

Legislative Assembly

Tuesday, 9 March 2010

THE SPEAKER (Mr G.A. Woodhams) took the chair at 2.00 pm, and read prayers.

OPPOSITION SEATING PLAN

Statement by Speaker

THE SPEAKER (Mr G.A. Woodhams): As a result of a request from the Leader of the Opposition, I have approved a new seating plan for the opposition.

HOWARD PORTER — TRANSPORT MANUFACTURING PROJECT

Statement by Treasurer

MR T.R. BUSWELL (Vasse — Treasurer) [2.01 pm]: I recently visited the Spearwood-based workshop of Howard Porter to acknowledge the completion of the biggest single transport manufacturing order ever awarded in Western Australia for the Chevron-led Gorgon project. Howard Porter, a family owned and operated company, secured the \$20 million contract to manufacture 320 custom-built semitrailers that will be used to complete mining activities on Barrow Island. This sends a clear message that workshops in the state have the capability and capacity to complete large-scale projects. It is a great example of a company taking the opportunity to strategically strengthen its processes and the way it delivers products.

In just 38 weeks, Howard Porter has delivered 240 flat-tops and 34 drop-decks.

An opposition member interjected.

Mr T.R. BUSWELL: I did not say drop-deads.

Further, it has also delivered 20 extendables, 20 dollies and six 100-tonne floats to successfully complete the project on time and within budget. It is testament to the hard work and dedication of Howard Porter's staff that this project has been such a success.

Examples such as Howard Porter are a perfect fit for the state. Our natural resources are being utilised while our state's manufacturing expertise is being showcased. The state government-supported Industry Capability Network Western Australia assisted Howard Porter during the preparation phase of the contract. The state's economy is beginning to improve, and a suite of major projects, either committed or in the pipeline, will continue to support business investment in the state and across Australia in the foreseeable future.

ACTING MENTAL HEALTH COMMISSIONER — APPOINTMENT

Statement by Minister for Mental Health

DR G.G. JACOBS (Eyre — Minister for Mental Health) [2.03 pm]: I rise to inform the house that as of yesterday, 8 March 2010, Western Australia has an operational mental health commission with the appointment of Acting Mental Health Commissioner Neil Guard. This is an exciting time for Western Australia and everyone who has an interest in mental health. It positions us at the forefront in the delivery of mental health services to people with mental illness. As I have said in this place previously, one in five people will suffer from some form of mental illness during their life. The government is committed to delivering better outcomes for people with mental illness. We are focused on reforming those areas in the delivery of mental health services that require improvement.

Consumers and carers have said for some time that the delivery of services in the area of acute mental health is done fairly well. However, mental health is about the community and community supports, and often it is in those areas that fall outside health that we must perform better.

When fully operational, the commission will procure services, establish benchmarks and monitor and evaluate key mental health programs. To help achieve this, the commission will work collaboratively with all government agencies, community organisations and mental health professionals in the public and private sectors, and, importantly, will promote social inclusion, public awareness of mental wellbeing and address stigma and discrimination.

If this commission is to truly make a difference to the mental health and wellbeing of Western Australians, there will need to be changes in emphasis and changes in practice. Of course, many of our excellent programs will continue to grow and adapt, while others may require some change. The information and recommendations in the state mental health policy and strategic plan will help to inform this process. The commission will identify

key outcomes and determine the range of mental health services required for defined areas and populations across the state, and will ensure that accountability and governance structures are in place and that resources are directed where they are going to be most effective.

We want to see individuals having more say over what services are delivered on their behalf and how they are delivered, and, when it is in the best interests of the individual, we want to see alternatives to acute care in hospitals. This is not to discount the good work that is done in acute care for people with a mental illness, but this government needs to provide other options. In this regard, government agencies will work collaboratively. Community organisations bring a strength of social mission and capacity to work.

Although the task of reform is significant and will not be achieved overnight, we are now on the challenging and exciting journey to providing much-needed and long-awaited excellence in mental health service delivery in Western Australia.

MULTICULTURAL ADVISORY GROUP — APPOINTMENT

Statement by Minister for Citizenship and Multicultural Interests

MR G.M. CASTRILLI (Bunbury — Minister for Citizenship and Multicultural Interests) [2.06 pm]: I am pleased to advise members that I have appointed a new Multicultural Advisory Group for a two-year term. The role of this group is primarily to assist the government, through my office, to ensure participation, equity and promotion of persons from culturally and linguistically diverse communities. Western Australia is enriched culturally, economically and socially by the contributions of the state's diverse population, which comprises people of more than 200 different nationalities, 270 languages and more than 100 religious faiths. In addition to skilled and self-funded immigrants, Western Australia receives humanitarian entrants. The state government provides funding and services to assist their settlement.

Members of the new Multicultural Advisory Group are Mr Steve Bowman, Ms Josephine Buontempo, Mr Ernest Gusta, Ms Clare Meyers, Mr Michael O'Hara, Mr Pankaj Pathak, Dr Casta Tungaraza and Reverend Joe Vermeulen. The members of the advisory group are actively involved in assisting persons from culturally and linguistically diverse communities. They will bring a great deal of firsthand knowledge and experience to our meetings. I congratulate the new Multicultural Advisory Group members on their appointment and welcome their contribution to advancing multiculturalism in our great state. The Multicultural Advisory Group has been appointed for two years. I acknowledge the outstanding work undertaken by the 2009 advisory group members, and I look forward to drawing on the leadership and expertise of the 2010 members.

COMMUNITY DEVELOPMENT AND JUSTICE STANDING COMMITTEE — THIRD REPORT — “INQUIRY INTO THE INSIDE AUSTRALIA PROJECT AT LAKE BALLARD (MENZIES)”

Government Response — Statement by Minister for Tourism

DR E. CONSTABLE (Churchlands — Minister for Tourism) [2.08 pm]: On 26 November 2009, the Community Development and Justice Standing Committee tabled its report into the *Inside Australia* project—an extraordinary collection of 51 metal sculptures of local Menzies residents installed on the western end of Lake Ballard. It is a comprehensive report that raises issues about governance, funding, conservation, curatorial maintenance, tourism and the future development of the site. The report's 10 recommendations pertain to a determination of whether the artwork should be classified a functional asset or as part of the state's art collection; the effectiveness of the existing governance model; funding for conservation and site management; improved management through support mechanisms and development of a business plan; greater promotion of the sculptures, including the development of an interpretive centre within Menzies; and conservation through prohibition of vehicles on Lake Ballard.

The government welcomes the report and is in the process of finalising a comprehensive response to it. The response will be completed in the very near future.

Mr T.G. Stephens: Will you table the response?

Dr E. CONSTABLE: Of course.

QUESTIONS WITHOUT NOTICE

COLIN EDWARDES — POTENTIAL CONFLICT OF INTEREST

41. Mr M. McGOWAN to the Premier:

I refer to the decision by Deidre Willmott, which the Premier endorsed, to step down as his chief of staff because of a potential conflict of interest with her husband's legal practice.

(1) Why is it acceptable for former Liberal candidate Colin Edwardes to hold a position in the Premier's office advising on the environment and other issues whilst his wife and former Liberal minister is a

lawyer practising in the areas of climate change, environmental regulation and environmental compliance?

- (2) Is the Premier aware that Mrs Edwardes' firm has received more than \$1.7 million in fees from his government?
- (3) Is the Premier aware that Mrs Edwardes has had contact with his office on behalf of clients more than 11 times regarding environmental issues?
- (4) Will the Premier advise whether Mr Edwardes has provided him with advice in relation to issues concerning any of Mrs Edwardes' private or public sector clients?

Mr C.J. BARNETT replied:

Mr Speaker, first, can I just make a point of courtesy?

The SPEAKER: Yes.

Mr C.J. BARNETT: I think every member of this house knows that the former member for Kingsley and former minister was Cheryl Edwardes. I think to call her "Edwardees" was just disrespectful and a cheap stunt.

