organisations were under the control of the Department of Environmental Protection. However, considering the total management of water resources in this State it was not appropriate for the Water Corporation and the Office of Water Regulation to be under the jurisdiction of a Minister for Water Resources, and the Water and Rivers Commission to remain elsewhere. Therefore, both organisations became part of the Water Resources portfolio.

Mr PAYNE: The Water and Rivers Commission is the custodian of the water resources of the State. There is a lot of traffic between the Water Corporation and the Office of Water Regulation. This move streamlines the whole interchange to have us all in one ministry.

Dr HAMES: The change works very effectively because the Water Corporation is a corporate entity which is in effect trying to make a dollar. On the other hand, I have a full department of Harry Butlers who are very conservation minded. They monitor the water resources and make sure they are not over-used, poorly used or used inappropriately, and they provide a good balance for me as the Minister. It is much better having one person responsible for the two agencies than two Ministers with differences of opinion fighting each other.

Dr EDWARDS: You have not had too many arguments in your head?

Dr HAMES: It works well. If the agencies disagree, I can sit down with them as the Minister for both agencies and rationally discuss the differences of opinion. One person makes the final decision.

[9.10 pm]

Dr EDWARDS: I turn to page 1034. In last year's Budget the notional debt servicing cost for the Water and Rivers Commission was \$105 000. It was projected to be \$202 000 for this financial year; however, the actual is \$357 000. Why is the figure increasing?

Mr PAYNE: The Water and Rivers Commission purchased land from the Department of Conservation and Land Management for possible future dam sites in the Blackwood catchment. That increased our debt a small amount, and, therefore, our debt servicing charge has increased. We still have an extremely favourable debt equity ratio, so my board was happy to do that. That purchase was made to conserve that land.

Dr EDWARDS: Was that an unscheduled purchase?

Dr HAMES: Yes, it was not planned. It was an opportunity that arose. Because of the problems with the Blackwood River, CALM thought it better that that land not be developed. It wanted to divest itself of that asset and it was considered by the Water and Rivers Commission that it would be far better for the future of the Blackwood River if the commission had responsibility for managing that land. It is, in effect, a transfer between departments.

Dr EDWARDS: What sort of land is it?

Mr PAYNE: It is quite good land on the river, but it also has potential as a dam site and a future water resource site. We served two purposes in acquiring it: The first is that we acquired a piece of land that would be in our reports about a future dam. If CALM had sold it to a private person that person would have said, "Hang on. What's happening here?" The second is that we felt it was good land to protect the river. We are reserving it for a future dam site at the moment. We may release it in our future planning, depending on how the water resources picture shapes up.

Dr EDWARDS: Presumably there was not an option for CALM or you to plant trees and make a profit?

Mr PAYNE: We keep our eye on that possibility. CALM is an agent on some of our land. Tree farming people operate on other areas of our land. Some of the land has tree farming on it, but not all of it. The essential issue was the future dam site.

Mr MARLBOROUGH: If in the main it is cleared plantation land, between purchasing it from CALM and using it as a future dam site what is the management process for that land? Was CALM just getting rid of a bad bit of land from which it could no longer make any money and did it not care what the Water and Rivers Commission did with it?

Mr PAYNE: It was good land. There was a mixture of farming land that had been cleared to varying extents and, from memory, some plantation land. On the farming land that had been cleared there was a requirement to keep a fringing buffer zone along the water course to filter the effect of cattle so they did not further degrade the water course.

Mr MARLBOROUGH: Is that area still being used as a farm?

Mr PAYNE: I expect there is a mix of uses there: Some would be farm land that is leased and some would be plantation land. I cannot be sure of that because I am running on memory at the moment.

Mr MARLBOROUGH: How big an area are you talking about for a dam site?

Mr PAYNE: The dam site itself is not particularly large, but the catchment overall is. I cannot recall the number of hectares.

Dr HAMES: It would be appropriate if we provided as supplementary information the size of the land, its current use, and future management plans for it.

Dr EDWARDS: I refer to page 1038 of the Budget Statements. What extra money is in the Budget for salinity management by the Water and Rivers Commission? What is the commission's role in salinity management?

Dr HAMES: We are increasing funding for salinity management. The chief executive officer has a list on that.

Mr PAYNE: The total allocation is \$1.398m. The first issue is the impact of agriculture on water resources. We study the impact of farming practices on the ground water table. The next issues are the salinity strategy, extension into Water and Rivers Commission regions, and state catchments. That is aligning how we are managing salinity and the information we are providing. The next are administration; the preparation of conference papers; and training for people who are involved in salinity management. State salinity, the Commonwealth Scientific and Industrial Research Organisation, and salinity mapping is a large item with an allocation of \$170 000. Upgrading of salinity monitoring has an allocation of \$30 000. Airborne geophysics is another large item. We expect to get complementary funding from the National Heritage Trust. That relates to getting the best performance out of the mix of remote sensing from the air with on the ground drilling and spot checking. We have \$300 000 in our budget for that, but we expect to gain more from other sources.

In the sharing of ground water information we are trying to map where the ground water table is. That is a critical part of supporting Agriculture Western Australia in advising farmers about where to plant trees or what to do on their property. That has an allocation of \$100 000. The next is compensation in control catchments. That relates to compensation when we stop people clearing in catchments that we are trying to pull back from being salinised to more potable water. The Wellington and Warren catchments are examples of that. The remnant vegetation and protection program has been allocated \$207 000. A large amount of money - \$414 000 - has been allocated to land conservation and biodiversity plantings, but from our point of view that is to do also with tree planting. The salinity in action plan and implementation and policy advice relate to local community groups providing advice. Because of the Water and Rivers Commission's hydrogeological expertise, we support Agriculture Western Australia and CALM in providing advice to people.

Dr EDWARDS: Is that new money?

Mr PAYNE: Yes.

Dr EDWARDS: Would action that flows on from your other budgets help with salinity management?

[9.20 pm]

Mr PAYNE: Yes. Our budget papers contain areas that could be classed as salinity management or as protection or remediation of a river. We get into a grey area of distinguishing what is salinity management. We could make a large number for salinity management if we tried hard.

Dr EDWARDS: Will you provide a brief progress report on the results of the monitoring by the Water and Rivers Commission at the Dianella site?

Dr HAMES: This year's budget for the ongoing monitoring of the site is \$35 000 and a further \$35 000 will be spent next year. A lot of work has been done to assess the boundaries of that flow. Some work has also been undertaken to see what can be done to bring the culprits to court. I understand that will not be possible because of the inadequacy of the proof available. Some support funding has been provided on a no commitment basis by a local pest control agency that happened to occupy a site in that region.

Dr EDWARDS: Is that new money?

Dr HAMES: Some money has been spent and encouraging discussions are currently taking place about further contributions. I want something done for local residents who can no longer use their bores because of that contamination. I am trying to get support to have those properties connected to the mains and the cost of the extra water use covered.

Dr EDWARDS: The annual report states that four sites near pest control depots are being investigated. Is it more of a problem than we anticipated?

Dr HAMES: I presume that Dianella and the Omex site in Bellevue -

Dr EDWARDS: The reference is to four sites near pest control depots.

Dr HAMES: I am not aware of those. I will provide that as supplementary information.

Dr EDWARDS: Does the Water and Rivers Commission get access to relevant information gathered by mining companies?

Mr PAYNE: Yes, when drilling exploratory bores, companies are required to provide any water information gathered. However, in the past, cases were not followed up as well as they should have been. The commission has been talking to various drilling companies and others about honouring that commitment. In the past there have been patchy performances in handing over the information, but we are getting there.

Dr EDWARDS: That is good. I note in the annual report that a qualified audit opinion was given because the efficiency indicator was not up to speed. Has that been rectified and will the next report be unqualified?

Mr PAYNE: We are certainly expecting an unqualified report and we are doing everything possible to achieve that. When the commission was established there were many loose ends to clean up to the auditor's satisfaction. We did not quite make it.

Dr EDWARDS: Presumably there was only a short period?

Mr PAYNE: Yes, we had six months and 400 miscellaneous pieces of water reserve in the State that we had to establish whether we owned.

Dr EDWARDS: When vacancies occur on the board, will the Minister have an open mind to appointing a woman, someone representing conservation interests or someone with a conservation background?

Dr HAMES: When I make future appointments to the board I will have exactly the same attitude towards women as I have always had; that is, they are always welcome, and not only on that committee. The Avon Water Waste Management Committee is a good example. There was a preponderance of men on that committee and recommendations to appoint more. We actively searched for female representatives in order to have more balance. With all appointments presented to Cabinet, we make a specific effort to ensure women are adequately represented.

Mr PAYNE: It is not in the original annual report, but the commission has recently established a stakeholder council in addition to the board. Joan Payne is the Conservation Council representative and Harry Butler is the Pilbara region representative.

Dr EDWARDS: A number of other agencies listed scientific papers published in their output units. Does the commission have such an output unit?

Mr PAYNE: Our intention is to do that. However, we do not want to be just a scientific organisation that publishes papers. We have already started developing an intellectual property strategy, which relates to what skills we want

to retain in the organisation and what skills we might be able to on-sell nationally or internationally in support of Australian industry.

Dr EDWARDS: Does the Water and Rivers Commission have major planned achievements for 1997-98?

Dr HAMES: This question has been asked about each department.

Dr EDWARDS: Previous budget papers listed what departments had done and their major planned achievements. This year we have last year's achievements but nothing about the future.

[9.30 pm]

Mr PAYNE: They will be provided. They are currently being developed. We started restructuring the organisation and were overtaken by the need to produce budgets in a particular format. We are catching up, but we are particularly strong on having outcomes and planned outcomes, and that will be the same.

Dr EDWARDS: Can they be provided when they are available?

Dr HAMES: We are happy to provide those under the same conditions that we offered in relation to the Aboriginal Affairs portfolio: As soon as the department is able to prepare them they will be made available.

Dr EDWARDS: I refer the Minister to page 1035. The budget for the allocation of water resources has been considerably reduced. Why?

Mr PAYNE: The incomes and revenue on that side of the page were estimated when we were very pessimistic about what we would achieve as extra income. We will do better than that, but at the time the estimates were made up a very conservative view was taken, which was in line with the Treasury view of how we should approach it. That has the effect of reduced income and also reduced expenditure, because it is a fee for service income.

Committee adjourned at 9.32 pm

Legislative Assembly

Thursday, 22 May 1997

ESTIMATES COMMITTEE B

The meeting commenced at 9.00 am.

The CHAIRMAN (Mr Ainsworth): This 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 members to lodge the question on notice with the Clerk's office. Only supplementary information which the Minister agrees to provide will be sought within one week. It will also greatly assist Hansard if when referring to the Budget Statements volumes or the Consolidated Fund Estimates, members give the page number, item, program, and amount in preface to their question.

As has been the practice of previous Estimates Committees, members should not raise questions about matters of general concern which do not have an item of expenditure in the consolidated fund. The Estimates Committee's consideration of the Consolidated Fund's Estimates of Expenditure will be restricted to discussion of those items for which a vote of money is proposed. We are dealing with estimates of expenditure and that should be the prime focus of this Committee. While there is scope for members to examine many matters, 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 the intention of the Chairman to ensure that as many questions as possible can be asked and answered and that 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 or she agrees to provide. Details in relation to supplementary information have been provided to members and advisers and, accordingly, I ask the Minister to cooperate with those requirements.

Division 63: Office of Racing, Gaming and Liquor, \$ 2 289 000 -

[Mr Ainsworth, Chairman.]

[Mr House, Minister for Primary Industry.]

[Mr B.A. Sargeant, Executive Director.]

[Mr R. Sansalone, Acting Budget and Finance Officer.]

[Ms J. Ough, Manager, Finance and Administration.]

Ms WARNOCK: I refer to page 806. I am always glad to see, with my political philosophy, an increase in FTEs, because I like to see public servants employed. Where will those FTEs go? I am also interested in the discrepancy in the amount of money available. It appears that more FTEs are being employed but they are being paid less.

Mr HOUSE: I understand that there are some typographical errors in the figures. In the right hand column of the estimates under 1997-98, the figure of \$922 000 should be \$1 110 000; the figure of \$1 753 000 should be \$1 941 000; and the figure of \$1 565 000 should be \$1 753 000. That does not account for all of the differentiation in the figures, and Mr Sargeant will explain that.

Mr SARGEANT: Treasury in adding the figures has included \$188 000 for retained revenue in the \$922 000 which Mr House has amended to \$1 110 000, and that has led to a compensating error in the figure of \$1 941 000. It does not affect the bottom line of how much we will get; it is an adding error within the figures.

Ms WARNOCK: What should be the figures at the bottom?

Mr SARGEANT: The figure of \$4 424 000 is the estimated actual for this financial year, and the figure of \$2 289 000 is the estimate for 1997-98. Those figures are correct.

Ms WARNOCK: What is the reason for that vast discrepancy?

Mr SARGEANT: It relates mainly to the racing, gaming and liquor policy portfolio, because in 1992 the Government announced the reduction in the Totalisator Agency Board turnover tax from 6 to 5 per cent. It also announced the rebate of the on-course totalisator taxes. These were previously rebated through my office. The Acts Amendment Racing and Betting Legislation Bill of 1995 came into operation on 28 June 1996, and there was no need to continue those rebates because it reduced the tax rate from the TAB from 6 to 5 per cent, and it also abolished on-course taxes. As a result, we paid out the last of the rebates this financial year and we will not be paying any rebates this year. Therefore, the item for racing, gaming and liquor policy will go from \$2m to \$227 000. That is the result of the reduction in rebates to the racing industry.

In addition, we are recouping some extra expenses this year from agencies for which we perform activities, such as Christmas Island and the Gaming Commission. That amounts to approximately \$200 000. The two items are the reduction in rebates to the racing codes, and the increase in recoups.

That accounts for the reduction in expenditure. We budgeted on filling 109 positions this year. We have had a number of vacancies through people resigning, which is normal. I have received two resignations in the liquor licensing area, two on Christmas Island, some staff in the gaming division resigned, and we have been doing some rationalisation. We are keeping some positions vacant this year. Those are purely as a result of vacancies within our operation. We might fill five positions.

[9.10 am]

Ms WARNOCK: What is the current level?

Mr SARGEANT: One inspector on Christmas Island resigned; a level 8 director in the gaming division resigned, and that position became vacant; and some level 3 inspectors in the liquor licensing area resigned. It is natural attrition.

Mrs HODSON-THOMAS: What are the parameters for extending services to people with gambling problems to include a 24 hour telephone service to be funded predominantly by the gambling industry?

Mr SARGEANT: That has not been determined at this stage. The main contributors in the industry - the casino, the Lotteries Commission, the Totalisator Agency Board - have been contributing about \$40 000 or \$50 000 a year to fund initiatives for problem gambling. The main project to date has been funding to Centrecare to provide a counselling service. They are still negotiating; however, the aim is to tap into the G-line service provided in Victoria through a 1800 telephone number. People could dial a number and get some immediate counselling, and the matter would be referred to counsellors in Western Australia to follow up. That is in the investigative stage. It depends on the cost and the amount of funding that would come from the industry. It is expected that will be finalised within the next financial year.

Ms WARNOCK: How will it be funded through the gambling industry?

Mr SARGEANT: Currently it is a voluntary contribution from the main players in the industry, the casino, the TAB and the Lotteries Commission. The bookmakers' association also contributes a small amount, and the Gaming Commission of Western Australia funds some basic research as well.

Ms WARNOCK: What has been the call on that service?

Mr SARGEANT: I understand that they receive three to four referrals a week and their case load is running run at about 25 a week. That program is run by Centrecare at this stage. It appears to be meeting the need. They will initiate some research into the ethnic area, because particularly Aborigines and Asians are not responding to that service. They are trying to find out how they can overcome that. I know that Victoria has a similar ethnic problem. Gambling is a fundamental issue and the ethnic community must come forward.

Ms WARNOCK: On page 808 reference is made to the Victoria Co. (Resort) Pty Ltd entering into an agreement with a Malaysian company, Metroplex Berhad, to sell its management interests in the Burswood International Resort Casino. What will be the practical effects of that as far as the community is concerned?

Mr SARGEANT: When we submitted these issues to Treasury that was the state of play. That was the result of an announcement in December. Victoria Co has since announced that it entered into a heads of agreement with Metroplex, which is a publicly listed company on the Malaysian Stock Exchange, to buy the management interests. That agreement included their right to operate the casino on behalf of Burswood Property Trust and their right to half the shares in the management of the Burswood Resort (Management) Ltd. At that stage the agreement was for Metroplex to lease the hotel from Victoria Co. There was a change in position in April. Rather than buy the operating rights of the casino from Victoria Co, Metroplex entered into an agreement with the Burswood Property Trust not to pursue that line. Instead the Burswood Property Trust will buy back or cancel the operation agreement.

In return Metroplex will take an equity position in the Burswood Property Trust. This will improve the management of the operation. Previously the Burswood Property Trust owned the casino and had the overall responsibility for the casino, but it had contracted its day to day operations to another company. By buying back the operations agreement they will take over the day to day management of the casino, which is majority owned by Australians. Victoria Co was a Japanese company. It is a plus-plus for the operations on a day to day basis.

Ms WARNOCK: As far as the ordinary person is concerned it will not have any practical effect?

Mr SARGEANT: No, it should not, other than to provide more work for Australians and the profit will stay in Australia and, hopefully, it will return increased returns to the unit holders. It may also mean the ability to retain more money and invest more in the casino. In the long term it is a positive move.

Mr CUNNINGHAM: An amendment to the Totalisator Agency Board Betting Tax Act was passed by the Assembly on 28 June 1996 giving the Minister the power to appoint a seven member board. These members were to have expertise relevant to the functions of the TAB and its operations - business, finance and commerce, especially in the racing industry. Since that date operating costs have risen by 19.6 per cent, which in dollar terms is \$6.4m. Does the Minister consider the changes to the board a success? Would the codes consider the Minister's changes to the board a success?

Mr HOUSE: I will take that question on notice.

Ms WARNOCK: Has the TAB accepted the Western Australian Turf Club's suggestion of an industry advisory board? If not, why not; and if yes, what has happened since then?

Mr SARGEANT: It has taken on the suggestion for an advisory group. The advisory group comprises the chief executive of the TAB and the chief executives of the three codes who meet monthly prior to the TAB board meetings. The understanding is that those individuals plus the chairman will meet as and when required. From the TAB's point of view it has put in place an advisory group.

[9.20 am]

Mr CUNNINGHAM: During the past 12 months the Totalisator Agency Board spent approximately \$1.5m on changing the external colour of TAB agencies. Has this increased turnover? I imagine people who had a late night on Friday and went to the TAB on Saturday morning would feel quite ill just by looking at the new colours. They are disgraceful.

Ms WARNOCK: That is a personal view.

Mr HOUSE: No.

Mr MARLBOROUGH: The colour purple is awful.

Ms WARNOCK: Are there any plans to do something to alter the situation? I know some people in the racing fraternity are concerned that the money has been spent with very little return. There is a degree of worry about it.

Mr HOUSE: It is a decision for the TAB board, not the Minister.

The CHAIRMAN (Mr Ainsworth): That is probably a matter the member might more appropriately take up privately with the Minister for Racing and Gaming. The concern of the member has certainly been noted in *Hansard*.

Ms WARNOCK: I will certainly do that.

Mr MacLEAN: I refer to the casino licensing fees mentioned on page 814. Those fees raised \$56m with another \$680 000 from video lottery terminals. What would be the impact on revenue if gaming machines were allowed into pubs and clubs within the metropolitan area?

Mr HOUSE: From a government point of view that is a policy matter. It has not been advanced in any way. I know it has been the subject of discussion, but no official decision has been made.

Mr MacLEAN: I understand no decision has been made, but surely the governing bodies have done some figures on the impact that might occur.

The CHAIRMAN: I have some problem with this question. Although I accept that if there were a change it could impact on some of the figures within the Budget, until that impact is known, there is not much point in conjecturing. I do not think that can be entered into at this stage. It is a little outside of what the Estimates Committee is about.

Mr MacLEAN: May I rephrase the question?

The CHAIRMAN: If the member can ask about research that has been done in this area, that would come within the acceptable parameters. I am sure the member will be able to find a way to rephrase his question by referring to research in this matter. If he can, we will be able to proceed.

Mr HOUSE: We want this committee to progress in a spirit of cooperation and to give as many answers as possible. The answer I gave is about government policy which has not yet been determined. If Mr Sargeant has any figures or knows of any exercise that has been done, that information can be made available. I do not think there is any secret about that.

Mr SARGEANT: I can do that. There has been no detailed analysis because it is not government policy to introduce gaming machines. I am familiar with the impact of these machines within the Eastern States. It depends on the model used. We can use the model from South Australia, which differs from the model from Victoria, which differs from the model for Queensland. Until there is a positive decision, there is no need for any work to be done. I am not devoting scarce resources to an exercise which is not government policy.

Mrs HODSON-THOMAS: The major achievements for 1996-97 on page 811 mention establishing a community awareness program to inform the liquor industry. It says that the alcohol abuse reduction program steering committee has been established. Who sits on the committee and are members appointed for a set term?

Mr HOUSE: I am sure all members of Parliament are concerned about that issue. The Government is directing resources to correct and help in any way it can. I am sure all members of Parliament will agree with this initiative.

Mr SARGEANT: That committee is established under the Government's task force on drug abuse chaired by Mike Daube. One of its recommendations was to establish this committee. The idea was to have chief executives from some of the key agencies on the committee and agencies were requested to nominate people. The steering committee is chaired by Mike Daube and I represent the Office of Racing, Gaming and Liquor. There is no specific term of appointment. Although I cannot recall the names of all the members of the committee, it comprises officers from the road safety division, from the Education Department, Mr Mel Hay from the Police Department, Mr Maurice Swanson from the Health Department, and officers from the liquor industry council and the alcohol advisory council. I think I have covered most of the agencies, both government and non-government, involved in the committee.

Ms WARNOCK: The major achievements for 1996-97 on page 819 also mention drafting amendments to the Liquor Licensing Act 1988. When will we see those amendments? I have been regularly ringing Mr Sargeant's office for some time. How soon are those amendments expected to be in the Parliament?

Mr HOUSE: I understand they are only a matter of weeks away from Cabinet. I expect they will be seen in the Parliament within the next five to six weeks.

Ms WARNOCK: I asked the question because we are just about running out of time in the autumn session. We have been waiting for those amendments since the beginning of the year, as I understand it. After this estimates week, we have probably only about four debating weeks left, unless I have miscalculated. We then have a seven week break. Are we likely to see those amendments before the spring session? It seems pretty unlikely to me.

Mr HOUSE: I agree; it would be pretty unlikely. The most likely target date for the introduction of these amendments is probably the beginning of the spring session.

Ms WARNOCK: Page 810 sets out units and measures which relate to liquor licensing regulation. It says that 7 255 applications are estimated to be lodged in 1996-97 and it gives an estimate for 1997-98 of 7 260.

Mr SARGEANT: They are applications covering a whole range of areas, from a new five star hotel licence application, to a producer's licence for a winery in Margaret River, occasional licences for various social functions held by sporting clubs - including a one-off night event - and extended trading permits, either on one night or ongoing. The biggest area is the transfer of licences that are sold. That figure represents the approximate load we expect to handle during this coming financial year.

As the member will be aware, one proposal in the Minister's report to Parliament on the Liquor Licensing Act is for an extended trading permit to allow restaurants to devote up to 20 per cent of their seating capacity within the restaurant within which to sell liquor to people who do not have a meal. We expect a workload to come through from that.

Ms WARNOCK: Is it expected that a number of restaurant owners will apply for that sort of licence?

Mr SARGEANT: We expect about 200 applications from restaurant owners throughout the State. It will not be an automatic approval. We must look at how the premises is managed and what is being provided and also the tourist attraction. It is mainly to provide a service to the community.

Ms WARNOCK: Does the Minister wish to comment about that sort of licence? It is an interesting licence. I know the hotels are somewhat uneasy about this licence where one can use a restaurant as a bar. Does the Minister have any view about that?

[9.30 am]

Mr HOUSE: I have some personal views about liquor licensing generally. I will get my colleague into deep trouble if I enlarge on them. I think all members of Parliament would agree that these things need to be constantly reviewed to keep up with demands and needs. There is a need to extend our liquor outlets in some way and be a bit more European about them to accommodate modern needs. I am talking about country areas specifically. The old fashioned country pub is out of date. We need to accommodate the modern trend, which is to be more family and meal orientated and short stop orientated.

Mr SARGEANT: I comment about drinking at bars in restaurants. People will not be allowed to go into a restaurant and drink at a bar. They must be seated to consume liquor without a meal. That does not mean that restaurants will not have bars. If a person drinks at a bar in a restaurant, he should either have a booking for a meal or be allocated a seat. We do not want restaurants becoming mini-taverns.

Ms WARNOCK: So you are not treating restaurants like hotels or taverns?

Mr SARGEANT: The bar will not be used for drinking. It is not an appropriate licence. They should be looking at a tavern licence.

Mr CUNNINGHAM: The Government has a different tax regime in its taxation policy between the casino and the Totalisator Agency Board; namely, the casino is taxed on gross commission which is 15 per cent plus a 1 per cent park tax while the TAB is taxed at the rate of 5 per cent of gross turnover. If the TAB were taxed on its gross commission on the 1995-96 figures - the gross commission of the TAB was \$114.6m - the equivalent tax to the 16 per cent paid by the casino would be 28 per cent. Does the Government intend to make its taxation policy a level playing field between the casino and the TAB?

Mr HOUSE: Both of those are laid down in legislation. The casino legislation runs out in 2001 and that will be the first opportunity to review it.

Mr SARGEANT: There is no renewal date per se in the agreement for the casino licence. However, come December 2000, the casino tax can increase at the rate of 1 per cent per year to a maximum of 20 per cent of gross winnings. It is currently 15 per cent. As from December 2000 it will be able to go up by 1 per cent, in 2002 to 17 per cent and so on to a maximum of 20 per cent. There is no provision in the agreement for that to be reviewed unless other aspects are to be negotiated.

Mr HOUSE: Cannot the legislation be changed after 2000?

Mr SARGEANT: No.

MR HOUSE: Do you mean it can never be changed?

Mr SARGEANT: Put it this way: There is an agreement between two parties and unless the Parliament wants to change things -

Mr HOUSE: That is right.

The CHAIRMAN: Are you saying there is no specified time for an amendment Act but it can be done?

Mr SARGEANT: If it is a matter of government policy. The current agreement does not allow automatically for the legislation to be reviewed or changed. It would have to be changed by government policy or through negotiation.

Mr HOUSE: Let us be clear about this. My initial statement was correct. After 2000, the Parliament could change the legislation. That is the point I was making. I imagine there will be a lot of debate about that at that time.

Mr CUNNINGHAM: The Government not only has a different tax regime between the casino and the TAB but also a different policy on disbursement of TAB distribution between the racing codes. The greyhound industry receives a direct proportion of TAB profits as its turnover. However, the galloping and trotting codes receive the balance of TAB distribution at the rate of 65 per cent for galloping and 35 per cent for trotting. Yet galloping contribution in 1995 was 66.73 per cent of total TAB turnover and trotting was only 18.56 per cent. What is the basis of the logic for the distribution policy?

Mr HOUSE: This has always been the subject of some debate in political circles. My recollection is that the last time we debated this was about two years ago and there was quite a level of disagreement on the floor of the Parliament.

Successive Governments have changed this legislation over the years and have changed the percentage. There was thinking in government that we needed to protect the trotting industry in some way. We cannot always make a case for the TAB turnover being relevant to the following or the industry per se. The TAB does not take every race meeting in Western Australia; it takes some of them. We have the same argument about the split between country and city racing and the division of funding. In some cases country clubs claim they are being disadvantaged.

Ms WARNOCK: I believe they are, Minister.

Mr HOUSE: I would have to agree with the member.

Ms WARNOCK: Can we count on your talking to your colleague about that? I think questions in Parliament have so far got us nowhere. I would like to talk further about country racing but I find it hard to justify from the budget figures. Page 811 of the Program Statements refers to the Liquor Licensing Court. The objective of the Liquor Licensing Court is "to ensure that the people of Western Australia are provided with an independent, responsive and effective liquor licensing court". Earlier this year the court ruled out a community devised plan in Derby to reduce harm caused by alcohol. Does the Minister believe that that is what liquor licensing laws are about? It was a great disappointment to me and to many others, including the people in Derby, that the court ruled that the law did not allow a community group to decide that the law is about the health and welfare of the people as well as good public order and so on. What does the Minister believe liquor licensing is about and would he support any changes?

Mr HOUSE: In a generic sense all of us are concerned about people abusing alcohol. The Parliament had a discussion and received all members' support for helping and assisting people who have problems. That is part of another program. In some areas of Western Australia the problem is exacerbated by social conditions, history and a number of things. It is a very difficult problem for anybody to come to grips with. However, to put the onus on the person selling the liquor in my view is a difficult task. Under the Liquor Licensing Act, people selling liquor are required not to serve people who are inebriated. Sometimes that is a difficult judgment to make. I was in a doctor's surgery a few weeks ago when a young fellow came in whom I judged to be on drugs. He was in a terrible state and he was supported by a couple of young fellows who were with him. He tore the surgery waiting room apart. When I saw the doctor I told him it was a terrible situation, and the doctor said the person was not drugged but had a mental condition that flared from time to time. Sometimes we make judgments about people in the community without any knowledge or ability to do so. I made an incorrect assumption. It would be difficult to put the onus on people serving alcohol to make those decisions. Many of these places impose self-restriction.

[9.40 am]

Ms WARNOCK: This was a combination of community groups who asked that alcohol be served at certain times and in certain types of packaging. It was an arrangement reached by a group in an isolated community and the Liquor Licensing Court ruled that it was not possible to do that. It may be that this provision should be altered when the Act is amended.

Mr HOUSE: The Government made an in-principle decision to make some changes in that direction. I cannot detail those changes because Cabinet has not made a final decision, but the Government is moving down that path.

Mr CUNNINGHAM: The racing industry, like politics, thrives on rumour. It came to my notice some months ago that people who have been barred from the racing industry can buy horses at yearling sales, break them in, train them, and race them in someone else's name. The horse "Singing the Blues" has been racing for the last couple of months and it will be a champion. Every Tom, Dick and Harry knows that horse, together with four or five others, is owned by George Way who has been barred. What will the department do to clear up this anomaly? I know the Australian Taxation Office is involved with the people in whose name the horse is registered, but it is not good for the racing industry that this should be allowed to happen. I have nothing for or against George Way, who received a 15 year penalty. It is a total joke that this anomaly is allowed to continue.

Mr HOUSE: The member has raised a serious issue, of which I have no knowledge. It is obviously a matter of serious concern and I would prefer that a question be placed on notice so that a sensible and comprehensive answer can be provided. I have no doubt that the information provided by the member is accurate, but it needs to be addressed in a comprehensive way which may involve legislative change. I am not on top of the Act and the Minister might be able to suggest another direction.

Mr CUNNINGHAM: Is it true that people who have been barred can go to yearling sales and buy horses?

Mr SARGEANT: At this stage I do not know the detail.

Mr HOUSE: That person is barred from entering a racetrack anywhere in Australia but he is allowed to go to a sale. It is an anomaly.

Mr SARGEANT: Yearling sales are not controlled by the racing industry; they are a private sector exercise. It is only when horses are taken to racecourses or a trainer's property that the current framework for the regulation of racing applies.

Mr CUNNINGHAM: It is not good for racing, is it?

Mr SARGEANT: No, but it must be borne in mind that my office is not resourced to regulate the racing industry in that sense. It regulates the betting side and relies very much on the police racing squad to investigate problems in that regard. The racing industry has a framework to regulate racing. My office is not legislatively equipped or resourced to undertake those types of investigations.

Ms WARNOCK: At page 812 of the Budget Statements one of the major achievements listed for 1996-97 is the implementation of staff structure changes to the court and the achievement of anticipated cost savings. Is that represented by the estimated actual for 1996-97 of \$527 000 and the amount for 1997-98 of \$463 000?

Mr SARGEANT: That is correct. The position of Registrar of the Liquor Licensing Court was abolished, and that has now taken full effect. We have been looking at the administrative support required. When the Act first came into operation in 1989 a large number of cases went before the court. However, precedent has now been established and the workload has declined to the extent that the judge of the Liquor Licensing Court is spending half his time as a commissioner of the District Court.

Ms WARNOCK: Is that because fewer activities come before the court? Are fewer licences contested?

Mr SARGEANT: It is largely as a result of fewer licence applications being contested. The precedent means that once people applying for a liquor licence in category A - for liquor stores and hotels - know the ground rules for objections which must be heard before the court, they decide whether to go to the financial cost. Over time they have been resolved. For instance, a special facility licence, category A, can be objected to. The Australian Hotels Association, as a matter of policy, objects to every one. However, when they get down to the details before the judge rules, agreement might be reached and the objection could be withdrawn. Therefore, the judge does not spend time on those matters. It is maturation of the industry over time and the workload has declined.

Ms WARNOCK: At page 813 reference is made to a review of the liquor licensing regulation conducted on Christmas Island. It is stated that the department is awaiting advice from the Commonwealth Government. Has anything further happened?

Mr SARGEANT: The Commonwealth has applied Western Australian liquor licensing law to Christmas Island, so it is a commonwealth law and we are carrying out the activity on behalf of the Commonwealth and are accountable to it for this function. We did some preliminary work but we are awaiting advice on how the Commonwealth wants us to proceed to the second stage. The Commonwealth has not responded yet because it wants to review a number of other arrangements for the State's involvement in Christmas Island. I am in no better position to advise the Committee than I was previously. It is not a state tax and in no way is the Minister for Racing and Gaming responsible for this activity on the island. It is the responsibility of the federal Minister. We provide a service on a cost recovery basis.

[9.50 am]

Mrs HODSON-THOMAS: The major achievements of 1996-97 outlined on page 813 refer to monitoring the policy developments in other States and overseas. Can information on those achievements be provided in supplementary format? Do we adopt any models from other States or countries on which we base our racing, gaming and liquor policy?

Mr SARGEANT: I would not say that a particular model was involved. The Minister and I keep our ears to the ground on a number of issues. Different models are found in different States. Another matter to bear in mind is the way that portfolios are organised totally differently around Australia. In this State we have a Minister for Racing and Gaming and in all other States, except one, different Ministers have separate portfolios, so it is hard to have a comprehensive model in this area. The major policy development is found in New Zealand.

The member asked for supplementary information, but it might be better for me to invite her down to the office to see the library rather than provide supplementary information, although I am happy to do that. New Zealand has done a lot of work on gaming matters. We relate closely to New South Wales in liquor as some good developments have taken place in that State. Rather than trying to provide an answer, I will make an appointment for the member to come down to the office.

Mrs HODSON-THOMAS: Fine.

Mr MARLBOROUGH: The present arrangement is that the industry makes an annual payment of \$50 000 to the Lark Hill establishment from the race course development fund. Will you clear up from where the funds come with the \$500 000 interest-free loan if \$25 000 is paid back per annum? Is that arrangement guaranteed and does it continue? I am aware, as is the department head, that significant negotiations have taken place for a number of years towards the possibility of further developing that track, particularly the land around it, for a training facility as part of the plan for a major sporting complex in conjunction with the Rockingham City Council. How far has that progressed, and is there anything in this budget to facilitate further work on that development of Lark Hill?

Mr SARGEANT: The member is correct, although I think the figure is now \$70 000 provided.

Mr MARLBOROUGH: From where does this money come?

Mr SARGEANT: Originally from the race course development trust, as negotiated initially by Minister Beggs. The new Government tried to withdraw from this matter, but the current Minister was firm that they stand by the agreement. As a result of the negotiations, the Western Australian Turf Club applied to provide the money directly rather than through the trust. The Minister is firm that the agreement will be honoured; if not, he will take action. Nothing in my budget relates to the development of Lark Hill. If anything, it would be through the Minister for Planning as relevant money is accumulated through the metropolitan planning scheme. I understand that its progress is very much in the hands of the City of Rockingham. The Minister supports the matter strongly.