Mr M. McGowan: I thought that was her name; seriously. Anyway, it does not matter.

Several members interjected.

The SPEAKER: Thank you, members!

Mr C.J. BARNETT: So, Mr Speaker —

Several members interjected.

The SPEAKER: If members want to hear the answer to the question, and I believe, member for Rockingham, you would like to hear the answer to the question —

Mr M. McGowan: I would.

The SPEAKER: — I might suggest to members on both sides of this place that they let the Premier answer the question without interruption at this point.

Mr C.J. BARNETT:

- (1)–(4) First, the member opposite made reference to my former chief of staff, Deidre Willmott, who did step aside as chief of staff, not because of a conflict of interest but because of the possibility that one might arise in the future. I am very clear about that.

Mr E.S. Ripper interjected.

Mr C.J. BARNETT: I am very clear about that, because her husband—not with his business as much as with business of some of his partners—would inevitably deal most likely in the energy sector and there could therefore be a perception of a conflict. Therefore, rather than be dragged through a process—as we saw happen in recent months that affected two ministers of this government, very unfairly and very unnecessarily—she did not want to find herself or indeed me in that position, so she decided to step aside. I think that was a very ethical and very honourable decision to make.

With respect to Colin Edwardes—who was a former chief of staff to Ian Campbell, a federal minister—he was a candidate; he has not been elected to this Parliament. He was chief of staff to the Minister for Energy, Hon Peter Collier; there was a change of staffing there and since then he has been working in my office on a range of issues. That is the situation.

Mr F.M. Logan: Environmental issues?

Mr C.J. BARNETT: Yes. He covers a whole range of portfolios, one of which happens to be environment.

Several members interjected.

The SPEAKER: Members!

Mr C.J. BARNETT: He has not in any way transgressed nor has there been any conflict of interest in any matter relating to his work or indeed whatever activities in which Cheryl Edwardes is involved. If the member for Rockingham has a specific allegation, then please tell me about it, instead of just throwing mud and hoping some sticks.

COLIN EDWARDES — POTENTIAL CONFLICT OF INTEREST

42. Mr M. McGOWAN to the Premier:

I have a supplementary question.

Will the Premier table by close of business today a list of all the issues on which Mr Edwardes has advised him that relate to Mrs Edwardes' clients?

Mr C.J. BARNETT replied:

I am not aware of any matter on which Colin Edwardes has advised me relating to a matter that may be an issue of a client —

Mr E.S. Ripper: Have you asked? Have you checked?

Mr C.J. BARNETT: I am actually struggling to think whether Cheryl Edwardes has actually come to me on — Several members interjected.

The SPEAKER: Thank you, members!

Mr C.J. BARNETT: I will check, but to my knowledge I do not believe I have had a meeting with Cheryl Edwardes on a matter relating to her clients on environmental issues.

Mr T.G. Stephens: Did he give you advice in brown paper bags?

Several members interjected.

Withdrawal of Remark

Mr C.J. BARNETT: Mr Speaker, the comment made by the member for Pilbara was whether the advice had been given in brown paper bags, which is a clear reference to corruption. I ask that he withdraw.

The SPEAKER: Member for Pilbara, I advise you to withdraw the comment.

Mr T.G. STEPHENS: I withdraw.

FEDERAL GOVERNMENT HOSPITAL REFORM PROPOSAL

43. Mr V.A. CATANIA to the Premier:

As a representative of an electorate that is benefiting from the Liberal–National government’s focus on regional Western Australia, I am concerned by commentary about the potential effects on our country hospitals —

Several members interjected.

The SPEAKER: I am sure that there are people in this place who would like a reasonable question time today, and some time in which to ask questions. There are those who do not seem to believe that that should be the case. I formally call the member for Girrawheen for the first time.

Mr V.A. CATANIA: I am concerned by commentary about the potential effects on our country hospitals of the federal government’s proposed health reform. Can the Premier please advise the house of the government’s response to this proposal?

Mr C.J. BARNETT replied:

I thank the member for North West for the question. At least we now have a question of some substance. As a country member, he, and I imagine other country members, would be very concerned about the implications of the federal Labor government’s proposals for health services in country areas, and particularly for the future of services provided by public hospitals in country areas. When the Prime Minister made his announcement last week, I stated that Western Australia —

Several members interjected.

Mr M.P. Murray: No more coffee with Kev!

The SPEAKER: I call the member for Collie–Wellington —

A government member: Preston.

The SPEAKER: Murray–Preston—Collie–Preston! We will cover a range of sins here!

I formally call the member for Collie–Preston for the first time.

Mr C.J. BARNETT: I made it very clear in my public comments and to the federal government that this state government would adopt a cooperative and constructive approach. In other words, I said that we would look at the issue on its merits. If there are to be any changes to our public hospitals, the test should be whether the change will improve patient care. If it can be demonstrated that a change will improve patient care, we are prepared to look at it on its merits. If, however, it threatens or undermines patient care, we are not; it is as simple as that.

Mr R.H. Cook: Can I make an interjection? Can I ask what the Treasury advice is?

Mr C.J. BARNETT: No, you cannot. I would like to answer the question, and then I will take the interjection.

There are some aspects of this proposal that seem to have some merit. The idea of pooling some commonwealth and state funding into public hospitals so that a consistent agreed policy is applied has merit. That will hopefully overcome some of the gaps and reduce some of the duplication or overlap. The idea of activity-based funding—providing a certain amount of funding for knee or hip operations, or whatever else—also has merit. As the Minister for Health pointed out in his comments, activity-based funding already operates at Joondalup Health Campus and Peel Health Campus. We have some experience of this funding; it is also used well right across Victoria. Those medical reforms have merit and we are willing to cooperate on those. However, on the wider issues there are obviously concerns. I remind members that the people of Western Australia have, over decades, built, owned and operated the public hospitals of this state. Today they provide more than 60 per cent of the funding for our public hospitals. The commonwealth government is the minor player, contributing, by its own figures, 35 per cent across the nation. Let us put that in context: these are our hospitals, for which the government of the day and the Parliament have responsibility. I do not believe that they should simply be handed over to the commonwealth government. I would be interested to know what the Labor Party in Western Australia thinks. We on this side of the house are not prepared to hand over our hospitals to the commonwealth. So I will be waiting to see —

Several members interjected.

Mr C.J. BARNETT: We are not rushing members opposite. But I will be waiting to see whether Labor in Western Australia supports retaining hospitals that are owned, built and operated by Western Australians for Western Australians, or whether Labor in this state is going to hand over to the federal government control of our hospitals. That is what I want to know.

The other aspect of this issue relates to the funding. It a sleight of hand for the commonwealth to take 30 per cent of the GST—the states' revenue—keep it in the commonwealth, put it into the pool, and say, “We are now the major funder of our hospitals.” I think the Australian public is a bit smarter than to fall for a trick like that—indeed, it saw through it within a few hours.

Mr E.S. Ripper interjected.

The SPEAKER: Order, Leader of the Opposition!

Mr C.J. BARNETT: This state will look at this proposal for health on its merits. If we are convinced that there are strong health reasons for change, we will look at the funding implications. Indeed, I will be meeting with the federal Treasurer early tomorrow morning, and I guess we will hear some of what the commonwealth government intends on the financial side. We will treat this issue seriously.

I will conclude by asking a rhetorical question. If someone is seriously ill—gravely ill—or if someone has had a serious accident, where would that person want to be on this planet? If I were such a person, I would want to be in Australia, and I would be very happy to be in Western Australia. A person who is seriously ill or gravely injured will get the best quality health care in this state. Our system is not perfect. It makes mistakes. It has gaps. We recognise that. But to simply turn our health system on its head and hope it will be okay is not good enough. We are prepared to be convinced, but it will take strong argument and strong evidence that health care will be improved.

I look forward to the Leader of the Opposition detailing whether he is going to support Western Australian public hospitals or whether he is going to hand that over to his Labor mates in Canberra.