Mr MARLBOROUGH: Are you considering increasing the trials presently run at Lark Hill?

Mr SARGEANT: I cannot answer that as I do not regulate or conduct the trials. We have nothing to do with that, and that is why I did not answer the question about yearlings. I have neither the resources nor the legislative authority to intervene. I sought permission to attend a stewards' hearing and I was told in no uncertain terms to leave as I had no authority to be there.

Sitting suspended from 9.56 to 10.00 am

Division 11: Commerce and Trade, \$57 986 000 -

[Mr Ainsworth, Chairman.]

[Mr House, Minister for Primary Industry.]

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

[Mr C.B. Fitzhardinge, Acting Chief Executive Officer.]

[Mr R.M. Bremner, Executive Director, Corporate Services Division.]

[Mr R.J. Muirhead, Executive Director, Industry Development Division.]

[Ms C.M. Gwilliam, Executive Director.]

[Mr R.D. Grounds, Acting Executive Director, Office of Aboriginal Economic Development.]

[Mr A. Webb, Divisional Finance Officer.]

[Mrs C. McPhie, Team Leader, Executive Support.]

Mr BROWN: Page 147 of the Budget Statements contains reference to the expenditure details under the various programs. Obviously, an amount is dedicated to staff, that is, FTEs, and an additional amount relates to the implementation of policies. I cannot extract from the figures how much is allocated to staff costs - internal operational costs - and how much is allocated to payments to industries under the various programs listed. In the absence of that information, it is not possible to work out what amount is available to industry under those various programs. Can we have a breakdown of that today or as supplementary information? I hope we can reach some agreement about supplementary information, otherwise we will have to put hundreds of questions to the Minister for Commerce and Trade when he returns.

Mr HOUSE: We will provide as much information as we can, either as supplementary information or now. Page 148 contains the breakdown of that information.

[10.10 am]

Mr BROWN: There are items like services and contracts at \$18m. I am not sure what that is all about; it is just one lump. There are industrial incentives, like the national industry extension service program. The department has put out information that indicates that it runs a whole series of programs. I understand that there is the accelerated

company expansion scheme, the China export market support scheme, the community enterprise program, the cultural industry service, the design marketing support scheme, the export market support scheme, the industry export consultant scheme, the international projects marketing support scheme, the Japan export market support scheme, the national industry extension service, the rural enterprise network program, the regional fund, the strategic alliance mission, the small business improvement program, the Vietnam market support scheme and the Western Australian innovation support scheme. Those are the programs the department said it ran last year. How much is allocated to all of those schemes? Is the amount of money in a bucket and someone just gets so much of what is left, or are specific amounts allocated to each scheme? What are the amounts allocated?

Mr HOUSE: I will have to provide that by way of supplementary information. I am not sure whether each one has a specific allocation or whether, as the member said, it is an amount of money allocated on a needs basis.

Mr FITZHARDINGE: Each of those programs has a specific allocation and publicly available guidelines.

Mr HOUSE: We can provide that information.

Mr BROWN: Could I also have where the expenditure falls under the item mentioned in the budget, so I can relate it directly to the headings in the budget allocation?

Mr FITZHARDINGE: Yes.

Mrs HODSON-THOMAS: The figures on page 147 show an increase of 10 FTEs in investment attraction. Trade enhancement FTEs are down from 94 to 68 FTEs. Why has there been a reduction? Has a point been reached with trade enhancement where the department does not need any more staff?

Mr FITZHARDINGE: The Department of Commerce and Trade has gone through a major restructure, which means it will move away from the delivery of bulk services to individual businesses towards working with industrial groups and associations. As part of that restructure we have been able to reduce the total staffing requirements. Part of the restructure will result in the transfer of three FTEs to the Small Business Development Corporation, but they will still be contained in the 168 FTEs shown on page 147. The FTEs who are allocated to corporate services are further assigned to each of the three economic development subprograms. The member will see that the 58, 68, 29 and 13 add up to 168 FTEs. Because of the new approach of looking at output based management, we have assigned the resources used in each of those areas to each of those subprogram areas. I have a number of copies of a brochure which outlines the new focus by commerce and trade; they could be circulated with the agreement of the chairman.

The CHAIRMAN: Certainly, if members are happy to have them.

Mr BROWN: Page 148 shows a breakdown of salaries, wages and other matters. The amount under grants, subsidies and transfer payments is set out. Of the overall budget of nearly \$58m, what percentage goes to the administrative costs of operating the department? I do not know what service and contracts are, but even if one includes that figure, it suggests that the servicing of the department is around \$35m out of an overall budget of \$57m, which suggests it is about 60 per cent. Is the rest of the money paid out for various schemes administered by the department?

Mr FITZHARDINGE: The figures that comprise the \$35m could not be construed as being operating costs. The services and contracts area includes activities such as the purchase of land from Agriculture Western Australia and Department of Conservation and Land Management for the expansion of Technology Park. It includes the upgrade of the enterprise and research and development units at Technology Park. It includes an allocation of \$1.3m towards the implementation of the science and technology policy. It includes the debt servicing costs. The debt primarily relates to assistance to industry. Therefore, if one extracts the debt servicing costs and the service and contracts figure of around \$22m, one will see that the actual cost, which is primarily salaries and staff related expenses, gives a much lower percentage. Our operating cost of approximately \$14m represents approximately 25 per cent of the \$57m budget allocated to the Department of Commerce and Trade. Through productivity improvement we have been looking to reduce the proportion of our budget which is spent on internal costs to increase the application of funds to assist industrial development in this State.

Mr BROWN: There is obviously now a focus on infrastructure development. How much is provided directly to companies or projects in industry?

Mr FITZHARDINGE: If the member looks at grants, subsidies and transfer payments, he will see a figure of \$4.3m provided for industry incentives. He will see a figure of \$5.2m provided under the national industry extension service and AusIndustry grants. A figure of \$4m is provided for centres of excellence and grants to cooperative research centres. A figure of \$4.7m is in the Exmouth development trust fund, which will primarily be applied for infrastructure, such as the upgrading of the Learmonth airstrip and the development of the boat harbour at Exmouth. A further \$5m is allocated to the regional headworks development scheme. The other figure of \$8.2m contains all

the other support schemes, such as the export marketing scheme and the WA innovation support scheme. A substantial proportion of the funds is paid to provide infrastructure, incentives or support to industry.

[10.20 am]

Mr BROWN: An interview with the Chief Executive Officer of the Department for Commerce and Trade was reported in *The West Australian* on 6 March 1997. The article states that the CEO, Bruce Sutherland, said that less than 15 per cent of the department's \$60m budget would go on direct financial assistance this year. It was the subject of an editorial the following day. Given the figures, I am trying to work out from where the 15 per cent comes. It does not seem to be 15 per cent; it appears to be a whole lot more than 15 per cent.

Mr FITZHARDINGE: The member needs to look at the nature of the grants, subsidies and transfer payments. For instance, the expenditure from the Exmouth development trust fund will not be paid directly to industry; it will be paid to support pieces of infrastructure located within the Shire of Exmouth. The centres of excellence program is not direct support to individual businesses. The difference between those figures is largely explained by the nature of the grants that are made. One cannot say that 85 per cent of the operation of the Department of Commerce and Trade is spent on internal operations because only 15 per cent is provided as direct assistance to industry. Forms of assistance other than direct assistance are provided to local authorities, associations and industry. The export marketing support scheme would be a case of direct assistance to a business; however, the Exmouth development trust fund is not; it is providing infrastructure to help develop the town of Exmouth.

Mr BROWN: From where in this budget do the direct assistance to industry amounts come? I presume they come from industry incentives, which is \$4.3m, and the national industry extension service, which is \$5.2m. Is there any other area? Does anything from services and contracts go directly to industry?

Mr FITZHARDINGE: I have already indicated that the amount under services and contracts was for the purchase of land for the expansion and upgrading of Technology Park and information technology initiatives. A very small proportion of that, if any, would go as direct assistance to business. Of the \$8m in "Other", we estimate that \$2m would be direct assistance to industry. Within the 1997-98 budget we are looking at approximately \$12m out of the \$57m as direct assistance to industry. In my rough calculation, that amounts to 20 per cent. It is within cooee of what the CEO stated as being the proportion of the budget which was of direct assistance to industry. Also, we must subtract from that the small business improvement program, which will be transferred to the Small Business Development Corporation, and that amounts to \$600 000. There is a small reduction of approximately 1 per cent. We are talking 19 per cent of the 1997-98 budget going as direct assistance to industry.

Mr BROWN: Some of the schemes which I read out may not receive direct financial assistance. Will the Minister include in the schedule he will provide in supplementary information a breakdown of the amounts to indicate which amounts are for direct financial assistance; that is, handing over funds to companies to attract them to this State as opposed to infrastructure payments and those sorts of things?

Mr HOUSE: Yes, we will provide that as supplementary information.

Mr THOMAS: I refer to page 147 of the Budget Statements and to the earlier reference to the budget of \$57.9m. In fact, due to the adjustment of the cash book balance of \$4m it is actually a budget of \$61m. Was that money unspent from the previous year? Was it attributed to capital rather than recurrent expenditure?

Mr FITZHARDINGE: There are two adjustments for the cash book balance. There is an adjustment under recurrent expenditure of \$14m as well as an adjustment under capital expenditure of \$4m, making a total of \$18m. The department operates a number of trust funds. It holds moneys provided by other agencies, including the Federal Government. It is normal for some funds to be carried forward each year. This year a large amount of money is carried forward because of a slower than expected expenditure on the national industry extension service program and the Exmouth development trust fund. The full amount from the sale of houses in Exmouth was drawn down to the department's budget on the expectation that it would be spent on infrastructure. Also, money is being carried forward under the cooperative research centres and centres of excellence program.

Mr THOMAS: At the time the Budget was brought down a document was released which related specifically to science and technology. It includes a number of statements on areas of expenditure as well as a summary of a statement which was made by the Deputy Premier some weeks before that. I want to go through all these items, but first I would like to know where these items appear in the budget. Are they under one heading?

Mr HOUSE: Those particular dollar allocations are spread throughout the programs.

Mr THOMAS: I have a brochure which refers to the science technology coordination unit but I do not see anything about it in the budget.

Mr HOUSE: The amounts are spread throughout the budget. We will try to identify them for the member.

[10.30 am]

Mr FITZHARDINGE: Page 152 identifies science and technology as an output. It shows a significant increase from the 1996-97 budget of \$7.3m to an estimated expenditure this financial year of \$14m. The main difference in the allocation of the additional funds for 1997-98 is an increase of \$2m for the centre of excellence, \$1.5m for science and technology promotion related activity, and \$2.9m carried forward from science and technology funds from the previous year. In relation to the \$14m, a substantial number of the programs are identified within the budget summary on science and technology.

Mr THOMAS: Is the bulk of that \$7m for Technology Park capital?

Mr FITZHARDINGE: None of it is capital.

Mr HOUSE: Is the capital allocation the item above that in item 1.2?

Mr FITZHARDINGE: Yes.

Mr THOMAS: In the Deputy Premier's science and technology strategy item 1.1 refers to a marketing program to raise the community's awareness of the importance of science and technology, and \$200 000 is allocated. Is that part of item 1.3?

Ms GWILLIAM: Yes; it is detailed in the handout under leadership in science and technology.

Mr THOMAS: Strategy 2.1 refers to the Government's investigating the feasibility of providing support for agencies to conduct baseline research into terrestrial and aquatic environments, etc, with an allocation of \$40 000.

Ms GWILLIAM: Yes. That is part of item 1.3.

Mr THOMAS: Strategy 2.2 refers to investigating the establishment of a biodiversity institute, etc, also with an allocation of \$40 000.

Mr HOUSE: That is also part of the \$1.3m.

Mr THOMAS: A strategy within objective 3 refers to establishing science and technology forums to raise awareness of science and technology with an allocation of \$80 000.

Mr HOUSE: That is included in the \$1.3m.

Mr THOMAS: Strategy 4.1 refers to the development of information technology policy for the State and has an allocation of \$100 000.

Mr HOUSE: We are not sure about that. We will provide the answer as supplementary information.

Mr THOMAS: Strategy 5.2 refers to the Education Department. Are these matters in the Education budget?

Mr HOUSE: They appear in the Education budget.

Mr THOMAS: Is the amount under strategy 6.1 in the TAFE budget? It is essentially staff development.

Mr HOUSE: That will come from sponsorship. There is nothing in the budget for that.

Mr THOMAS: I can understand that. Is the sponsorship from the Department of Commerce and Trade, the Education Department or TAFE?

Mr HOUSE: I am advised there may be a need for Commerce and Trade to pick up some of that. However, private sponsorship will be sought for the bulk of the funding.

Mr THOMAS: Who is seeking sponsorship?

Mr HOUSE: TAFE.

Mr THOMAS: Strategy 7.1 and 7.2 refer to sponsorship for development of short courses in research and development and commercialisation, with an allocation of \$80 000 a year.

Mr HOUSE: Both are included in the \$1.3m of this budget.

Mr THOMAS: Strategy 8.1 refers to the provision of four postdoctoral fellowships each year to encourage outstanding postdoctoral students to undertake research into areas of high priority for the State, with an allocation of \$100 000.

Mr HOUSE: That is included in the budget.

Mr THOMAS: When, how and by whom, will the postdoctoral scholars be selected and when will they commence?

Mr HOUSE: I am advised we do not have a time frame; we are still in the process of developing an implementation plan. That will be determined.

Mr THOMAS: That type of program will take some time. Will there be one postdoctoral scholarship a year so that at any one time there are not four?

Mr HOUSE: Apparently the arrangements have not been made with the universities yet. It will be necessary to see whether they can fulfil the commitment they have towards that work. When it is determined we will give the member the information.

Mr THOMAS: Objective 9 refers to increasing the penetration of science into schools. Strategy 9.1 refers to the provision of funding support for the Science Teachers Association of Western Australia, Science Talent Search. Strategy 9.2 refers to, I think, a new scheme that is somewhat similar to encourage a program in technology and value adding. It is to be conducted by a consortium of professional teachers' associations. Each of those is allocated \$30 000.

Mr HOUSE: Both are funded in this budget.

[10.40 am]

Mr THOMAS: Objective 10 comes under the heading of the role of the State Government. Provision is made for the appointment of a Minister for science and technology. That will be the Deputy Premier. Reference is made to the establishment of a Ministerial Science and Technology Council which will comprise Ministers whose portfolios have a science component. A coordinating committee will comprise chief executive officers of relevant government agencies. We are told that the chair of the coordinating committee will be the CEO of Commerce and Trade, and universities will be represented. An amount of \$90 000 has been allocated for the establishment of the coordinating committee. Is that amount under item 1.3?

Mr HOUSE: Yes.

Mr THOMAS: How is the program progressing? What progress has been made on the appointment of a Minister for science and technology?

Mr HOUSE: The Cabinet has not made a decision about appointing a Minister.

Ms GWILLIAM: The planning for the implementation of these and other initiatives for 1997-98 is underway. That planning is well advanced. We are drafting guidelines for the financial arrangements for the Ministerial Science and Technology Council and the committee of CEOs. That has not been implemented. We hope to finalise those action plans in the first quarter of 1997-98.

Mr THOMAS: Strategy 12 is to give the State Government the means of measuring the development of science and technology activities in Western Australia. I take it from the Deputy Premier's statement that a state database will be established by disaggregating state data from the Australian Bureau of Statistics. The amount allocated is \$75 000. What progress has been made in achieving that end? Is that amount under item 1.3, science and technology promotion and support?

Mr HOUSE: I am advised that most of the money has been expended. Only a small amount remains to be expended in the budget from July onwards. Obviously this is fairly well advanced.

Mr THOMAS: Whatever else is required will be done under item 1.3?

Mr HOUSE: Yes.

Mr THOMAS: Has the database been created?

Ms GWILLIAM: We hope to make an announcement of the key statistical information in July this year.

Mr THOMAS: Strategy 13 is to increase the level of expenditure on research and development in the mineral sector. I am sure that strategy 13.1 will please many people: The State Government will allocate additional funding for the Minerals and Energy Research Institute of WA to support the minerals industry research and development. I note a small decrease in the MERIWA budget item. Where and how will that objective be achieved? Will it flow through this budget or will it be a supplementary item?

Mr HOUSE: I understand that the matter has not been advanced to a great degree. The Deputy Premier will be holding discussions with the industry and with MERIWA. If a large allocation is necessary it will either be appropriated from somewhere else in the budget or a new appropriation will be made.

Mr THOMAS: It is an important item and part of policy, but there appears to be no budgetary provision for it.

Mr HOUSE: That is because the discussions have not advanced to a stage where we can determine what the amount would need to be.

Mr THOMAS: Strategy 14 is to encourage greater private sector and university involvement in research conducted by the State Government. The allocation is \$100 000. This objective seeks to provide an opportunity for universities and the private sector to be involved in research and development. The document cites the Department of Conservation and Land Management's publication of a forward program of research requirements so that anyone in the business - be it a university or someone in another capacity - can think about undertaking that work. A requirement is for other government departments to undertake similar work. The cost will be \$100 000. Would that amount come from the budgets of those agencies or is the Department of Commerce and Trade, in its capacity as coordinator of science and technology, to do that work for other agencies?

Mr HOUSE: I understand that is not included in the budget. However, \$75 000 has been allocated for activities to encourage industry investment in research and development. Therefore, some of that could be appropriated. It is not a specific line item in the budget.

Mr THOMAS: Strategy 15.3 deals with intellectual property and technology and information management. It states that the Department of Commerce and Trade will coordinate and liaise with public sector management and the Ministry of Justice regarding the development of a whole of government intellectual property management policy. I recall similar statements in previous years. The whole of government intellectual property management policy has been drafted for some time. What progress has been made? Does the amount of \$100 000 fall within item 1.3?

Mr HOUSE: Yes. Cabinet has made a decision on this matter. The Deputy Premier intends to make a more detailed announcement on that Cabinet decision at the end of June or the beginning of July.

Mr THOMAS: Strategy 17 is to increase encouragement of investment in research and development in Western Australia. An amount of \$80 000 is allocated to promote science and technology, collaboration and opportunities both nationally and internationally through cooperative arrangements with industry, government and academe in other countries. Does this allocation fall within item 1.3? If so, how will the money be spent?

Mr HOUSE: It is covered by item 1.3. I understand that the funds will be spent to build up a network of technology information for people to access.

[10.50 pm]

Mr THOMAS: Objective 18 is to ensure that state government purchasing policies and practices promote the development of world class technology by local firms. The document states that rather than trying to protect local industry in a way that would be contrary to free trade, we should ensure that high standards are specified and that local industry is in a position to provide those goods and services at high quality standards; and, therefore, be in a position to be internationally competitive to supply other markets. No amount is specified. That work would require some expenditure. Will the Department of Commerce and Trade have any role in this?

Mr HOUSE: Yes, the Department of Commerce and Trade will have a role, and it is seen as a normal role of the department. The State Supply Commission and the Department of Contract and Management Services will be the prime deliverers.

Mr THOMAS: Here we start getting into big money: Objective 19 is to assist the development of research intensive companies through the provision of technology parks in strategic locations. An amount of \$2.5m is allocated to enhance Technology Park in Bentley into a technology precinct. Where in the Budget does that \$2.5m appear? Strategy 19.2 is to examine the feasibility of establishing new specialised technology parks in strategic locations and to examine the potential for the development of further technology parks.

Mr HOUSE: That line item appears under 1.2 on page 152 of the Budget Statements.

Mr THOMAS: I am disappointed that strategy 19.2 is simply to examine the feasibility of establishing new technology parks. If it was decided it was desirable to have a technology park adjacent to the Joondalup campus of Edith Cowan University, for example, and the land was not allocated now, the area may be built out when that time arose. The Select Committee on Science and Technology, which I chaired, recommended that land should be allocated now, even if the land is not immediately required, in order that future options are not precluded. Even

though at present there is no allocation for the purchase of land, is land available, or has the department ensured that that option is kept open and that sites adjoining universities, which might be considered strategic, are not built out and the options foreclosed in future?

Mr HOUSE: That is a good point. I will relay that to the Minister for Commerce and Trade when he returns.

Mr FITZHARDINGE: Twelve months ago Commerce and Trade led a study on technology precincts other than Technology Park to develop a statewide approach. Some areas have been identified in regional areas that would suit the development of technology precincts in association with either education facilities or industry. In some cases the land is held by government or local authorities. Therefore, it is likely to remain available to enable the examination of the viability of establishing research such as arid land research and research into mining and mineral processing in regional areas. Recommendations have been put forward about the use of the Exmouth former communications base as a research facility. Edith Cowan University has been closely involved with that study. Even though land has not been specifically identified for a technology precinct there, opportunities still exist for technology precincts to be established on land that is held by education bodies.

Mr THOMAS: Is the land at Edith Cowan, which that university aspires to use as a technology park, in government ownership but not transferred to the university? I understand it was owned by the department of planning some years ago.

Mr FITZHARDINGE: I am unaware of the detail of the ownership at Joondalup. Would you like that information?

Mr THOMAS: Yes. I could provide you with more details about what I am talking about. The university indicated to the Select Committee on Science and Technology that it considered it desirable to have a specific block of land.

Objective 20 is intriguing and one in which many people will be interested; that is, to increase the capacity for the State's non-endowed universities to undertake world class science and technology activities. The University of Western Australia is a well-endowed institution and other publicly owned universities are not. Strategy 20.1 is that the Government will examine the means to establish a university research endowment fund. I am aware of the Government's discussion document that foreshadowed allocating the payroll tax of universities to an endowment fund that they would be able to access, which would have been a generous endowment. There was some anticipation by the universities that that would happen. They are disappointed the Government will now examine the means of establishing a university research endowment fund. How far advanced is the Government in examining the establishment of that fund? When is there likely to be some progress on that?

Mr HOUSE: Ongoing discussions have been held between the Minister for Commerce and Trade, the Premier and Treasurer, and the Minister for Education. I cannot give the detail of how far advanced those discussions are. I will relay that question to the Minister for Commerce and Trade. Perhaps the member and he can discuss the matter.

Mr THOMAS: Will the Minister be a little more specific? Rather than his saying that the Minister for Commerce and Trade and I can discuss it, may I have an answer?

Mr HOUSE: I cannot give you more detail.

Mr THOMAS: I know you cannot, but perhaps supplementary information can be provided on that.

Ms GWILLIAM: A working party from the agencies of the Minister for Commerce and Trade and the Minister for Education is considering a series of options that will be funded through the consolidated fund rather than through any other means. We hope to have some agreement by the two Ministers by the end of this calendar year.

Mr THOMAS: Which agencies are involved in that working party?

Ms GWILLIAM: The group includes an officer from the Department of Education Services and an officer from the Department of Commerce and Trade. Extensive discussions have been conducted with the universities.

Mr HOUSE: This is a fundamental issue for the Government and the decision will eventually be made by Cabinet. The process is not advanced enough to give any more information at this stage.

[11.00 am]

Mr THOMAS: Strategy 21.1 is to establish a steering committee to investigate the mechanisms to provide non-endowed universities with a land endowment. The endowment for the University of Western Australia is primarily a land endowment and it has become lucrative. Obviously Edith Cowan University, Murdoch University and Curtin University of Technology have looked at something that would provide a similar basis in the long term. How far advanced is the establishment of a steering committee?

Mr HOUSE: The same answer applies. That is an in-principle decision for the Government. It is not a line in this year's Budget because dollars are not allocated to it. It is not that it is a secret; it is just that we are not advanced enough to give you a more detailed answer.

Mr THOMAS: Has a steering committee been established?

Mr HOUSE: No.

Mr THOMAS: When will it be established?

Mr HOUSE: I cannot answer that. I will provide that as supplementary information.

Mr THOMAS: Strategy 22.1 is to provide support for proponents of centres of excellence for industry focused on research and development, and part of that strategy is to assess the viability of potential research centres of a cooperative nature. The estimated expenditure is \$4m per annum between 1997-98 and the 2000-01. That is a fairly substantial amount of money. What progress has been made in spending that money?

Mr HOUSE: It appears under item 1.3 and it is \$4m per year over four years. I do not know how advanced that is. It is a new program.

Ms GWILLIAM: Planning for the expenditure of those centres of excellence dollars is well advanced. Advertisements have already been placed to receive submissions from universities and industry. The State Funding Advisory Committee is due to meet in June to further consider funding requests, some of which will have forward commitments. In addition, further meetings are scheduled over the remainder of the financial year. The expectation is that we will approve approximately \$2m per round.

Mr THOMAS: Does that \$4m include the program of support by the State for cooperative research centres?

Mr HOUSE: Yes.

Mr THOMAS: Does that \$4m which is heralded include an additional \$2m?

Mr HOUSE: The \$4m allocation includes an additional \$2m.

Mr THOMAS: Strategy 23.1 is \$8m over five years - which is again a substantial amount of money - to establish a medical and health research infrastructure council to allocate funds for medical research. What is the progress with regard to the establishment of that council and the expenditure of that \$8m? Where in the Budget is that \$8m over five years?

Mr HOUSE: The members of that council have been appointed. That was done in conjunction with the Health Department. It is in the Health Department's budget.

Mr THOMAS: There is no budgetary implication for the Department of Commerce and Trade?

Mr HOUSE: No.

Mr THOMAS: Who is on that council?

Mr HOUSE: I need to correct that answer. While the council members have been appointed, Cabinet has yet to approve their appointment. That will be done on Monday, and we will make the information available to the member after Cabinet has agreed - perhaps on Tuesday - as a supplementary answer.

Mr THOMAS: I am intrigued about part 4.0 of the science and technology policy, which will, no doubt, be very dear to both the Minister and the Minister representing: The development of science and technology in regional Western Australia. Do the various items that appear there, or the various commitments that have funding implications, specifically the extension of the Scitech Discovery Centre and the allocation of money to enhance science and technology activities within the regions, appear in the budgets of the regional development authorities?

Mr HOUSE: No; they appear in the budget of the Department of Commerce and Trade.

Mr THOMAS: Strategy 25.2 is to improve communication and understanding of new research knowledge to regional communities. The estimated expenditure is \$450 000, which is \$50 000 per region. Is that also in the Commerce and Trade budget?

Mr HOUSE: Yes.

Mr THOMAS: The estimated expenditure for the provision of telecommunications infrastructure to the regions of the highest national standard is \$75 000. I am not sure how far \$75 000 will go!

Mr HOUSE: It might get to Armadale, with a bit of luck!

Mr THOMAS: It is for an audit and recommendations rather than infrastructure. Where is that provided for in the Budget?

Mr HOUSE: It is in the regional development division of the Department of Commerce and Trade.

Mr FITZHARDINGE: The communications audit by Boshe has been completed and is being printed, and it will be launched in June.

Mr THOMAS: Excellent. That is under item 3. Is that earlier item also under item 3?

Ms GWILLIAM: No. The \$450 000 is under science and technology, not regions.

Mr THOMAS: An item which could have significant budgetary implications but for which no provision appears to have been made is to increase the presence of academic institutions in regional areas. Does the department have any responsibility for the implementation of this strategy; if so, how does it anticipate that will be done without the expenditure of any money? Strategy 27 refers to providing land and financial support for the establishment of special purpose satellite campuses in the regions. That could be an expensive exercise, and no money has been allocated.

[11.10 am]

Mr FITZHARDINGE: The Regional Development Council is working with the Education Department, technical and further education and the Higher Education Council to look at innovative ways of delivering education into the regions. In some cases that will require the provision of technology to existing telecentres, or new integrated facilities, such as the learning centre at Esperance; and in other cases it will require new building facilities which will be part of the budget process. This area is being actively pursued by an integrated approach among education institutions and other government departments.

Mr THOMAS: I accept that, and it seems to be a most desirable activity. However, the strategy is to provide land and financial support. Land can be provided if the department already owns it, but how can the department provide financial support without a budget allocation, or is it covered elsewhere?

Mr HOUSE: We are looking at a long lead time. We will need commonwealth support and cooperation. I do not imagine it will be done this financial year. I am sure any budget allocation in future years will be applied at the appropriate time.

Mr THOMAS: It will not be in 1997-98?

Mr HOUSE: No.

Mr THOMAS: Strategy 28 is to provide regional communities with access to services of the Scitech Discovery Centre; \$100 000 a year has been allocated to enable Scitech to extend its programs to the regional areas and \$50 000 a year has been allocated for secondary students in regional areas to participate in the science and technology awareness raising program which currently exists in metropolitan schools, but not in the country. That is a desirable program. Where is that \$150 000 shown in this budget?

Mr HOUSE: It is under program 1.3. That is a rolling road show that will tour the country regions.

Mr THOMAS: It is a good idea. Strategy 30.1 is to increase the level and quality of communication between the State Government and the Commonwealth on science and technology issues and \$50 000 has been allocated for a biennial science and technology forum comprising representatives of the State Government and relevant commonwealth agencies. Is it anticipated that the first of these biennial science and technology forums will take place this financial year? Does that \$50 000, which I presume will cover the organisational costs, appear under program 1.3?

Mr HOUSE: Yes, it does.

Mrs HODSON-THOMAS: On page 153 a major achievement for 1996-97 is to promote Western Australia as a suitable investment location at 10 internationally targeted promotional events. What were or are those international events? Are the results known, or what are the Minister's expectations?

Mr HOUSE: There were visits to Norway, Italy and Singapore in September; Italy in October; an Asia Pacific conference, for which I do not have the date; a delegation to Canada and Europe in March; visits to Asia and the UK in May; and the final event was in Texas, USA in May 1997.

Mrs HODSON-THOMAS: What are the expected outcomes from those visits?

Mr HOUSE: I will photocopy this document for the information of members. If as a consequence of this document members need further information we are happy to provide that.

Mr BROWN: I refer to the National Industry Extension Service on page 148 and the industry incentive programs. There has been some comment in the Press about the change of focus in the way direct industry assistance is given. What is the change of focus in the criteria that the department uses to provide direct assistance?

Mr HOUSE: The majority of those if not all come to Cabinet for approval.

Mr BROWN: I understood that programs over \$250 000 required Cabinet approval.

Mr MUIRHEAD: AusIndustry and NIES grants do not require approval from Cabinet or from Parliament. The Minister has undertaken to table in Parliament any industry incentive over \$250 000. The change in focus for NIES industry programs is to limit the size of organisations eligible for those programs to less than 100 staff employed. We are negotiating that with the Federal Government at the moment. We hope that will be implemented in a number of weeks. We are simplifying the way in which industry can apply for those schemes and also limiting the funds available for consultants to do business plans and market plans. We are trying to focus on smaller companies.

[11.20 am]

Mr BROWN: A comment was made in the same article in *The West Australian* on 6 March that the department was looking at those companies in genuine need, rather than on the basis of economic benefit. Is that reflected in the criteria? I drew the inference from those comments that there was some criticism in the Press immediately prior to that statement about the Government providing funds for expansion of businesses which were quite well heeled and questioning what the Government was doing chipping in to assist those companies which were doing very well anyway. This comment seemed to suggest there would now be additional criteria relating to the economic incapacity of a company being based on economic need, rather than simply on economic benefit. I presume economic benefit is always there, but there is an equal criterion of economic need. Have the guidelines been changed?

Mr HOUSE: That is now a criterion that is also applied.

Mr BROWN: What economic criteria apply?

Mr MUIRHEAD: The economic need issue is very difficult to measure each time a stated need is given by an organisation; hence, the limit on small schemes covering companies with up to 100 employees. We relate the need in terms of the overall structure. In other words, the 100-employee companies criterion includes parent companies and subsidiaries. That basically excludes most multinationals from the small industry assistance schemes. The comment made by the chief executive officer reflected an overall view about where we previously gave assistance to large companies on the basis of the department providing an incentive for them to do something and to produce economic benefit from that. Now we are getting down to the companies that need financial assistance to become involved in either export marketing or an enterprise activity that will help the company move to another stage of development.

Mr HOUSE: I will provide in a detailed form the relevant criteria that are applied.

Mr BROWN: It would be of some assistance. I indicate the sort of thing I am trying to come to grips with in terms of how the judgment is made. Although some companies are small, they may be highly profitable. If a company is doing okay in the market, questions might be raised about the degree to which it should use some of its own resources to expand to other markets or different markets or whatever, as opposed to going to the Government for that assistance. Other companies may be really struggling, but they have good products. They may have received some expressions of interest to market their products overseas, but to do so would mean a whole range of things that would mitigate against their being prepared to do that. A company may need an extra \$20 000 or \$30 000, and it may not be prepared to put in that sort of money to achieve any result. I notice from the schedule of payments made by the department to the various companies that some quite small amounts were provided; for example, \$1 000 for an airfare and \$500 to attend a conference. In the case of paying \$1 000 for a person to travel to a conference by way of an airfare, if that is the difference between the company's viability or otherwise, it is a pretty marginal operation. Is the thinking that the department will pay \$1 000 because it wants people from that small operation to open their eyes and broaden their horizons, or does the department look at the balance sheet of that company and say, "You did pretty well last year; you made 40 per cent and your turnover is pretty good. We think you have a good product or a good service, but we also think you have the money to do things yourself"?

Mr HOUSE: Those issues are always a matter of judgment. All Ministers who administer those sorts of things - we get people in agriculture who apply for assistance with funding to go to land conservation conferences, for example - must decide whether to send employees of the department to those sorts of conferences. It is always a matter of

judgment. It is not easy to have strict criteria about that. Most Ministers use a balance of advice from their department and judgment they make themselves.

Mr BROWN: I have the schedule of payments tabled by the Minister in the Parliament last year. I notice another area which shows all sorts of amounts. I recently got a schedule of payments by the Department of Education and the Department of Employment and Training which showed \$700 paid to the BGC group. Surely that company will not rise or fall on the basis of \$700. I find that sort of rationalisation difficult. Is the decision made by putting the names of the companies on a dart board and throwing darts at them to select the successful ones which will receive assistance? How does it work? Who gets assistance and who does not?

Mr HOUSE: As I say, it is very difficult to make those decisions. It is a matter of judgment. Most departments and Ministers have difficulty in making those judgments. However, there is always an allocation when we think there is some benefit not just to the company, but also to the State.

Mr BROWN: In the same media statement reference is made to the amount spent by the Department of Commerce and Trade on infrastructure. This article stated that about half of the department's budget would be spent on infrastructure to assist business in a particular area. Is that the same for this budget?

Mr FITZHARDINGE: The article referred to the original headworks development scheme which has an allocation of \$5m in 1997-98. The Exmouth development trust fund has an allocation of \$4.7m. The cooperative research centres and centres of excellence will be provided with infrastructure for which \$4m has been allocated. There is also provision for capital services for the completion of construction of a breakwater for the shipping industry at Jervoise Bay, as well as infrastructure required to attract the Commonwealth Scientific and Industrial Research Organisation to Western Australia. A significant proportion of the department's budget is applied to infrastructure items, which supplement the business assistance programs.

Mr BROWN: Was the Exmouth development trust fund set up by the US Navy when it moved out of Exmouth?

Mr HOUSE: It was not established by the US Navy.

[11.30 am]

Mr FITZHARDINGE: About \$10m was provided from the sale of houses in Exmouth which were vacated as a result of the move by the US Navy from Exmouth. The proceeds from the sale of those houses have been applied to a trust fund. The fund has a number of different aspects to it. A small component of the fund was used for the funding of community facilities, including lighting of the oval, an ambulance, and community centres. However, the majority of the fund will be supplied in two sections: \$5m for the development of the Exmouth boat harbour and approximately \$4m for the upgrading and development of a terminal at the Learmonth airstrip. The bulk of the funds have been provided for two key infrastructure items. However, there is a program for supporting soft or community infrastructure, which is administered through the trust fund and through the Shire of Exmouth.

Mr BROWN: Was any money paid into the Exmouth development trust fund from the consolidated fund?