PUBLIC HOSPITALS — UNCLAIMED MONEY

44. Mr R.H. COOK to the Minister for Health:

I refer to the minister's admission on Channel Nine news last night that the budget hole for the Sir Charles Gairdner Hospital billing scandal could runs into tens of millions of dollars, and that the billing bungle is likely to be widespread across other hospitals.

- (1) On the advice that the minister has received to date, how much money does the minister estimate may be owed to Perth's public hospitals?
- (2) What resources has the minister allocated to the audit to examine the extent of the budget hole, and when will the audit be completed?
- (3) What immediate action has the minister taken to address the information technology and systems failures that have allowed millions of dollars to remain unclaimed?

Dr K.D. HAMES replied:

- (1)–(3) I start by saying that this probably did not arise yesterday. In fact, it did not arise last month. It did not arise last year. It almost certainly arose when the Labor Party was still in government.

Several members interjected.

The SPEAKER: Order! I know that the member for Kwinana does want to hear the answer to the question. Some people on his side of the house I think are preventing him from hearing the answer to the question. I would like to hear the answer to the question, Minister for Health.

Dr K.D. HAMES: The second point I would like to make is that there is no black hole. It would appear that there may be some funds that were not recouped from the private sector. I would like to go back to the history of how this came about. Previously, patients who went to a public hospital were treated as public patients—almost all of them. This was back in about 2002–03. Almost all patients were treated as public patients, as they are entitled to be. Just because people have private insurance does not mean they have to declare that private insurance; they are entitled to be treated as public patients. What happened in early 2002 was that in trying to get more money into the public system, people were increasingly being encouraged to be classified as private patients. But the thing that discouraged people was that there was a big gap. If people said that they were private patients, suddenly they had to start making gap payments to the specialists who were treating them. So what happened?

Several members interjected.

Dr K.D. HAMES: This is a very important part of the answer. So what happened was that people were allowed to stay as private patients in public hospitals, with some simple add-ons to their treatment to encourage them to do so, so that private patients could be charged for that.

Mr E.S. Ripper: How much, how long and what is the minister going to do about it?

Dr K.D. HAMES: The amount of money that now comes into the public hospital system is just under \$200 million in total from those patients being in there. The other amount, the arrangement A amount, is what doctors charge—for example, attending outpatient clinics or seeing patients in the ward.

Mr E.S. Ripper: How much, how long and what is the minister going to do about it?

Dr K.D. HAMES: Be patient, not a patient! The Leader of the Opposition should be a patient, but in this case be patient! There are two sums of money here—\$2.5 million —

Mr E.S. Ripper: That will get him a budget increase at the expenditure review committee!

Dr K.D. HAMES: There are two sums of money—\$2.5 million is the amount that doctors have been charging. Those doctors who went to Channel Nine and complained that the private system was not being charged were not in fact themselves putting in the forms that they are required to put in as part of their contract to notify the hospital departments that there is a charge to be made.

The second thing we found is that some of the money that should be coming into that \$2.5 million component has in fact been coming in under the \$190 million component. There is not necessarily a deficiency in funds. My view is that there is a deficiency to a degree; maybe up to \$10 million.

Mr E.S. Ripper: Maybe!

Dr K.D. HAMES: It may be closer to a much lower figure; we have no idea.

Mr E.S. Ripper: It is true!

Dr K.D. HAMES: We started an audit of that back in November. But the key issue here is there is no hole in the budget because the budget has been provided and so, too, have increases in the budget. There is no hole. There is a lost opportunity to recoup funds from the private sector. We are investigating that. The amount involved, even if it was \$15 million, is 0.1 per cent of the budget—that is all.

Mr R.H. Cook: That does not matter?

Dr K.D. HAMES: It does matter. We need to be recouping that money from the private sector. We have to ensure that doctors notify the hospital of certain charges that need to be made. But I point out again: this has been going on since about 2003–04, mostly under the former government's watch, particularly under the previous Treasurer's watch.

PUBLIC HOSPITALS — UNCLAIMED MONEY

45. **Mr R.H. COOK to the Minister for Health:**

I have a supplementary question. The minister has known about this, by his own admission, since November last year. The minister is saying to us today that he still does not know how much money is involved. Does the minister care about this, or are the finances of his department just not a priority?

Dr K.D. HAMES replied:

I did not say I have known about it since November. I said it has been under investigation. This was part of a routine matter through which the department became aware in November and started investigating. I became

aware of it when we were approached by Channel Nine in recent weeks to say it was going to run the issue. I was advised that it was currently under investigation to find out how much there was, if there was anything.

GOODS AND SERVICES TAX REVENUE — WESTERN AUSTRALIAN SHARE

46. Dr M.D. NAHAN to the Treasurer:

As a result of this government's strong financial management and willingness to make tough decisions in the best interests of the state in difficult times, WA retained its AAA credit rating. I am concerned by the news that the Rudd Labor government is planning to slash WA's share of GST revenue to a paltry 68c for every dollar of GST paid. Can the Treasurer please inform the house of the impact this unfair move will have on WA families and businesses?

Mr T.R. BUSWELL replied:

That is probably the best question I have been asked since I have been here!

On Saturday night my wife and I were in the mosh pit at the AC/DC concert. A lot of people there wanted to know about this very topic! It is very topical with my new friends from the member for Wanneroo's electorate.

Tomorrow morning at seven o'clock, the Premier, Minister for Health and I will meet with Wayne Swan. A range of topics will be on the table for discussion—health, as the Premier has indicated; the Henry tax review, as the federal government attempts to pinch our capacity to charge royalties on our own resources; and I am sure that the GST issue will be discussed. I am interested to hear the soon-to-be departed, moving towards the back door, member for Rockingham, the state-funded candidate for Canning, make some comments. I would like to see what the member would put on the public record.

Point of Order

Mr M. McGOWAN: Mr Speaker, I would request that the Treasurer withdraw the slur that he just made against the member for Armadale. What he had to say was quite clearly unparliamentary, and I ask that he withdraw it.

The SPEAKER: Member for Rockingham, in my recollection of what the Treasurer said, I did not hear the name Armadale mentioned, but I did hear the name Rockingham mentioned.

Questions without Notice Resumed

Mr T.R. BUSWELL: That is an outrageous thing to accuse a person of—being the member for Rockingham! I do apologise in all sincerity.

Let me tell members what has happened. The Commonwealth Grants Commission last week handed down its five-year review report. There is some good news in it for Western Australia. The commission recognised at last that high-population-growth states, such as Western Australia and Queensland, have additional challenges when providing capital infrastructure. It is an argument that we have been making for a long time, and I am sure it is an argument that the now Leader of the Opposition made for a long time. I think it is a good outcome for Western Australia. But there is some bad news in it as well for Western Australia, and the bad news revolves around the technicalities of the averaging model that the commission uses. It has gone from five years to three years, which will have a huge impact on Western Australia in the next financial year. The extent of that impact is effectively this: next year we will lose \$443 million of goods and services tax payments.

Mr E.S. Ripper: Compared with what base?

Mr T.R. BUSWELL: We are losing \$443 million of GST payments. Let me tell the Leader of the Opposition what that is. It is \$196 for every single person in Western Australia. What we have is the most unfortunate situation in which Western Australia, the Western Australian government and the taxpayers of this state are investing in the economic and social infrastructure that will be driving the Australian economy into the twenty-first century, providing the economic growth that Kevin Rudd and Wayne Swan will live off and will no doubt campaign off at the federal election, and we will get punished for it. This is the sort of punishment we get: we lose \$443 million, New South Wales gets an increase of \$227 million and Victoria gets an increase of \$233 million. It is another clear example of states that are prosperous and work hard and move ahead —

Mr E.S. Ripper: Treasurer, I make you this offer. I will join the Premier in meeting with the Prime Minister on this issue. My shadow Treasurer will join with you in meeting with the Treasurer on this issue. Will you accept that offer?

Mr T.R. BUSWELL: I do not accept that. We all know that the Prime Minister would rather meet with Borat than meet with the Leader of the Opposition. We are not going to let him go to the eastern states and get everyone confused about this. If he does not know Kevin Rudd, he should get one of his federal colleagues to introduce him. We are not taking him. He should go himself.

The other point is this, and it is a very, very important point.

Several members interjected.

Mr T.R. BUSWELL: Wayne Swan is here tomorrow. Maybe he gave the member a call; I do not know. Our share of GST revenue is dropping to 68c in the dollar. We have 10 per cent of the population. If we got only our fair share, next year we would be \$1.5 billion better off. With \$1.5 billion we can build a lot of schools; with \$1.5 billion we can repay a lot of debt; with \$1.5 billion we can fix a lot of roads, and it is money that we do not have. The other thing that it does—I will close with this—is put our budget surplus next year under extreme pressure. With a stroke of a pen, the federal government will cut \$443 million from our bottom line. When we talk to Wayne Swan we will be talking about phasing in the shift from five to three years. We will be talking about introducing some flaws on relativities. We will be talking to him about bringing forward Kevin Rudd's promised infrastructure fund for Western Australia. We will be reporting dutifully back to the Parliament about the support that they provide to our government as we build the engine room for the Australian economy of the twenty-first century.

ALBANY GAS TARIFFS AND PIPELINE

47. Mr P.B. WATSON to the Premier:

I refer to the Premier's announcement yesterday that residents in my electorate of Albany have been singled out to pay the biggest increase in gas prices of all Western Australians.

- (1) Why are Albany residents being forced to pay 10 per cent more for gas when all other Western Australians will pay seven per cent?
- (2) How much money, if any, has the government allocated to its election promise to build a new gas pipeline from Bunbury to Albany, and what is the estimated cost of the pipeline?
- (3) When will this pipeline be completed and at what stage are stakeholder negotiations, market assessments, designs and finalisation of approvals?

Mr C.J. BARNETT replied:

- (1)–(3) I stated yesterday that the increases in the electricity and gas prices are significant. The question asked by the member was: why is the increase in the gas price more in Albany? The increases reflect the cost of supply and distribution. As the member is aware, the gas that is sold in Albany is transported by road and is a liquefied petroleum gas mix. It is not a normal gas and therefore its cost is greater and the price increase will be greater. That is the explanation.

The construction of a gas pipeline through the South West to Albany was a commitment that the government made at the last election —

Mr M.P. Murray: It's the same as the railway line.

Mr C.J. BARNETT: It is a commitment that we intend to honour. We have put \$20 million into —

Mr M.P. Murray: You can't be trusted. Coalfields highway. The Greenbushes–Bunbury railway line.

The SPEAKER: Member for Collie–Preston, you can ask a question this place. I have provided that advice to you before. There is a better way to do things than the way you are doing them at the moment. I formally call you for the second time.

Mr C.J. BARNETT: It is a project that we intend to proceed with. We will outline and detail the timing of the process that we intend to proceed with probably around midyear or later this year.

Mr M.P. Murray: What's the point? You don't honour them.

Mr C.J. BARNETT: For goodness sake! All I can say in answer to the member for Albany's question is: sit back and watch.

ALBANY GAS TARIFFS AND PIPELINE

48. Mr P.B. WATSON to the Premier:

As a supplementary question, is this extra hike in the gas price the first instalment the government will be slugging Albany families with to pay for the government's election promises?

Mr C.J. BARNETT replied:

No. The increase in prices is to pay for the cost of the delivery of the current services. They do not relate in any way to the construction costs of a future gas pipeline, the details of which we released as part of our election. We put out the estimated cost at the time. I do not know what the current estimate is. Those documents are publicly available. From memory, it was \$225 million or thereabouts, but I am not exactly sure off the top of my head.

Mr P.B. Watson: You said \$20 million earlier on.

Mr C.J. BARNETT: That \$20 million is in the forward estimates. We would expect the pipeline to be privately constructed.

Mr P.B. Watson: You haven't done anything.

Mr C.J. BARNETT: Mr Speaker, I am sure that you are interested in the provision of services in regional areas. It will be a privately constructed pipeline. I know that members opposite do not believe in using natural gas as a clean energy source or in the expansion of the gas pipeline system in this state.

Several members interjected.

The SPEAKER: Order! The member for Albany has had a chance to ask a question and a supplementary question, but he should not interject. I formally call him for the first time.

MR WARD'S FAMILY — EX GRATIA PAYMENT

49. Mr M.J. COWPER to the Attorney General:

Given the recent statements by the opposition about the government's consideration of an ex gratia payment to the family of Mr Ward, can the Attorney General update the house of the status of the ongoing discussions that are occurring with the Ward family and their representatives?

Mr C.C. PORTER replied:

I thank the member for his question. One thing that I will not do is go into the intricate details of the correspondence that has passed between my office and the Aboriginal Legal Service of Western Australia, which represents Mr Ward's family. Given some of the recent statements about this situation from the member for Mindarie—I would characterise them as intemperate—some explanation of the process to Parliament is warranted. As I explained about the Mr Mallard matter, an ex gratia payment is not in the nature of compensation for legal liability or compensation for an action that may or may not be taken against the government. In this matter, the Aboriginal Legal Service has corresponded to me and suggested a process. This matter may well involve an application for an ex gratia payment as well as a legal action against the government and, potentially, another party—the contractors—and those claims may run alongside each other. The Aboriginal Legal Service has said that that process could take some time. They are its words, not mine. After looking at the process that the ALS has suggested, I believe that it might be right. There is some distance to go before the matter of the actual total ex gratia application amount can be taken to cabinet. The member for Mindarie's comments were about an interim payment. He said things of the nature that this government had been absolutely shameful and that people should be ashamed of this government.

Several members interjected.

The SPEAKER: Order, members!

Mr C.C. PORTER: He said that the government had profited and sat idly by while the family was destitute.

Several members interjected.

Mr C.C. PORTER: He also said —

Several members interjected.

The SPEAKER: I think every member in this place is interested in this issue from a range of different perspectives. I want to hear your answer, Attorney General, and I want everybody in this place to listen to the answer. Whether you agree with it or not, or whether you think there might be better answers, it is the Attorney General's opportunity to talk to this issue. I give the call to the Attorney General.

Mr C.C. PORTER: One of the other comments was of the nature that this government has been very good at spending a lot of time bringing in extreme law and order issues, and it has not been any good at delivering fairness and justice to many people in Western Australia. Those comments were about what the member for Mindarie sees as the inordinate delay in the granting of a requested interim ex gratia payment in the sum of about \$200 000. I say to the house that I think there might have been some fairness in those comments, had they meant to say that a period, say, for instance, from the actual State Coroner's report to now would have been undue delay. But the fact is that I did not receive a request for an interim ex gratia payment until the middle of January. I am progressing that and I expect to have my recommendation that that be endorsed before cabinet, but the middle of January was the first time I had had such a request.

Several members interjected.

Mr C.C. PORTER: It is for the Aboriginal Legal Service to represent its clients in the best way it sees fit, and it may have had a number of reasons for not making that request of me until that point in time, but it has been progressed swiftly from the point at which the request was made to me.

Several members interjected.

Mr C.C. PORTER: What happens here —

The SPEAKER: I will repeat my comments. I think that everybody in this house is interested in this case and that everybody might have a different opinion about the way that an answer can be achieved to it. However, the question has been asked of the Attorney General and he is the only person I want to hear from at this point. The Attorney General has the call.

Mr C.C. PORTER: Words such as “appalling” and “shameful” show what the opposition’s attitude is. I do not play a lot of videogames, but when playing a videogame, a point can be reached at which, if it all goes badly, “reset” can be hit and one can pretend that things had not happened up to that point in time.

Several members interjected.

Mr C.C. PORTER: The former government went into opposition and it —

Mr J.R. Quigley: You paid the man from Cottesloe before he asked, but you won’t pay Mrs Ward! You couldn’t pay the man from Cottesloe quick enough!