Mr FITZHARDINGE: The composition of the residual funds of the trust fund comprise the sale of the houses, the payment of interest which is due on moneys held within the trust fund, and there have been some items of state infrastructure which have involved reimbursements to the trust fund. The construction of Burkett Road by Main Roads WA was brought forward with funds from the trust fund and money has been reimbursed to the trust fund. A final payment of \$700 000 is being made this financial year to the trust fund by Main Roads WA.

Mr HOUSE: The answer is no.

Mr BROWN: Therefore, there is no allocation from the consolidated fund into the trust fund?

Mr HOUSE: No.

Mr BROWN: Okay. Are NIES and the AusIndustry grants funded by the Commonwealth?

Mr FITZHARDINGE: They are a partnership between the State and Federal Governments.

Mr BROWN: How much of the grant is funded federally and how much is funded from CF?

Ms GWILLIAM: It varies over time. The Bilateral Agreement refers to, in general terms, matching levels. In 1996-97, the State put in \$2.3m and the Commonwealth put in \$1.3m. We are meeting with commonwealth representatives this afternoon to ascertain the figure that the State will get in 1997-98. We anticipate it will be in the order of \$1.5m or \$1.6m.

Mr BROWN: Is that a reduction from last year?

Ms GWILLIAM: No, it is a slight increase - \$1.3m to \$1.6m of federal money.

Mr BROWN: And the State will put in the remainder, which is \$2.7m?

Ms GWILLIAM: Yes.

Mr BROWN: Is any other income that is referred to in the statements derived from sources other than the consolidated fund, either through the Federal Government or whatever?

Mr FITZHARDINGE: Yes, money which is derived from land sales at Technology Park, money which is paid for the CSIRO lease of the Leeuwin centre, money derived from the normal disposal of assets such as vehicles and equipment, and small amounts of money which come in from other agencies in partnership programs that we run, such as contributions towards studies and contributions towards projects.

Mr BROWN: In relation to developing the initiatives that you offer under the various programs for industry, do you examine whether similar initiatives or like initiatives are available through federal funding? In other words, do you tailor your funding around federal needs?

Mr HOUSE: Yes.

Mr BROWN: You would be aware of the various changes that have been made by the Federal Government to a number of its schemes through the 1996-97 Budget and more recently in the 1997-98 Budget. How will your arrangements change as a result of those changes?

Mr FITZHARDINGE: We have restructured to move away from individual business delivery - the Federal Government is moving away from that approach also - to support for infrastructure and industry associations. A large number of federal government budget initiatives impact on the strategies which are in place for industry development in this State. In the previous Budget, the move on DIFF had an impact on the future direction of Western Australian industry. Obviously the continuation of the ship building bounty had a huge effect on the strategies adopted by Commerce and Trade. In many cases Commerce and Trade operates in partnership with the Federal Government in the regional development program. Again the cutting of that program has meant we have had to adjust. However, we are not in a position to replace the activities of the Federal Government. We need to see whether we can adjust our programs to be still as effective and still access the types of programs which are being run by the Federal Government.

Mr BROWN: I understand there was a cutting back of the export market development grants scheme by the Federal Government.

Mr FITZHARDINGE: Yes.

Mr BROWN: What effect has that had on Western Australian business?

Mr MUIRHEAD: It is difficult to know. Two principle areas caused great concern to local companies. The first was the change that did not allow grants to be paid to trusts, which caused specific difficulty because many companies are held in trusts. That cut out a large number of quite legitimate applications. The other was on the amount of travel that could be claimed under the EMDG. Both of those limitations just have been, or will be, lifted. That has lifted part of the problem.

Mr BROWN: Are you saying there is now changes to those?

Mr MUIRHEAD: The two criteria will be changed, yes. We have been advised that way. We will receive confirmation of that fairly soon when we meet with the Federal Government through the national trade consultative process in Darwin in June. A continuing change over a number of years has limited payments to smaller and smaller amounts. They have brought company thresholds down and they have brought the amount that can be claimed down. They have limited the top end of the EMDG, which in a way is going down the same road as everything else; it is trying to bring the benefit down to smaller businesses on the understanding that large business can take care of itself to a large extent. All in all, from our perspective in Western Australia, given the predominance of small business rather than the very large companies, we are not overly concerned by changes in the EMDG, particularly now that those other two issues appear about to be lifted. We have not had a lot of feedback from industry that it is greatly concerned about it. Our scheme, the export market support scheme to which the member referred earlier, is a complementary scheme with the awareness of the Department of Industry, Science and Technology/Tourism and Austrade. There is a specific requirement for companies, when they apply for our scheme, to state whether they are claiming the EMDG and they need to declare any export market support scheme funding when they are claiming to avoid double dipping. We make sure those things are coordinated between us and the Federal Government.

Mr BROWN: I understand that in last year's Budget \$97m came out of the EMDG. There was also a cut in the Asian-Pacific fellowship scheme, a cut in the Asian business scheme, and the international trade enhancement scheme was abolished. All of that totalled a \$126m cut in industry and export assistance. I am surprised that none of that has had an effect on Western Australia.

[11.40 am]

Mr MUIRHEAD: From our point of view, and following discussions with the Chamber of Commerce and Industry, there has not been a major drive to change, and it has not had anywhere near the impact that followed the abolition of the DIFF scheme or the bounty. We respond fairly closely to industry requirements and comment on these matters. We carry out an export impediment survey every three years, and this year's survey will measure changes in that type of funding. We should have the results in four or five months, and that will enable us to respond either with additional schemes of our own, different delivery of schemes or by lobbying the Federal Government. When schemes have had a significant impact, the department has been active in trying to correct them. The shipbuilding bounty has been corrected. I understand a recommendation will be made for the reintroduction of the DIFF scheme in some form the year after next. I think the pressure brought to bear changed some of the critical schemes. We have not had a major response from industry on this matter, and our feeling is that it has not had a negative impact.

Mr HOUSE: Mr Fitzhardinge has advised he may have given the wrong impression when he answered an earlier question and he would like to correct that answer.

Mr FITZHARDINGE: In explaining the source of revenue for the Department of Commerce and Trade, I said the Leeuwin centre revenue comes through the department and is included in its budget. However, although the department receives the revenue, it is passed directly to Treasury and is not included within its budget statement.

Mr BROWN: Was the last export impediment survey conducted two and a half years ago published?

Mr MUIRHEAD: It was not published but it is available as public information from the Department of Commerce and Trade.

Mr BROWN: Presumably the same will apply this year?

Mr MUIRHEAD: Yes, it will not be published as a document for distribution, but the information is available. It is not confidential information.

Mr BROWN: Given the direction of the Government in providing assistance to smaller companies and bearing in mind a number of decisions made by the Federal Government following the report by the Bell task force, to what extent, if at all, has the policy of the Department of Commerce and Trade been modified as a result of those commonwealth programs, some of which to a lay person seem to overlap.

Mr HOUSE: That question relates more closely to the Small Business Development Corporation.

Mr BROWN: I note that the Department of Commerce and Trade, according to the budget papers, will go down that path. I am referring more to industry assistance to small business. I note there will be some transfers but I understand these grants currently relate to this department rather than the SBDC. That being the case, I am keen to know what adjustments, if any, have been made to the criteria under which direct assistance is available, given the Commonwealth's announcement of the packages available.

Ms GWILLIAM: Following the Commonwealth's announcement, we are working with the federal Department of Industry, Science and Tourism in relation to much of the information distribution strategies in place. In relation to scheme guidelines, we have already taken the running in 1996-97, and will continue in 1997-98 to focus on small to medium enterprises. Members have heard how in terms of work force levels - not employment - we are introducing criteria so that only firms with a work force of fewer than 100 people will be assisted. In relation to need, we have put in place for some of the schemes an assessment on that basis and will continue to do so for other schemes. In relation to compliance costs, the department is mindful of the need to look at customer requirements and not just administrative requirements for scheme design. We are making a number of improvements to reduce compliance costs on small business.

To ensure better synergy between commonwealth and state schemes, we are working to avoid any overlap. In relation to issues of regulation red tape, we are working with the CCI, particularly through the Small Business Development Corporation, to make sure any areas of red tape removal that have been identified can be addressed. The Commonwealth Government is working on a tight time line for major reductions in regulatory requirements.

Mr BROWN: Is there any overlap between the Commonwealth's new directions in this area and what the State is doing in direct financial assistance?

Ms GWILLIAM: I would not say overlap as opposed to synergy in scheme design and delivery. AusIndustry is a commonwealth-state program, and there is every endeavour not to duplicate other commonwealth programs. In relation to scarce state funds, we have a requirement to make sure with the export market support scheme that we are not duplicating the federal scheme. In relation to the Western Australian innovation support scheme for research and development support, the focus is to make sure we are not duplicating the schemes for companies that could obtain assistance under the 125 per cent tax concession from the Federal Government.

In relation to information networks and the Bizlink development, the State is working extensively with the Federal Government. The State is the collection point for information available in WA on industry assistance schemes. There is a great deal of partnering and sharing of approaches.

Mr BROWN: In the 1996-97 federal Budget there was a reduction from the 150 per cent and 125 per cent tax treatment of research and development, and a number of people in the business community at senior ranks have been quite scathing about that, particularly given the overall level of research and development in the private sector compared with that in some other industrialised countries. Ours is pretty abysmal compared to others. Has the Department of Commerce and Trade done any work in this area to see what effect that tax treatment is having on research and development in this State?

[11.50 am]

Ms GWILLIAM: We have had informal comments made to us in relation to the adverse impact of the 125 per cent tax treatment. We are seeing increased demand in the recent round of the WA innovation support scheme. In 1997-98 we will undertake a review of that scheme. That will be partly done to look at the extent to which schemes should be repositioned and in response to commonwealth changes. The level of complaint is much lower with the small firms than the medium to large firms as it relates more to their needs. Small firms found that the compliance cost of the concession meant they were not availing themselves of it anyway.

Mr BROWN: Are you doing the review later this year?

Ms GWILLIAM: In 1997-98 we will conduct an evaluation of the WA scheme. We will look at the implications of the demand which has come through to the State as a result of commonwealth changes. We are picking up issues of impact, compliance costs and the extent to which the scheme does and does not address these issues, and the extent to which ongoing attention is required.

Mr BROWN: Will that be in-house or commissioned out?

Ms GWILLIAM: It will be a commissioned external evaluation.

Mr HOUSE: It is an interesting line. It is a good example of where government has become paternalistic in support rather than encouraging activity in other areas. Land care is another example. Handouts are made through grants from the consolidated fund, but tax concessions are not given so that people have the incentive to get on with the work themselves. Research and development falls into that category also. If the grant assistance were taken away, one could provide incentives to let them get on with the matter themselves.

Mr BROWN: It is the argument of direction; the same argument applies to the universities. Given the focus in the budget papers on infrastructure needs - reference is made to Jervoise Bay and the Coogee development - what has the department identified as infrastructure needs? Have the infrastructure needs been identified for the next five to 10 years as part of the state plan? What is the cost, and has an examination been made of the ways in which those costs will be met?

Mr HOUSE: My understanding is that a state strategy scheme is in place.

Mr FITZHARDINGE: The State, through a number of planning strategies, has identified infrastructure needs to support private sector investment programs in mining, mineral resource processes and other development. There is a dollar figure on the infrastructure required over the next 10 years, but I do not have it to hand. It is clear that that figure is beyond the capacity of the State Government.

A move has been made in a number of areas to identify the opportunities for the private sector to invest in infrastructure. An example is the \$180m development in Jervoise Bay, around 50 per cent of which could involve private sector investment. A partnership has been arranged with the Federal Government in the infrastructure investor information service which seeks to identify infrastructure which is investor ready, and identify future private sector infrastructure investment. It is thought that the superannuation industry will be the source of much funding.

Mr BROWN: Why is that?

Mr FITZHARDINGE: The private sector is already investing in infrastructure. AMP has spent \$100m on infrastructure investment in the last two years as the superannuation companies are looking for long term investments with a steady revenue flow. Infrastructure tends to be long term investment with an increasing yield over time. Typically, it increases at the rate of the consumer price index. The superannuation companies are looking for opportunities to invest in infrastructure simply to place their funds. At the moment, strong investment is being made in energy infrastructure, such as in pipelines and power plants around Australia, and it is expected that this will increase with airport infrastructure with the recent tenders of the Federal Airports Corporation's facilities in Sydney, Melbourne and Perth.

Also, it will include water and waste water infrastructure. The challenge is to identify income streams to fund these programs. In some areas in waste water, there is no difficulty because the user is known to produce facility revenue streams. It is difficult to identify reliable road and marine facility income streams which will support the project for the life of the infrastructure.

Mr BROWN: One of the intentions of compulsory superannuation schemes was to generate funds for long term development, but many fund managers in their portfolio mix have not been directing funds in that way. If investment is now made in the way outlined by Mr Fitzhardinge, I am pleased. Having been a trustee of a fairly large superannuation group and fund portfolio, and seeing the way fund managers vie for the quick market return and play the stock exchange better than one would play the casino, although more intelligently, I am pleased to hear about that change. Certainly, when I was looking at the issue closely some time ago, many fund managers were not interested in the long term.

Mr HOUSE: One would have to worry about the successive changes in the superannuation system, which must have affected confidence. The many changes caused people to lose confidence in the schemes.

Mr BROWN: That is an argument for another day. Is that document to which Mr Fitzhardinge referred public? From where do I obtain the information on the identification of infrastructure needs and costing? I know there is a planning document.

Mr FITZHARDINGE: The information is in a series of documents, such as Main Roads' "Roads 2020" series, which identified road priorities to the year 2020. Information is available on the marine infrastructure as part of the "Way Ahead" program run by the Department of Transport. Some broad assessments are being made in the work done for the "Regional Futures" document for the year 2015. I think the "WA 2029" study contains some information on infrastructure costs. It is necessary to aggregate the figures from a number of areas. Certainly, it is a large figure. I will attempt to send the background papers to the member along with the infrastructure investment material prepared by the Department of Commerce and Trade summarising those figures.

Mr HOUSE: A number of documents will be made available to the member, so it will not be supplementary information.

[12 noon]

Mr BROWN: I appreciate that, because it is sometimes difficult to get a handle on all the documents and to recognise duplication. Given that the department is specifically looking at this, and that it is the lead agency for government, it would be very handy to have that position.

I refer the Minister to the model for funding. The Opposition has raised this matter with the Minister for Energy in relation to the Oakajee proposed development and has questioned from where the \$250m to \$300m is coming. The Minister has said that it might come from the private sector. We are unsure whether someone we do not know of in the private sector is looking to invest that amount of money. Has any modelling been done? Obviously, if groups in the private sector, particularly superannuation funds and managers, are looking to go down this path they will do their own modelling, which will be very sophisticated, and will look for returns for their investors. Has the State done any such modelling in respect of development issues? If it is private sector run and owned, there are questions of access, cost, how it is amortised and over what period. Do the people who own the asset have control over who uses it? How does one buy in? Is it open to industry?

Mr HOUSE: Is the member referring specifically to Oakajee?

Mr BROWN: Many private companies are happy to invest in roads and then charge toll fees. We have not done that in Western Australia.

Mr HOUSE: The Government has not explored that. If the member is talking about toll roads, that is not a government policy.

Mr BROWN: I understand that. I am looking at a particular issue. There is a reticence on the part of this Government to borrow money for infrastructure; the Minister can agree or disagree. One way of avoiding that is to get the private sector to invest in infrastructure. Private sector investors want the maximum return. However, that poses a whole variety of public interest questions of access, rental and so on. For example, this Parliament will be debating some time this year legislation relating to commercial tenancies, because there is a view that some big shopping centre owners have not treated some smaller businesses equitably.

Mr HOUSE: The member is not suggesting that the Government should buy shopping centres?

Mr BROWN: No. However, if the Government is looking at private sector investment in traditional government controlled areas, which are open to the general community, the questions become more complex. Has any modelling been done?

Mr HOUSE: It depends in some cases on the infrastructure concerned. The member makes a valid point with regard to the Government's looking at infrastructure development in a positive way. I agree that the Government should be more proactive in some of that infrastructure development, and that it can borrow against the future. For example, with airport development, we might well need government funding to establish the principle of getting people to a certain area in order to reap the longer term benefits and therefore repay the cost of that infrastructure. In relation to access and restriction, if the Government goes to private enterprise to achieve those things then it must have a very clear understanding about what can and cannot be done.

The member is well aware that the decision on funding for Oakajee has not been made; the Government is looking at options. That is a large infrastructure investment in one project. However, if a proposal involved that same amount of money to establish a multiple use facility, such as a port or an airport, there is very good reason to spend government money. There is no one answer. In a general sense, the Government should be more proactive about infrastructure development.

Mr BROWN: I have had this shadow portfolio for only a few months and I am desperately trying to come up to speed.

Mr HOUSE: I have been here for only three days.

Mr BROWN: In doing that, I have spoken to a number of people who have some knowledge of this area. I spoke to one person about infrastructure and I was told quite bluntly that it is vitally important and that if we do not have the infrastructure we are not even in the game; if we have it, at least we are in the game. This is a vital issue, particularly if we consider that all economies go through growth phases and cycles. It has been suggested that for Western Australia, given other world factors in respect of our minerals and downstream processing, this could be a fairly long cycle. I am sure all of us hope that that is true. However, the one inhibitor to that can be infrastructure. Infrastructure, by its very nature and even with all the technology in the world, cannot be installed in 10 minutes. We would not want in a year or two to be saying that we missed a golden opportunity because we were hoping for private sector investment but it did not eventuate.

Mr HOUSE: I agree. Probably one of the best examples in Australia of infrastructure development creating something for the future is the Queensland Government's decision to build international airports in the north of the State before they were really needed. That then led to a large increase not only in tourist trade but also in economic trade. That is just one example supporting the member's point.

Mr MacLEAN: While we are talking about general trade development and this State's relying on mineral exports more than it should in the long term, I read recently that some Western Australian based information technology companies have done very well at a German IT exhibition. In one case, a company displayed a telephone monitoring system that monitors who makes calls and to where without infringing on conversations. Has the department done an overview of technology development in the State and the direction it is taking, especially in relation to IT and science?

[12.10 pm]

Mr MUIRHEAD: We have been talking closely with the technology industry. Under the new structure of the department we have been involved with the industry rather than having operational areas of trade investment and development attraction and enterprise development. The first task of the new industry teams is to work with the industry groups to identify exactly what aspects of international markets and information technology, for example, they will pick off. They will find out what are the requirements and impediments in this State and hopefully enlarge and enhance the requirements of the infrastructure we have just been talking about. We want to work together and have a strategy shared between industry and government. The IT and communications area has been led by about 12 major companies in this State, which have provided pull-through for smaller organisations. The department has

very much run with them on the investment activities in which it has been involved. We will see a change to a whole of industry perspective, not merely involving equipment suppliers but also software and intellectual property suppliers. We plan to have those strategies drafted by Christmas this year.

The CHAIRMAN: I remind members of the need to keep questions relatively short. We have had some interesting questions but there are many divisions to get through. I am conscious of the time.

Mr RIEBELING: I refer again to the infrastructure for major projects and mention Oakajee and the possible capital commitment by the Government. A great deal of concern has been expressed in my area, which is where all the minerals come from that support this State, that insufficient emphasis has been put on projects such as the AUSI Steel project by way of government commitment in comparison with the Kingstream project. Will the Minister comment on the apparent difference in the Government's commitment? The Deputy Leader of the Liberal Party confirmed last week that there was nowhere near the commitment to AUSI Steel that there is at the moment to Kingstream, partly because AUSI Steel's preferred site is not inside a designated area to which the Government wants it to go.

Mr HOUSE: I am not aware of the level of discussions that AUSI Steel has had with the Government or the Minister specifically. I am aware that AUSI Steel has not brought, through the Minister, a detailed proposal to Cabinet. Kingstream has, and that is the subject of the agreement Bill that has passed through the Legislative Assembly but not yet the Council.

Mr RIEBELING: I have spoken to people who were looking at investing in the AUSI Steel project. They said that had the Government committed itself to a \$30m pipeline, they would have been interested. For the sake of the \$30m guarantee, they would have invested in that project. Compared with the type of money we are talking about for the Kingstream project, \$30m seems to be a drop in the ocean.

Mr HOUSE: Did they approach the Government for that sort of guarantee or any assistance?

Mr RIEBELING: I do not know.

Mr HOUSE: I do not know whether they did or not. It obviously falls into the area of responsibility of the Minister for Resources Development.

Mr RIEBELING: The Department of Commerce and Trade would have looked at major projects like AUSI Steel and what should be put into them. What is too much?

Mr HOUSE: Obviously, if people come to the Government, their projects are examined.

Mr RIEBELING: I presume those people did approach the Government. The Government has been saying over the last four years that those projects would make up the \$20b worth of projects. I do not think the Mineralogy project will happen. That \$4.8b is in the books, so to speak. The Government has been heavily involved in the AUSI Steel project, which is worth about \$2.5b. There may have been offers or none.

Mr HOUSE: I will discuss the question of AUSI Steel with the Minister. I am not sure of the detail and will try to establish the facts. I suggest the member ask the question of the Minister for Resources Development when he appears before the other committee this afternoon.

Mr RIEBELING: I will be involved in this committee.

Mr BROWN: The second dot point on page 149 refers to the challenge not only to ensure businesses are internationally competitive and export capable but also to identify products and services in demand, gain market access, create collaborative research and development opportunities and to develop ongoing business relationships. That is all fine. What role does the department play in identifying products and services in demand?

Mr HOUSE: We have a number of Western Australian trade offices in different countries. The member would be aware that last year an office was opened in India. We have had an office in Indonesia for some time. Offices are also established in Malaysia, Singapore, Hong Kong, Japan, Korea and China. Part of the ongoing brief of the staff of those offices is to identify and assist people travelling to the region and looking to sell product or wanting to establish a market and vice versa; that is, to ensure that people in those countries have access to information about Western Australia so that they can put product into Western Australia. We have booklets published country by country in Asia. The one I have here is entitled "Opportunities for Trade and Investment for Western Australian Companies in Thailand". The Deputy Premier is launching a new booklet on the Phillippines. If there are other booklets, we can provide copies.

Mr FITZHARDINGE: Because we have opened an office in Shanghai, the office in Hong Kong is to be closed. We do not have a formal office there. We have an arrangement with the International Educational Marketing Group office for our representation in Hong Kong and Singapore.

Mr BROWN: The statements show that we attribute certain outcomes to those offices. I cannot speak highly enough of the staff I have met; they are multiskilled and multilingual. However, the offices are quite small. The offices provide a businessman travelling to the country with an opportunity to know the nuances of where he is going and what to do and not to do, to have introductions to government officers and to know which business organisations to contact, and so on. It is positive and it is necessary, especially if a person goes to a country and he does not have a great deal of knowledge about it. The comment about identifying products and services which are in demand is a narrow focus. I am aware that other countries do things along those lines. I do not know to what degree that narrowness is observed by business overseas.

[12.20 pm]

Mr HOUSE: I will give two examples relating to my portfolio responsibilities in Agriculture and Fisheries. One is the development of the lobster market into China which has been assisted by this State's representative who was in Hong Kong but is now based in Shanghai. The people from the fishing industry who have been going into China used him as their initial point of contact. He has played an ongoing role in the negotiations, and the industry that has developed in that country has now become a major part of the lobster trade. The other example is the effort we have made to try to get India to buy more raw wool from Western Australia. The amount of raw wool going to India has increased by approximately 60 per cent in the past couple of years and that coincides with the efforts by the Western Australian trade officer who is based in Bombay. Western Australian business has been successful in the two examples I have given. Obviously, the member's question is very broad. I suppose if there are one or two people in an office they must target specific things. We have targeted those industries I have mentioned and have been successful.

Mr MacLEAN: The Minister indicated that the Hong Kong office was to close.

Mr HOUSE: It has already closed. The original placement of an officer from Western Australia was in Hong Kong. After he had been there for a few months he advised the Minister for Commerce and Trade that he believed that the best place for him was in Shanghai. He was moved to Shanghai from where he operates now. He covers Hong Kong and Taiwan.

Mr RIEBELING: I presume that the main aim of officers in Asian countries is to assist small business and not the larger organisations, for example, the iron ore producers, to gain access to markets.

Mr HOUSE: Some of them do use our services. As soon as they build up their contacts they no longer need our assistance. There is no restriction on larger companies. It is open-ended.

Mr RIEBELING: The iron ore industry is very important to this State. At times the negotiators of the companies achieve unusual results. For example, meetings have been held with representatives from Hamersley Iron Pty Ltd after the company had been forced to accept a lower price for its ore. In the next breath it said it was successful in selling a greater volume of iron ore. My understanding of economics is basic, but if there is a greater demand the supplier can demand a higher price. The comment in the Pilbara is that when the iron ore companies negotiate with the Japanese, the Japanese have a bit of a chuckle and rip them off. I understand that the Japanese have stockpiles of iron ore which will allow them to operate for considerable time.

Mr HOUSE: There is an important distinction between what actually happens and the question the member asked. It is not the government officers' role to get involved in negotiating deals. Their role is to open the doors and to make contacts to assist these people.

Mr RIEBELING: That might be the case, but one of the significant issues and trends is to maximise the benefits to the State. A downside of a badly negotiated contract for Western Australia is a reduction in the number of people working in the industry. That has occurred in my electorate and there has been a substantial decrease in the number of people employed in the iron ore industry. I understand it is not the role of the Government to negotiate contracts.

The last dot point on page 150 of the Budget Statements states that increased levels of Aboriginal enterprise development and employment are essential. That is all well and good, but the table indicating the output and input indicates a reduction in the State's commitment to Aboriginal economic development support.

Mr HOUSE: It is simply because the Aboriginal and Torres Strait Islander Commission funding was applied last year to the actual figure, but has not been included in these figures because the actual figure is still being negotiated with the Commonwealth Government.

Mr RIEBELING: In last year's figures the gross cost of the project was \$3.48m. The gross estimated cost this year is \$2.9m. Presumably, the ATSIC funding will be deducted from \$2.9m, which is what occurred last year.

Mr HOUSE: It is added to that figure.

Mr RIEBELING: This year's budget indicates that the gross cost of the project last year was \$3.48m and the ATSIC funding was \$779 000. That amount was deducted from the \$3.48m which meant that the State's contribution was \$2.7m. This year the allocation is \$2.9m and the ATSIC funding is not included in the budget.

Mr HOUSE: These figures indicate the State's contribution, which is \$2.937m. Last year, the State's contribution was \$2.708m.

Mr RIEBELING: When the ATSIC funding is determined will the gross cost be added to the figure in this budget?

Mr HOUSE: That is correct. For the sake of the exercise, if the member presumed that the ATSIC funding was the same this year as it was last year, it would be added to \$2.937m and the bottom line would change.

Mr RIEBELING: Does the department think that that level of funding will be achieved?

Mr GROUNDS: Yes. When these figures were prepared for printing we were renegotiating the funding with ATSIC.

Mr HOUSE: It may be a fraction higher.

Mr RIEBELING: Will all the money be spent in my electorate?

Mr HOUSE: No.

[12.30 pm]

Mr BROWN: Towards the end of last year the Public Accounts and Expenditure Review Committee delivered a report on state support for industry. Recommendation 3 of that report recommended the Government establish a ministerial task force to develop an industry policy. On 31 October the Minister tabled in the Parliament his response to the report. He advised that Cabinet had established a subcommittee on economic and strategic planning and that the development of an industry policy was one of its roles. Has an industry policy document been produced that I have missed?

Mr HOUSE: It is still being developed.

Mr BROWN: Is there a target date for when it is to be completed?

Mr HOUSE: Not that I am aware of. That subcommittee of Cabinet has been meeting to develop that policy. It is in progress. There is no target date for its release.

Mr BROWN: As a member of that public accounts committee, I know that concern was expressed about the focus on industry support. It is all very well to have companies producing good proposals - not to say that any industry policy would preclude that - but as you will know, a number of Governments throughout the world have decided, rightly or wrongly, that they will be involved in a certain business. Malaysia has decided it will be in the information technology business. It is putting enormous resources into it and making it attractive for companies to go there. At our peril we will ignore some of those things. Australians have been great innovators over the years. However, despite all those skills, sometimes it takes a lot more than that. People will hit their head against a brick wall only so many times; at the end of the day even the most innovative person will walk away because it is easier to get assistance somewhere else.

Mr HOUSE: A number of examples indicate that you are quite correct. That is why we need to be more positive about getting runs on the board. I can assure you we are trying to do that. The process is probably dragging its feet a little, but we are on the way to achieving that.

Mr RIEBELING: At page 159, regarding the capital works program, the last three dot points are about Technology Park in Bentley. I understand it was established so that Western Australians who had good ideas would have the facilities to develop their concept and sell it to the market. Does the inclusion of larger groups of people making use of what is now called the Technology Precinct indicate a different focus by government for bigger industries to use that facility? Will it still be possible for smaller people to have access to it?

Mr HOUSE: It is a mixture of all those things. We will not discourage anyone from going there; on the contrary, we want to see it developed as a true blend of large and small industries.

Mr RIEBELING: It is a great concept. I was concerned the comments in the budget papers indicated that a great number of bigger industries would be using it.

Mr HOUSE: I understand there are only four blocks left. Part of our planning is to develop Agriculture Western Australia at the end of their block. As agriculture develops into new phases it will blend well with some other industries.

Mr RIEBELING: How much room is in there for expansion?

Mr HOUSE: I understand there are four blocks left.

Mr RIEBELING: I hope it will not go onto the golf course.

Mr HOUSE: No; it will remain in the existing area.

Mr BROWN: At page 153 under major achievements for 1996-97 reference is made to the number of jobs that have been created as a result of attraction capital. Joe White Maltings is the first company listed on that page. The Minister for Commerce and Trade made a statement to the Parliament about this funding. A series of three papers were tabled in Parliament at the time. In his statement to the Parliament the Minister observed that Joe White Maltings would employ 13 employees. No figure is given under "Employment" alongside that firm, on this page.

Mr HOUSE: As you know, Joe White Maltings operates in Northbridge. Part of the plan is to get that company to relocate and increase the size of its building where the new Cooperative Bulk Handling Ltd terminal is being built at Forrestfield. A number of wins will result for the Government. Moving some of the heavy truck traffic out of Northbridge is a priority. Introducing more efficiency into the Joe White operation by getting him to relocate and increase in size will benefit farmers. Other things will result from that. That facility has not been built yet, but the structure is being replaced at present. It will be another 12 months before it is built.

Mr RIEBELING: The Oceanfast project listed immediately under Joe White Maltings, with about a third of the commitment from the State, according to the statement, created 133 jobs. When the infrastructure is in place will there be an increase in employment?

Mr HOUSE: I doubt it. I was involved in the discussions concerning Joe White Maltings because it will be of great benefit to agriculture to have this process here rather than export raw material or add value to it. Unofficially, there will be capacity to expand the operation once the first stage is built. I am being subjective, but I think it will be possible to double the capacity.

[12.40 pm]

Mr RIEBELING: This is downstream processing rather than job creation.

Mr HOUSE: We had to fight off the Victorians. Industry incentives schemes are an interesting problem. In this case, the Victorians made very strong overtures to the company whose head office is in Victoria. We would have had no hope of moving our raw product to the Eastern States if Victoria had been successful. Therefore, we would have lost jobs. We took into account a mixture of matters when we made the decision.

Mr BROWN: I understand that the maltings industry is highly mechanised. Does Joe White Maltings work for the Japanese, or is that some other group?

Mr HOUSE: It is a combination. Kirin Australia has a small malting plant in Western Australia, but that work is only a small percentage of its total capacity. Some of its work is done in China now. It has a factory in China as well as in Japan.

Mr BROWN: The Minister for Commerce and Trade's statement indicates that the Government would develop an incentive program to encourage the development of environmentally sustainable production technology for industry. Has an allocation been made for that?

Mr HOUSE: I am advised that \$100 000 has been allocated for that. I understand also that the commitment is \$400 000 over four years.

Mr BROWN: Who is working on that?

Mr HOUSE: We do not have any detail. It is still being developed.

Mr RIEBELING: These days \$100 000 does not achieve a great deal. Will that amount be sufficient to achieve the objective?

Ms GWILLIAM: We hope that we can also access other support programs that the department runs. There will be assistance under the Western Australian innovation support scheme, which runs to \$1m a year for grants. Potential exists for companies to be assisted under that program for developments in that area. The new money is reflected in the additional \$100 000.

Mr BROWN: The statement refers to \$50 000 to develop collaborative networks between resource developers and local companies to increase the number of local firms supplying major developers.

Mr HOUSE: That is included in this budget.

Mr BROWN: There will also be a trial of piggy backing by regional businesses and individuals on government agencies to use a common digital network

Mr HOUSE: I understand that is operated through the Public Sector Management Office which is the responsibility of the Premier.

Mr RIEBELING: Does this relate to subsidies for industry or incentives to assist companies to establish in this State, such as Joe White Maltings? Three companies are mentioned under major achievements for 1996-97. We have been talking about a so-called level playing field for the past decade, but I think that we are the only ones playing by the rules. Many of our Asian competitors pour vast sums of money into ensuring their countries have the advantage. Will additional funding be provided to ensure we have some advantage?

Mr HOUSE: The Government has a general policy to assist industry on a request basis. Some guidelines have been set up to address that situation. It will be a Cabinet decision. If someone requests assistance, the guidelines must fit, and we try by negotiation with the proponents to make them fit.

Mr RIEBELING: Will that benefit the State?

Mr HOUSE: We went through the criteria earlier today. We ensure that sensible criteria are applied, so that we achieve job creation or a combination of advantages.

Mr BROWN: In his statement the Minister for Commerce and Trade said that there would be an amendment to the investment incentive program to increase significantly the incentive for overseas and interstate companies to locate in regional Western Australia; the Government would also develop a special program to assist companies to relocate in Perth.

Mr HOUSE: We will provide increased incentive for companies to locate in rural Western Australia. Again, the criteria will flow from Cabinet deliberations on a needs basis.

Mr BROWN: Has that incentive program been effected?

Mr HOUSE: I understand that the Minister for Commerce and Trade has made a submission to Cabinet to finalise that program.

Mr BROWN: So, the program has not been implemented.

Mr HOUSE: That is right.

Mr BROWN: A commitment was made also to appoint regional trade officers in the Kimberley, the goldfields and agricultural regions.

Mr HOUSE: That has not happened yet either.

Mr BROWN: A commitment was made to establish a pilot project in which private sector investment in quality staff and housing for business in regional towns is encouraged by the State underwriting the long term lease of 10 years at commercial rates.

[12.50 pm]

Mr HOUSE: I understand it is part of the Regional Development Council's brief to look at the application of that policy.

Mr BROWN: What amount is made available to the tourism industry in this Budget?

Mr FITZHARDINGE: Some elements of the Department of Commerce and Trade's expenditure have an impact on the tourism industry; specifically, the facilities at Exmouth. Also, integrated planning studies have been carried out in each regional area. An element of the work that has been done to support Aboriginal enterprise will support the development of tourism. Tourism is one of the industries that receives assistance through other business assistance programs that are available through the Department of Commerce and Trade; therefore, it is spread throughout the Budget. We do not specifically identify tourism as one of the output areas; it fits in with industry development.

Mr BROWN: The Government is to spend \$4m over four years to help local government improve basic tourism amenities. Which area of the Budget would cover the tourism aspect?

Mr HOUSE: Those dollars are allocated in the Minister for Tourism's budget.

Mr BROWN: I refer to the third dot point on page 150 of the Budget Statements. To what degree is the Department of Commerce and Trade involved in ensuring community services are coordinated and delivered effectively?

Mr HOUSE: Commerce and Trade has a coordinating role. For example, the Department of Commerce and Trade and the Minister for Commerce and Trade have played a part to achieve an equitable price for power in Esperance, because that issue has a dramatic effect on whether the port can operate competitively with other ports and whether businesslike processes in the fishing industry there can operate competitively with other areas of the State. The Department of Commerce and Trade can play a role in ensuring a generic understanding in government of the application of that policy across the State.

Mr BROWN: I understand that. However, "community services" is a broad term and relates to everything from health, transport, housing and education to law enforcement. I am happy if the Department of Commerce and Trade is coordinating that, because no-one else seems to be; however, I am not sure that it is being done. In not only regional Western Australia but also the metropolitan area community services are often not coordinated. There are boundaries at which Ministers try to pull back from providing money for services because someone else is to provide it, but it is not provided and people slip through the gaps.

Funding for a service for young people at risk in which I am involved was cut off because even though those people were of school age, the Minister for Education said it was not an education matter; the Minister for Employment and Training said they were underage and therefore could not be employed; and the Minister for Justice said it was not a crime prevention program because they had not been in trouble. Everyone found a reason for not funding it, but it was a good program and it had a high success rate. I am not sure whether this is a limited role the Department of Commerce and Trade is playing. If so, what is that role?

Mr HOUSE: This Budget includes a new initiative to which \$250 000 is allocated to help coordinate some of those issues the member rightly outlined. My understanding is that that initiative will provide information and enable that coordination to take place.

Mr BROWN: Will that work be contracted out for someone to do an audit and overview, or will the work be undertaken by officers in the department?

Mr HOUSE: It will be a mixture of using the telecentres, business enterprise centres and, I presume, local government authorities to get that information together to try to pick up those gaps in the service.

Mr BROWN: Will that occur in certain areas first? An amount of \$250 000 will not go far.

Mr HOUSE: You were pleased a minute ago!

Mr BROWN: The Government will not be able to conduct a statewide program with that amount.

Mr HOUSE: The first stage is to do an audit to pull that information together.

Mr FITZHARDINGE: We will pilot it in a number of regions first, but those regions are yet to be chosen. Also, there may be a mixture of some regions getting priority for education, some getting priority for health services, and some getting priority for the delivery of water supply, sewerage and other basic services. The exact structure and approach is being resolved because a large number of players is involved. We cannot simply do it ourselves.

Mr BROWN: How much has been allocated to the expansion of university and rural surgical services?

Mr HOUSE: That is part of the program Professor Tony House established. Surgical teams, accompanied by general practitioners in some cases, are flown into rural locations to provide a surgical service because in most cases there are no specialist surgeons in those areas. Professor House is operating with one group of surgeons now. The idea is to set up a second group to service a greater area of the State. The last time I spoke to him he was doing three lots of three locations. In other words, when he went to Katanning, he did Katanning, Kojonup and Gnowangerup; when he went to Wongan Hills, he did Wongan Hills and the two closest hospitals.

Mr BROWN: There is a proposal to transfer small business programs from Commerce and Trade to the Small Business Development Corporation. What has been transferred?

Ms GWILLIAM: It is not shown in the budget papers. However, the decision has been announced and has been effective since 31 March 1997. The small business improvement program with \$600 000 - \$450 000 of state money and \$150 000 of commonwealth money - will be transferred to the SBDC to administer and deliver. In addition, three FTEs have been transferred to undertake the function at the SBDC.

Sitting suspended from 1.00 to 2.00 pm

Mr FITZHARDINGE: I said earlier in response to a request for information about a \$1m tourism infrastructure program that the program was with the Minister for Tourism. That program is actually with the Department of Local Government, and that department is advertising for projects.

Mr BROWN: What resources are committed to the Government's Indian Ocean strategy?

Mr HOUSE: The allocation is \$540 000 and one full time employee.

Mr BROWN: What is the \$540 000 for?

Mr HOUSE: To service the office in India.

Mr BROWN: The funding allocated for capital works for the Jervoise Bay development is significantly less than the amount that a number of employer groups, including the Chamber of Commerce and Industry, advocate is required for that infrastructure. What is the reason for that?

Mr HOUSE: The amounts that appear are for the north groyne. The other Jervoise Bay infrastructure development has not yet been finalised by Cabinet, so no budget figure appears for that further development. The figures here are not for the full development.

Mr BROWN: Given that no further funding has been allocated in this Budget, is it safe to assume that if Cabinet did approve further funding for Jervoise Bay, that funding would not be provided until next year's Budget?

Mr HOUSE: It would depend upon the need. If funding were required prior to that Budget, there would be a special budget allocation; if not, it would go into next year's Budget.

Mr BROWN: Page 157 refers to an independent survey of customers and indicates that interviews were conducted, which achieved positive results. How is the extrapolated amount calculated?

Mrs McPHIE: We surveyed selected numbers of our client base at random and asked them how much they had invested as a result of services provided by the Department of Commerce and Trade, how many jobs they had generated, and how much export they had generated. They were asked to respond in dollar amounts or numbers of employees. The responses were then extrapolated over the total client base to give the total estimated amount of investment generated.

Mr HOUSE: Page 67 of the annual report 1995-96 details the calculation.

Division 22: Small Business Development Corporation , \$7 081 000 -

[Mr Ainsworth, Chairman.]

[Mr House, Minister for Primary Industry.]

[Mr R. H. Buttsworth, Finance and Administration Officer.]

[Mr B.L. Roberston, Manager, Business Services.]

Mr RIEBELING: Page 864 details the categories of expenditure. All the other estimates that I have looked at have included increases in revenue from operations. What is the reason for the apparent \$700 000 reduction in revenue from operations in this budget?

Mr BUTTSWORTH: The forecast for this year includes a carryover from the previous year of \$100 000, which was the carryover of the account balance at year end. A further \$476 000 relates to commonwealth funds, and that follows the withdrawal of the business advice for regional areas funding of \$250 000, which has been separately funded from the consolidated fund this year. A further \$226 000 is related to a one-off specific project, which is a local government licensing database which is being developed to assist small business to access information about compliance with local government licensing requirements.

There are also some other minor amounts, including \$17 000 for asset sales, which was from sales of motor vehicles this financial year; a reduction in sponsorships for marketing activities, which will be separately negotiated, but at this stage we do not envisage its being the same level of revenue; and a reduction in interest on our bank account, which reflects the current economic climate.

[2.10 pm]

Mr RIEBELING: We have been told that shortfalls in commonwealth funding grants of \$400 000 will not be made up by the State. However, it appears in this instance the shortfall is being taken up by the State.

Mr BUTTSWORTH: A figure of \$250 000 has been taken up by the State. That is operational funding to regionally based business enterprise centres that were funded by the Commonwealth. They will fall into line with the 31 other business centres in the State in that they receive funding from the Small Business Development Corporation.

Mr RIEBELING: Although the funding in this category has increased by \$600 000, all the shortfall has been made up?

Mr BUTTSWORTH: A \$250 000 shortfall has been made up from the consolidated fund.

Mr BROWN: What is the Government doing about the administration of the franchising code now that the franchising council has gone into voluntary administration? The Minister has flagged a potential need for legislation in this area. What is proposed given the array of small businesses that operate on a franchising basis, and what funds are available in the budget to deal with this matter?

Mr ROBERTSON: The franchising code of practice council was disbanded on 31 January this year. It is a voluntary code of practice, with 60 per cent adherence by the industry. The Small Business Development Corporation has a specialist adviser who works closely with the franchise industry. Although the council no longer exists, the Franchising Association of Australia and New Zealand is still active and has a Western Australian chapter. We are encouraging people entering into franchise arrangements to be aware of the essential elements of the code. It is good commercial practice to be aware of the code. We advise people who are negotiating franchises to include the seven day cooling off period and the disclosure period contained in the code as part of their agreement. In the interim I understand the Australian Competition and Consumers Commission also has a role in monitoring practices resulting from the code being abolished. In the interim any legislation would be at a federal level. We are well placed to advise prospective franchisees.

Mr BROWN: One of the issues that arises is mediation of disputes. Does the SBDC play a role there?

Mr ROBERTSON: One of the clauses of the code relates to a mediation process to avoid litigation. That is another feature of the code that the SBDC promotes when it advises people who are negotiating franchise agreements. Figures show that the cost of resolving disputes in the franchise industry using mediation is about 10 per cent of the cost of litigation. This is well known in the industry.

Mr BROWN: Did the franchising council provide a list of potential mediators and arbitrators?

Mr ROBERTSON: I do not know whether it provided a list. The SBDC is aware of consultants in industry who provide services of that nature. Accord is an Australia-wide company that has a good reputation, and there are other mediation groups, although not specialising in franchising, which nevertheless can take on franchising disputes.

Mr RIEBELING: The first point on page 865 states that the growth in the Western Australian small business sector is set to continue as Governments and large business continue to downsize. How does downsizing positively impact on small business? That is self-explanatory with outsourcing of core activities. For instance, downsizing in the mining industry is causing huge problems for small business. How can downsizing be in any way positive? Does the SBDC have a view on the effects of downsizing in, for example, the home building industry with loss of job security and the like, if the trend continues?

Mr HOUSE: Downsizing will have different effects in different areas. I accept what the member for Burrup says about his area. However, in many instances where government departments have shed business that was either not their core business or could be done by the private sector more efficiently small business has grown.

Mr RIEBELING: Outsourcing is the second part of the statement. How does downsizing assist small business? The statement should read "downsizing by outsourcing".

Mr HOUSE: Yes.

Mr BROWN: On page 867 the objectives of the small business development program are to encourage economic growth and enhance employment opportunities through the development of effective small to medium size enterprises in Western Australia. A number of small businesses are concerned about the Hilmer reforms. For instance, newsagents and pharmacies, and even farmers, are concerned because the existing regulatory framework within which they have been operating has provided a measure of protection. Their concern is that if the regulatory mechanisms are abolished large scale change will affect the viability of their operations. For example, with pharmacy and newsagent chains, the outlets that are making an ordinary living will collapse. What role does the SBDC play in moderating the laissez faire economics within the market?

Mr HOUSE: Many people, including Hilmer, are now saying that some of Hilmer's proposals may not fit a sensible model for Australia's best future development. The member has nominated some areas in which that is the case. A

good case can be made for some industries to have some form of regulation. It may be for the continuous supply of a product on regular basis; it may be for other reasons in other industries. The Government has been examining all the options for the delivery of services in a freer way.

The Government also has an open mind, where regulation can assist and provide better service as it does in a number of cases of which we are both aware. The Small Business Development Corporation is more an area of government policy. We are reviewing all of the regulated statutory authorities, and that must be completed by the end of 1999.

[2.20 pm]

Mr BROWN: I agree with the Minister that this is a matter of government policy. However, let us look at the Small Business Development Corporation providing advice to potential small business proprietors or those entering into a business. Let us take the case of people who, fairly unsuspectingly, look at a newsagency which is advertised at \$400 000; its purchase would require them to put their house on the market or take on a substantial mortgage, and they seek advice from a government body because they trust it more than they would a non-government enterprise.

Mr OSBORNE: That is biased. Your ideological slip is showing!

Mr BROWN: Not always. What advice does the Small Business Development Corporation provide to those who are seeking to buy newsagencies?

Mr ROBERTSON: Typically newsagencies have brought in goodwill three times the net profit for one year. That might start to drop away. I have checked with some of the bigger brokers in the industry and it has not started to happen yet. If I were counselling prospective purchasers of a newsagency, I would not support paying three times the net profit for goodwill. As the member is suggesting, this potential risk is not worth that much in the marketplace.

We can also advise the purchaser on the commercial tenancy leasing arrangements because the goodwill is tied to the amount left on the lease. We are wary of that situation. If people come to us, we can advise them of the potential risks in that regard.

Mr RIEBELING: The significant issues and trends on page 865 refer to the growth in the Western Australian small business sector and it states that it will continue as Governments and large business continue to downsize and outsource non-core activities. This relates to the reliance of government departments on core business, especially in small country areas. It means that a government office is no longer in that town. Can the Minister comment on the impact of government downsizing and the reliance on core activities in small rural areas?

Mr HOUSE: Like all other businesses, the Government has a focus to ensure we have a good outcome result. That does not always manifest itself in dollars and cents; in many cases it is providing a service that is needed. Country hospitals are a good example of that. Those decisions are made on an area by area basis. In some areas a different service can be provided, such as a country medical service.

A little earlier we talked about the flying surgeon service which is operating now. That is a good case in point where we can provide a different type of service with today's technology and abilities. No members who represent rural areas deny the fact that we are concerned about how services operate in our rural areas, both in the private sector, with regard to banks, for example, and in the government sector.

Mr RIEBELING: In small communities in the country the provision of an officer in a government department in days gone by may have totally relied on the fact that he got work from other agencies to justify that position in the town. The reliance on core business for small communities means there will be fewer of those government employees within those towns. That has happened and it has had a disastrous effect on a large number of communities, especially in the provision of services. The post office has no problems with non-core activities. People go to the post office to pay any sort of bill. It is picked up on an agency pays basis. That has cost people in remote areas quite dearly, in my view.

Mr HOUSE: Using the same example, in my area, a number of post offices have been privatised. That caused a protest from the community when it happened. I venture to say that very few of those communities want to go back to the old service because they are getting a better service and sometimes it is provided on Saturdays, which was not the case previously. A range of services is now provided in small towns that people could not get before.

Mr RIEBELING: The staffing has not increased; it has cost people jobs.

Mr HOUSE: In the example I have given, I do not agree. Perhaps the member can give me an example if that is not the case.

The CHAIRMAN (Mr Ainsworth): This is an interesting subject and it is dear to my heart as well; however, we are probably straying from the budget a little and into a more philosophical discussion which is best left for another time.

Mr RIEBELING: I do not strongly disagree with you, Mr Chairman; however, the significant trends and issues clearly state that it is a benefit. That is exactly the subject I am covering.

The CHAIRMAN: I think the member has had an adequate opportunity to disagree with what he has read, and it has been well canvassed.

Mr RIEBELING: I am finished now.

Mr BROWN: Has any money been set aside in the budget for the Small Business Development Corporation to undertake or commission any research into the way in which business operations are changing in light of the technological revolution? In some sectors there now appears to be an increasing hold by big business over small business. Big business is now dominating. Although it has always been there, in the past, because of lack of technology and communication systems and so on, big business has been very happy to contract out work and to see lots of autonomous units set up. Now in a range of areas big business is dictating to small business. In effect, big business is saying to small business, "If you want some of this action, you will have to do some things; you will have to put on computer systems and on-line systems." In effect, some so-called independent businesses are becoming not much more than supervisors of works.

Even in a lean sense they are independent businesses, but in a discretionary sense they are being dominated more and more, not just in relation to acceptance in a traditional way about how they will handle the work of the big business. The big businesses now tell small business the services to be used, about replacement parts, and about compliance with quality assurance standards. It is very easy to set up a computer system which absorbs information which just comes down the line from the cash register and from the stock records - that does not need the employment of clerks - into the central computer. At head office a mechanism is set up where the manager has only to switch on a computer to read a program which shows how well the business is doing. That is the major implication for small business. I am aware that already in some sectors this is really coming into place. Some large businesses which, 20 years ago, tried to manage 55 managers and decided it was hopeless and contracted it out, are now starting to go the other way because it is now so easy to manage in a remote way.

[2.30 pm]

Mr ROBERTSON: The Small Business Development Corporation has access to a business information database; it is not doing its own research. We are not doing it because we subscribe to Ibis Business Information Pty Ltd which is based in Melbourne. It is updated quarterly and it supplies data on all Australian industries - some 2 000 companies representing about 60 per cent of Australia's gross domestic product. With this information we are getting the key sensitivities of each industry, key success factors, and a news line telling us whether there is an article in *The Australian Financial Review* or some other publication that impacts on that industry. Therefore anybody who is in that industry and looking to survive or somebody who is just starting can get this excellent quality information. On that basis we cannot justify doing our own research to that end, given that we subscribe to this Ibis information.

Mr BROWN: Does it look at this facet: I met some small business people the other day who said that they had not met with a politician before because it was not their way of operating; however, they said they were being ignored? I said that the probability is that if they had not spoken to anybody, nobody had heard their voices and that is probably why they were being ignored. Does the system examine the question of market concentration?

Mr ROBERTSON: For each industry, the market concentration is very important. Many small businesses operate in areas where they do not have a large section of the market. That is one of the keys for their success. Obviously, they try to steer away from areas of command concentration. For example, the chicken meat industry is very highly concentrated with the three biggest producers in Australia producing something like 65 per cent of total production.

There is no way that small business can compete with that. We have the information available relating to the areas in which they can maintain their competitive advantage to assist them in making decisions. We also provide forecasts to the year 2001 of expected turnover in each of those industries. To the extent that it is possible to predict change in business, we have those types of tools to contribute to solving problems.

Mr RIEBELING: Would that sort of research warn potential purchasers of garages. With the multi-site management system that the fuel companies are now introducing, hundreds of small businesses have been wiped out in this State. I expected to see legislation similar to legislation in South Australia to protect the interests of those small businesses. However, it does not appear to be forthcoming. Would the information protect those sorts of people?

Mr ROBERTSON: Probably not. Unfortunately, change is exponential in society now. As hardware is changing every day, software is taking years to catch up. If you like, you can call change in business the hardware, and government is the software. There is a timelag in first identifying the problem and taking steps to correct it. I would say no, it would not solve it and the information with which we are provided is not always correct.

Mr MacLEAN: One of the problems that I see with small business is that it does not know how to tender for government contracts. Does the Small Business Development Corporation provide assistance in that regard?

Mr ROBERTSON: That is a very timely question. We are working with CAMS, which has all contracts on the Internet. Currently, we are dealing with two Internet specialists to provide a web browser to download that information and display it at the Business Information and Licence Centre at the Small Business Development Corporation. Any small business person who is not attached to the Internet can come in and see what contracts are available. We can also print the fax form to provide that tender. That is only a matter of weeks away.

Mr BROWN: In the Minister's statement of 26 November 1996, he said that, in this term, the coalition Government would introduce legislation complementing the federal trade practices laws so as to offer small businesses better protection from predatory trade practices. I am aware that, in the service station area, the complaint by the independents is even though they come together to buy fuel, they cannot buy the fuel for a price lower than sometimes the oil companies sell it at their other outlets; therefore they go backwards. Their only demand is that they should be able to buy it at the gate for the same price as the oil companies sell it at the gate to others. Is the SBDC examining that?

Mr HOUSE: Yes, it is. However, that has not been completed yet. The statement refers to this term of government. It has not yet gone through the Cabinet process.

Mr RIEBELING: Do you have any idea of the time frame.

Mr HOUSE: No, I do not.

Mr RIEBELING: In another 12 months they will not be there. They are all going broke.

Mr HOUSE: No, I have no idea of the time frame.

The CHAIRMAN: I encourage members to take that matter up directly with the Minister.

Mr BROWN: Has research come out of the business opportunities and franchise expo and the meet the buyer campaign on the effectiveness of that policy?

Mr ROBERTSON: We are in the process of working with the people concerned. Five thousand attended the business opportunities expo and meet the buyers. Some feedback I have is that it was quite successful. However, we are yet to have a debriefing with each of the suppliers to get all the formal responses from them.

Mr MacLEAN: I refer to the third paragraph under the second dot point on page 869. From long experience in local government I am aware that some local government authorities are not exactly user friendly when it comes to small business. Is there any intention to set up a liaison unit with these authorities so that the differences can be sorted out.

Mr HOUSE: When you say "not user friendly" you mean they do not do what?

Mr MacLEAN: They are obstructive to small business in the way the regulations are couched. Is there any intention for the Small Business Development Corporation to approach local authorities to go through the small business regulations to try to sort out some of the problems?

Mr ROBERTSON: We have all the occupational licensing data on the computer. We are going through a process with the Business Information and Licence Centre. The first thing we are trying to do is standardise the forms so that people going to any local authority will fill in the same type of form. At this stage I do not know whether we are addressing the individual requirements of each shire council.

[2.40 pm]

Mr HOUSE: I understand the Minister has been trying to encourage business enterprise centres to have local government representatives at those centres. That is one way of providing direct linkage in the system. There are 36 business enterprise centres, and that may go some way to breaking down some of those barriers.

Mr RIEBELING: If the forms are standardised across local government, it will be easier for the department, but I do not understand how it will assist a person going to, say, the Shire of Roebourne if he is likely to deal only with that local authority. I am not one to standardise things if it will not be of benefit to the user.

Mr ROBERTSON: The business information and licence centre has some 800 state and federal licences available. It is a one stop shop from which anybody in the State can get information about the licence requirements, free of charge. If we know, for example, what form is required for a person wishing to open a business in the Shire of Mukinbudin, we can advise people on how to fill in the form. If we do not know what that local authority's form is like, we cannot be of assistance.

Mr RIEBELING: The problem I have with standardising forms across the State is that, for example, the Shire of Mukinbudin may devise a form that suits its needs and those of the community. If a state government body decides which form shall be used, I do not know whether it is progress or going backwards.

Mr ROBERTSON: It is done in consultation with local government. They are part of the input process. We are not driving this.

Mr HOUSE: It is only in an advisory capacity.

Mr BROWN: We heard earlier today that functions previously carried out by the Department of Commerce and Trade have been transferred to the SBDC, particularly the program relating to direct industry assistance. What processes will be used in the SBDC to administer those and other funds?

Mr ROBERTSON: The small business improvement program was transferred from the Department of Commerce and Trade on 1 April this year. To date, the conditions that apply to qualification and the processes and procedures are still the same, but they have been discussed at board level and some recommendations for change will be put to the Minister on his return. They are an attempt to direct the program more to the smaller type of operator.

Mr BROWN: I understand proposals have been made for changing the management of business enterprise centres, and debate has taken place between the chairmen's group and the SBDC on that issue.

Mr ROBERTSON: A meeting was held of the Chairs last Monday week. I was not in attendance and I do not know what took place. I cannot comment on that.

Mr RIEBELING: One of the major achievements for 1996-97 is listed at page 870 as progress in the investigation and removal of onerous or unnecessary regulations on small to medium sized enterprises. Presumably, they are onerous or unnecessary in the view of small business enterprises. I am interested in the initiatives involving development of the national food hygiene standards, review of the Hire-Purchase Act, review of the Pawnbrokers and Second-hand Dealers Act, WorkSafe requirements for forklift drivers, and amendments to the Liquor Licensing Act. My fear is that those things regarded as onerous by small business may be protection for consumers. Will the Minister comment on the department's directions or submissions in those specific areas?

Mr HOUSE: I said this morning that the Liquor Licensing Act will soon be dealt with by Cabinet and I anticipate amendments will be introduced in the first or second week of the spring session of Parliament. I understand the SBDC has input into the other areas mentioned, but is not the driving force; in other words, the SBDC is not directly responsible for that legislation. For example, national food hygiene standards are covered by the Health Department, and the pawnbrokers and secondhand dealers are covered by the Minister for Police.

Mr RIEBELING: I assume in the case of the pawnbroker legislation that the industry would object to the amount of information that must be obtained from the seller of goods to a secondhand dealer. It may reduce the profitability of people stealing goods, which is of benefit to the public but not necessarily of benefit to the operators of those businesses. Those things that benefit small or medium enterprises are not necessarily good for the community.

Mr HOUSE: That is why the SBDC has a role in, but not prime carriage of, those reforms. That is a good example.

Mr BROWN: Do the fees for renewal of business name registrations go directly to the department's budget, or to the consolidated fund?

Mr ROBERTSON: We are not involved in the registration process; it comes under the Minister for Fair Trading.

Mr BROWN: Have they been abolished?

Mr ROBERTSON: Not to my understanding. I think there was some talk of them being abolished but I do not think it has happened yet. A lesser fee is required for renewing a business name than for registering one, but I do not have information on the abolition of that fee or otherwise.

Mr BROWN: Before the last election the Minister promised to establish a contracts ombudsman within the Ombudsman's office to deal quickly with complaints about the tendering of government services. Has the SBDC had any involvement in that proposal?

Mr ROBERTSON: Not to my knowledge.

Dr FIELD: That position has been established in the Department of Supply. It is not called the contracts ombudsman, because an attempt has been made to avoid the use of that title, but the position serves the same purpose.

Mr BROWN: Does that mainly deal with inquiries from small business or inquiries from the general public? Is it inquiries from people seeking contracts or from those complaining about contracts?

Dr FIELD: It is more to do with complaints from small business.

Mr BROWN: About people not getting contracts?

Dr FIELD: Yes.

[2.50 pm]

Mr BROWN: Comment was made on page 870 of the budget papers about red tape. Are red tape matters under consideration by the department? You have referred to the licensing issues, which are local and state government matters. I am aware that the Prime Minister's statement referred to one-stop shops and licensing, but are other matters being considered?

Mr HOUSE: I understand that three industry forums were held; namely, tourism, food and regional issues.

Mr ROBERTSON: The tourism forum held last year in Perth involved small business, local government, Department of Transport licensing, Ministry of Fair Trading travel agency licensing and anyone who had an impact on the tourism industry. The food industry forum was attended by manufacturers of food, deliverers of food, suppliers of food, health inspectors, local government people and restaurateurs. This forum gave the participants in the industry an opportunity to speak to people involved in making or changing legislation at the local and state government level, such as the Health Department. People articulated problems and commented on how licensing was regarded as unfair.

The Australian Quarantine and Inspection Service and the state quarantine service also attended, and complaints were made about the high cost of inspection. Although we do not bring about the changes ourselves, we act as a catalyst to bring the agencies and the small business proprietors together to make them aware of concerns. Therefore, people will be mindful of those concerns and impacts when making changes. The well attended regional issue forum was held at Collie to identify any red tape issues impacting on small business.

Mr BROWN: Do you keep records of the issues raised at the forums and implement a follow-up system, or is it just a facilitating system?

Mr ROBERTSON: At this stage, it is a process of catalyst to change; we do not bring about the change ourselves. Obviously, we are still able to receive submissions from trade associations. If the change is not happening quickly enough or problems are still evident, we can act as a broker to try to remedy problems, or at least make the agencies aware of the how they impact on small business.

Mr BROWN: It is a bringing together of people for an exchange of views. I know they are not your regulations or Acts and you have no authority to change them; however, do you record the issues raised and formally take them back to the host organisation, be it transport or whatever, and say, "Three months ago this issue was raised; what are you doing about it?" How are issues resolved? Do people say, "We have looked at the issue and people do not like stopping at railway crossings, but if they do not stop they will be run over; therefore, we will not stop the train"? Is there a follow up, or is it a facilitation matter and that is it?

Mr ROBERTSON: It is a facilitation matter and that is it. The problem is that we do not have the resources to project-manage each of these issues independently.

Mr BROWN: I understand that concerns have been raised by small business about the cost of compliance with the Pawnbrokers and Second-hand Dealers Act, particularly small businesses which are not primarily second-hand dealers. For example, 90 per cent of a business may be selling fridges, radios or whatever, and it allows trade-ins on old units. For this small amount of trade, businesses must photograph and take fingerprints and find 55 people who know the customer. They object to the cost of compliance. Are you looking at that sort of thing?

Mr ROBERTSON: We have not received a formal submission, but I take the point. I am sure it was never the intention of the legislation to impact in that way when trading washing machines. We hope that commonsense can prevail and legislators will make the necessary change so people are not roped in. There is not a huge market in second-hand washing machines.

Mr BROWN: It applies to washing machines and second-hand books.

Mr ROBERTSON: It is fair comment.

Division 20: South West Development Commission, \$4 769 000 -

[Mr Ainsworth, Chairman.]

[Mr House, Minister for Primary Industry.]

[Mr Marshall, Chief Executive Officer.]

Mr OSBORNE: Page 875, dot point one, of the Budget Statements states that the Port of Bunbury access road has a high priority. This facility is extremely urgent. I understand that the South West Development Commission has held a series of discussions with Main Roads WA. At what stage are those negotiations, and is there anything the Government and the commission can do to expedite construction of the road?

Mr MARSHALL: The member is right: We have had discussions with a range of people such as the Port of Bunbury, Main Roads and the Department of Transport. A submission has been made to the Department of Environmental Protection to realign the Preston River. If this can occur, we can cut the cost of the road in half to about \$2m.

Mr OSBORNE: Is it possible that this can be given emphasis to accelerate the project? I am sure that if it is possible, you will do so. Are there concrete avenues you can explore to hasten this matter?

Mr MARSHALL: The matter has been submitted to the Department of Environmental Protection and the Environmental Protection Authority which will make an assessment of the change. If this matter can proceed quickly, we can move forward. If we are forced through the processes of lengthy environmental assessment, it will delay the project.

Mr OSBORNE: Point four of the major achievements on page 877 refers to the outstanding south west eco-museum project. I see that a 12 further interpretive sites are mentioned, including the Bunbury Dolphin Discovery Centre. I am aware of management problems at the centre, but these are personality problems and not your issue. What kind of presence does the South West Development Commission retain in these eco museum projects to protect the taxpayers' investment? If this spat continues, that investment is at risk.

[3.00 pm]

Mr MARSHALL: We are aware of the problems with a couple of centres. It has always been our intention that these projects become community driven. The member will appreciate that the Government does not fund the whole project. After the facilities are set up, they must be community driven, and most are now run by trusts. In all but one instance, we no longer have representation on the trusts.

Mr OSBORNE: I am concerned that some of the differences have become irreconcilable and that the Government might need to do something.

Division 36: Western Australian Tourism Commission , \$30 580 000 -

[Mr Ainsworth, Chairman.]

[Mr Bradshaw, Parliamentary Secretary.]

[Mr S.R. Crockett, Chief Executive Officer.]

[Mr J.L. Aquino, General Manager Operations.]

Mr BROWN: According to a recent answer in Parliament, eight EventsCorp staff are devoted entirely to the Rally Australia project. What are their roles?

Mr BRADSHAW: EventsCorp has a staff of 24 FTEs, including a core of 10 FTEs based in the Western Australian Tourism Commission. Another six staff are engaged on short term contracts depending on the event in question.

[3.10 pm]

Mr CROCKETT: Rally Australia is one of the events that EventsCorp has managed totally within its own structure. It has eight staff to run the event and it is run totally by the Western Australian Tourism Commission, unlike the other events which are organised. The executive director is effectively the overall manager. An operations manager looks after the logistics and the mounting of the event per se. His primary role is to manage contracts for building, construction, etc.

A marketing manager is responsible for securing approximately \$3m-worth of sponsorship through licensing and merchandising arrangements. A publicity manager looks after the media, particularly the international media, and generates exposure. A services manager is primarily responsible for getting the 700-odd competitors here and looking after their requirements for the event, as well the requirements of support and secretarial staff to those people. In essence, those are the four primary management areas. There are three support staff below them.

Mr BROWN: In round terms what are the costs of the staff for the event?

Mr CROCKETT: I will have to get some specific information on that. All staff costs are included in the total allocation for the event, which has been approximately \$2m over the last eight years. All costs such as staff costs, office hire, fax hiring are included in that figure; there are no extraneous costs.

Mr RIEBELING: Is the promotional income in this Budget? How much money is derived from sponsorship?

Mr CROCKETT: The total operating budget is around \$5m. It varies from year to year. Approximately \$3m of it is generated revenue. These figures show the net figure as a cost to the commission, which is the \$2m allocation.

Mr MacLEAN: We are spending about \$30m on tourism and yet there seems to be a lack of hotel accommodation in the city. Has the Tourism Commission encouraged anybody to come and look at the problem?

Mr BRADSHAW: The Tourism Commission has in place a review process which works out the needs of accommodation for people coming to visit Western Australia. From that it can estimate the future needs and whether capacity is at its maximum or is underutilised. The commission can then go out and encourage new hotels. We have seen in the last couple of years three major hotels - the Rydges, the Duxton and the Holiday Inn. More capacity is certainly coming on stream. The member will find that the occupancy rate has dropped.

Mr RIEBELING: It has dropped?

Mr BRADSHAW: The total number of occupants has not dropped away but the occupancy rate has because of the new hotels coming on stream.

Mr BROWN: To return to Rally Australia, I cannot see the information in the statements but it is probably in the annual report. What financial benefits does the State derive from the number of visitors who come to the State as a result of the Rally Australia event?

Mr BRADSHAW: The advantage as a result of the tourism that has been promoted to Western Australia has been worked out at varying between \$15m and \$19m a year. For the \$2m invested, it seems a very good return in my eyes and those of the Government.

Mr BROWN: I went through the annual report. I cannot recollect seeing the methodology for working out the figure. I am interested to obtain today or by way of supplementary information the methodology used in that. It has been put to me that at the time when the Rally Australia event is here a number of other events are occurring, such as wildflowers and other projects. I am not an expert on the area, but it has been suggested by people wiser than I that in any event there would be an influx of tourists at the time. I do not know whether calculations are based on gate figures; if they are based on gate figures, how they are worked out. Obviously many Western Australians as well as people from interstate and overseas go to see the rally. I do not know whether it is worked out on the basis of hotel bookings and what assumptions would be made. Hotels might be filled up anyway at different times of the year. I do not know whether it is possible to have an overview of the methodology used and the underlying assumptions.

Mr BRADSHAW: One can never tie down 100 per cent the income derived from events such as Rally Australia. A lot of visitors are associated with Rally Australia; there are drivers, back up crews and others who have a fairly important impact, let alone those people who come from interstate and overseas and who also travel from country areas of Western Australia into Perth or the south west in order to watch the rally.

Mr CROCKETT: The event, like all large events, is independently researched. Over the years I think three companies have had the contract to research. Reark Research has done it; Curtin University did it two years. The methodology is based on the simple premise of the expenditure by visitors to Western Australia. It does not include local people spending as a result of the event. That aspect of the methodology is often argued in Australia. For a number of major events on the east coast it is argued that there is the benefit of people spending money in their own State as opposed to going to another State. Most researchers who have looked at Rally Australia have taken a very conservative view based on the spending by interstate and international visitors. The methodology from that premise works on the basis of an interview survey of attendees, competitors, media participants and other people associated with the event. It is a very sensitive survey which develops a spending pattern for those people. It determines the expenditure across the event. Provision has been made in the last number of studies for participants or people who have come to the event to be asked if they are in Western Australia entirely for the event or for other reasons and happen to go to the event or are in Western Australia for no particular reason at all. A factoring analysis allows for those people who are not here specifically for the event. Research is based on those principles developed some years ago by independent research companies. One of the tertiary institutions in Western Australia was heavily involved in developing the principles upon which that study is based.

[3.20 pm]

Mr BROWN: Is that public information?

Mr CROCKETT: All the studies are available to the public and I will make available to the member for Bassendean a copy of the last study.

Mr BROWN: I would prefer that it is not supplementary information because it comprises three volumes.

Mr BRADSHAW: I give an undertaking that I will provide the report to the member for Bassendean.

Mr RIEBELING: Will the Parliamentary Secretary advise the reason for the reduction in corporate services of approximately \$400 000?

Mr BRADSHAW: Over the last couple of years the emphasis has been on providing more money for promoting Western Australia interstate, intrastate and internationally. One way to do that is to reduce the corporate cost of running the Tourism Commission. The \$400 000 is the result of that. Obviously, the money has gone into promoting this State, which is the way to go. I will ask Mr Crockett to explain how that is funded.

Mr CROCKETT: The reduction of \$400 000 in this year's budget compared with last year's budget is relevant to two initiatives of the commission. One was to redirect its energies and moneys towards the primary function of promoting Western Australia to attract more tourists to the State. In addition, there have been some ups and downs in that figure. In 1996-97 a weakness in the commission's financial accounting system was identified. One of the primary methods of overcoming the problem was to introduce a new accounting system to replace an old mainframe system which was not effective in its recording. That effectively added \$120 000 to the costs that year. The system is now in place and funding for it is not required in the 1997-98 financial year.

The reduction of funding across government included \$45 000 from this division. Also in that year there were a number of displaced salaries which totalled \$97 000. That has now been resolved and will not be an issue for the 1997-98 budget. We also moved \$56 000 of the funding as part of the saving in overheads to be directly related to the convention and incentive travel business. That is an important initiative this financial year because of the increase in the number of hotel rooms and the need to fill those beds with short term solutions, one of which is conventions. The cost of corporate services is spread according to proportion of usage across each of the five operating divisions through the programs.

Mr RIEBELING: Will you give a quick rundown of where the 28 full time equivalents appear in those programs?

Mr CROCKETT: It is simply a pro rata percentage. Therefore, in the case of national marketing which has a \$6.6m budget, it would be a pro rata percentage of the \$23m budget against the 28 FTEs.