The SPEAKER: Member for Mindarie, I formally call you for the first time. Attorney General, I request that you move rapidly towards the conclusion of your answer.

Mr C.C. PORTER: In order to move to that rapid conclusion, I will read a short passage from the coroner’s report into this matter.

Several members interjected.

The SPEAKER: Attorney General, take a seat. Members, I said that the only person I wanted to hear from was the Attorney General. Member for Girrawheen, I formally call you for the second time. I do not want to hear anybody else during the remainder of this very short—I hope—conclusion.

Mr J.R. Quigley: It’s a lecture!

The SPEAKER: Member for Mindarie, I formally call you for the second time as well.

Several members interjected.

The SPEAKER: If you want me to keep on doing this, I might just stop question time right now. That might please some of you entirely. Member for Cannington, I formally call you for the first time and the member for Albany for the second time.

Mr P.B. Watson: I didn’t say anything; it was him!

The SPEAKER: That is good.

Mr C.C. PORTER: It does not surprise me that the opposition does not want to hear it! The coroner’s report states —

The Department’s approach to procurement of a replacement fleet for prisoner transport was a long and involved process. It had commenced shortly after the Cabinet decision was made to acquire the prisoner transport fleet in 2003 but funding for replacement of the prisoner transport fleet was not first requested until the 2006/07 budget process when an amount of \$336,000 per annum was sought. In the 2007/08 budget process additional funding of \$686,000 in 2007/08 rising to \$1.419 million in 2010/11 was sought for leasing costs for the replacement of the fleet. These requests were not approved.

There were many reasons why that death occurred. The coroner went on to say —

This situation was unsatisfactory.

...

The cost of maintenance, service and repairs for the relatively small fleet of approximately 40 prisoner transport vehicles appears to have reflected their very poor condition. From January to December 2007 the cost was \$480,121 ... The expenditure from January to December 2008 was \$813,549 ... In other words by 2008 the annual cost of maintenance, service and repairs averaged over \$20,000 per vehicle.

Several members interjected.

The SPEAKER: I formally call the members for Joondalup, Warnbro, Mandurah and Kwinana for the first time, collectively.

Attorney General, have you concluded your remarks?

Mr C.C. Porter: Almost.

Several members interjected.

The SPEAKER: The only person I have asked a question of is the Attorney General. I do not want to hear any comments from anybody else. I will give you one last chance, Attorney General.

Mr C.C. PORTER: The shame in this matter is that members opposite failed to recognise their responsibility and they have lost that right. What earthly right do members opposite have to come here and say there is shame on this government? We are fixing the problem that they created.

Several members interjected.

The SPEAKER: Member for Mandurah, I formally call you for the second time; likewise, member for Cannington.

YEAR 7 STUDENTS — SECONDARY SCHOOL

50. **Mrs M.H. ROBERTS to the Minister for Education:**

I remind the minister that last year she advised she had not yet made up her mind whether year 7s should be at high school.

- (1) Has the minister now made up her mind; and, if not, when will she make up her mind?
- (2) Has the minister or her department commenced or completed any financial estimates on the placements of year 7 at high school; and, if so, when were the estimates done and what is the anticipated cost?

Dr E. CONSTABLE replied:

(1)–(2) I am really pleased that the member for Midlands has at last raised a substantial and substantive issue in education. The issue of whether year 7s should be in high school is currently under review. It is not one that I think we can rush. It is one that we need to understand in great detail. I appreciate the decision that was made by the former government—I think in 2007—on this issue, but since then a range of additional matters have occurred that we needed to take into account. The very first one was the move by the Catholic Education Office and many independent schools to place their year 7s in high school. That has had a marked effect on many of our upper primary schools, with students leaving earlier than they usually would have—at the end of year 6 rather than year 7. In fact, we can see in some areas that children are moving even before year 6, and in years 4 and 5 there is a drift away to the non-government schools. That has had a marked effect on how we deliver education in many of our primary schools. People will always point to the western suburbs in this regard, but we are seeing major issues in not only the western suburbs, but also throughout the metropolitan area. The member for Victoria Park raised this issue in his speech last week.

Another issue that has been raised now is the release of the national curriculum for public comment. When one looks at the curriculum, it is quite evident that there is an assumption that year 7s will be in high school, or certainly taught by specialist teachers. That is a grave concern to us. We have to again look at the moves in the national curriculum to see whether it is appropriate to have children in primary schools or in high schools. It is interesting to note that in the past two or three weeks, Queensland has announced that it is proposing to move its year 7s into high schools from 2014. That will leave only South Australia and Western Australia with year 7 children in primary schools.

Therefore, the vast majority of year 7 children in this country now are in high schools.

Mrs M.H. Roberts interjected.

The SPEAKER: Member for Midland!

Dr E. CONSTABLE: I have instructed the department and I am in consultation and conversation with it about this constantly. It is reviewing in great detail —

Mrs M.H. Roberts: Do you intend to answer part (2) about the financial estimates or not?

The SPEAKER: Member for Midland!

Mrs M.H. Roberts: I am afraid you might sit down and not answer!

The SPEAKER: I am sure you want to hear the answer to the question, member for Midland, but I formally call you for the first time. I will give you an opportunity to ask a supplementary question, if you are not convinced of all the information, at a later stage.

Dr E. CONSTABLE: The Department of Education is reviewing this issue in great detail for me and part of that review will be the financial estimates. I have not received those yet. When the review is complete, I will take it to cabinet for discussion.

YEAR 7 STUDENTS — SECONDARY SCHOOL

51. Mrs M.H. ROBERTS to the Minister for Education:

I have a supplementary question. When will the minister make up her mind and give parents some certainty as to what is occurring in government schools?

Dr E. CONSTABLE replied:

When the review is complete and goes to cabinet for discussion, an announcement one way or the other will be made.

RAILWAY STAKES — POLICE PRESENCE*Question without Notice 967 — Correction of Answer*

MR T.K. WALDRON (Wagin — Minister for Racing and Gaming) [2.51 pm]: Under standing order 82A, I wish to advise of some further information to the answer to question without notice 967, given on 26 November 2009.

The SPEAKER: Permission granted.

Mr T.K. WALDRON: On 26 November 2009 the member for Collie–Preston asked me a question about the heavy police presence at Ascot Racecourse on Railway Stakes Day. In my answer I mentioned that it had been brought to my attention that the concerns expressed by the Western Australian Turf Club were not with the police but with an officer of the Department of Racing, Gaming and Liquor. It was later brought to my attention that there were no Department of Racing, Gaming and Liquor officers at Ascot on the day and the enforcement issues were in fact related to members of the police enforcement division. My office contacted the member for Collie–Preston the same day to inform him of the new information, and I now seek to correct the record.

COLIN EDWARDES — POTENTIAL CONFLICT OF INTEREST*Question without Notice 41 — Supplementary Information*

MR C.J. BARNETT (Cottesloe — Premier) [2.52 pm]: Under standing order 82A, I seek leave to provide further information.

The SPEAKER: Leave granted.

Mr C.J. BARNETT: The member for Rockingham asked me a question today relating to contact between Cheryl Edwardes and me. I have some preliminary advice from my staff to indicate that since Colin Edwardes began work in my office around August–September 2009 there have been no meetings between Cheryl Edwardes and me, although I have certainly seen Cheryl Edwardes at social events.

CHILD COMMUNITY HEALTH CARE WAITLIST*Question without Notice 37 — Correction of Answer*

DR K.D. HAMES (Dawesville — Minister for Health) [2.53 pm]: I would like to provide further information pursuant to standing order 82A.

The SPEAKER: Permission granted.