Mrs HOLMES: I refer to the first dot point on page 941 of the Budget Statements which mentions the increased economic significance of the Asia-Pacific region. It states "should a dedicated Convention and Exhibition centre be developed in Perth". Obviously, it would be an advantage to the State. Will the "should" become "will", and if so, when?

Mr BRADSHAW: The Government is certainly committed to a dedicated convention centre in Perth. It would certainly attract more conventions to Western Australia. Currently, the venues for conventions in Perth are limited. A feasibility study has been conducted by the Government and the result is that government funding will be required to build a new convention centre. However, Burswood is considering expanding its operations and included in that will be a convention centre. If it goes ahead with its proposal it may negate the viability of a major Perth convention centre. If that happens, it is all well and good, but if that is not the case and the one it builds is not of the capacity suggested in the feasibility study, the Government will have to reconsider the viability of building another centre. The Government is waiting for Burswood to indicate the details of its expansion program.

Mr BROWN: I refer the committee to page 937 which outlines expenditure for national and international marketing, event tourism and convention and incentive travel. The amounts allocated to international marketing and event tourism are quite large. The budget papers also indicate the number of FTEs for each category. Obviously, the amount allocated covers far more than the cost of the FTEs. Will the Parliamentary Secretary provide a breakdown of how the funds will be allocated? For example, in the case of event tourism what events are envisaged, how much will be spent on each event and so on. I will then be in a position to know what the money is spent on.

Mr BRADSHAW: The number of FTEs is not the only issue covered by those amounts. Advertising and promotion costs are involved. For example, the Tourism Commission has been publishing a brochure titled, "The Best in the West" for tourist operators. Mr Crockett may be able to give a breakdown of those figures, but it can also be provided in supplementary information.

Mr BROWN: I am happy for it to be provided in supplementary information. I appreciate all the information cannot be provided in the budget papers.

Mr BRADSHAW: It will be provided in supplementary information.

Mr RIEBELING: I refer to the table of "Summary of Key Program Level Outputs" on page 943. The national marketing budget for last year was \$6.63m and this year it is \$6.6m. I understand that this year nine campaigns will be conducted while last year there were only seven. Therefore, the commission is spending less on each campaign this year. What is the reason for that?

Further down the reverse occurs with international marketing etc. The same number of events have been promoted with substantially more money being spent on them this year than last. Is there a difference in national campaigns compared with international campaigns?

[3.30 pm]

Mr CROCKETT: We have been successful over the past 12 months in gaining more cooperative industry support for our campaigns. The amount spent per campaign in most cases is more than it was the year before. However, it is at a slightly reduced cost because of the increased support from industry.

Mr RIEBELING: Can you find out how much industry is contributing?

Mr BRADSHAW: We will provide that by supplementary information.

Mr CROCKETT: The number of international campaigns has remained at 15. However, the cost increase from \$6.5m to \$7.3m is primarily because for the first time we will be undertaking a brand campaign in the United Kingdom. A brand campaign is more expensive than previously mounted tactical campaigns, particularly in the UK market which will have its first ever brand campaign for Western Australia.

The number of events is measured more specifically in the budget papers because a number of people is a more tangible figure to acquire. In 1996-97 there were \$17.9m of visitor expenditure generated from a \$5.9m investment. In 1997-98 we expect the return to rise to \$21m. The cost will also rise to \$7m. The year of 1997-98 is unique in that 11 major international events will occur, hence the large cost. In the following year we anticipate that cost to decrease to a little more than \$5m.

Mr RIEBELING: May I have details of the international events?

Mr BRADSHAW: I will provide them as supplementary information.

Mrs van de KLASHORST: At page 944 under major achievements for 1996-97, the second dash point under the first dot point refers to implementing a campaign to follow up incentive travel buyers etc. Will you expand on that? Have you had any tangible results?

Mr CROCKETT: The point you mention is directly in response to the Dreamtime initiative which involved bringing the Australian Tourism Commission's primary incentive trade show to Western Australia. It is the first time it has been here; it was a coup to get that here. It is usually held on the east coast. It was equally a coup to hold it in Broome rather than just in Perth. It was a combination of Broome and Perth.

We have the attendees on our database which we have individually followed up and will continue to do so over the next 12 months. Now they know what a great product it is for conventions and centres our challenge is to convince them to bring people here, so we will continue to monitor that database.

Mr BRADSHAW: The term "incentive buyers" refers to incentives being given to workers in the form of travel. It is becoming a lucrative market. We are trying to tap into it so that Western Australia will not miss out on its share on a global basis.

Mrs HOLMES: I refer to page 941. Point 3 refers to the establishment of the regional tourism infrastructure and product fund. When will it be established? How much will its budget allocation be?

Mr CROCKETT: It is a new initiative for this year to run over the next four years and involves an investment of \$6m. In 1997-98 and 1998-99 \$1m will be spent in each year and \$2m in each subsequent year. The criteria guidelines are being finalised. We hope they will be completed in time for the next round of the local government budgeting process later this year. It is focused on a need identified in the Coopers and Lybrand infrastructure study conducted two years ago which found that regional areas lack minor infrastructure particularly in the form of signage, interpreting centres, etc. The fund will specifically address that and will match dollar for dollar local government or non-profit area funds.

Mrs van de KLASHORST: Could I have a copy of the document seeking nominations for the funding?

Mr CROCKETT: It has not been finalised.

Mr BRADSHAW: I will supply that on notice when the information is available.

Mr BROWN: I refer to the summary of key program level outputs at page 943. A number of columns indicate unit measures. Item 1.4 is for event tourism and lists campaigns in 1996-97 as \$17.96m visitor expenditure and in 1997-98 as \$21.6m visitor expenditure. Is that the amount it is anticipated visitors will spend as a result of event tourism?

Mr BRADSHAW: Yes. That is the estimated actual figure; we have not finished the financial year yet.

Mr BROWN: The table indicates that in 1996-97 the Tourism Commission will spend just under \$6m and attract just under \$18m in visitor spending. That means it will spend \$1 to make \$3. The next line shows that on convention and incentive travel the commission will spend just over \$1m but make \$73.7m which suggests if it spends \$1 it will make \$73. Would it not be desirable to spend \$1 to make \$73 on all occasions?

[3.40 pm]

Mr CROCKETT: It is a good point and one we grapple with constantly. In the summarised version in the budget papers, it is difficult to give the full picture. One of the added advantages which is difficult to quantify is the exposure of the State to the various media covering the event. It is conservatively estimated, but it is difficult to do that objectively and accurately. However, if we consider the value of television coverage alone these events generate more in value for the State than do conventions. How many conventions are available for us to attract? Over the past 12 months, and in the future, we will continue to increase the amount of funding put into the convention sector, but there is a ceiling because we do not have a dedicated convention centre. In our previous reports we said that if a convention centre came on stream it would significantly change the mix between the amount of money spent on events and that spent on conventions, because we would have the facilities to cater for that. One component is the ceiling, and the second is that events have the added benefit of television coverage, which is significant, particularly in the South East Asian region. There is a lack of consumer awareness in those areas. Television advertising is very expensive and we can have very cost effective promotion of the State via event television coverage.

Mr BROWN: The convention centre in Sydney at Darling Harbour, and the one in Brisbane on the border of the city, are massive structures. I do not know what they would cost to build, but we should consider the income of such centres. For instance, the next Lions convention will involve about 22 000 delegates, many of whom will come from overseas, presumably bringing their spouses and families. There could be enormous benefits to the State if we could hook into such an event. Of course, that is if we could accommodate them! It would be a real problem if we had to accommodate 18 000 visitors in one go. However, the income to the State, to local business and hotels would be enormous.

Mr BRADSHAW: That is why the Government is dedicated to building a convention centre of reasonable magnitude. A feasibility study has been undertaken, but we are waiting to see which direction Burswood Resort Casino will take. Trade fairs or conventions bring enormous benefits to the State. Recently I was in Germany attending a tourism fair. People could not find hotel accommodation while the trade fair was on that week. I stayed on a little longer, and when I returned to Frankfurt, without a hotel booking, I was told by the first hotel that I would not find a room within 15 kilometres of Frankfurt. I finished up driving around in ever increasing circles trying to find a hotel room. Eventually I found one about 70 km from Frankfurt. This is what happens when functions such as conventions and trade fairs are held, and it is very important to promote such events in Western Australia.

Mr BROWN: The Global Dance Foundation recommended to the Tourism Commission that the event be postponed until 1999. The Government has not indicated whether it has agreed to postpone the event. It is scheduled for August this year. The correspondence and memos made available under the Freedom of Information Act indicate there is no chance of the event being conducted in August 1997. Has the Government agreed to postpone the event or is it seeking to recoup the moneys outlaid?

Mr CROCKETT: At this stage the deferment is being considered. The contract documents have been given to the Crown Law Department. We are awaiting that advice.

Mr BROWN: That was the information we received a while ago. Obviously it is still stuck at Crown Law. Under FOI conditions we did not receive the whole file but I was unable to find any feasibility study carried out on that event, other than a so-called feasibility study by the proponent. If it was a feasibility study, it was not much! Representations were made by Mr Reece to the Department of Culture and the Arts for it to be involved in a feasibility study before money was handed over. That proposal does not seem to have gone anywhere. It certainly did not happen before the money was handed over.

What is the case with other projects? Is it commission policy to carry out feasibility studies on proposals, including the financial standing of the proponents, the degree to which they have established national or interstate contact and the degree to which others are cooperating with them? These are the areas which I thought one would consider in

a prudent way. For instance, one should consider who is the managing director, the owners, and whether these people have been in the business for, say, 25 years. How many checks are made before agreement is reached with the commission and ultimately the taxpayers who will provide the funds to run events?

Mr BRADSHAW: A process was introduced in 1995 to check out events proposed by EventsCorp to see if they were suitable and viable. A feasibility study is based on a number of different components including the background and concept of the proposed event; a description of the event including details of the proposed venue, date, national or international connections; sanctions, event benefits - whether there will be a financial or economic impact; the nature of media frequency; tourism activity; and development potential - in other words whether it can expand into other areas on an ongoing basis. The components also include funding; preliminary budgets; sponsorships; state and federal funding; gate takings; cash flow budgets; details of the proposer - that is, the structure, contact persons, the executives, and financial background statements; management of EventsCorp's role; contractual arrangements; other parties consulted; events' operations; plans; performance measures; and recommendations of EventsCorp management and executive. We do all we can to find out whether an event will be a winner or a loser. One can never have a 100 per cent guarantee that an event will be a winner, even after undergoing those checks.

[3.50 pm]

Mr BROWN: Is the information you have provided contained in a policy paper of the commission?

Mr CROCKETT: We have two basic policy documents - the framework and feasibility study and a framework for the standard contract containing a number of issues that must be addressed in a contractual sense. Both of those were introduced in 1995 as part of the refinement of the event-seeking process in which Western Australia had been involved since 1987. That process is constantly being refined by external consultants and through internal refinement. We can provide them as supplementary information.

Mr BROWN: Will you include a list of the amounts that will be provided for each event?

Mr BRADSHAW: We will provide that as supplementary information.

Mr BROWN: How much is allocated in this budget for the Elle Racing campaign? In which countries will that advertising be undertaken?

Mr CROCKETT: I will clarify the Elle advertising. In the Brand Western Australia advertising campaign a significant number of commercials incorporate Elle Macpherson's role. There has previously been confusion about the \$1m fee that was associated with securing the appearance of Elle Macpherson and her yacht, and the cost of the ongoing campaign, which is about \$8.8m over four years. Those two matters are totally separate.

Mr BROWN: Did the \$1m for the first item come out of your budget?

Mr CROCKETT: Yes. For 1997-98 the estimated expenditure on the Brand WA campaign is \$2.4m, bearing in mind the Brand WA commercials are used in the national market and internationally. That will include marketing in Sydney and Melbourne. There will also be marketing in South East Asia, particularly with television campaigns in Jakarta and Singapore and a print and radio campaign in Malaysia, and a television campaign in the greater London area. I stress that the \$2.4m includes all media buy and associated costs as per the synopsis of the advertising costs tabled in Parliament. Other things could loosely be connected to Brand WA - for example, the production of posters or collateral material for travel agents to promote Western Australia - that are not included in that \$2.4m.

Mr BROWN: Is the construction of the Elle yacht now on track?

Mr CROCKETT: The yacht is an issue for the management in charge of putting the yacht together. The best advice we have received from them is that they are still looking to bring the yacht to Western Australia.

Mr BROWN: Is there any word on other sponsorship that has been attracted to the yacht?

Mr CROCKETT: They have not advised of that at this stage.

Mr BROWN: I note an allocation to the Country Tourism Association of WA. Is it correct that that amount went to the tourist bureaus and was then transferred to the tourism association?

Mr CROCKETT: That is correct. Last year we reviewed how funds were given to country associations and bureaus. The recommendation of the regional tourism review board was that to avoid duplication, the funds should go through one central regional body - the association. The tourist bureau funding goes via the regional associations. How much money goes to the tourist bureaus and how much is spent in general marketing activities for the region will be a local decision.

Mr BROWN: Some tourist bureaus have money raising ventures from which they can get an income; however, others do not have that ability. Questions were raised about whether they would be funded, even though they did not get a lot of funding, or whether they would not be funded at all. What is the degree to which local tourist bureaus have continued to be funded under this new arrangement? Has it simply been a matter of providing money to the association, which in turn delegates it; or have there been areas where tourist bureaus are no longer receiving funding?

Mr BRADSHAW: The idea of setting up the Regional Tourism Association was to get the industry in the regions to be more proactive in providing finances and an overall strategy for promoting those regions. In the past tourist bureaus tended to be localised; they worried just about providing services to tourists and giving information about surrounding areas. The Government believes people must be attracted to the regions, and if there are no tourists, the bureaus are not required. The idea was to encourage industry input by releasing brochures and conducting promotions. Besides the Government providing money, it was felt the industry should pay its way as well. The Regional Tourism Association provides somebody to approach industries for funds, thereby getting more money in the pot to promote the region. Some of that money is still being allocated to bureaus. To some extent there have been duplications in tourist bureaus. People are parochial and they want a tourist bureau in their area. However, if the bureaus are non-viable, it is questionable whether the funding should go to those bureaus.

[4.00 pm]

Mr CROCKETT: The process has been quite lengthy, with about eight months of consultation with the various regions. One of the cornerstones of the new partnership agreement was that each association must have the support of all the tourist bureaus in its region. Each association has had that support, and generally it has followed the line that it will continue to maintain the level of funding to all bureaus that existed previously. Some associations have developed some innovative and ground breaking strategies to do that on a different basis, and that has also proved very successful. We are very pleased with the new approach that many regions are taking.

[4.10 pm]

Division 55: Justice, \$290 985 000 -

[Ms McHale, Chairman.]

[Mrs van de Klashorst, Parliamentary Secretary.]

[Mr G. Byron, Director General.]

[Mr D. Daley, General Manager, Community Based Services.]

[Mr G.R. Gibson, Director Policy Programs and Projects.]

[Mr A.D. Jamieson, Acting Director Financial Management.]

[Mr A.J. Marshall, Director Policy.]

[Mr K. Payne, Executive Director Offender Management.]

[Mr T.W. Simpson, Executive Director Corporate Services.]

Mr RIEBELING: We have been given four hours to consider three pages in this division. In the three hours that were allocated to this area on Tuesday we debated nine divisions. Whoever allocated the time for this division and the previous divisions that were debated on Tuesday got it wrong. We did not have sufficient time to examine the other divisions.

Mrs van de KLASHORST: I take that on board. I will follow that up myself with whomever organised these times, because I agree with the member for Burrup.

Mr RIEBELING: I asked question on notice 238 on the number of hours that had been lost in Corrective Services through sick leave. I was advised that 29 000 hours had been lost within the prison system. Some people within the prison system think that figure is far in excess of the true amount. Did that figure include non-prison officer staff - that is, clerical and administrative staff - and maternity leave, workers' compensation or any other types of leave; and if so, what is the actual number of hours lost through sick leave in the department?

Mrs van de KLASHORST: I do not have those figures, so we will provide that as supplementary information.

Mr RIEBELING: What funds were allocated to employ additional prison officers?

Mr PAYNE: There were 12 new FTEs for prison officers in the Eastern Goldfields Regional Prison. We conduct ongoing assessments of prison numbers, and as the muster increases it affects the formula for the number of prison officers employed. Recently four schools were completed, and that brought the number of officers up to the present formula rate. Because of the anticipated expansion of the Eastern Goldfields Regional Prison we were able to employ 12 new officers. As the muster varies so will the number of prison officers.

Mr RIEBELING: What amount of money has been allocated for new FTEs in this budget? Page 500 refers to 19 FTEs. I hope the department is not stating that there will be only 19 new FTEs?

Mr PAYNE: At the moment as a result of a \$3m increase in current funding there will be at least 12 additional prison officers.

Mr MacLEAN: Reference is made on page 496 to the number of referrals to the juvenile justice team attributable to the Young Offenders Act. Is there an ongoing evaluation of this team, and what is the result?

[4.20 pm]

Mr DALEY: Since the juvenile justice teams have been operating there have been two internal evaluations. We are in the process of tendering for an external evaluation. The tender has gone out, but the appointment of the person who will carry out that evaluation has not been made.

Mr RIEBELING: I understand the committee is dealing with pages 491 through to 502 of the Budget Statements.

The CHAIRMAN (Ms McHale): We are dealing with the offender program and it is set out on pages 499 to half way down page 502. If members refer to page 492 which deals with expenditure they will find under "Offender Management" that the subprogram cover three areas. My ruling is that those three areas will be the basis of the committee's discussions this afternoon.

Mrs van de KLASHORST: Yes, that is what I understand.

Mr RIEBELING: Will the Parliamentary Secretary accept questions on pages 491 to 502?

Mrs van de KLASHORST: Only in relation to the three areas in the subprogram.

Mr RIEBELING: What about questions on the declining number of charges in the Children's Court?

Mrs van de KLASHORST: The Children's Court comes under the Attorney General.

Mr RIEBELING: They all do. Will we be able to ask questions on the number of juveniles having contact with the justice system?

Mrs van de KLASHORST: Yes.

Mr RIEBELING: I refer to the first dot point on page 496 which states there has been a 9 per cent reduction in the number of charges in the Children's Court. It appears to be good news for the system. However, the second dot point states there has been a 50 per cent increase in cautioning juveniles. The Government was elected on its policy to get rid of the revolving door syndrome at the Children's Court. How does that fit in with the rhetoric which has been used in the budget papers? On the one hand we appear to be bringing fewer children before the court, but on the other hand there has been a 50 per cent increase in cautioning juveniles. Presumably, the number of offences has increased.

Mr DALEY: There has been a significant decline in the number of charges as recorded. The reason for the reduction appears to be attributed to the effect of cautioning and the direct referral to a juvenile justice team. In fact, the Crime Research Centre which compiles the criminal statistics for Western Australia told me when we discussed the matter that there would have to be a degree of caution in making a firm judgment on the statistical relationship between cautioning and referral to juvenile justice teams in the case of juvenile criminal activity. It is caught up with reporting and protection rates. If the member requires more specific information, I will be more than happy to provide it.

Mr RIEBELING: I would be pleased to receive the statistics.

Mrs van de KLASHORST: What is the precise information you require?

Mr RIEBELING: Has there been an increase or decrease in juvenile offences? Does the 9 per cent decrease in the number of court appearances indicate there has been a reduction in crime? However, there has been an increase in cautioning. It is easy to reduce the number of people who appear in court if the process for dealing with a specific offence is changed.

Mr DALEY: It is difficult to provide a clear answer. Mr Marshall may be able to provide more information.

Mr MARSHALL: That figure needs to be taken cautiously. Cautions are often the outcome of the juvenile justice team. It includes cautions not only for juveniles who have been apprehended by the police and issued with a caution, but also cautions which are issued by the juvenile justice team. There is a third way in which a juvenile can be given a caution. That is, the juvenile goes to court and is referred by the court to the juvenile justice team which issues him with a caution. You cannot read into the figure that there has been an increase of new clients into the system.

Ms MacTIERNAN: Is Mr Marshall saying that a person can actually be charged, referred to a juvenile justice team and then be given a caution?

Mr MARSHALL: No, they are not charged. The Act requires the police to refer them to a juvenile justice team.

Ms MacTIERNAN: Is that prior to being given a caution?

Mr MARSHALL: Yes or after being given a caution. The outcome is a caution if it is agreed by the members of the team that the juvenile should just receive a caution. The figures will include juveniles who are cautioned by juvenile justice teams.

Ms MacTIERNAN: Previously there would have been charges.

Mr MARSHALL: Prior to the introduction of juvenile justice teams juvenile offenders were referred to the juvenile panel.

Ms MacTIERNAN: Therefore, the referrals can be made without actually issuing a caution?

Mr MARSHALL: Yes.

Ms MacTIERNAN: Where is the legal compulsion to go to the team?

Mr MARSHALL: The young offenders' legislation.

Ms MacTIERNAN: Even without a caution or a charge a juvenile can be referred?

Mr MARSHALL: Yes.

Ms MacTIERNAN: I share some of the concerns of the member for Burrup. On the street there is a great deal of dissatisfaction with the caution system. I will tell the committee an anecdote from my electorate, but it is common to any area. A young girl of 14 gets off the train and is smashed up by another young girl who has been glue sniffing. The victim did not know the perpetrator who is also 14. It is just a random act of violence. The parents of the victim are very upset and the police advise them that they have no option other than to caution the perpetrator of the crime. They are told that at some point they will be contacted by the juvenile justice team and there will be a process of reconciliation. What seems to happen in cases like this is that the injured party is either never contacted or an enormous amount of time elapses between the event and their being contacted. How does this cautionary system work? Are the police obliged only to issue a caution? Is there a degree of discretion? While I understand the philosophy, where there are acts of violence against outsiders it creates a great deal of animosity towards the criminal justice system.

[4.30 pm]

Mr GIBSON: The Young Offenders Act provides for a person to be cautioned for a first offence unless it is a scheduled offence, which includes serious assault. If the police charge someone with a scheduled offence they will not be cautioned.

Ms MacTIERNAN: How serious must the assault be?

Mr GIBSON: Bodily harm would be the threshold on the assault scale. Otherwise the police have discretion to caution as many times as they wish; for the first offence they must caution.

Ms MacTIERNAN: If it were not a scheduled crime, in that instance the police could have later charged her with bodily harm.

Ms WARNOCK: At page 496 the third point from the bottom of the page refers to crime diversionary strategies, etc. We have noted that the number has decreased. What else are we talking about in the crime prevention and diversion strategies apart from cautioning?

Mr GIBSON: The main diversionary strategy is the juvenile justice teams to which up to 3 000 juveniles have been referred in the past 12 months. The preventive strategies offer a range of community funding programs across the State.

Ms WARNOCK: What about crime prevention?

Mr GIBSON: It takes a number of forms of funding - for youth groups in places such as Halls Creek through to school based programs for children facing difficulties to assist them with employment or recreational activities. They are funded on an individual basis.

Mr RIEBELING: There has been an increase in the seriousness of offences that go to court. Is there any indication whether the number of violent offences which end up in court have increased?

Mr GIBSON: The number of juveniles in the courts has reduced compared with the number of juveniles in custody. I will follow up with supplementary information on the violent offences.

The CHAIRMAN: The Parliamentary Secretary will provide supplementary information on the question asked by the member for Burrup.

Ms WARNOCK: At page 522 under capital works reference is made to relocation, community correction centres Balcatta and Northbridge. What is the Northbridge facility?

Mr DALEY: The Northbridge centre was originally a convent in West Perth which was taken over by the then Corrective Services Department for use as a work release hostel in the late 1970s or possibly early 1980s. In the late 1980s work release legislation provided for work release to be a home-based program. That centre then became a community corrections centre for the inner city areas. It was never purpose designed for large numbers of offenders to report to. It has problems with security, maintenance of files, separation of offenders from work areas, etc. It has many faults and did not allow for programs to be operated because as a heritage building we could not dismantle internal walls. Bearing those problems in mind and the redevelopment of Northbridge because of the tunnel, funding was provided to move the centre. It will be relocated to the triangular building in Milligan Street opposite the Entertainment Centre. The amount of \$897 000 rings true as the amount allocated to that relocation.

In 1988 a community corrections centre was established at Balcatta to provide services, including large workshop facilities, for offenders in response to legislative amendments introduced in the late 1980s. It soon became clear that large workshop facilities were not the way to go in the management of offenders. One of the main objections was that if we used large workshop facilities for people to work out their community work the community got no benefit, but the department did. It provided much additional space which was thought to be needed at the time. However, the Balcatta office was not well located for the offenders particularly in relation to government commitments about increasing accessibility to justice. The Balcatta catchment area is 55 per cent from the Mirrabooka, Balga, Girrawheen and associated areas and 45 per cent from the northern corridor surrounding Joondalup which also has a court centre. It was decided that if we are to adequately manage offenders in the community the centres should be where the offenders are.

Ms WARNOCK: Do we know when the Northbridge centre will be prepared and what sort of activities will take place from it?

Mr DALEY: Northbridge is scheduled to commence in the last week of July this year. It will house the Northbridge community corrections centre which is responsible for the management of work and development and other release orders imposed by courts. It will also house a number of the program branches from the program section of offender management. The sex offender treatment unit will have its headquarters there. Rooms will be available to run a variety of programs, such as anger management, alcohol and drug problems and sexual offender programs. They could cover the gamut of the programs required to deal with people with a propensity to offend or reoffend.

Mr RIEBELING: I refer to points 5 and 6 at page 496. Each contradicts the other. The first indicates that introduction of the Sentencing Act and the Sentencing Administration Act on 4 November 1996 will result in fewer short term prisons, which appears to be correct. The next point refers to an increase due to the same legislation and demand for prison accommodation. Has the department done any research on the impact of the new legislation on the number of people in prisons?

[4.40 pm]

Mr DALEY: The Sentencing Act and the Sentence Administration Act have been in operation just over six months. In some areas the long term impact remains uncertain. For example, in the first six months of operation of the legislation 450 suspended prison sentences were imposed. However, we do not know what would have happened to those people had that provision not been in place. Would they have gone to gaol anyway or have the courts moved the tariffs slightly across the spectrum so that people are being sucked in from some other form of sentencing lower down the sentencing spectrum? The other issue which is difficult to answer is how many of those people under suspended sentences of imprisonment will start to come back into the system because they have breached the conditions. The Criminal Law Amendment Bill is not within my bailiwick.

Mr MARSHALL: The three strikes provision was promulgated in November. The first person sentenced was a juvenile, in January. We have had an effective operation period of just over three months. During that time 26 juveniles have been sentenced. Juveniles sentenced to 12 months under the young offenders legislation will serve six months in detention, and then go on supervised leave. We can expect that after six months we will see a turnaround. The juveniles will be released as other juveniles are being admitted. That will be the plateau. Based on that very simple analysis we estimate that about 70 juveniles will be affected at the plateau. It is very difficult to predict the situation for adults because we are receiving anecdotal information from the courts that they are sentencing for more than 12 months anyway. Therefore, they have not had to use these amendments.

Mr MacLEAN: The fifth point at page 496 refers to the abolition of prison sentences of less than three months. It is stated that the provision has not been operative long enough to assess its impact. When will an assessment be made?

Mr DALEY: We have not undertaken a review yet. I understand arrangements will be made for a review after the first 12 months, but to be on safe ground I would need to make inquiries to be sure that was an accurate answer.

Mrs van de KLASHORST: We will provide that by way of supplementary information.

Ms MacTIERNAN: I refer to the offender management program at page 499. One of the aims of the offender management division is to ensure the health and safety of prisoners in custody within a just and humane environment. Some of the contentious issues are the provision of condoms and needles. These would affect the health and safety of prisoners. It is generally understood that there is an incidence of homosexual rape within male prisons, and I understand there is a significant level of risky homosexual activity. Do you have evidence of the levels of rape or homosexual activity, and are prisoners being exposed to risk because they do not have access to condoms?

Mrs van de KLASHORST: The ministry has established a blood borne clinical diseases steering committee. These matters are being referred to that committee. The membership of the committee comprises health and custodial staff, and representatives from external agencies and organisations including the Health Department, the AIDS Council and the Hepatitis C Council. The group is charged with developing and implementing some strategies to reduce the incidence of problems associated with rape and hepatitis. This will involve debate on those matters and the availability of condoms to prisoners, the bleaching and sterilisation of needles, the issuing of exit kits, and health promotional material to prisoners on discharge. The committee is considering all those problems.

Ms MacTIERNAN: It is good to see that something is being done. When will the committee report? I am interested in the composition of that committee, as well as any statistics on the incidence of the underlying engagement of prisoners in homosexual activity, the level of intravenous drug use, and the level of HIV-AIDS within the prison system.

Mrs van de KLASHORST: I will provide that by way of supplementary information.

Ms MacTIERNAN: Are any advisers familiar enough with the prison system to be aware of the level of the problem in prisons?

Mr GIBSON: The committee has been made aware of the problem by many people making statements. Many of the allegations of the activities are not substantiated by evidence. The committee will go to the general prison community - both the employers and the prisoners - to get an understanding of the issue. A number of interviews have been conducted. The policy is not to provide condoms or needles. That is not contemplated at the moment. The committee is trying to evaluate the magnitude of the problem.

Mr RIEBELING: Was a pamphlet distributed among the prison population indicating that if prisoners wanted to have safe sex they should get hold of condoms.

Mrs van de KLASHORST: I am advised that the pamphlet was not official.

Ms MacTIERNAN: I note that the adviser is firm in his insistence that no condoms or needle products are distributed in the prison system. Given that this department is charged with the responsibility of ensuring the health and safety of prisoners, what research has been undertaken on these problems?

[4.50 pm]

Mrs van de KLASHORST: It is government policy not to provide needles and condoms in prisons. Whether the Government will review that after the committee reports, I am not in a position to say. I would have to check that with the Minister. The prevention and management of hepatitis C in prisons is a major health issue and it is being addressed.

Ms MacTIERNAN: What research has been done on the incidence of infection?

Mrs van de KLASHORST: That is what the committee is looking into.

Ms MacTIERNAN: Nothing has been done to date?

Mrs van de KLASHORST: The committee is working at the moment to find that out.

Ms MacTIERNAN: Do you not have any idea of the incidence of HIV/AIDS in prisons to date?

Mr PAYNE: We are aware of the prisoners with it.

Ms MacTIERNAN: What percentage of prisoners is that?

Mrs van de KLASHORST: We do not have the detail.

Mr PAYNE: We will provide that as supplementary information.

Ms MacTIERNAN: Are all prisoners tested?

Mr PAYNE: No.

Ms MacTIERNAN: How would you be aware of the prisoners who were HIV positive?

Mr PAYNE: It is based on the medical evidence they provide to the doctor when they go into the prison or at any other time they see the doctor.

Ms MacTIERNAN: There may be a considerable number of prisoners who are at least HIV positive that you do not know about?

Mr PAYNE: Yes.

The CHAIRMAN: When will that committee report?

Mrs van de KLASHORST: We do not have that information. We could find that out.

Ms MacTIERNAN: Did the impetus for this committee come from the AIDS Council of Western Australia and the Hepatitis C Council of WA?

Mrs van de KLASHORST: As far as I know, the ministry established the committee.

Ms WARNOCK: I refer to page 500 of the Budget Statements. How are juvenile offenders managed in the community? How successful is it believed that program has been?

Mr DALEY: Currently they are managed under a variety of different orders, mostly through legislation set up under the Young Offenders Act.

Mr GIBSON: The courts can impose a community based order which can have three parts - a reporting requirement, a work requirement, and a program requirement. The other order is the intensive supervision order, which is for more advanced offenders. It contains the same elements, but also has an automatic default to prison. The court sets the number of hours for the order and an agenda that says, for example, the offender must report, must attend a program at Holyoake, and must undertake 80 or 100 hours of community work. The offenders are supervised by community based officers around the State.

If offenders breach either of the orders, they return to court. The breach can involve either a breach of conditions, such as not reporting to the supervising officer, or not doing the work. It can also involve reoffending. In either case offenders are taken back before the court and the court decides whether they are placed on another order or are placed in custody. In more severe orders the supervision requirements are usually harsher and the breach rate is higher; they deal with higher levels of offenders. Although I cannot be exact with the figures, they have about a 60 per cent success rate. The case loads of community based officers looking after juveniles are considerably higher than the case loads of officers looking after adults because they involve working with the entire family and spending much more time on a one to one basis; for example, getting the children back into school. In other words, the order is not left to the responsibility of the young offenders as much as it is with adults.

Ms WARNOCK: Is the community management of juvenile offenders working? Is it stopping people from reoffending?

Mrs van de KLASHORST: I have the juvenile offender performance indicators for 1995-96. Offenders are released from custody at the earliest possible date, and there is a 48 per cent success rate. Other figures are as follows: Successfully completed youth community based orders, 59 per cent; intensive youth supervision, 40 per cent; intensive youth supervision with detention, 59 per cent; and supervised release orders, 72 per cent. The escape rate

was 1.69 per cent, so it was not a major percentage. Previous data is not available because the Young Offenders Act was implemented in only 1994.

Ms WARNOCK: Has the management of juvenile offenders in the community been successful insofar as it stops young people reoffending?

Mrs van de KLASHORST: The objective of the program is to stop young offenders reoffending. We do not have the figures for this year. The objective of the program is to keep them out of the prison system and to have programs at steps along the way.

Mr DALEY: The figures are not as easy to interpret as might be apparent from a bald statistic by itself. If a young offender commits a breach of conditions - for example, does not turn up to see the supervising officer - the officer has two choices: To disregard that for the purposes of trying to persevere with the kid and run the risk of the courts or others criticising that leniency; or promptly take that kid back to court to report a failure to cooperate, as the officer is required to do. That person will be entered in the figures as a breach and, therefore, not as a successful completion, even though he might subsequently be released on another order. A substantial proportion of those who might be regarded as contributing to the failure rate statistics will be re-released and will breach on technical, rather than offending, grounds.

That is a very important point. The other point is whether work orders are effective work, and that is always a contentious topic. Do people do the work or do officers turn a blind eye and say, "Let's get the kid out of the system"? It is a recurrent theme in the community. Our challenge has always been to ask those concerned to give us the evidence of which town, which place, which offender and which officers failed to perform their duties so that we can act on that information. To date, no-one has taken us up on that challenge.

[5.00 pm]

Mr RIEBELING: I find the last 10 minutes of answers hard to accept given the figures in this document. On page 500, under the summary of key program level outputs, the figures show that in 1996-97, 2 552 juvenile offenders were managed in custody; in 1997-98, the ministry expects that figure to be 3 497. That is an increase of almost 1 000 juveniles in custody in that period. The figures also show that 15 322 offenders will be managed in the community in 1996-97, and in 1997-98, the ministry expects 17 854 offenders to be managed in the community, which is an increase of 2 500. The total increase will be 3 500. I would like some comment on that.

In addition, of the juveniles who will be managed in custody, we see not only an increase of 1 000 but also a \$12m reduction in the management budget. How can the number increase by 1 000 but the budget reduce by \$12m?

Mrs van de KLASHORST: Banksia Hill detention centre will be completed and it is predicted that that will lead to a lowering of the cost of case management for each prisoner.

Mr JAMIESON: The summary program chart shows a reduction under the dollar column for 1996-97 of \$33.7m to \$21.3m in 1997-98. That reduction in funding is largely due to a significant expenditure during 1996-97 for the Banksia Hill detention centre, which will be completed during that financial year. Therefore, that capital expenditure in 1996-97 will not appear in the 1997-98 budget. It appears to be a reduction in funding and an increase in work volume, but it is due to the completion of a large institution.

Mr RIEBELING: What about the success of the programs? We will witness an increase of 1 000 juveniles in detention and 2 500 offenders managed in the community; that is, 3 500 more offenders being dealt with by these methods. That does not demonstrate the success rate that the Parliamentary Secretary was talking about only five minutes ago.