Dr K.D. HAMES: I advise the house that the member for Alfred Cove asked me question without notice 37 on Thursday, 25 February regarding the child community health care waitlist. The answer provided by me was incorrect. The waiting time data was provided by the Department of Health to me in a table. I have been made aware that the waiting list data provided to the Education and Health Standing Committee prior to March 2009 was manually collated. Since then a new model of care has been implemented and makes accurate comparison prior to this time unrealistic. However, the longer waiting time for treatment is a trend that is acknowledged. Therefore, subject to the aforementioned qualification, if the waitlist information is compared between October 2008 and December 2009, there has been a trend for increases to the wait times for the following: speech pathology, 8.6 months; occupational therapy, five months; and, physiotherapy, five months. The extension in the waiting times was the result of the change in the model of care and increasing demand, not budget reduction, as the child and community health budget from 2008–09 to 2009–10 increased by three per cent or more than \$1.5 million.

MOORE RIVER — HOUSING LOTS SOUTH OF ESTUARY*Petition*

MS L.L. BAKER (Maylands) [2.54 pm]: I present a petition that has been certified by the Clerk requesting no urban development south of the Moore River. It is signed by 159 signatories and is as follows —

To the Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, say that the announcement by the Minister for Planning on 9 June, 2009, to approve of the development of 2,000 housing lots on the south side of the Moore River Estuary, is contrary to the findings of the Gingin Coast Structure Plan and to the view that has been consistently and strongly put forward by the community since 1995.

Now we ask that the Legislative Assembly recommend that the land adjoining the proposed Wilbinga Conservation Park which is subject to the Moore River Company's plans, be:

1. purchased by the Government at a fair price to the landowner, given the present rural zoning of the land;
2. be managed in perpetuity for the benefit of the whole community, for the protection of the estuary of the Moore River;
3. purchased to stop suburban Perth sprawling to the Moore River and beyond; and
4. saved from any form of urban development so that Western Australian tax payers are not forced to contribute to or subsidise the massive infrastructure costs (roads, bridges, sewerage, water supply, electricity supply) that would be caused by a development at the extreme outer limits of the city).

We make this request because of the unique aesthetic and environmental features which this area contributes towards the natural capital of Western Australia.

The petition bears 159 signatures.

Similar petitions were presented by **Mr J.N. Hyde** (173 signatures), and **Mr C.J. Tallentire** (123 signatures).

[See petitions 220, 222 and 225.]

SHACK SITE COMMUNITIES

Petition

MR R.F. JOHNSON (Hillarys — Minister for Police) [2.56 pm]: I have a petition couched in the following terms —

To the Honourable Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled:

We, the undersigned say that:

Leased Shack Sites Communities, such as Wedge Island, Grey, Donnelly River, Broke Inlet, Dampier Archipelagos, and Israelite Bay have long been the traditional holiday/recreational destination for many thousands of ordinary Western Australians.

Most Shack Site Communities sprung up to accommodate the gathering of farming and town based families to enjoy holidays together in remote and idyllic fishing locations right across Western Australia.

Some Shack Site communities went onto becoming fully-fledged towns such as, Bremer Bay, Jurien Bay, Dongara and Horrocks, whilst some Shack Site Communities have disappeared.

However, some residual communities remain, with a strong sense of community and have become the preferred holiday option for many thousands of Western Australians.

These places are tangible examples of sustainable lifestyles, where younger generations can learn responsibility and become creative and family traditions and stories can be passed on.

The loss of these communities will seriously diminish the social, economic and health well being of many ordinary Western Australian families.

Now we ask that the Legislative Assembly support our campaign for the Government to

Examine how other States of Australia, including South Australia, Tasmania and New South Wales have retained conforming Shack Site Communities in order to preserve these valuable assets for many Western Australians to have affordable coastal holiday destinations and continue to allow human interaction all but lost in today's society.

The petition bears 94 signatures and I confirm that it complies with the standing orders of the Legislative Assembly.

A similar petition was presented by **Dr M.D. Nahan** (252 signatures).

[See petitions 221 and 223.]

LEDA PRIMARY SCHOOL — FENCING

Petition

MR R.H. COOK (Kwinana — Deputy Leader of the Opposition) [2.59 pm]: I have a petition signed by 208 people that has been certified as conforming to standing orders. It reads as follows —

To the Honourable the Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, urge the State Government to fund a secure perimeter fence around Leda Primary School as a matter of urgency. The school staff and parents of Leda Primary School are concerned about the safety of both the students and of school property.

The current fencing is inadequate and the students of the school are not protected from the heavy traffic flow on Gilmore Avenue and other roads. Specifically, the school requires a fence because:

1. Leda has had 24 break in the three weeks to the 8 December 2009. Schools property is constantly being vandalised or damaged at great cost to the school community and the State.
2. Leda caters for kids of special needs some of whom are prone to running from the school grounds without warning. The school needs a secure boundary fence to properly service these kids.
3. Leda only has a damaged strand wire fence between the football oval and Gilmour Avenue. This has safety implications for the entire school community.

The school community now asks that the Legislative Assembly take every appropriate action to ensure that this issue is resolved so that the school can provide a safe environment for both the kids and staff and give parents some peace of mind.

[See petition 224.]

GENETICALLY MODIFIED CANOLA — MORATORIUM

Petition

MS A.S. CARLES (Fremantle) [3.01 pm]: I have a petition signed by 63 people and I certify that it conforms to the standing orders of the Legislative Assembly. It reads as follows —

To the Honourable the Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, say that as Genetically Modified (GM) canola seeds and pollen cannot be contained the decision to allow commercial growing will invariably contaminate all non-GM crops. If contaminated with GM, non GM farmers will lose their markets, organic farmers will face loss of certification and consumers will not be able to actively avoid GM foods because of current inadequate labelling regulations.

Now we ask the Legislative Assembly to revoke the decision on allowing commercial growing of GM canola in Western Australia and renew the moratorium on GM crops in this State.

[See petition 226.]

MENTAL HEALTH SERVICES — FUNDING

Petition

MR R.H. COOK (Kwinana — Deputy Leader of the Opposition) [3.02 pm]: I have a petition signed by 860 people. It has been certified as conforming to standing orders. It is a petition opposing the proposed funding cuts to mental health services and reads as follows —

To the Honourable Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, say

Mental health services in Western Australia are currently underfunded and under resourced. Any further cuts to mental health services will severely compromise care available for those individuals experiencing mental illness, their carers, families, members of the community, as well as those who provide the services. Cuts to mental health will place further strain on our hospitals, criminal justice system, schools and other public institutions.

Now we ask the Legislative Assembly

To provide a guarantee that mental health services will be quarantined against any funding cuts wrought by the current Government and that mental health funding be increased in keeping with current demand. We request that any funding decisions made with regard to mental health are transparent and that the community is fully informed of any changes.

[See petition 227.]

TAILGATING — PREVENTIVE MEASURES

Petition

MR J.C. KOBELKE (Balcatta) [3.03 pm]: I have a petition couched in the following terms —

To the Honourable the Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, are concerned at the alarming escalation of tailgating behaviour on Western Australian roads especially that aimed at drivers who are merely observing the speed limit.

Now we ask the Legislative Assembly that consideration be given to methods for increased enforcement effort by police on tailgating including investigation of the use of cameras to detect it, more targeted operations and examination of the possible increase of penalties under regulation 109 of the *Road Traffic Code 2000*.

I certify that the petition conforms with the standing orders of the Legislative Assembly and contains 15 signatures.

[See petition 228.]

FORREST BEACH, CAPEL — PUBLIC ACCESS

Petition

MR M.P. MURRAY (Collie–Preston) [3.04 pm]: I have a petition from 1 168 petitioners that conforms with standing orders. It reads as follows —

To the Honourable the Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, say that Forrest Beach in Capel should remain open for public and vehicle access to allow for recreational use.

Now we ask that the Legislative Assembly seek to purchase the beach area from the land owners and such land owners are financially compensated for the loss of such land.

[See petition 230.]

REDFIN PERCH — FISHING LICENCE

Petition

MR M.P. MURRAY (Collie–Preston) [3.04 pm]: I have a petition that reads —

To the Honourable Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned say:

that the obtaining of a South West Fishing Licence to fish for Redfin Perch ... in rivers and dam's of the South West is objectionable as Redfin Perch are a vermin introduced species.