Mr MARSHALL: We have witnessed an increasing trend in the number of juveniles remanded in custody. These figures are estimates. It is believed that the number will continue to increase. A committee has been established comprising members of the ministry and the Children's Court to look at the situation in relation to remands in custody.

Mr BROWN: Has that occurred as a result of the changes to the Bail Act about 18 months or two years ago? They tightened up the law considerably in relation to bail, and particularly juvenile bail. Those changes related to the offender being released into the care of an adult. However, some adults, even parents, are not prepared to accept responsibility for the supervision of the child. When the Minister introduced those changes it was anticipated that those offenders would be released within 36 hours. However, some offenders are staying in custody for up to two weeks before they are released.

Mr MARSHALL: There is some element of all of those factors involved in this increase. However, the major area of increase is in remands in custody, with no bail set. That is the object of this committee; it will consider why there

are so many remandees in custody and whether bail supervision units are working effectively in finding parents or other responsible adults for children who have bail.

Mr RIEBELING: So, in excess of 1 000 of those offenders are remandees in custody?

Mr MARSHALL: That is an estimate we had to produce last year; it is the predicted increase, or whatever, in relation to juveniles. I am not sure whether the final figure will be that high for this financial year. The likely cause of much of that increase is the number of remandees in custody.

Mr RIEBELING: What about the 2 500 increase in offenders managed in the community? Presumably, a court has determined their fate.

Mr DALEY: I have become responsible for the juvenile justice community program in the past couple of months. I understand that those figures also build in some calculation based on predictions that happily have not been fulfilled in relation to the likely impact of the three strike legislation and the rate at which juveniles might be detained. The figures for the rate at which juvenile offenders are managed in the community represent what is likely to happen in respect of the number of young people coming into the system. They are not based on any individual source of change but on a particular trend line growth in the number of kids who in the course of a year will be under juvenile supervision.

Mr RIEBELING: How does that tie in with what the Parliamentary Secretary said about the success of the programs? The ministry is projecting that the figures will go up. We have just been told that this has been a success.

Mr DALEY: Both of those things can coexist happily without contradiction. We are talking about a primary aim to prevent kids re-entering our system. We have little or no control over the rate at which juveniles come into the system. Of course, a proportion of offenders will keep coming back. The objective is to target those at most risk of coming back. Because of the independence of the courts and the way in which the sentencing and prosecution process works, a large proportion of those people will continue to come into the system as a result of factors that we do not control.

[5.10 pm]

Mr RIEBELING: I understand that the current adult prison system is over its capacity. The figures I was given on 14 March of this year show that some 2 404 adult offenders are in the prison system. The statements on page 497 indicate that the average daily prison muster from July 1996 to January 1997 was 2 204. I understand that the solution to the problem is to double bunk, which is not a permanent solution in anyone's language. What is the actual capacity of the prison system if one removes the double bunking? What is the optimum occupancy rate to make the prison as efficient as possible?

Mr PAYNE: Double bunking is often a matter of the choice of the prisoners themselves, as well as where a number of additional beds are required. The operating bed capacity is made up of 2 131 beds, plus 167 special purpose beds and, for peak muster, 136 double bunking beds. That gives an overall capacity of 2 434 beds.

Mr RIEBELING: What is the ideal operating level of the prison system? I understand that to run an efficient system anywhere in the world, it is not thought to be sensible to run at the maximum capacity. The figures the adviser read out indicate the original design of the prison system. Those figures seem to exceed the capacity of the prison system.

Mr PAYNE: If there were one prisoner to a cell, and everybody wanted that, we would be over capacity. Many prisoners request to be double bunked. If we sought to change that we would have prison management difficulties. It is not impossible but very difficult to come up with the ideal bed numbers for a prison system. However, the Government has undertaken a feasibility study, which was to be completed in November 1996, by Australasian Correctional Services. It had a look at the capacity of the existing prison infrastructure and any needs for future accommodation based on the projection of the State's anticipated population growth. The study is being reviewed by the Government at the moment, bearing in mind what can be done within the existing prison parameters. Nobody could say what is the perfect bed number for our prison population, given the requirement by so many prisoners to be double bunked.

Mr RIEBELING: Is the adviser saying that the prison is not over capacity?

Mr PAYNE: I am saying that the prison is over capacity if one looks at the raw data, but we are not over capacity in comparison with other States.

Mr RIEBELING: Is the prison staffing worked out on a ratio of prison officers to prisoners?

Mr PAYNE: Yes.

Mr RIEBELING: What is the current ratio?

Mr PAYNE: Each prison and each part of a prison has a different ratio. We have just completed four training schools, so the ratio of prison officers to the number of prisoners in the system is in accordance with the formula agreed with the union. There may be one or two exceptions where it would be over. One area which is down at the moment through personnel problems as much as anything is the eastern goldfields. The overall prison management numbers are in accordance with the formula agreed with the unions.

Mr RIEBELING: What is that?

Mr PAYNE: I cannot give specific details because each prison has a different formula. I would need to provide those details by way of supplementary information.

Mrs van de KLASHORST: Yes.

The CHAIRMAN: Details of prison staffing formulas will be provided.

Mr BROWN: It is nothing unusual, but there seems to be a reluctance on the part of the Government to agree that prisons are under pressure. The numbers the adviser gave referred to single cells in maximum security prisons. In the minimum and medium security prisons cells are shared. The optimum level is considerably below 2 400, because of the special cells and other areas where there must be cells into which to move people with management problems. In Casuarina and Canning Vale, although it is not a maximum security prison any more, cells were built as one person cells.

Mr PAYNE: I agree with the member that it is not a perfect world in Casuarina in particular because we have a significantly high number of remand prisoners, which is putting pressure on the prison system, and the ongoing problems that go with remand prisoners. In an ideal world management, unions and staff would agree on the need for a medium security prison in our present prison service. The situation seems to have built up over a long time because successive Governments tended to go along with it. That is why the Government has had an independent assessment. Only some two years ago the ministry advised the Government that it did not need additional prisons. The Government undertook an independent study to follow up on those issues. The report on that study is with the Government at the moment.

Mr BROWN: Whenever the question of bed spaces is debated, there is always the argument that prisons are not overcrowded. To run a maximum security prison efficiently and effectively, if it is built with one person cells, as with Casuarina, then the optimum is one prisoner per cell. One cannot bring the number of special cells into the equation because they are for management problems for people who need temporary isolation.

Mr PAYNE: I agree, but an agreement between the union and management is that we can have up to 500 prisoners in Casuarina. By management and employee standards that is not ideal, but we are operating at probably some 20 prisoners below that figure. It fluctuates. As the member for Bassendean would know, the debate on that issue is ongoing, but as soon as the number gets close to 500 we will have to negotiate again with the unions. They are satisfied that Casuarina can manage with 500 prisoners, but that does not mean it is the desired capacity; the bed numbers are not that high.

[5.20 pm]

Ms WARNOCK: I now turn to the heading on page 499 "Offender Management". I want to discuss how crime is dealt with in our community. Not many people have much contact with prisons, fortunately, but it means that they know little about what goes on in them. Dot point 3 refers to minimising future recidivism of offenders in custody by all available means, including the provision of remedial programs, further education and the development of employment skills. How much of what goes on in prison has varied over the years? Obviously it has depended on what philosophical view has been held by the people running the prisons; that is, whether they thought prisoners were to be punished or prevented from offending again? What is the present approach to managing adult prisoners? How much further education is offered to prisoners and are the employment skills of prisoners developed?

Mr GIBSON: The current philosophy of rehabilitation programs in prison industries focuses on employment training in line with state training profiles. It is also about promoting self-sufficiency and income for the prisoner, but its first focus is to provide training skills. Last year, the industrial officers, who run industries in the prisons, were trained and accredited as trainers with the Australian Training Council. The education programs were expanded last year and all the prisons have education centres. Staff numbers have increased. Currently, a review of education and vocational programs for prisoners in every prison in the State is being undertaken by the Department of Training and the Offender Management Division and an audit has been completed of those services in each prison. That will be recommending to both the Ministers for Employment and Training and Justice future directions for training in prisons and whether the Ministry of Justice or outside providers are the best providers of those services. We contract TAFE

a great deal to prisons across the State to provide training and basic education. Yesterday, the Ministry of Justice in partnership with TAFE launched a basic communication and literacy program for prisons.

In the last year, we have increased sex offender programs, substance abuse programs and introduced a major program for serious violent offenders which was developed with Edith Cowan University. That is now underway at Casuarina Prison. Another new program is the prison-through-the-community-transition program. All the prisons have received funding on a pilot basis to introduce programs to bring people into the prisons to run programs in life skills and so on. Those programs were individually programed for each prison. Roebourne Prison will have different needs from Casuarina and Wooroloo Prison Farm. The focus is very much on prison life, rehabilitation and education. Industry now has a clear focus. Its primary purpose is to train.

Mrs van de KLASHORST: I have not been to the senior prisons, but I have been to the juvenile detention centres, especially Longmore Detention Centre and Rangeview Remand Centre. While I was at Longmore I observed that educationalists from normal schools are being brought into the prison system. They stay only two years so that they remain fresh. They are there by choice, so they pick people who are interested. Some of the programs are impressive. They work on an individual basis. I saw one teacher with four young people and each one was working at a level he was able to cope with. I visited Longmore around Anzac Day and noticed a range of impressive and topical paintings and arts and craft. The same is happening at the women's prison. Even though more needs to be done the programs seem to be working reasonably well. I can only talk about what I have observed.

Mr RIEBELING: I refer now again to double bunking in prisons. I understand there are 136 double bunk beds in the current system.

Mr PAYNE: Yes.

Mr RIEBELING: Will you explain the figures that I have which are based on figures to 14 March this year. My information shows that the standard capacity of the Albany Regional Prison, for instance, is 186, but as of 14 March 205 prisoners were there; so, presumably, 19 double bunks are being used there. In Bandyup Women's Prison, the standard bed rate is 85, yet at 14 March 102 women were in that prison; that is a double bunk occupancy of 17. In the Broome Regional Prison the standard bed rate is 69, yet 71 prisoners were there; an extra two. At Bunbury Regional Prison there were 192 prisoners and its capacity was not exceeded. The Canning Vale Prison was built for 305 prisoners, yet there were 306 prisoners there at 14 March, so there is one extra person there. The C. W. Campbell Remand Centre, which was built for 147 prisoners, had 167 prisoners, so there were an extra 20 bunks being used in that prison. Casuarina was built for 360 yet there were 488 prisoners, an extra 128. The Eastern Goldfields Regional Prison had no prisoners in excess of its capacity, and nor did Greenough. Those figures indicate far in excess of the figures that are provided in the budget papers; that is, 136 double bunks being used at peak muster. Where do those prisoners sleep?

Mrs van de KLASHORST: I will give the member for Burrup some averages, but he must remember that prisons go through peaks and troughs. The daily average muster for July to January last year was 2 224, and from July to May this year was 2 226, so it has increased by two. The problem is being addressed in the short term by double bunking and by providing additional prisoner accommodation at a number of regional prisons. Greenough was below its capacity. When I was at Greenough recently the management said that a number of metropolitan prisoners were being sent out to regional prisons, but they do not want to stay there. They asked to go back to Perth, which leaves some of the prisons in the outer areas perhaps not so crowded as others.

[5.30 pm]

Mr PAYNE: I want to make it clear that when I gave the figure of 2 131 standard bed capacity and additional special purpose beds and double bunk beds, I am saying that 2 131 beds were built for one-bed rooms. At the moment for some reason, from the point of view of both the prisoners and management's ability to manage peak musters, single bed designed rooms contain more than one bed. In fact, in some prisons - in particular, the Eastern Goldfields Regional Prison - up to six prisoners will be in one room. That is by their choice, not that of management. The 2 131 beds will include a number of places where there are more than one bed. We are talking only about our capacity.

Mr RIEBELING: The Minister answered a question on notice giving those figures as the current standard bed capacity of each prison in Western Australia. Are those figures correct?

Mrs van de KLASHORST: What date was that for?

Mr RIEBELING: Surely the prisoners do not take their beds with them. I thought the capacity of the prisons remained the same. It does not matter how many prisoners leave.

Mrs van de KLASHORST: I take it that the member is asking how many beds were available and not the number of prisoners.

Mr RIEBELING: The answer provides a specific number for the current standard bed capacity. I have given those figures. On 14 March we had the muster; not whether the prisoners would be sent off. I read out the figures given to me for the actual number of people in those prisons. Presumably the Minister told us the truth about the number of standard beds. Surely, on the ministry's figures on 14 March, 50 people did not have a bed. I understand it can be managed by shifting people, but on 14 March there appears to be a discrepancy of about 50 people who did not have a bed. Did they sleep on mattresses? As I understand it, a couple of months ago the prisoners at Wooroloo were sleeping on mattresses.

Mrs van de KLASHORST: That was due to the fire.

Mr RIEBELING: No, the Bandyup Women's Prison.

Mr PAYNE: The standard bed capacity at the moment is 2 434. That is the figure in the system at the moment, based on the use of all the additional beds that have been put in with recent developments in Greenough, Roebourne and Bunbury. There have been additional beds. The capacity at the moment is 2 434 beds. Some prisoners will sleep on mattresses.

Mr RIEBELING: Without a bed?

Mr PAYNE: Yes. They do that more often than not by choice, particularly in some of the regional prisons.

Mr RIEBELING: Which prisons are they? Do they do that in Albany?

Mr PAYNE: I cannot answer that. In some prisons on a particular day prisoners will choose to sleep on a mattress on the floor, rather than on a bed. They would still be in the same unit.

Mr RIEBELING: Is the adviser suggesting that we are not above capacity in our prison system?

Mr PAYNE: Another thing that must be taken into account is that in the figures the member is quoting, he has not included the number of prisoners in lockups and hospitals.

Mr RIEBELING: I am talking about the prison muster on 14 March.

Mr PAYNE: We include those people in lock-ups and hospitals as part of our prison muster.

Mrs van de KLASHORST: It is not above the operating capacity, even though it may not be the ideal.

Mr RIEBELING: It is above the optimum though.

Mr PAYNE: As of 22 May the last figures I have are that 45 prisoners were in either the hospital or a lockup. Those figures were included in the prison muster.

Mr BROWN: This is a circular argument. Similar debates took place in the Estimates Committee about two years ago. The advisers may comment on this, or not, as they wish: The prison system must take prisoners. It cannot say, "Sorry, we are full; go down the road and see whether you can find a prison system within the Department for Community Development; we are not taking you." The capacity is probably 4 000. It is just that prisoners will be sleeping everywhere. To consider what is good for the prison system we must look at guidelines. Casuarina Prison was designed for 360 prisoners. I do not know why when we have this debate there is a reticence about saying that the joint is overcrowded. The systems in those institutions are built around the numbers that were worked on in the design. For Casuarina, it was 360 - for staffing, facilities, workshops. I asked some questions last year or the year before about the number of prisoners who did not have a job. It was about 100. That is not good for prison management. There is a saying: If it looks like a duck, and it walks like a duck, and it quacks like a duck, it is probably a duck! All we are saying is that this has all the hallmarks of a duck, but the officers or the Minister will not call it one.

Mr PAYNE: With due respect to the member for Bassendean, I did acknowledge that the Government had advised two years ago that it did not need extra prisons. The comment made by the member has been given to the Government by ministry staff since that time and a full scale review has been undertaken. I mentioned earlier there are indications that there is a need for medium security beds, in particular in the vicinity of the central district because of the high number of remands. The Government has taken on board a full scale review by Australian correctional services to confirm the views of people, and it will then take action on the report. That report is being considered at the moment.

Mr BROWN: The Government has not come to a conclusion.

Mrs van de KLASHORST: The report went to the Attorney General two months ago and it is being worked on now.

Mr RIEBELING: The Minister is a little braver than the advisers are allowing the Parliamentary Secretary to be. I asked the Minister whether the State would need a new prison within the next two years. That is a simple question. The answer was equally as simple. It was yes. What is the problem? We are told that a decision has not been made. The Minister is saying that within two years we will need a new prison. I asked the Minister what was the ideal operating muster level within a prison as a percentage of capacity? In a quite straightforward way he said that, typically, other jurisdictions aim to achieve buffer stock to meet peak demands in the region of between 10 per cent and 15 per cent of capacity and that that was a guideline only. Is that right or is it wrong?

Mr MARSHALL: The 10 per cent to 15 per cent figure is an unwritten guideline of the Australian and New Zealand correctional administrators. No State has anywhere near that figure, apart from some new prisons that are in the process of being commissioned.

Mr RIEBELING: Will we get a new prison in two years?

[5.40 pm]

Mrs van de KLASHORST: The Minister for Justice was given a report by Australasian Correctional Service. He is reviewing it. The Minister for Justice will make that decision. I am not privy to any of that information.

Mr RIEBELING: I will give you a copy of his answer.

Mrs van de KLASHORST: We will leave it at that. I cannot say what the Minister intends to do.

Mr BROWN: Has any consideration been given to building a new prison in or near the Gngangara pine plantation?

Mrs van de KLASHORST: I have not heard anything. It would be up to the Attorney General and the Government to look at that. There has been some talk among some groups around that area but no decision has been made and no information has been given to me or to these gentlemen.

Mr BROWN: Whereabouts, in particular?

Mr GIBSON: There have been discussions of minimum security beds for women in that area. There has been no approval by the Government at this stage. There have been discussions with a group in the Santa Maria area. However, at this stage it is purely a concept.

Mr BROWN: What is the muster at Bandyup these days?

Mr GIBSON: The muster at Bandyup is around 100. Over the past three years, the number of minimum security women at Bandyup averaged 40 per cent of the muster and there are no minimum security beds.

Mr BROWN: I know it is a big issue among women prisoners, especially now that Bandyup is such a high security prison. Those minimum security prisoners consider themselves to be hardly done by compared with male prisoners who have an opportunity to go onto farms.

Mrs van de KLASHORST: That has been a concern of mine for some time.

Mr GIBSON: The concept is to try to relocate 30 minimum security beds for women.

Mr BROWN: Where to?

Mr GIBSON: Discussions have been held about that site. However, there has been no firm decision. The Government has not considered it at this stage.

Mrs van de KLASHORST: The concern is about having high security and low security women in the one prison. I think the women in the prison system in this State are very hardly done by compared with the guys. Even though you do not think the conditions for the guys are ideal, they are better than what the women have.

Mr RIEBELING: I notice there are no statements in these documents about major achievements for women prisoners because nothing has happened. Is there the same desire for double bunking in the women's prison as there is in the men's system?

Mr GIBSON: There have been recent discussions about that. They have the same request, particularly by Aboriginal women. They wish to stay together, particularly after significant events such as birthdays, mothers' day, and children's birthdays. Some women prefer it all the time and others ask for it at particular times.

Mr RIEBELING: Therefore, if we build a new prison - we do not know whether we will - part of it will be a women's prison or are we talking about a whole new facility for women?

Mrs van de KLASHORST: The Government is looking at the possibility of trying to find something for the low security women in the women's prison.

Mr GIBSON: The concept is being explored to try to get minimum security women out of Bandyup. That would allow those beds to go back to maximum security and would address the issue that women have had no alternative but to be held in maximum security. Bandyup's life would be extended if we could get the minimum security prisoners out of it.

Mr RIEBELING: Has consideration been given to converting juvenile detention centres into prisons for women?

Mr PAYNE: No.

Mr RIEBELING: With the expected increase, albeit for remand of juveniles - on your figures, increasing by roughly 1 000 juveniles in offender management and custody - will the department be able to close the juvenile detention centres that it claimed it will when Banksia Hill opens?

Mr PAYNE: There is a capacity at Banksia Hill for 120 beds and there is, within the existing perimeter, a capacity to extend that further should that be required. However, Riverbank will be maintained. It will be used as a training centre for prison officers and ministry staff and as a juvenile detention centre. However, at the same time, it will be properly maintained so that if there is a need for an over capacity in the Banksia Hill area, it can be used. It is planned that the Longmore-Nyandi facilities will be sold off because there is a capacity in the Riverbank area, and also, as a result of shifting the training centre there, it is intended to increase the capacity on the Canning Vale site - there are facilities there for training. That will allow the ministry to sell the hostel in North Fremantle. We are serving two purposes with Riverbank - maintaining that extra bed capacity if needed for the juveniles at Banksia Hill and providing a training centre.

Mr RIEBELING: What will be the capacity?

Mr PAYNE: Thirty-four.

Mr RIEBELING: So, there will be a total capacity of about 150 juveniles?

Mr PAYNE: One hundred and fifty at Banksia Hill and Riverbank if needed and then there is Rangeview.

Mr RIEBELING: I thought you said that Banksia Hill held 130.

Mr PAYNE: It has 120. With 30 at Riverbank, there is 150 and Rangeview has a capacity of 48. However, Banksia Hill can be extended within its perimeter.

Mr RIEBELING: So there is a capacity for 200 roughly?

Mr PAYNE: Yes.

MR RIEBELING: With the expected increase shown in your figures of 1 000-odd, albeit remand, how does the 200 capacity fit into the 3 497? Is the 3 497 a manageable number? That indicates that a large proportion of those are very short term. Going by what is said in the budget documents, we will amend the Act to get rid of short term sentences of one to three months. Presumably there will be up to 1 000 in custody on remand a year. That leaves 2 500 and the vast majority of those will stay longer than three months.

[5.50 pm]

Mr MARSHALL: The 2 000 or 3 000 admissions are to the detention centres. Some of those admissions may spend hours there, some a day or two, and some longer. The increased capacity is handled by the constant throughput. In 1990 the old Longmore remand centre had more than 3 000 admissions in a year. The average stay statistically is less than three days.

Mr RIEBELING: The average stay for the 3 497 is less than three days?

Mr MARSHALL: Remands.

Mr RIEBELING: What does that mean?

Mr MARSHALL: Those children are brought in following arrest by the police or are remanded in custody by the courts or are on bail.

Mr RIEBELING: I thought you said about 1 000 would be in that category.

Mr MARSHALL: I said 1 000 remands in custody were projected. Of that 2 000 or 3 000, about 200 are sentenced juveniles. The balance are either arrested or remanded juveniles.

Mrs van de KLASHORST: They stay a night until a court appearance the next morning. When I was at the remand centre some of them were moving in and out in a couple of hours, depending on the time they were arrested.

Mr RIEBELING: Are many of them basically contacts?

Mrs van de KLASHORST: Yes, but they are checked and taken to the court system or juvenile justice system. It is a place to bring them to.

Mr BROWN: I am interested in the figure of 200. Do you expect a bed capacity for sentenced juveniles of 200?

Mr MARSHALL: No, I said 200 sentenced admissions a year.

Mr BROWN: How long do you estimate the sentenced period will be?

Mrs van de KLASHORST: It would depend on the sentence.

Mr BROWN: What formula is used for estimating the numbers and working out the accommodation needs?

Mr MARSHALL: The average sentence is about six months.

Mr BROWN: With regard to the recent review of prison bed requirements, presumably you have projected the prison bed requirements for the State for the next five years.

Mrs van de KLASHORST: Yes.

Mr BROWN: What is the anticipated average muster for each year? For example, a couple of years ago I asked whether the ministry had done projections for the following five years. *Hansard* records those forward projections. Has that same exercise taken place so that you can project the numbers?

Mrs van de KLASHORST: I will provide that information on notice, because it cannot be compiled within seven days.

Mr BROWN: Do the numbers indicate there is a need for a new prison?

Mrs van de KLASHORST: Yes, they do.

Mr BROWN: About 15 months ago, perhaps longer, Parliament debated the Sentencing Act, which sat for 12 months before being proclaimed about six months ago. It was stated in the debate in the Parliament that the Sentencing Act would reduce the prison population because it provided for a minimum period of imprisonment of three months, and any magistrate or judge who handed down a sentence between three and 12 months must provide reasons for incarcerating someone and not putting that person on a work program. I have always been concerned that a magistrate who would previously have sentenced a person to six weeks' imprisonment might now sentence that person to a three month term rather than nothing. What has been the experience so far? To what extent was the Sentencing Act taken into account in the forward projections?

Mr DALEY: With regard to the sentencing behaviour of the courts and whether an adjustment has been made, there is anecdotal evidence. Some members of the judiciary will privately say they have a clear view of the sentencing requirements and will set the sentence they think appropriate which reflects that. It is probably another way of saying adjustments have been made in some cases. It is difficult to ask a judicial officer why a certain sentence was imposed, and we shall never assess the answer to that question in a scientific way because the judicial response may be that it is none of our business or, at best, the judicial response may be that there are lots of more valid reasons. There is anecdotal evidence of some adjustments.

Mr BROWN: What do you mean by adjustments? Are they sentencing for three months instead of six weeks?

Mr DALEY: I have spoken to people in one or two country courts who have suggested that whereas perhaps a sentence of so many months might have been contemplated, cumulative sentences might apply. Once again, you cannot put a finger on it and say that is the cause of the sentencing pattern. You can only advert to the possibility that some people make those adjustments.

As to the effect of the Sentencing Act, many of the earlier discussions about the projections took place in 1992 or 1993 because there was a long lead-in time. In the meantime a number of other things happened. The Criminal Law Amendment Bill was passed last year. Projections based on the impact of suspended sentences also led to a number of varied scenarios. The British experience has been that high levels of suspended sentences are invoked. In Victoria the experience is that low levels of suspended sentences are invoked. We have had to assume that the lower level is likely to apply, but there is a degree of risk in making an adjustment. The reason a lower level is likely to apply

in Western Australia is that under the new legislation it is not automatic, as is the case in Britain, that where a suspended prison sentence is breached the full sentence will be invoked.

Another thing has happened in Britain, which we hope to avoid in this State - once again, it is mostly anecdotal but sometimes written evidence; that is, when imposing a suspended sentence, the court sentences the person to six months in gaol, but gives him a suspended sentence of 12 months. If the conditions of that suspended sentence are breached, the person is then faced with an automatic 12 months' imprisonment. The impact will be at the lower level, but it may take 12 months to conduct a review of the effect of the Sentencing Act.

[6.00 pm]

Mr BROWN: Would that indicate that the projections are conservative?

Mr DALEY: I have not seen the projections, but I am doing my best to assist the member. My area is community based. I was involved in working on setting the projections some 18 months ago.

Mr GIBSON: The projections relate to prison needs and take into account the Sentencing Act and population increase issues. We will provide supplementary information. The figures indicate what is taken into account during the years.

Mr BROWN: I was particularly interested in the previous answer about the way the courts will jump on this issue - it is a danger.

Mr GIBSON: Our projections are based on best and worst scenarios. We have said what could be the worst outcome and best possible outcome.

Mr BROWN: So you have two sets of figures?

Mr GIBSON: Yes.

Mr BROWN: Do we need one prison on the best set and two prisons on the worst set?

Mr GIBSON: We need a prison and it depends how far one goes in determining whether we will need a second one. The demographics alone may determine that. We have projections for five years, by which time the Western Australian population growth will cause pressure on the prisons.

Sitting suspended from 6.01 to 7.00 pm

Mrs HODSON-THOMAS: What type of community work is involved for the adult offenders to be managed in the community program outlined on page 500?

Mrs van de KLASHORST: I know about the Bibbulman Track program as the 950 kilometre walk trail between Kalamunda and Albany ran through my electorate. The Minister had an input with the prisons section of the department and it involved rehabilitation work.

Mr PAYNE: The first and major project for the department in the Bibbulman Track building program was the construction of 28 huts placed on the track. The huts were put together in the Bunbury Regional Prison and taken apart and reassembled by the prisoners from Karnet under the supervision of senior officers. This was from Pardelup Prison Farm, so we started at both ends of the track. The huts are quite large. About 28 have required substantial man hours in construction and reconstruction on the track. In addition to that part of the program, much work is carried out in national parks. In four parks we work in conjunction with CALM officers, who direct the ministry staff and prisoners in rehabilitating camping areas, forest surrounds and general community services. In regional areas in particular, we assist with the management of parks and facilities.

In the next few weeks, we intend to become very much involved in the Araluen Park, which relies on volunteers. The new manager of the park has agreed with the superintendent of Karnet prison to run a work team to contribute significantly to the community. It will be recognised by the many visitors to Araluen in the spring.

Mrs HODSON-THOMAS: Can you elaborate on the pilot program run jointly with the Police Service and the Disability Services Commission to divert disabled people who commit nuisance offences from the justice system?

Mr GIBSON: That access justice working party is considering people with disabilities and the law. It is based on a model of a juvenile justice system for people with intellectual disabilities who are in touch with the Police Force as a result of nuisance offences. Instead of taking them to court, they sit down with a police officers and a member of the Justice Department and a representative of the Disability Services Commission and work out options without taking them through the justice system. Currently, 40 people have been put through the process. An evaluation is taking place. Police officers in Fremantle received special training from the Disability Services Commission so they

recognise when they are dealing with such people. The anecdotal evidence is that this program has been very successful. It shows that alternative ways of dealing with people with such problems is possible in the justice system.

Mrs HODSON-THOMAS: Obviously, it is meeting expectations?

Mr GIBSON: Yes.

Mrs van de KLASHORST: This operates across government agencies with the involvement of Homeswest, the Disability Services Commission as well as the Ministry of Justice.

Mrs HODSON-THOMAS: What programs are to be conducted at the detention centre at Banksia Hill, especially for the needs of those entering detention with low numeracy and literacy skills?

Mrs van de KLASHORST: A visit to Banksia Hill is well worthwhile. This innovative and fantastic facility cost \$31m to build, and will allow many programs to be provided.

Mr GIBSON: Banksia Hill will have a range of programs. A requirement of the juvenile custodial system is that all people attend education of one form or another. As the average numeracy and literacy skills of people in detention is that of persons aged eight years or lower, literacy and numeracy is a major area of focus. TAFE instructors will provide training programs in many job skills. Catering and cooking skills will be included as hospitality skills will be taught; this is enabled through the design of the kitchen and catering facilities. Young people will gain job training. Literacy and numeracy are the main focus, along with issues such as substance abuse. People should visit the centre as I consider it to be the best facility of its kind in Australia.

Mrs van de KLASHORST: An ethos to be encouraged is self-discipline within the prison system. Offenders will live in mini villages with three living quarters housing half a dozen or four inmates, depending on the type of quarters. Those people will be free to move around in a certain area, although this will be strictly supervised. If they cope and do not offend, they will have more freedom. It is innovative. It will teach the consequence of actions because consequences follow if detainees offend in Banksia Hill.

Another idea is to separate offenders who upset everybody else by moving them to the north side of the facility and they will lose some of the privileges available to others. The idea is to teach young offenders about society through the prison system; that is, they will know when they step outside the facility about self-control and the repercussions of bad behaviour. They will also learn reading, writing and sport skills - a sport field is provided. It is innovative and the best facility in Australia and due to open in July.

Mrs HODSON-THOMAS: You touched on substance abuse. What sorts of initiatives deal with these problems?

Mrs van de KLASHORST: It will involve individual case management with each inmate, depending on need. Programs will help them overcome the abuse. If they enter the facility under the influence of substance abuse, they can be monitored through a nice glassed area. They are watched all the time so they do not abuse. Programs will be set. I do not know the specifics. Staff are being hand-picked as we are seeking only staff interested in working in this different type of centre with emphasis on more freedom than other centres. The staff must be willing to assimilate in a different manner from other centres.

[7.10 pm]

Mr RIEBELING: Are you saying they are being recruited from outside the existing staff?

Mrs van de KLASHORST: No. They are being recruited from inside, but they are being asked whether they want to work in that area. We do not want people who do not feel comfortable working in that situation. The director is setting it up, and there will be a lead time; the prisoners will not come there immediately. They will work through all these issues. That is taking place now.

Mr RIEBELING: Has extra money been allocated for training?

Mrs van de KLASHORST: Yes.

Mr RIEBELING: Where is that in the budget?

Mr DALEY: I understand that a large proportion of the commissioning costs of \$475 000 is dedicated to training.

Mr RIEBELING: What will be the staff ratio for that prison?

Mr PAYNE: It is not prison; it is a juvenile detention centre. The Community and Public Sector Union and the ministry are discussing the staffing ratios and are close to a resolution of that issue, and once that information is available, it will be public information.

Mrs HODSON-THOMAS: Can you explain the regional domestic violence strategies that you have put in place for victims and offenders?

Mr DALEY: The first domestic violence program was established at Maddington Community Corrections Centre about two and a half years ago, and that was run in conjunction with the Armadale domestic violence intervention project. The Government subsequently picked up on the value of that program, and at some point the Task Force on Domestic Violence reported, and since then a number of those domestic violence programs have been established. The Ministry is interested in the perpetrators of domestic violence; a range of other services is provided for victims. Joondalup and Midland followed on. It is planned to duplicate those services to nine regional areas; I cannot nominate them all at this time. The Ministry is in discussions constantly with the relevant section of the Women's Policy Development Office about the program planning, policy development and budgeting for that initiative.

In 1997-98, the Community Based Services Directorate, which I represent, will probably allocate about \$300 000 of its program funding to that area. The rate of development is generated largely by the capacity of local communities to form and develop regional committees and agree on strategy. The essential feature is that we do not drive it. The community drives it, and we support it. The allocation of funds for 1998-99 will depend largely upon the rate at which communities develop those resources and programs during the next 12 months.

Mr RIEBELING: I want to get back to Banksia and the capacity of the juvenile detention centres. I understand from what you said that the 200 long term prisoners whom you expect in the next 12 months will serve six months on average, so 100 of the beds will be taken up.

Mrs van de KLASHORST: Two hundred sentenced prisoners.

Mr RIEBELING: That is about 100 beds over a 12 month period. The remand prisoners of 1 000 average three days, so that is approximately 10 of the beds -

Mrs van de KLASHORST: It is not correct that they average three days, because some stay for a few nights while others come in late at night and leave the next morning, and others come in the morning and leave in the afternoon -

Mr RIEBELING: What was the average of three days for?

Mrs van de KLASHORST: The average of all remand was three days.

Mr RIEBELING: Is that the 1 000 we are talking about?

Mr GIBSON: The average remand figure over the last five years was 2 000 per year.

Mr RIEBELING: It is about 20 beds?

Mr GIBSON: Yes.

Mr RIEBELING: That leaves around 300 to 400 people for whom I have not accounted. Have I missed a category?

Mr GIBSON: That is the average. People who have been charged with murder are on remand for 18 months, while others are on remand for a short time. It is difficult to say to how many beds it equates. In a year, an average of 2 500 go into the system, but some stay as long as 18 months while others stay as short as half a day.

Mr RIEBELING: Is the planned occupancy rate an average of 120 beds per night?

Mr GIBSON: It is about that, because we expect Banksia Hill not to be full in the beginning and Rangeview to be full, which it always is.

Mr RIEBELING: That detention centre is designed for a specific number of occupants. Would it be difficult to put double bunks into that centre? Is it designed for that?

Mr GIBSON: It is designed for single occupancy, but it can be expanded quickly. The facility is built to cope with 200.

Mr RIEBELING: In a modular setup?

Mr GIBSON: Yes. Another module can be added.

Mr RIEBELING: The design is for single beds?

Mr GIBSON: Yes. In some cases, particularly for Aboriginal people, the rooms are big enough that they can be put together if they want to be together.

Mrs van de KLASHORST: In some of the units it is feasible to have communal living, because only the outside area is closed in, not each separate room within it.

Mr RIEBELING: Last year, some 2 500 went through Rangeview, and the other detention centres were not used?

Mr GIBSON: Are you talking about remand and custody?

Mr RIEBELING: The figures for 1996-97 show that 2 500 juvenile offenders were managed in custody. You said a while ago that one institution dealt with 2 500 last year.

Mr GIBSON: The average over the past four or five years has been 2 000 to 2 500.

[7.20 pm]

Mr RIEBELING: Does the department expect an increase of 1 000 in the coming year?

Mr MARSHALL: That is the estimate.

Mr RIEBELING: Before the dinner break the Parliamentary Secretary agreed to provide information on the current trends under the Sentencing Act. The former Minister undertook to look closely at how many people were being locked up by justices of the peace, and I formally request that information here.

Mr DALEY: The information should be able to be extracted from the court system. It is not available from this program area. However, I will do the best I can to provide it as supplementary information. If it requires longer perhaps the Parliamentary Secretary may be able to report back to the Committee.

Mrs van de KLASHORST: We will take that as a question on notice rather than supplementary information.

The CHAIRMAN: When the member for Burrup says "locked up" does he mean refused bail or convicted and sentenced to a custodial term?

Mr RIEBELING: No, actually sentenced. It is my understanding that any imprisonment by a justice of the peace must be confirmed by a magistrate.

The CHAIRMAN: I thought it was a matter of policy that JPs were not to imprison offenders and to refer sentencing to a magistrate.

Mrs van de KLASHORST: In 1994 the Young Offenders Act prohibited sentencing by justices.

Mr RIEBELING: The Sentencing Act retained the capacity for justices to lock up offenders; however, there is still that one to three month span. The argument is the same as that which was put earlier; that is, some justices say, "This person has to go prison and I was going to give him a month, now I will give him four months." We tried to bring that problem to the attention of the former Attorney General. She said that a survey would be taken and she would keep a close eye on it. It has probably been done, but possibly not.

Mrs van de KLASHORST: If we cannot get that information to the member as supplementary information, we will treat it as a question on notice.

Mr BROWN: Is the Parliamentary Secretary able to deal with the Fines, Penalties and Infringement Notices Enforcement Act?

Mrs van de KLASHORST: We are dealing with program 1. That issue was dealt with on Tuesday by the Minister representing the Attorney General.

Mr BROWN: That is most unfortunate.

Mr RIEBELING: The department deals with the end product of people who do not pay the fine and end up in prison. Through that process can the department tell us how many people are serving defaults?

Mrs van de KLASHORST: It is almost nonexistent.

Mr BROWN: I will put on record a note that was contained in a letter to me from the Attorney General's chief of staff, Karry Smith, dated 9 May 1997. A statement was provided to Ms Smith by someone called Greg. It states -

At this point in time there are:-

8000 warrants of execution (seizure and sale of goods) logged on the police computer for outstanding matters. That is, enquiries been made and the offender is unable to be located. In addition there are 935

warrants of commitment (imprisonment) similarly held. (by comparison there were 118,000 outstanding in the previous system)

approximately 650 active warrants currently in the hands of the Sheriff, at this point in time, and,

5700 warrants await printing and despatch to the Sheriff. These warrants are being forwarded at the rate of approximately 200 per week as the Sheriff has insufficient resources to process this number of warrants at one time.

It currently takes 26 weeks to process warrants of commitment; that is, before those warrants are recorded. At the moment there are 935 warrants that will lead to imprisonment. The penalty under the Sentencing Act was increased to \$50 a day. We heard statements that no-one had been imprisoned under this Act since it was put in place. The reason is that it takes about a year to get through the system. Now it is in operation, I understand that people have been imprisoned for non-payment of fines or for refusing to carry out a community work order. I understand that the imprisonment figure is still low by comparison; however, given the backlog that number is likely to increase. I appreciate that the threat of licence suspension is encouraging some people with resources to pay; however, how many people have been imprisoned so far?

The CHAIRMAN: The member for Bassendean could also ask for the number of people who are imprisoned indirectly; for example, people who have been charged with driving without a licence and who were then subsequently convicted of that offence and received a custodial sentence. I know from personal experience from being imprisoned under those circumstances.

Mrs van de KLASHORST: That does not come under this program. I suggest the member for Bassendean ask the Attorney General.

Mr RIEBELING: Would the Parliamentary Secretary be able to obtain records of how many people are serving defaults?

Mrs van de KLASHORST: We will provide the member with the number of people who have been incarcerated for non-payment of fines as supplementary information.

The CHAIRMAN: The old figure for the average cost of maintaining an adult in prison was \$64 000 a year. What is the current monthly across the board figure for the cost of maintaining an adult prisoner, compared with a juvenile prisoner or detainee?

Mrs van de KLASHORST: I will provide that as supplementary information.

Mr BROWN: How many people in this financial year have been imprisoned for driving under suspension, in breach, or without a driver's licence? It will be another six or 12 months before the effects of this legislation will be seen as it takes a long time to go through the pipeline.

Mrs van de KLASHORST: We will provide that information for a six month period.

[7.30 pm]

Mr RIEBELING: Are there any unfunded programs in the department, and if so, what are they?

Mr PAYNE: All the programs are funded.

Mr RIEBELING: Has funding been allocated to administer anticipated increased prison numbers over the prison bed capacity? If so, how much has been allocated for those peaks?

Mr PAYNE: We monitor the peak musters on a regular basis. Each prison is in a position to record that detail on a regular basis and, if necessary, every three to six months Treasury provides supplementary funding, to cope with additional peak musters. Funding has been allocated to meet the present muster. If it continues at that level, we are sufficiently funded. However, if there is an increase in the muster we have the opportunity to receive supplementary funding from Treasury.

Mr RIEBELING: Has funding been allocated for secondments? If so, what projects are people seconded to and how many people are on secondment?

Mr PAYNE: There has been a significant number of secondments over the years, but there has been a conscious effort by the prisons operations directorate over the last two months to return seconded officers to the prison from where they came. From now on if someone is seconded to another part of the ministry, he will be seconded only to positions where funds are allocated for that particular project. The prison will not have to bear the cost of that

seconded officer by paying his salary. Supplementary costs - for example, overtime or additional shifts - will be identified.

Mr RIEBELING: I suppose informal positions are positions which do not have a line item in the budget. Have funds been allocated for any informal positions? If so, how much has been allocated and what are the positions?

Mr PAYNE: The budget includes a lot of initiatives which ultimately will require project officers. All the projects have a finite term as far as an allocation or full time equivalent is concerned. The funding is available and the salary component has been built into the costing. The practice in the past was that the funds would be found after it was decided what would be done. In this budget we have identified the salary costs as well as any additional costs.

Mr RIEBELING: What funding has been allocated to new prison programs? What funding has been allocated to the provision of equipment for those programs? What funding has been allocated to the training of prison officers? I presume there is a greater pool of money than the \$400 000 which was referred to earlier.

Mr PAYNE: Last year 13 schools were run for prison officers. The total training costs amounted to approximately \$2m. This year we will be in a position to keep up with natural attrition and to that extent we intend to run two and a half schools to meet that demand. Funds have been allocated in the budget to meet all the additional costs.

Mr RIEBELING: Is that just over \$1m?

Mr PAYNE: It is approximately \$1m. We also need to identify the prison officers who have been in the system and have not had the opportunity to train. The funds for recruitment training which were not expended last year will be directed to the retraining of prison officers where necessary. We have just carried out an audit of that. Mr Gibson is in a better position than I am to answer the member's question on programs and equipment.

Mr GIBSON: The increase in funding for programs last financial year was approximately \$2.7m and the increase continues this financial year. I will have to provide the information on the amount of money spent on equipment in supplementary information. All the education centres have been re-equipped with new computers. I do not have the exact detail with me, but I will provide it to the member.

Mr RIEBELING: Is it possible to obtain that information in seven days?

Mr GIBSON: I will provide as much information as I can. A lot of the equipment in the training and education area is one-off and it is changing all the time.

Mrs van de KLASHORST: Does the member require details of the type of equipment or the total figure?

Mr RIEBELING: I would like the information to be as specific as possible, within reason.

Mrs van de KLASHORST: The information will be provided in supplementary information.

The CHAIRMAN: What is the average cost per month of supervising an adult and a juvenile offender and convicted person in the non-custodial sentencing area? I would like to be able to compare the custodial costs with the non-custodial costs to ascertain whether it is cost effective to divert adults and juveniles away from that area.

Mr DALEY: I will have to provide the exact figures in supplementary information. The amount per offender has increased dramatically in the last 12 months, but that is an artefact of a change to the fine default legislation. Before the legislation was changed there were 2 500 offenders a day through that program. The fine default program has reduced that on an average daily basis to about 200. The total cost of the budget is divided over fewer offenders. There was a historical distortion. Until last year it was approximately \$1 875 per adult offender. I think the figure is probably closer to \$3 000 now, solely for the reason I outlined. I will undertake to obtain the information. It should be available within the next couple of days.

The CHAIRMAN: The answer will be provided in supplementary information.

Mr RIEBELING: I refer to the allocation for a pay increase for 1 581 adult custodial officers within the prison system. I understand there is provision for a 2.5 per cent pay increase. Has it been paid?

[7.40 pm]

Mr PAYNE: Prison officers are currently considering an offer of an 8.7 per cent increase through an enterprising bargaining agreement. It is being voted on and I think the result will be known tomorrow.

Regarding the commitment to the salary increase, government supplementary funding of 3.5 per cent is available. The additional amount of the increase will result from more effective management of the system. With that in mind we have already undertaken many initiatives in management practices, not necessarily those involved with the prison

officers, but in general management of both head office and the prison system. In identifying that money we are looking across the whole range of offender management, not just prison officers because they are involved with the prison officers' agreement run in conjunction with the enterprise bargaining agreement.

Mr RIEBELING: My information is that at 15 June there is supposed to be a 2.5 per cent increase and an 8.7 per cent increase is being considered, at least through the EBA.

Mr PAYNE: The 8.7 per cent is related only to prison officers. The 2.5 per cent concerns the white collar staff and is subject to a completely different agreement and has been under discussion for several years with the CPSU.

Mr RIEBELING: Are you saying that, if the EBA claim of 8.7 per cent is agreed to tomorrow there will not be any extra allocation of funds to pay for that; it will be paid for out of this budget?

Mr PAYNE: The Government will provide 2.5 per cent.

Mr RIEBELING: If the total claim is 8.7 per cent will the remaining 5.2 per cent be made up of internal structural changes?

Mr PAYNE: Yes.

Mr RIEBELING: What does that entail for the prison officers? I believe that for the last EBA substantial productivity gains were made. I think the ratio of prison officers is now one to every 1.73 prisoners.

Mr PAYNE: That is right.

Mr RIEBELING: Would savings in productivity mean that the ratio would be one prison officer to two prisoners?

Mr PAYNE: There is no intention of changing the ratio of prison officers to prisoners. That is an industrial agreement that has been in place for a number of years. We have identified a number of areas where we have the opportunity to work smarter and better without affecting the ratio.

Mr RIEBELING: Can you give us a hint of one of those areas?

Mr PAYNE: For example, 20 vehicles had expired by normal standards. They cost a significant amount of money and had not been returned to the system. They were not being driven by prison officers but by people in the offender management system. We made arrangements to take them out of the system as from 1 July. The savings could amount to from \$300 000 to \$400 000. It is a matter of sensible management.

We will address the use of our telephone billing system, where significant savings can be made. Funds emanating from the telephone system used by prisoners have been paid into revenue in the past. The ministry has borne the cost, but the money went into general revenue. The Government has agreed that should be retained by the system.

Where we generate income there is the incentive to retain it. Prisons will be given the opportunity to do that. That in itself will address further moneys. We can cut down on our travelling. This year, because we now have our staff numbers to agreed levels, overtime costs will be reduced. Senior management within offender management, particularly prisons to which you are alluding, recognise that opportunities exist without the need to change the ratios.

Another area for management initiatives is the farms area. Western Australia is one of the leaders in self-sufficiency, through which we feed the prisoners. However, we can always do it better. We have just had approved a policy whereby we will continue to raise and sell fat lambs on our four farms. We will give hogget to the prisoners. That will provide significant cost savings.

In the past we have grown things such as peas and sold them and got peas back in kind, but then spent 40¢ a kilogram delivering them. It is a question of more efficient use of money and produce. We will need approximately \$2.5m to accommodate that increase.

Mr RIEBELING: In addition to what you are now doing?

Mr PAYNE: Yes.

Mr RIEBELING: I refer to the table at page 500, showing a summary of key program level outputs. A line in italics refers to revenue and other funding sources. I presume those are the funds that do not go into consolidated revenue, but are retained by the service. The budget papers indicate that in the forthcoming year there will be about \$300 000 less than last year.

Mr PAYNE: That area comes from the sale of the canteen products to prisoners, although as part of our review we must address that. A 3 per cent to 5 per cent administration fee goes with that and some of it goes back into prisoners' amenities and things like that. That is where approximately \$1.95m will come from referred to at page 525 under

the outline of net appropriation determination. Another area that is subject to review is the sale of prison produce. We could start with the sale of wool and skins. I do not have the full breakdown of the \$1m. If we are in a position to raise more than what is estimated we have the opportunity to keep the funds under retained revenue. That is an incentive for the prisons, particularly the farms, where we have been able to rationalise both equipment and management. The prison farms are at Badgingarra, Pardelup, Wooroloo and Karnet.

[7.50 pm]

Mr RIEBELING: I understand what you say, but that is not reflected in this line item.

Mr PAYNE: They will take out \$1m which is reflected here. With this funding we have the opportunity to retain it.

Mr RIEBELING: So you are saying that if the EBA is agreed to there will be an 8.7 per cent increase in salaries which will be met by the \$3.5m, and the balance will be for projects, and that \$3.5m will be increased by about \$1m as a result of farm produce.

Mr PAYNE: That would be looking at the sky, but I hope there will be significant improvement.

Mr BROWN: Has the ministry considered the establishment of private prisons?

Mrs van de KLASHORST: No.

Mr BROWN: An article appeared in *The West Australian* of 22 August 1996 under the headline "Court paves way for private jails". It states that the Court Government is paving the way for Western Australia's first privately owned prisons; that the Government will announce a \$20 000 review of the prison system including private sector provision of prison beds and services. The article also states that the move followed a statement by the then Minister assisting the Minister for Justice, Kevin Minson, in the Legislative Assembly that the Government had given no consideration to the privatisation of Western Australian prisons.

Mrs van de KLASHORST: This would not be a ministry decision.

Mr BROWN: I know it is not a ministry decision. Has the ministry carried out any investigations into the privatisation of prisons?

Mrs van de KLASHORST: No it has not.

Mr BROWN: In 1994 two inquiries were initiated under section 9 of the Prisons Act; they were concluded in February 1995. A report was prepared by the Director of Public Prosecutions and presented to the Legislative Assembly in December 1995. The report dealt with a range of matters -

Mrs van de KLASHORST: To which budget item are you referring?

Mr BROWN: I am providing the background, and you can tell me where we stand. Arising from that, further inquiries were undertaken. A report presented by Mr Allanson QC was tabled late last year, and reached a contradictory finding to that of the DPP about cost overruns. Also arising from that, questions on notice were asked on outstanding matters which, I understand, are the subject of further investigations. Is the ministry carrying out any investigations into those matters, or is the ministry aware that the Commissioner for Public Sector Standards or any person engaged by that commissioner is carrying out investigations into these matters?

The CHAIRMAN (Mr Baker): To which expenditure item are you referring?

Mr BROWN: I am trying to find out whether an expenditure item relates to this.

The CHAIRMAN: Are you seeking a yes or no response? That matter does not relate to the areas under discussion.

Mr BROWN: With respect, it deals with the administration of the ministry.

The CHAIRMAN: That is the case, but at the moment we are dealing with offender management.

Mrs van de KLASHORST: There is no money in this budget for the matters referred to.

The CHAIRMAN: I rule that question out of order.

Mr BROWN: Has money been allocated to review the Prisons Act? I took up this matter some time ago because of the abysmal way section 9 of the Act was misused and the massive costs incurred to the taxpayers. I can see nothing under this program, but it is somewhere in *Hansard*. I have searched for it but I cannot find it. Is a review under way in the ministry?

Mrs van de KLASHORST: A review of the Prisons Act is being undertaken, but no extra money has been allocated for that. It will come out of general Ministry of Justice moneys.

Mr BROWN: Has anyone been commissioned to carry out that review?

Mr PAYNE: It is being undertaken by ministry resources in our policy and legislation area. It is a normal legislative review of the entire Act. It does not fall within offender management. The policy and legislation section will have some input but only on a part time basis by a member of staff of the offender management division.

Mr BROWN: That section of the Act was introduced when Bill Hassell was Minister. An undertaking was given in Parliament about the way the section would be used, and that was thrown in the bin, because evidence was taken under that section and passed to the police who charged people under the Criminal Code. That would make a strong case to review the Act. The undertakings were given in Parliament when the Act was first introduced in early 1981 when I was the secretary of the Prison Officers Union, so I have some memory about it.

Mrs van de KLASHORST: This is not relevant to what we are talking about now.

The CHAIRMAN: I am sorry, member for Bassendean, I must rule that the test of relevance has failed.

Mr BROWN: Prison officer discipline is directly related to offender management. A review of the rules that relate to those who guard prisoners is a critical issue. I cannot see how that does not fall under this item. If you rule it out of order, I will put another 500 questions on notice. If people want to be driven to distraction answering questions, I have no problem with that. I have done it before and I will do it again. I am giving people here the opportunity to answer.

The CHAIRMAN: I understand. In any event, even if I allowed the question, it would be put on notice. I am sorry I must rule it out of order, otherwise we will have the potential to elongate the lines of inquiry this evening.

Mr RIEBELING: At page 500, the estimated expenditure for capital works is \$22.474m. Further detail is provided at page 522. The estimated expenditure for Banksia Hill Juvenile Detention Centre in 1996-97 was \$18.1m. The estimated expenditure this year is \$5.9m. The allocations to other programs do not appear to meet the problems of overcrowding, or represent a major attack on the problem, except perhaps for the \$3.8m new offender management program.

[8.00 pm]

Mrs van de KLASHORST: A report was conducted by Australasian Correctional Services Pty Ltd about prison capacity. That report is before the Minister for Justice, but he has not come forward with anything from that report to address the State's anticipated prison population growth and what can be done about that. I cannot understand what the member for Burrup is getting at with those items.

Mr RIEBELING: The rhetoric indicates there will be an increased number of adult offenders. However, nothing in the expenditure indicates an allowance has been made for that increase. The plan does not appear in the capital works program. Where is the plan?

Mr JAMIESON: Page 522 refers under works in progress to detention facilities and cell conversions for which the estimated expenditure is about \$2.7m. The next item is the new cell block at the Eastern Goldfields Regional Prison. The last item is the cell conversions at Wooroloo Prison Farm for this year and next year. Page 524 indicates the new works commencing and the planning for new works. Additional prisoner accommodation under the existing prison infrastructure has received a large allocation of \$8m with \$2m commencing next year. Provision of \$500 000 is made for planning for additional prison capacity in the metropolitan area.

Mr RIEBELING: I was aware of those initiatives, but they are bandaid attempts. There is no forward planning. We are told the Minister has not made a commitment to any prison yet. However, \$500 000 is allocated to the planning of a new prison. How much would a new prison for adults cost - \$150m?

Mrs van de KLASHORST: I do not have a clue. There is no plan for a new prison at the moment. The Minister is looking at the evaluation by ACS. He has made no decision about a new prison; therefore, it could not be reflected in the Budget. He received the report only two months ago and these budget figures were prepared before then.

Mr RIEBELING: He told me the State would need a new prison in the next two years.

Mrs van de KLASHORST: The figures on page 524 are for only 1997-98.

Mr RIEBELING: Are you saying a prison could be built in 12 months?

Mrs van de KLASHORST: If the Minister has not made a decision, how can it be reflected in the Budget?

The CHAIRMAN: Would there have to be some planning first, prior to any decision he made?

Mrs van de KLASHORST: That is right; \$500 000 is allocated for that.

Mr RIEBELING: There would have to be some building, too. One does not just wake up one morning and find that a prison has been built. What did the last prison for adults cost?

Mr DALEY: I believe it was in the order of \$95m.

Mr BROWN: Page 501 refers to a review of juvenile justice teams. Is that an in-house review or a review that is being commissioned externally?

Mr GIBSON: There is a tender to review the Young Offenders Act and the juvenile justice teams as separate evaluations. The steering committee for the review is being chaired by Professor Harding.

Mr BROWN: Is it being undertaken by a committee?

Mr GIBSON: No; it has gone to tender for a consultant to do the review, but it is being monitored by a committee, involving the police.

Mr BROWN: It was felt young Aboriginal offenders were not being referred to juvenile justice teams, but were being taken through the court system; whereas offenders other than Aborigines ended up in juvenile justice teams and avoided conviction if they agreed to comply with what came out of the conferencing. Is that still a problem?

Mr GIBSON: I will not say it is not still a problem. Significant progress has been made and each team now has an Aboriginal person. In most cases they are attached to the metropolitan teams part time. One of the problems was not just the issue of referral, but of the family not taking up the offer because they did not trust the process. These people visit the family and encourage them to take the offer. The police have also put in a lot of time training their staff. The figures have improved radically. They are still not as high as they should be. The review will consider that.

Mr BROWN: Do you mean the referral rate is not as high or the completion rate is not as high?

Mr GIBSON: The referral and acceptance rate is not as high as we would like. It is much better than it was in the first 12 months, mainly because of the involvement of Aboriginal people. In the more remote areas the team process has been adapted to better suit those conditions; in other words, sitting under a tree in an Aboriginal community instead of in a building. Improvements have been made. The evaluation will provide a clear picture of that. There has been a significant improvement in the number of Aboriginal people being referred to metropolitan teams.

Mr BROWN: Will the review have another look at the scope of offences for which juveniles may come before a team? The Opposition supported the concept of conferencing. However, we were concerned that juvenile justice teams were a narrow concept compared with the family conferencing system in New Zealand that takes in a much broader group of offenders and has significantly lowered the imprisonment rate there. The New Zealand model is far more intensive. It looks at the young person as a whole. Will this concept be considered again?

[8.10 pm]

Mr GIBSON: The review of the Act will include a review of both the offences and the schedules to the Act that restrict cautioning and other things. Family conferencing has been a major role for the juvenile justice teams. They are regularly held with the Education Department in respect of school planning. Issues such as speeding fines do not attract a family conference, unlike the more major offences such as burglary. Many agencies are involved. The family conferencing model has been adopted for serious offences.

All schedules will be looked at as part of the review of the Act. The other aspect of the review is consideration of police perceptions about the success of the process. The tender deals with three issues: First, the Young Offenders Act; second, juvenile justice in terms of operations and scope; and, third, police perceptions of the operation of juvenile justice. That is important because the police control most of the input to the system.

Mr BROWN: They do.

Mrs van de KLASHORST: New Zealand has pulled back on some aspects of the system.

Mr BROWN: Yes, but I understand it is still broader in application than ours. The extent to which they have pulled back is part of the political agenda.

Mr GIBSON: The Children's Court has used this method for some quite serious offences, to the surprise of the police and others, and it has been successful. The Fremantle cemetery raid was referred by the court to the panel. People

were surprised that the court saw the panel as an alternative. Some of the magistrates who have seen the issue as much more socially based than behavioural have accepted the team as an option. It is also important to note that this is not always the soft option; often the requirements imposed are harder than those the court would impose, and the court recognises that in some cases.

Mr BROWN: What is the time line for the review?

Mr GIBSON: The tender closes in about a week, and we expect to have it completed by September.

Mr BROWN: That quickly?

Mr GIBSON: Yes, we expect it to take three months with a private consultancy.

Mr BROWN: Will a criminologist or a psychiatrist be involved?

Mr GIBSON: We do not know. People from the Crime Research Centre, Edith Cowan University, Curtin University legal studies faculty and so on have picked up tender documents.

Mr RIEBELING: If there is a reduction in the allocation to the Parole Board, will that impact on the way offenders are managed? Is the ministry expecting a reduced workload?

Mrs van de KLASHORST: No.

Mr BROWN: Reference was made earlier to the desire to sell the former Fremantle bail hostel, which has not been used for about 12 months. I keep asking a question, but I do not get an answer. The bail hostel was used to accommodate people on bail and to provide some measure of supervision. Is that program still being run and, if so, who is running it?

Mr DALEY: The bail hostel was closed in November 1995. An internal review was undertaken during that year, and there have been other reviews. During its life it averaged, at best, 60 per cent occupancy, but in some years the rate was less than 30 per cent. The manner in which the hostel was operated was clearly not an adequate or efficient use of resources available to the ministry for management of offenders because it did not have any impact on the rate at which people were remanded in custody. Although the bail hostel staff would frequently go to the remand centre and review the admission slips and warrants and then go back to court and argue the case for people going to the hostel, generally speaking the courts did not take that up. It was meant to be an alternative to having someone put in custody, and one would have expected that when conditions of bail were breached people would end up in a remand centre. However, in many cases offenders would breach the conditions of residency and then go back to court and be released on personal bonds. It raised some interesting questions.

Local community based correction managers have approached a number of private hostels and asked whether they would be prepared to accommodate those who would have been placed in the hostel. A number of hostels said they were happy with that proposal. Most of them said that they did not wish to be identified as part of the program because they ran general purpose hostels. If it became known locally that a person awaiting trial or attendance at court was admitted as a resident, that would cause problems and they would withdraw from the program. A number of people indicated preparedness, but there has been very little demand from the court for a service like that. The Aboriginal Legal Service has raised it once or twice, and it will come up again to a limited degree as the winter draws on because people have difficulty finding other places and hostels fill up. However, generally the level of demand is exceedingly low. That was the only bail hostel in Australia; no other State thought it worthy of duplication because their belief was much the same as our experience.

Mr BROWN: A couple of years ago when sex offenders approached the Parole Board they were knocked back because they had not been through the sex offender treatment program, and I can understand that. However, there were insufficient resources, and offenders had to wait beyond their earliest possible release date to participate in that program. The Parole Board will not release its policy on this, but it appears from reading between the lines that that is still its policy. In order to participate in the program, a prisoner must admit his guilt, which many do not like to do. Are there now sufficient resources in the system to enable a prisoner to go through that program before his earliest possible release date?

[8.20 pm]

Mr GIBSON: Yes, currently we are up to date. As the member is probably aware, a brand new intense program is resourced and is operating. The Karnet program is operating. The intense program is being extended from six to nine months and we will still manage to be on time. If we had a sudden rash of prisoners who were denying their offences, it would be another matter. All those people who are eligible are getting on the program on time for the earliest release date. A number of prisoners believe they should be on the program but the program will not accept

them. They would contest that, because they say they are not getting out at the earliest release date. We have prisoners who are not acceptable on the program, which has nothing to do with resources but their acceptability. Since Bunbury opened we are up to date.

Mr RIEBELING: I understand that some 60 officers who were in the special operations unit have been spread out throughout the prison system. It has been suggested to me that they have been put into the prison system and that no additional clerical support has followed the allocation of increased staffing at certain prisons. What is being done about clerical support for those officers? Is it shown anywhere in the budget?

Mr PAYNE: I do not think we can isolate clerical staff in relation to just those special operations unit officers. We need to look at all supporting staff in prison. One of the things we have undertaken in the last three months, which will continue for at least the next nine months, is a review of support services to every prison. We started with head office just to get a feel for these things. We then moved to Bandyup, the review for which has been completed. We are now at Canning Vale.

Before any report is implemented a superintendent or director, prison management and I will make some input and then it will go back to the person conducting the review. That person will come from another agency. In some areas there are already indications that we need to provide more support staff and make better use of prison officers who are doing some of the work of support staff. This is a full review and not just confined to those officers from the special operations unit.

Mr RIEBELING: I appreciate that but the special operations unit dispersment has exacerbated the problem of clerical support. As the adviser will be aware, in some prisons there have been some serious sexual assaults on civil servants working inside the prison walls. I suppose there is some justification for having civil servants inside prisons for some operations, but is it hoped that civil servants will be moved to outside the walls.

Mr PAYNE: We have to answer that in two parts. We cannot effectively run a prison without some non-prison officers working in it. That applies to the superintendent, assistant superintendent and support staff. We will always need to have non-prison officers in a prison, but they need to be in a position where they can be as safe as possible. We are working on that. Over and above that, the major offence that occurred in the past 12 months was in relation to the maintenance of health records for all prisons, which was carried out in one area. The records were not tied to one prison so we have taken the civilians right out. They are working outside the perimeter on the Canning Vale complex and will continue to work where people have no direct day to day prison activities. We will ensure that support staff are not inside the perimeter wall.

Mr RIEBELING: I gather from my information about that assault that it resulted more from a design fault in the place where people were working, which allowed prisoners of that type with that sort of record to be in that area.

Mr PAYNE: Without debating the particular assault, which raises a number of questions, if we take a step back, it seems there was no need for our prison medical records to be maintained within the Casuarina Prison system. We need to address that issue first and then anything that comes out of the assault. The assault needs to be examined in the whole context of safety in prison.

Mr RIEBELING: Between 30 June 1996 and 10 March 1997 I understand that 35 assaults on prison officers occurred in the system. In prison systems throughout the world in comparison to a system of our size, is that high, low or acceptable?

The CHAIRMAN: I am sorry to raise the point again. We are dealing with offender management. I know that the words themselves perhaps indicate that we could launch into the prison system, but I will have to rule that specific question is not relevant.

Point of Order

Mr RIEBELING: We are dealing with program 1 and offender management. It gives as its objective "To reduce re-offending". If assault within the system is not re-offending, I do not know what is. It is also "the protection of the community". If prison officers are not part of the community -

The CHAIRMAN: They are not part of the public, as it were.

Mr RIEBELING: They are part of the community.

The CHAIRMAN: That is true, but they are a class within the public.

Mr RIEBELING: So I cannot ask the question?

The CHAIRMAN: No, I am sorry. It is an inappropriate question.

Committee Resumed

Mr BROWN: On page 492 the offender management program deals with custody of adult offenders, custody of juvenile offenders and community based services. Could I have this either just recorded in the *Hansard* transcript or by way of supplementary information. The figures of the FTEs in the papers do not differentiate between the number of officers and non-officers or civil staff involved with adult offenders. I do not know whether that figure is available now.

Mr DALEY: I could give a reasonably accurate summation of the FTE staff allocation in the adult community based offender area. There were until a month or so ago 196 FTEs allocated to community based services. A number of those FTEs were in specialist areas, like providing court advice, and a dozen provided for the Wariminda services for young offenders. About 95 front line community corrections officers directly supervise offenders and another half a dozen manage work orders. There are 25 managers and the balance of the 196 are clerical and administrative support staff. Other specialist programs include the victim mediation unit.

[8.30 pm]

Mr BROWN: The figure in the budget papers for community based services is 344.

Mr DALEY: In the past couple of months community based services has started to absorb juvenile justice and adult community correction services. The figure of 196 was the number for community based services for the adult part of the system, so the balance is made up of officers in juvenile justice.

Mr BROWN: Is that officers in juvenile justice dealing with community based orders as opposed to officers in juvenile justice dealing with the detention centres?

Mr DALEY: Yes, so the aggregate for the new community based services directorate is 330 or 340.

Mr BROWN: I asked a series of questions last year, to which I did not get an answer, about the various orders under the Young Offenders Act. I wanted to know the incidence of the orders, because as you know there are a range of community based orders provided for in the Young Offenders Act. Are systems now in place that can provide that information? I understand that the court can deal with three or four orders and I was keen to see how the courts were administering that and how the ministry was administratively dealing with it. I do not expect you to provide that information tonight, but are systems now in place for you to tell me how many people are under those?

Mr DALEY: The numbers should be in the statistical report for the year.

Mr BROWN: That is now a year old.

Mr DALEY: I can make a general comment, and I will follow up on the other detail. Before amalgamation the juvenile system had come across from its former place in Family and Children's Services. It relied very much on manual tracking of how things happened, which is somewhat antiquated. Computer tracking was introduced only this month to tell us on a day to day basis and by the punch of a button how many people there are and where they are. Before that information was collected manually through all the branches.

Mr BROWN: Do you also get compliance rates from the system?

Mr DALEY: We can get compliance rates from the statistical annual reports. As I said in response to an earlier question, they must be interpreted with a degree of caution, because a compliance rate may mean that a person failed to stay out of trouble - in other words, they broke the law - or it may simply mean that on one or more than one occasion they failed to report or they changed address without notification. Those compliance rates must be qualified.

Mr BROWN: The annual report did not come down until after the election.

Mrs van de KLASHORST: It came down early this year.

Mr DALEY: Additional information is available in last year's statistical reports, but the latest statistical reports are still being compiled.

Mr BROWN: The previous reports of the Ministry of Justice provided very interesting graphs that showed compliance rates. One could easily look at compliance rates and in an instance see what had gone wrong or if there was a change in the system. I am interested in this year's figures, given that the Young Offenders Act is to be reviewed. Will the annual report be out somewhat earlier than January or February of next year.

Mr DALEY: I cannot comment on that. What do you want us to dig out for you?

Mr BROWN: I appreciate the difficulty of compiling the information, but I would like to know how many people have been under the various orders under the Young Offenders Act and what the compliance rates are. I am also interested in the court's ability to impose additional sentences where a person has been convicted twice before. I am still mystified about how the court will do that. The last time I inquired not one single offender had been caught for that purpose. I do not know of any case still.

Mr DALEY: We cannot say whether there is or not. There probably is not.

Mr BROWN: We had some doubts about whether that would apply.

Mr MARSHALL: The offender has to be sentenced twice previously, and it is by application to the Director of Public Prosecutions. It is not a court order initiated by the courts; it is initiated by the DPP.

Mrs van de KLASHORST: At this point I assure the member for Bassendean that the report is being prepared now and it will be on time.

Mr RIEBELING: Page 502 refers to the education of prison officers. It says at the sixth dot point down -

A more appropriate education base for persons seeking employment in the criminal justice field.

I presume that is a relatively broad field and refers to prison officers, but it may also refer to administrators within that field as well. Would you explain that?

The next dot point states -

Working parties have been established to progress the implementation of the Performance Assessment System as part of the prison officers' package.

Is that part of the current enterprise bargaining agreement? What does that entail?

Mr PAYNE: The 1994 prison officers agreement required the ministry to have an appropriate performance management system. That had not been followed up, but in the past 12 months we progressed to a stage to implement the package. We are training those who must make the assessments. That will be done by the end of the package, at the end of this financial year.

[8.40 pm]

Mr RIEBELING: I take it that the prison officers' union is fully aware of it.

Mr PAYNE: It has been kept fully informed.

Mr RIEBELING: What about the other matter relating to criminal justice?

Mr GIBSON: That covers a range of employees and includes criminal justice studies at Edith Cowan University. The primary research council is looking at an Australia-wide course for justice administrators for the next century. There is a whole range of programs of education in more specialised areas. We are looking at the placement of justice administration students within the justice system, rather than their studying and not getting any jobs. We have a range of initiatives with the various universities to try to get people more focused.

Mr PAYNE: It is important to recognise that we ran 13 schools over the past 12 months, and we have also changed the methods of selection, such that people will be selected on merit and we will have regard to certain education standards. The course is nationally accredited and it links in with the justice studies course at Edith Cowan University. In fact, that university provides some of the modules of the training. People coming in at the bottom level - that is, as a prison officer - have the opportunity to proceed to justice studies. It is available not just within Western Australia, but also other States and it can even be used in other occupations. Some of the modules can be completed elsewhere.

Mr RIEBELING: When I was in the public sector, and I was much younger than I am now, I was told to get a diploma in public administration because that was considered to be the be-all and end-all in qualifications. People would spend five years attaining it and then the powers that be would change their mind and say that a diploma in legal studies was required because the diploma in public administration was too general. People would then study for the diploma in legal studies. At the end of the day is there any certainty with this qualification? We all know education is a moveable feast. There appears to be a shifting of the goal posts within what used to be the Crown Law Department and is now the Ministry of Justice, which is a much bigger area for public sector workers. Some people within the public sector think exactly as I do; that is, that the qualifications they have attained are not the right ones for the current situation.

Mr PAYNE: In relation to prison officers, it is not a matter of changing the goal posts; it is putting people on the field. We are trying to give them some direction so they know the skills they are getting in the job is one part of the process, but that the other is the education component which will reinforce those skills. This pathway will not only allow them to get promotion, but also give them the opportunity to go elsewhere in the offender management system. One problem we have had is that some officers have been in a very stressful job for a long time. We are giving them an opportunity, both in education and on the job training, to push them forward. Edith Cowan University is not the only place that offers the justice studies course. It is a national course. There will always be a change in the education system. Basically this is about a qualification at the degree level. People have the opportunity to aspire to achieving that. We do not expect all of them to get there; however, if they want to, we are giving them that opportunity. We believe it is important for their job opportunities.