The petition goes on to ask that the Legislative Assembly make the fishing of redfin perch exempt from licensing. There are 613 petitioners.

[See petition 231.]

GENETICALLY MODIFIED CANOLA — MORATORIUM

Petition

MR M.P. MURRAY (Collie–Preston) [3.05 pm]: I have a petition that reads —

To the Honourable the Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, say that as Genetically Modified (GM) canola seeds and pollen cannot be contained, the decision to allow commercial growing will invariably contaminate all non-GM crops. If

contaminated with GM, non GM farmers will lose their markets, organic farmers will face loss of certification and consumers will not be able to actively avoid GM foods because of current inadequate labelling regulations.

Now we ask the Legislative Assembly to revoke the decision on allowing commercial growing of GM canola in Western Australia and renew the moratorium on GM crops in this State.

The petition has been signed by 11 people, in addition to the 25 000 others who have already signed petitions that have been tabled.

[See petition 229.]

The SPEAKER: I give the call to the member for Rockingham.

Several members interjected.

The SPEAKER: I have given the call to the member for Rockingham so that he can read a petition. I thought that the member for Collie–Preston had finished with his petition, and I did not know that the Minister for Agriculture and Food had a petition. The only person I want to hear from is the member for Rockingham.

Point of Order

Mr D.A. TEMPLEMAN: Mr Speaker, during question time you called opposition members to order on a number of occasions. I am not sure whether you are aware that the Minister for Agriculture and Food was continually interjecting during the presentation of the petition by the member for Murray–Wellington. I ask you to show some equity in your decision.

The SPEAKER: There is no point of order. But I hope that the subtle suggestion I was making to the Minister for Agriculture and Food might sink in.

Mr D.T. REDMAN: The member for Mandurah referred to the person making the accusations as the member for Murray–Wellington. I believe it was the member for Collie–Wellington, who is on his own team, so he should at least get that right.

Mr M.P. MURRAY: I also make a correction; it is Collie–Preston.

The SPEAKER: My response to the point of order is that there are no more points of order on this point of order!

INFILL SEWERAGE PROGRAM — ROCKINGHAM

Petition

MR M. McGOWAN (Rockingham) [3.07 pm]: Appropriately enough, this petition relates to sewerage! It contains 15 signatures, and reads —

To the Honourable the Speaker and Members of the Legislative Assembly in the Parliament of Western Australia in Parliament assembled.

We, the undersigned say:

The State Government must immediately reverse its decision to cease the Infill Sewerage Programme for the Rockingham 25B precinct in Shoalwater.

The decision is unfair to many Shoalwater residents who were anticipating the completion of the programme. It also has implications for the future health of Lake Richmond.

Now we ask that the Legislative Assembly:

Call for the Barnett Government to take immediate steps to reinstate the Infill Sewerage Programme for residents located within the Rockingham 25B precinct.

[See petition 232.]

WASTE WATER TREATMENT PLANT — EAST ROCKINGHAM

Petition

MR R.H. COOK (Kwinana — Deputy Leader of the Opposition) [3.08 pm]: I have a petition with 509 signatures that has been certified as conforming to standing orders. It reads —

To the Honourable Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We the undersigned are concerned about the proposed placement of a waste water treatment plant by the Water Corporation on IP14 land in East Rockingham. We are strongly opposed to the siting of an

odour producing plant so close to the residential area of Hillman and the Dixon Road caravan park and small business area, we also believe the western suburbs of Kwinana could be affected.

Also of concern are the areas of significant vegetation and landform under State and Federal Government legislation.

We urge the State Government to oppose this proposal and ensure that the people of the area do not have their amenity, lifestyle and health compromised by such a facility.

Now we ask that the Legislative Assembly take appropriate action to ensure that ... the proposal does not affect the environment and properties in the area.

[See petition 233.]

GENETICALLY MODIFIED CANOLA — MORATORIUM

Petition

MR J.E. McGRATH (South Perth) [3.09 pm]: I have a petition signed by 35 signatories.

To the Honourable the Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, say that as Genetically Modified (GM) canola seeds and pollen cannot be contained, the decision to allow commercial growing will invariably contaminate all non-GM crops. If contaminated with GM, non GM farmers will lose their markets, organic farmers will face loss of certification and consumers will not be able to actively avoid GM foods because of current inadequate labelling regulations.

Now we ask the Legislative Assembly to revoke the decision on allowing commercial growing of GM canola in Western Australia and renew the moratorium on GM crops in this state.

The petition has been signed according to the standing orders.

[See petition 234.]

BAUXITE RESOURCES LIMITED — ACTIVITIES IN THE SHIRE OF CHITTERING

Petition

THE SPEAKER (Mr G.A. Woodhams): I present the following petition —

To the Honourable the Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We the undersigned say —

1. Bauxite Resources Limited proposes mining bauxite along the Darling Ranges from Moora to Manjimup.
2. We are opposed to the over-ruling of the Chittering Town Planning Scheme to allow bauxite mining on private agricultural land in the Shire.
3. Bauxite mining is placing at risk agricultural and tourism businesses, the ecologically diverse natural environment, the road-safety and the residential amenity of residents around Bindoon

Now we ask the Legislative Assembly:

4. To ensure Due Process is followed in the form of a comprehensive environmental assessment (Public Environmental Review) of all areas of the Shire which may be targeted for bauxite mining activities, and the application of the Planning Principles in our Town Planning Scheme No 6, when considering any application to mine bauxite in the Shire of Chittering
5. To protect the Bindoon Escarpment and the Darling Scarp from the visual and environmental impacts of bauxite mining

The petition contains 181 signatures and conforms to the standing orders of Legislative Assembly.

I have another petition couched in similar terms containing 32 signatures that I table.

[See petitions 235 and 236.]

SHIRE OF TOODYAY WORKS DEPOT — RELOCATION

Petition

THE SPEAKER (Mr G.A. Woodhams): I present the following petition —

To Honourable speaker and the members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We the undersigned say, residents of Toodyay, Western Australia are opposed to the relocation of the Shire of Toodyay Works Depot to the Marshalling Yards at Railway Road, Toodyay 6566 WA, on the grounds of lack of proper and orderly planning and environmental and amenity concerns.

Now we ask the Legislative Assembly respectfully request the Shire of Toodyay to rescind the construction of the Shire works depot until legitimate environmental, traffic and financial reports are carried out. We also ask that consultation regarding this and other appropriate alternative sites shall be considered in an industrial area.

The petition contains 210 signatures and conforms to the standing orders of the Legislative Assembly. I table the petition.

[See petition 237.]

PAPERS TABLED

Papers were tabled and ordered to lie upon the table of the house.

ECONOMICS AND INDUSTRY STANDING COMMITTEE

Inquiry into Logging Native Forests — South West Region — Notice of Motion

Dr J.M. Woollard gave notice that at the next sitting of the house she would move —

- (1) That this house refers to the Economics and Industry Standing Committee for consideration and report by 30 November 2010 the following —

To inquire into and report on the costs and benefits, including the broader community costs and considerations, of logging of native forests under the existing forest management plan in the South West region of Western Australia.

- (2) That this house calls on the government to place a moratorium on any further logging of those native forests until the government has reported to the Assembly its response to the report of the committee.

BILLS

Notices of Motions to Introduce

1. Treasurer's Advance Authorisation Bill 2010.
2. Revenue Laws Amendment Bill 2010.
3. Revenue Laws Amendment and Repeal Bill 2010.

Notices of motion given by **Mr T.R. Buswell (Treasurer)**.

4. Grain Marketing Repeal Bill 2010.

Notice of motion given by **Mr D.T. Redman (Minister for Agriculture and Food)**.

FISH RESOURCES MANAGEMENT AMENDMENT REGULATIONS 2010, REGULATION 6 — DISALLOWANCE

Notice of Motion

Notice of motion given by **Mr E.S. Ripper (Leader of the Opposition)**.