Mrs van de KLASHORST: Justice administration is changing. Often case management is coming into it. For some people who have been in the system for a long time, an opportunity to get into that area is very worthwhile. However, these people must achieve the academic requirements to make it worthwhile.

Mr RIEBELING: The direction of the public sector over the past few years has been towards non-specialisation. An officer at level 5 in the justice section should be able to do a similar job at a similar level in another department. I do not disagree that this is a good idea; I am just saying that it is not the course of action many departments tell their staff members to take. These people must be able to fit into any department. We are getting back to the old system where people start in a department and progress through it. People have not been told to head in that direction.

Mr PAYNE: It is important to recognise that we have tried to get a justice security element in offender management. We are trying to reduce recidivism. If we are to have a chance of doing that, prison officers must play a very important part. The only way in which they can play a part is to get on the job skills and education skills. We are trying to marry the two. It will not be an easy process to change the focus. Some areas will require only security. We must give people the opportunity to come on stream.

Mr RIEBELING: I am not criticising that, I am just trying to make the point. Page 494 deals with categories of expenditure. It talks about grants for legal aid assistance and gives an amount of \$8m. Is that legal aid funding?

Mr PAYNE: Yes, it is.

Mrs van de KLASHORST: We dealt with legal aid on Tuesday.

Mr BROWN: I thought this was contained within the Ministry of Justice budget.

The CHAIRMAN (Mr Baker): It is; but we are dealing with only certain categories.

Mr BROWN: It is hard to know what we are doing. I picked up the agenda and I saw that at this time we were supposed to be dealing with the Ministry of Justice estimates, and that is what this is - expenditure for the Ministry of Justice.

Mrs van de KLASHORST: We are dealing with offender management.

Mr BROWN: It does not say that on my agenda. I was given a timetable and I was told that the estimates for the Ministry of Justice would be covered at this time.

The CHAIRMAN: I will not take issue with the member on that point.

Mr BROWN: This question may have to be taken on notice. I am keen to know what will happen to the Consumer Credit Legal Service. I appreciate that these advisers cannot answer the question. It is a very important service and it is now looking down the barrel of being closed. It falls within the items on page 494. Can that information be provided? I have asked a couple of questions about it, which I did not expect anybody here to be able to answer. I have put the questions on notice. I am not getting much of an answer back and I am trying another device.

Mrs van de KLASHORST: I do not think the member will get a much better answer here. I suggest that he put the question on notice to the Attorney General.

Mr BROWN: I will put it on notice again. I am just trying to save another forest.

[8.50 pm]

Mr RIEBELING: Under "Major Achievements for 1996-97" on page 501 of the Budget Statements the fourth dot point refers to the victim mediation unit's services to the Children's Court. Is the special witness service for children involved in that?

Mrs van de KLASHORST: That is in the court's program.

Mr RIEBELING: It is not under that item?

Mrs van de KLASHORST: No.

Mr BROWN: In relation to the custody program, Mr Payne indicated earlier there was an enterprise agreement proposal for 8.5 per cent for the officers being considered at the moment.

Mr PAYNE: It was 8.75 per cent.

Mr BROWN: Are you expecting the agreement, if it is endorsed, to reflect an increase in the budget allowance of that amount or will so-called productivity trade-offs minimise the budgeted amount?

Mrs van de KLASHORST: We have already answered this. The member was not here.

Mr PAYNE: I answered this question before in full detail.

The CHAIRMAN: Perhaps the member could read the answer in *Hansard*.

Mr BROWN: Just tell me the figure. Is it reflected in the figure or is there an offset?

Mr PAYNE: An amount of 3.5 per cent will be additional funding, and the balance will be met from the offender management area, in particular the prisons operations, but it will not result in any increase in the ratio of prison officers to prisoners. There are a whole range of issues that I identified earlier in answer to the question.

Mr RIEBELING: In relation to the training program referred to on page 502 of the Budget Statements, who will pay for courses? Will prison officers be offered entrances into the courses and allowed time off work if they complete two-thirds of the course in their own time or whatever the old system used to be? If it will be necessary over the next five years to have that qualification for specific jobs in certain areas of the prison system, will existing prison officers be advised how long they have to get there?

Mr PAYNE: There is certainly no obligation or intended obligation on prison officers to attain degree status or diploma status. That is not the intention. If it were, we would contemplate giving an appropriate lead time and would do that in full discussion with the unions involved. As far as allowing the officers the opportunity to further their studies, we would make sure that they were afforded the same standards that apply to the white collar members of staff.

Mr RIEBELING: What is that these days? If you have done two-thirds you get time off?

Mr PAYNE: I am not aware of the specific details. However, I have not had any complaints so it is obviously quite generous.

Mr RIEBELING: The wording of that sixth dot point indicates strongly that the education levels at the moment are unacceptable.

Mr PAYNE: That is right.

Mr RIEBELING: And there is a relatively strong emphasis for you to go down that direction so that in time more appropriately educated people will be in the system. Some prison officers would be concerned that the department is heading down that path and they might miss certain jobs.

Mr PAYNE: It is not intended to require officers to go to an education service, such as a university or a TAFE college. Much of this education is self-taught on the job, and it has not been recognised in the past. Many prison officers have the skills that are required to go further. We need to have a self-based learning package. That is being implemented. Once we have that, it will help us identify the shortcomings. That is one of the reasons that - because Banksia Hill will be so close and we have the remand centre and the Canning Vale Prison - we will have the opportunity to have further education without formal qualifications very close to the centre. It is our responsibility. We have accepted it to help them on that track.

Mr RIEBELING: In today's very competitive labour market a young person who leaves school can go straight into a university course and obtain a degree and then be more appropriately qualified than those who do not have any qualifications. Do you see that as a way of gaining entrance into the system in the long run?

Mr PAYNE: Getting a degree will be one part of accreditation. I understand that three graduates from Edith Cowan University applied to be prison officers and were unsuccessful. That indicates to me that it is only one part of it and it is not integral to appointment.

Mr BROWN: Item 1.1 in the summary of key program level outputs on page 500 of the Program Statements indicates a daily muster of 2 237 and the following year an average daily muster of 2 200. It also shows a difference between \$115m in the first year and \$125m in the second year.

Mrs van de KLASHORST: We have been through this.

Mr BROWN: No. Listen to the question and then you can work out whether it has been asked. I asked a question last year about prisoner daily costs. I got figures back for 1993, 1994, 1995, and 1996. I have those costs here with me. Is it anticipated that in the 1997-98 financial year the daily cost rate will increase?

Mrs van de KLASHORST: A question has been placed on notice to supply that information by way of supplementary information.

Mr BROWN: I understood that question related to existing figures.

Mrs van de KLASHORST: No-one can answer that off the top of his head.

Mr BROWN: Perhaps that information can be provided. I have the figures for the past four years. They show it is constantly coming down, partly because there is overcrowding - or that is what I believe. However, I am interested in having a look at what the rate is.

[9.00 pm]

Mr RIEBELING: I have been advised in answer to parliamentary questions that in 1995-96 Western Australia had the cheapest prison system per head of population in Australia. Is that still the case?

Mrs van de KLASHORST: It is reported in the annual report but it will be provided as supplementary information.

Division 37: Recreation Camps and Reserves Board, \$637 000 -

[Mr Baker, Chairman.]

[Mr Marshall, Parliamentary Secretary.]

[Mr J.G. Busch, President.]

[Mr K. Watson, Manager Administration - Recreation.]

Mr CARPENTER: At page 816 the estimated actual expenditure for 1996-97 is \$955 000 and 1997-98 it is \$637 000, a 30 per cent decrease. What is the reason for that?

Mr BUSCH: It is important to note that this is the net appropriation, so expenditure and revenue affect that bottom line. A couple of key factors bear on that figure. First, capital works will reduce from \$410 000 to \$260 000, a reduction of \$150 000. In essence there are specified capital works items for 1996-97 and there are fewer items under capital works for next year. The other key component is the Woodman Point camp, which has been advertised in the marketplace for expressions of interest to lease it. That is currently under consideration and it is anticipated that it will be finalised and, therefore, operated through that leased arrangement in the next financial year. That will reduce our expenditure, and we are working hard to increase our revenue. Those are the key factors.

Mr RIEBELING: Mr RIEBELING: Is the attempted removal of that establishment from your control the reason for two fewer FTEs?

Mr BUSCH: Yes.

Mr CARPENTER: How many camps are in operation? Is there a continuing program to reduce the number of camps, reduce expenditure on the camps or outsource the management of them?

Mr BUSCH: A strategic marketing plan was announced by the Government in 1995, and the key objectives of that plan were to ensure that the Government would still be in the business of managing and operating some camps; that is, those that would provide unique sport and recreation opportunities for important sectors of the community. Other camps, which were identified as being of less relevance, will be relinquished by the Recreation Camps and Reserve Board.

Mr CARPENTER: Does "relinquish" mean sold or transferred into the management of another department?

Mr BUSCH: A mixture of that. Three cottage camps, Lewana, Wellington Mills and Myalup, were held by us on lease from the Department of Conservation and Land Management. CALM resumed that lease and has leased them out commercially. They are now the responsibility of CALM, which has outsourced them. At an earlier date we outsourced the Quaranup camp in the Albany area. We are retaining five camps - Bickley, Ern Halliday, Noalimba,

Tone River and Point Walter. We will remain in the business of managing and operating those five camps. We want to outsource Woodman Point. The only camp that will not continue is Point Peron.

Mrs van de KLASHORST: It is stated at page 818 under significant issues and trends that the board assists the Ministry of Sport and Recreation in enhancing the lifestyle of Western Australians. Reference is also made to utilisation of the camps by a wider range of community groups. Are these camps used by sporting people or are they for families and general recreation? Are they specifically for people training in sport? What is the reason for them?

[9.10 pm]

Mr BUSCH: They have a wide range of uses, but they are essentially community based. To varying degrees they are used by schools and community groups. We have set a target for four of those five camps to provide an increased range of recreational programs. We first piloted that with the Bickley camp five years ago. We have put an expert in outdoor recreation into a management position. We have established rope and other courses so that people going to the camp can either run their own outdoor experiences or the manager will provide them with those sorts of experiences.

The bulk of the camp users are community groups, families or schools. Families increasingly use the cottage camps. Of the five camps, only one is a cottage camp and the others are dormitory situations. However, they are also used by visiting sporting teams, such as with the World Swimming Championship, as visiting teams will use our facilities in 1998, as occurred in 1991. They are also used by country people. When a young person is training for a state team and is looking for accommodation, he or she can be accommodated individually or maybe mum and dad travel up to Perth too and they can be accommodated together in camp. We can arrange a variety of uses.

Mrs van de KLASHORST: Do we cost-recover from them? How does this compare with other camps?

Mr BUSCH: In overall terms we are moving towards cost recovery. Page 816 indicates that recurrent services for the year has moved from \$545 000 to \$377 000, and approximately \$200 000 of that money relates to the two reserves for which we are responsible. The remaining \$345 000 for the camps will move to approximately \$177 000 over the next 12 months. We are moving to operate more viably, which is part of the Government's objective to provide camps to the community at minimal cost.

Mr RIEBELING: I was disappointed to hear that the Point Peron camp is to close. Why is it to close? I thought it had the best location of the camps near the metropolitan area. Country people use these camps, which are a valuable educational asset for country people. Was Point Peron closed because it was getting too old?

Mr BUSCH: Thank you for your endorsement of the camps for country communities, as they are prime users of a number of our camps. As suggested, the difficulty with Point Peron was its age. We looked at the cost of bringing it back to a viable camp for the future, but the costs outweighed the value of retaining it. Also, the reserve is very environmentally sensitive and the plan is to restore it to its natural environment and retain it for public use, but not as a camp. Also, we had to consider the need to keep the other camps open.

Mr CARPENTER: Did the bans by school teachers a couple of years ago on activities such as camps impact on the recreation camps' revenue? Are there any expectations of similar problems this year?

Mr BUSCH: That issue had a significant impact on us, other camps and users. I cannot remember the precise figures, but we had a significant downturn when the schools discontinued undertaking camps. We have gradually improved the situation since that time, and we hope a further impact will not be felt through difficulties in that area this year. Action in that area impacts on the camps.

Mrs HODSON-THOMAS: Do you have any marketing programs in place to encourage community groups to use the camps in off-peak periods? How do you promote the camps?

Mr BUSCH: A lot of it relates to targeting local markets. Many community groups have used the camps before. Further, Noalimba has achieved quite good success in attracting people from overseas so it has targeted a number of countries and used various avenues to get information overseas. Therefore, we have increasing recreational activity as well as sport-specific activities. Also, local promotion takes place through a number of avenues.

Mr RIEBELING: I hope in our endeavour to become cost efficient we do not lock out access by country kids to these places. You could rent out these place all year round if you wanted to. The camps are provided especially to serve country kids, and I hope you do not make them so commercially orientated that they cannot use them.

Mr BUSCH: Country communities are important users. The one camp which has targeted the international market place has 512 beds, so we make sure we look after local needs as well as maximising international opportunities.

Mrs van de KLASHORST: Does the reverse apply with places in the country for city children to visit? Are camps only for country people?

Mr BUSCH: Three of the camps we relinquished to CALM were based in the country. We have the Tone River camp near Manjimup, which is our main country camp.

Mr RIEBELING: What about Dampier?

Mr BUSCH: That is an Education Department facility.

Division 39: Western Australian Sports Centre Trust, \$3 625 000 -

[Mr Baker, Chairman.]

[Mr Marshall, Parliamentary Secretary to the Minister for Sport and Recreation.]

[Mr G. Moss, General Manager.]

[Mr D. Smith, Finance Manager.]

The CHAIRMAN (Mr Baker): What was the effect of the transfer date of assets to the trust?

Mr MOSS: The effective transfer date was 1 January 1997.

The CHAIRMAN: What were the criteria for determining which facilities were to be transferred to the trust? Did criteria apply?

Mr MOSS: In terms of the facilities at Joondalup?

The CHAIRMAN: That could be used as an example, but what were the criteria or guidelines used in deciding which facilities were to be transferred to the trust?

Mr MOSS: The LandCorp Board, as I understand it, for some years has looked at the ongoing management responsibility of Arena, Joondalup, which was built by LandCorp as part of its development facilities at Joondalup. The board was of the opinion that it was not part of its core business to manage a sports facility. As it was a state government funded sports facility, it seemed appropriate that the WA Sports Centre Trust, established in 1986 to manage the then Perth Superdrome, was the most appropriate government agency to manage this state funded sports facility. The Sports Centre Trust Act allows the trust to manage not only the now Challenge Stadium, but also facilities of a similar nature. Therefore, after an approach by the LandCorp Board to the WA Sports Centre Trust, and following several months of discussion and negotiation, it was determined that the transfer of ownership and ongoing management responsibility be transferred from LandCorp to the trust.

The CHAIRMAN: We have not completed half a financial year yet in this transfer, but with current projections, and treating the Arena as a separate accounting entity, will it break even as at 30 June this year?

Mr MOSS: No, it will not. Although the assets and management responsibility was transferred on 1 January, it was agreed that LandCorp continue to fund the operating deficit until 1 July this year. As from 1 July, the financial responsibility will be transferred to the trust. It appears that Arena Joondalup will have an operating deficit of about \$650 000 this financial year. There has been an allocation of \$600 000 to the trust in the next financial year to fund the operating deficit, and we believe that will be the operating deficit for the next financial year.

[9.20 pm]

The CHAIRMAN: Are there any restrictions on the use of the Arena? For example, around Easter time it was touted that the Arena would be used for a major rock concert - by Silver Chair, I think - but that did not go ahead because there were some administrative problems.

Mr MOSS: Not that I am aware of. That comes under the management responsibility of the WA Sports Centre Trust, and the only restrictions that apply are those in the WA Sports Centre Trust Act, which is very broad with regard to the uses to which it can be put. It is basically a sporting-community recreational facility.

The CHAIRMAN: There was some talk of the trust being asked to contribute towards the cost of constructing the passenger rail platform in the vicinity of the Arena so that people attending, for example, the Falcons games could catch a train and get off at the Arena. Are any negotiations or arrangements in place at the moment?

Mr MOSS: No negotiations are in place at the moment. The Arena Joondalup master plan did have a sports station, and there were discussions between the Department of Transport and LandCorp, but those negotiations did not progress any further. It is probably an issue that the trust will take up in future.

Mr CARPENTER: What are the criteria for the uses to which Challenge Stadium can be put?

Mr MOSS: It is covered by the Act. The trust has a number of functions, which are to manage a major, in the case of the Perth Superdrome, sports and recreation facility. The Act gives the trust certain powers. It designates the types of activities that may be carried out at Challenge Stadium, which are very broad.

Mr CARPENTER: Do political rallies fit the profile?

The CHAIRMAN: Good question!

Mr MOSS: The trust does not have a policy on political rallies. With regard to the Pauline Hanson situation, if I can expand further, we took the booking, at that stage unaware that Pauline Hanson would speak at that rally. When we found out it was Pauline Hanson, I had to decide whether I could discriminate for political, religious or racial reasons. I took the view that I could not - it was a public meeting - and I referred it to the board. The board was of the same opinion, and we agreed to accept the booking.

Mr CARPENTER: When you say you took the booking, from whom did you take the booking?

Mr MOSS: Paul Filing's office.

Mr CARPENTER: Was it obvious that it was for a political function?

Mr MOSS: Paul Filing's office approached us to book the venue for a public meeting.

Mr CARPENTER: I appreciate that perhaps this does not fit within the strict confines of the Budget, but I could ask about the financial return from the event. How much did they pay for it?

Mr MOSS: The hire fee was \$3 750, and some on-costs would have been associated with that, probably in the order of \$1 000 for security, etc.

Mr CARPENTER: Was there any reference to the Minister, either directly or indirectly, before the final decision was made about taking the booking, once it was known that it was a Pauline Hanson event?

The CHAIRMAN: The question of any perceived ministerial intervention does not relate to expenditure.

Mr RIEBELING: Not intervention - influence or advice.

The CHAIRMAN: That does not relate to expenditure. Who paid for the hire of the facility and the associated security costs? From whom did you receive the cheque?

Mr MOSS: Paul Filing's office.

Mrs HODSON-THOMAS: Was the \$1 000 for security only the cost of security for Challenge Stadium? Obviously there was other security?

Mr MOSS: There was a police presence, for which we were not responsible. We were responsible, as we are for all events at that venue, for our internal security.

Mrs HODSON-THOMAS: That \$1 000 was for your internal security costs?

Mr MOSS: That was the approximate cost. That would not include cleaning, ushering staff, etc.

The CHAIRMAN: That cost was passed on to the hirer?

Mr MOSS: Yes.

Mr CARPENTER: Were there any subsequent costs for damage as a result of the rally?

Mr MOSS: There was some minimal damage to the gardens, but we rectified that ourselves, and in dollar terms that was insignificant.

Mr RIEBELING: This is unusual; I want to ask a question about sport! One of the outcomes at page 894 is to facilitate international standard elite sports training. What sports are under the wing of this department? Does it include hockey?

Mr MOSS: The WA Sports Centre Trust simply manages the venue. It is a multipurpose sports venue. Thirty different sports can be accommodated at the venue. We do not get involved in running the sports that use the venue; we simply maintain and make the venue available to those sports.

Mr MARSHALL: With regard to hockey, I was looking at the place a few months ago, and some of the state hockey players were training in the gymnasium. Some of the netball players were there as well. It is the most modern and up-to-date gym in Western Australia. It has pressurised training areas so that people who have to go to high altitude areas in South Africa, or wherever, to run or play tennis can acclimatise before they go.

Mr MOSS: The WA Institute of Sport is based at Challenge Stadium. It is our major tenant, and it is responsible for running the elite training programs which are carried out at the stadium.

Mr CARPENTER: I have been asked by disabled athletes to ask a question about the Challenge Stadium gym. Is there is access for disabled athletes to that gym?

Mr MOSS: If you are referring to the fitness centre, yes. There is disabled access to all parts of the facility, in particular the gym, and I am aware that a number of disabled athletes - wheelchair athletes - use that fitness centre.

Mr CARPENTER: I am referring to the WA Institute of Sport gym. Is it not below ground level?

Mr MOSS: There are a number of gyms at Challenge Stadium.

Mr CARPENTER: It is the one that you have to go down the staircase to get to.

Mr MOSS: If it is the new one, I am not sure whether there is access for disabled athletes. There certainly is access to the Challenge Stadium gym, which is the public gym that we operate.

[9.30 pm]

Mr CARPENTER: I was told at a meeting of para olympians that there was no wheelchair access to the elite athlete's gym.

Mr MOSS: I will check on that and provide that as supplementary information.

Mrs van de KLASHORST: Is the Challenge Stadium the only facility that the trust manages?

Mr MOSS: The Challenge Stadium and the Arena Joondalup are the two major sports facilities.

Mrs van de KLASHORST: Do either of those facilities provide velodrome training?

Mr MOSS: No.

Mrs van de KLASHORST: I will come to see you about the Midland velodrome joining with the trust.

Mr CARPENTER: Is the reduction in the estimated actual expenditure in 1996-97 from \$5 499 000 to \$3 625 000 in 1997-98 a result of the Challenge Bank sponsorship?

Mr MOSS: In part, though not fully. As part of its financial management responsibilities the WA Sports Centre Trust also has responsibility for the eighth world swimming championships. The organising committee for the championships was formed as a committee of the trust. That is a significant event with significant revenue and expenditure that substantially affects the actuals for this year compared with the estimated outcomes for next year. The bulk of the income for the championships will be received next year, which is the year they are staged. That substantially reduces the recurrent expenditure for the next financial year.

Division 38: Sport and Recreation, \$25 032 000 -

[Mr Baker, Chairman.]

[Mr Marshall, Parliamentary Secretary.]

[Mr J.G. Busch, Executive Director.]

Ms F. Graham, Acting Director, Corporate Development and Services.]

Mr MacLEAN: If FTEs have increased by only four from 28 to 32 what is the reason for the estimated expenditure on salaries and wages increasing by almost \$2m to \$12.658m?

Mr MARSHALL: The FTEs actually increased from 88 to 100. In 1996-97 the Ministry of Sport and Recreation was understaffed by six FTEs. In a sense this was to meet the savings required to fund extras that were not budgeted for, such as the enterprise bargaining agreement and \$157 000 for the introduction of the Sport and Recreation Council. That advisory council is chaired by Yvonne Rate; and the chief executive officer is Ron Alexander. That committee comprises people like Adrian Hurley, Mick Malthouse and Sally Carbon the Olympic hockey player. They are high profile athletes with great vision for sport in the State. That innovation has proved successful. This

committee combines elite athletes, who can show how to expand the performance of Western Australian athletes, with other people, who understand what participation is all about. The department has now returned to its approved FTE level of 94, plus three FTEs in Trailswest, a new initiative; and three FTEs in the Sport and Recreation Council.

In a new policy initiative almost \$2m has been allocated for sport participation and development. This small investment covers a number of programs that are exciting for Western Australia including the Junior Sports Foundation and the sports club development scheme. That scheme was launched today. Its aim is to close the gap between local government, schools and sporting clubs. It will endeavour to get youngsters leaving school to join sporting clubs. That is \$1m over four years. It means that 385 clubs could receive \$750 a year to enhance junior sports development. The sport participation and development initiative also includes support for the Western Australia Institute of Sport in the lead up to the 2000 Olympics; Sports International; a country package; and water safety initiatives. They are extra initiatives to progress sport and recreation in Western Australia.

Mr BUSCH: Several of those initiatives are located in other parts of the Budget; however, they are all part of the overall package.

Mr MacLEAN: What are the results of the initiatives that the Parliamentary Secretary has explained so well? I am interested in the initiatives that concern local government and the sporting clubs.

Mr MARSHALL: The initiative that was launched today relates to the fact that the population is unfit. The idea is to get youngsters to maintain the fitness levels they have built up through physical education programs in primary and secondary school, by joining clubs after they leave school. Unfortunately, some children are discouraged by the activities of volunteers in these clubs. For example, three boys who go along to a junior football club may meet an overzealous coach. One of the lads is highly motivated, is well coordinated and has good ball sense; the second is rotund and a little slow; and the third has no ball sense at all. The overzealous coach would take the talented youngster for his team and reject the other two, who would leave disappointed and would not be involved in that football club. That is the wrong decision. We will train volunteers, so that when they see those three boys they will encourage the first boy to play and the other two boys, who are his mates, will feel great pride from seeing him star on the field; and one can become the water boy and one can become the secretary/treasurer one day. The club must involve all three boys at some level.

For years physical education teachers have been going to work between 9.00 am and 4.00 pm. Why not change that around a little? A trial has operated in Geraldton where physical education teachers work from midday to 7.00 pm, enabling the teachers to train youngsters at local clubs after school.

The attendance of children is only as good as the parents who have children in the club. As soon as the parent leaves, the child leaves and then there is a vacuum. Training has to have continuity. Junior clubs need computers on which to record the addresses of their players. They need to circularise the players and have a photocopier to help to put out newsletters. Some of this money can be allocated to this kind of thing. It is a very good and innovative idea which was launched today. I cannot say yet that it is a success because the forms for the applications to apply for the money went out only today. I can assure members that it will be a success and is much needed in Western Australia.

[9.40 pm]

Mrs van de KLASHORST: I hope it applies to girls and not just to footballers.

Mr MARSHALL: I used football as an example. We could use the example of women's hockey, netball, basketball or whatever other women's sport. Just as there are gruff old male presidents who have lost their patience with children, there are gruff old woman presidents. They need to be trained to the same extent as well. Seminars will include the coaching of teenage girls, pregnancy and the law, coaching female athletes, myths and realities, a report on teenage girls' participation, and another seminar on how coaches should travel with female teams. All the member's concerns will covered in the training in the volunteer seminars.

Mr CARPENTER: I will divide my interest into two strata. One is elite sports involved in the Olympic Games, which have been allocated to Sydney, the Commonwealth Games and the world swimming championships. Are there special allocations to assist Western Australian elite athletes and developing potential elite athletes in the budget?

Mr MARSHALL: Some \$250 000 is allocated for the very purpose of giving extra training and encouragement for the participation of Western Australian athletes at the Sydney 2000 Olympics.

Mr CARPENTER: I am referring more to the funding of athletes who are already in the program. Have we made any increase in the special allocations for them?

Mr BUSCH: The Western Australian Institute of Sport is not specifically under our jurisdiction, although I sit on its board. Included in this budget is an extra \$250 000 per annum over the next three years, some \$750 000 in total, to be added to the work the institute is delivering and the scholarships and programs it is already providing to existing elite athletes and those who may join those programs during the next three years.

Mr RIEBELING: Was the bunfight with the gymnastic team resolved or has it disappeared to Canberra?

Mr BUSCH: A modified program will now be funded through the ministry rather than the institute. That has been negotiated with the Western Australian Gymnastic Association and the parent group. Assistance will be available to athletes.

Mr RIEBELING: How many will we lose because of the infighting?

Mr BUSCH: I am not sure that any will necessarily be lost. Depending on how successful the athletes are, some of them in due course will have to go to Canberra.

Mr MARSHALL: There is a grant allocation of \$50 000, which has been provided to the Australian Commonwealth Games Association, Western Australian division, to assist with the preparation of the 1998 Australian team. It represents one-third of the Western Australian quota of \$150 000 set by the Australian Commonwealth Games Association.

Mrs van de KLASHORST: A significant issue and trend is encouraging an increasing number of seniors to maintain their active involvement in sport and recreation. How is that being carried out?

Mr MARSHALL: Seniors comprise a very big part of sport and recreation participation. The total membership of clubs at the moment in Western Australia is around 6 000. The Over 55s Archery, which is a registered club; Over 55s Walking Association, walking for fitness and pleasure; Prime Movers, who move to music; Come out Camping with the Older Dogs, which is an excellent organisation; Over 55s Cycling Club, which is state wide and going very well; Over 55s Ballroom Dancing, which caters for all areas; Old Time Dancers; Over 55s Canoe Club and Over 45 Social Canoe Club, are just some of the organisations that make up that 6 000 registered veteran participants. Something close to my heart is the veterans' tennis scene. Between 1968 and 1972 when legislation was passed for equal rights for women and men, the men's veteran club of Western Australia had a membership of 195. When combined with the women's club the membership went up to 600. That was 15 years ago. Now the Veterans Tennis Club of Western Australia has 1 550 members and is the largest club of its kind in Australia. People certainly have a wonderful time playing in tournaments all over the State. They have tournaments for the 55s and over and the 60s and over but they have round robins where the combined age is 120 years. Two sixty year olds can play and meet people of their own age and compete. They have a lot of fellowship as well as keeping fit. The veterans organisation and the money that goes into it are very important. All members will know about the "Have a Go" day, which is chaired by Brian French, who does a marvellous job for seniors in Western Australia. That has been going for 12 years. It is held at Burswood Park and usually attracts around 4 000 elderly participants in all sports. They do dancing and many other events. It is quite a spectacle. It is a very important part of the funding in Western Australia. By keeping seniors fit, we are cutting down on hospitalisation and medical fees.

Mrs van de KLASHORST: What percentage of the money goes to country areas and what percentage to the metropolitan area?

Mr BUSCH: Not a large amount of money is allocated through the budget. We have moved from a situation where we had several staff and a budget of over \$100 000 towards a more community based approach. That is what led to the establishment of the Seniors Recreational Council. Many of the clubs which the Parliamentary Secretary mentioned were already in place. It is very much driven by the community groups to whom we provide support and assistance. Originally we produced a publication; it is now a commercial publication of 50 000 copies to spread the word throughout Western Australia. We look at the communities driving it and then supply support and assistance. Some support is provided to assist in the operating costs of the council, but as much as possible we have moved to let them decide what they would like to do. The "Have a Go" day is a classic example of that. We used to operate it but it is now very much operated by the Seniors Recreational Council with staff of the ministry assisting.

Mr MacLEAN: On page 883 at dot point 1, what is meant by "maturing of the sport and recreation industry"? At dot point 2, reference is made to the need for skilled people, including volunteers, to manage and deliver sport and recreation. I take it that refers to the volunteer training program for training coaches and umpires?

[9.50 pm]

Mr MARSHALL: One way the ministry is promoting coaching in various sports is through corporate sponsorship. A good example is Alcoa of Australia Ltd. Alcoa has been in partnership with the Government since 1980. The Alcoa coach in residence program has been copied by other companies around Australia. Since 1980, approximately

150 coaches from 17 countries representing 40 sports have come to Western Australia. Tennis coaches have been brought to Australia from America and I have been involved with them. It was a good idea of Alcoa's to bring Guntas Tilmanis to Western Australia, which was initially a grass court tennis playing State, to teach the sequence which players use when they play on clay and hard courts. Three or four Western Australians have been in the Australian squad since they learnt that skill. Over \$500 000 has been provided by Alcoa and it has utilised the technical skills of the Ministry of Sport and Recreation to organise its program statewide.

Mr BUSCH: Skilled people includes paid and unpaid staff. They are chief executives of associations, sport development officers, regional development officers, volunteers, board and committee members, officials, umpires, coaches and technical officials. The primary responsibility of the Western Australian Coaching Foundation is coach education and it addresses all the necessary areas.

The member for Wanneroo also referred to the increasing diversity and maturing of the sport and recreation industry. We have found in recent years, and I am sure the trend will continue, that the expectations of the community are changing with respect to what a sporting body should provide. It puts demands on the management and the sport development capabilities of the organisation. At the elite end there is a range of facility provisions and that includes to the national level. There is a diverse range of extra demands on the industry to provide either entertainment or participation opportunities for the community. It is in that range that we have seen a maturing of the industry and an increase in the capacity of the industry to meet those needs.

Mr MARSHALL: With regard to providing skilled people, tennis was the initiator in sending coaches to various zones throughout Western Australia. It divided the State into zones and I knew a coach who would go to Babakin, Corrigin, Kulin, Kondinin, Narembeen, Mt Walker, Bruce Rock and Shackleton. In five days he would coach over 600 youngsters. He did that for 10 years and in that time two Australian players emerged from that program, Gary Penberthy from Narembeen and Tim Clayton from Kulin. One young girl, Shirley Francis, was brought to the city at the end of one summer to train during the winter months at John Curtin Senior High School with the aim of becoming a future state tennis player. She joined the Fremantle Hockey Club and subsequently became a state and Australian hockey player. She never became a state tennis player, but it indicates what zone coaching will do. A skilled coach can identify talent and bring those people to the metropolitan area for further training.

Mrs HODSON-THOMAS: The first dot point on page 887 states that one of the major achievements for 1996-97 was to provide better managed organisations in the sport and recreation industry by developing the management audit tool process for state sports associations and this was completed and piloted with three associations. What are the three associations?

Mr BUSCH: We have developed a tool which, in essence, allows us to work with sports to assist and identify the areas which are being managed well. We will also identify those areas where improvement can be made. We have met with three associations and subject to confirmation they will be the three pilot organisations. We are about to embark on the actual pilot. We have completed all the preparatory work and it is a matter of testing it.

[9.55 pm]

Mr CARPENTER: The second strata of interest was the community based facilities for sport. There is an allocation for the community sporting and recreation facilities fund of \$8m. I refer to the table on page 886. Program 3.1 talks about financial support for facilities with actual expenditure of \$7.3m. Do I take it that the \$8m was not taken up in total in the current financial year?

Mr MARSHALL: The community sporting and recreation facilities fund has been a marvellous innovation introduced by this Government. So far \$26m has been spent. We do not relate this figure to the \$26m. It is to do with the infrastructure that came from it. Sporting infrastructure worth \$76m has been introduced within Western Australia, of which 70 per cent has been spent in country areas. That is very important.

Mr CARPENTER: I am not trying to get a political statement of what a great job the Government has done; I am trying to find out where the \$8m allocation for that financial year was taken up. The estimate for the net year is \$10.3m and there is an increase in the number of grants being managed. Bearing in mind the Ros Kelly experience, I want to know the process the department goes through to decide the allocation of funds for particular facilities and the allocation of funds for output group services and recreation groups in the community. How is it decided who gets money for the organisations and how is it decided who gets money for the facilities?

Mr BUSCH: An independent committee looks at all the applications. The \$26m is allocated on a rolling triennium basis. In the first year \$10m was committed to be allocated over three years. In the second year another \$8m was allocated on another rolling three year basis. In the third year another \$8m was allocated on a rolling three year basis. This year, 1997-98, is the first year in the three year program where there is a cash outlay of the \$8m. The allocation is geared to that figure. In 1997-98 we are moving towards that figure. Before money was allocated, but the

commitment to pay out that money comes in in the full budget year in 1997-98. There is no underallocation for 1996-97.

On the issue of facilities, the process is that all proposals are considered by the relevant local council authority, administrative regional staff or metropolitan area staff and the state organisations which are involved in most cases, but not all. All of that input and documentation is provided to a committee that recommends to the Minister. We have also worked very hard over the past three to five years with local government and community organisations to improve the planning design and management of facilities. Considerable work goes into those areas and into working with those groups, providing documentation and seminars to assist them to go about that task more effectively, which then improves the quality of the applications and the overall result achieved.

In respect of organisations, our funding primarily goes to state sporting organisations. They can receive funding through three possible approaches: First, the smaller or less organised sports get funding through category funding and can apply for a specific need, such as assistance to send a team to a national championship. The second level is the development plan covering three, four or five years. Each year the organisations will identify their priorities and get funding assistance for those plans. It can include salary assistance, managerial staff or development officer staff or sending teams to national championships, coaching initiatives, etc.

Mr CARPENTER: Funding has been provided in the past. May I have information on those organisations that made applications for funding for facilities, the recommendations that were made and the Minister's decision on which recommendations were accepted?

Mr BUSCH: As far as I know that information is publicly available and will be subject to confirmation. That will be provided by supplementary information.

Committee adjourned at 10.00 pm