FAMILY HOUSEHOLD COST INCREASES

Matter of Public Interest

THE ACTING SPEAKER (Mr P.B. Watson): Members, today the Speaker received within the prescribed time a letter from the Leader of the Opposition that reads as follows —

Dear Mr Speaker,

Matter of Public Interest

I wish to raise the following as a matter of public interest today, Tuesday, March 9, 2010.

“That this House condemns the Barnett Government for failing to manage its Budget and protect Western Australian families from savage increases in family bills.”

The matter appears to be in order. If at least five members stand in support of the matter being discussed, I will allow it.

[At least five members rose in their places.]

The ACTING SPEAKER: Given that more than five members have stood in support, the matter can proceed.

MR E.S. RIPPER (Belmont — Leader of the Opposition) [3.17 pm]: I move the motion.

It is becoming apparent to the Western Australian community that Western Australia is on the verge of a new boom. Two key questions about the impending economic prosperity must be asked. First, will Western Australians benefit from this new period of economic growth? Second, how will Western Australians benefit from this new period of economic growth? Regrettably, few Western Australian families will benefit from the impending economic boom under this government, because this government is mismanaging the state's finances and it is mismanaging the budget. When a government mismanages the budget, families incur costs because services are cut or family bills go up—or both things happen. As the state government mismanages its finances and prevents the benefits of the forthcoming boom from reaching Western Australians, services are being reduced and family bills are on the increase.

I will explain what has happened to Western Australian family budgets since the election of the Barnett government. If members take account of the state's reduced family support measures—for example, I refer to the ending of the pay-to-learn allowance and the ending of subsidies for government high school fees—and take account of the savage increases in family bills imposed by this government, they will reach the conclusion that since September 2008, the Barnett government has taken \$1 500 from Western Australian family living standards. Of course, its history with electricity charges is worse. Listening to the government's rhetoric before the election, one would have thought that there was no campaign by the incoming Liberal government to increase electricity prices. However, last year it hit consumers with a 26 per cent increase in electricity prices, and yesterday it announced two more increases. Together, those increases amount to 18.25 per cent for the next financial year. The increase in family electricity bills as a result of yesterday's announcement is, conservatively, \$216 per annum. So \$216 per annum is what one day's announcements of the Premier and his government have cost WA families.

However, the situation is much worse than 26 per cent last year and 18.25 per cent for the next financial year. Why do I say that? I say that for two reasons. One is that people pay over and over again for increases in electricity prices, they pay over and over again when their electricity bills come in, but they also pay over and over again because households are not the only parts of our society that have been hit with increasing electricity charges. Sporting clubs have been hit with increased charges, churches have been hit with increased charges, councils have been hit with increased charges for street lighting and businesses have been hit. Those organisations will not contain the increases within their own accounts. They will pass them on. When Western Australians pay council rates, they will pay a component for increased electricity charges for street lighting. When they pay sporting club fees, they will pay a component for the increased electricity charges on recreation centres and the other facilities that sporting clubs use. Churches will cost more to run as a result of increases in electricity charges. Businesses of all types will pass on the costs of increased electricity bills to Western Australian households, so families will pay over and over again.

Mr P.T. Miles interjected.

Mr E.S. RIPPER: The member for Wanneroo should be standing up for WA families instead of interjecting on me. He should be looking after those families in Darch. He should not be standing by and letting his senior ministers savage the living standards of those people in Darch who voted for him in good faith. We are going to go up there and talk to the people in the electorate of Wanneroo. We are going to be campaigning in the electorate of Wanneroo and we are going to be saying to people, "We oppose the savage increase in electricity charges. We oppose what" —

Mr P.T. Miles interjected.

The ACTING SPEAKER (Mr P.B. Watson): Member for Wanneroo, you will have a chance to speak, and I am sure you will.

Mr E.S. RIPPER: We oppose the savage attack on family living standards that has been instigated by the Liberal-National government. I said that it is going to get worse. It is not going to get worse only because of the on-passing of costs from other organisations to families; it is going to get worse because there is more to come under this government. Its plan, as revealed in information given to the Standing Committee on Estimates and Financial Operations in the other place, involves another 50 per cent increase in electricity charges between now and 1 July 2013. What this government proposes to do, on top of the increases it has already imposed, is to add another \$700 to family electricity charges. That is the plan.

Mr P.T. Miles interjected.

The ACTING SPEAKER: I call the member for Wanneroo to order for the first time. As I said, I am sure the member will get up to either vote for or against the motion or talk about it, but the Leader of the Opposition has the floor.

Mr E.S. RIPPER: The plan is to add a further 50 per cent on top of the increases in electricity bills that we have already seen—to add another \$700 to average family electricity bills. If that is not the plan, the budget is a lie, because that information was given to the Standing Committee on Estimates and Financial Operations by the Department of Treasury and Finance. It was information about the underlying tariff assumptions for the WA midyear review and forward estimates. Taking account of the 18.25 per cent increase announced yesterday, there is still 50 per cent more to come as a result of this government's financial plan—so more bad news for WA families at a time when dividends from the electricity organisations are actually increasing. We have a —

Mr C.J. Barnett interjected.

Mr E.S. RIPPER: The Premier is desperate. I am not going to take interjections from a desperate man seeking to avoid responsibility. He is the emperor with no clothes, and people are beginning to see that. He never ever takes responsibility for any decisions he makes. It is always somebody else—it is the federal government, it is the previous government, it is the global financial crisis, it is the Commonwealth Grants Commission. The Premier is in government. He was elected in September 2008. He has choices. He should take responsibility for the decisions he makes.

We will see an increase in electricity organisation dividends to the government before the end of this financial year. Remarkably, that increase will probably be just enough to provide the slim \$51 million surplus that the government is forecasting. Moreover, we are going to see dividend increases in the electricity organisations between now and 2013, while the government, under the leadership of this Premier, with his henchman, the Treasurer, savagely increases family bills. It is just a desperate lie to blame the increases on the break-up of Western Power, because there is information about the success of the electricity reform program, and that information is published by the Economic Regulation Authority. It says that the market appears to be performing well in meeting its objectives. That is what the Economic Regulation Authority says. The truth is that the government has choices to make, and it has not made those choices in favour of WA families.

The commodity boom delivered huge increases in global energy prices, but it also delivered the government of Western Australia increased capacity to protect Western Australians from the effects of those energy price increases. The previous government used that capacity to deliver a benefit from the boom to Western Australian families to shield them against sudden and savage increases in electricity prices. We put \$780 million into the budgeted forward estimates to protect WA families. What did this government do? It took that money and spent it on other things. It spent it on the country local government fund. It intends to spend it on the Oakajee port, and it intends to spend it on building Roe Highway stage 8. So it has made choices, but none of those choices has been in favour of protecting Western Australian families. That is the basic argument that we put before the house. The government had choices. The government chose, the Premier chose, not to protect Western Australian families. The Premier chose to take that \$780 million and spend it on other things. What the Premier needs to understand is that he is the Premier and that the buck stops with him. It is no good to blame other people; it is no good to denigrate other people. He has been in government for some time now; he has been in government since September 2008. He has the capacity to make different choices.

I am not the only one who thinks that. I want to quote from an email that I received from a Main Roads department engineer, who said —

I am shocked to read that Verve executives are receiving massive pay increases while **energy costs are sky rocketing** and public servants like myself are being forced to accept pay increases well below the **true** CPI. Although I do not believe everything that is written by the Media there seems to be a trend here of this Government paying the rich more and more while the poor get less and less!!! And please do not blame the previous State Government or the current Federal Government for these issues...show some real leadership and take responsibility.

Many a true word spoken by a Main Roads department engineer! That is a very, very correct and appropriate statement. The Premier has savaged the family bills of ordinary households in Western Australia. He has made the wrong decisions and, to add insult to injury, he is refusing to accept responsibility for his own seriously negative choices.

MR M. McGOWAN (Rockingham) [3.28 pm]: I support the motion moved by the Leader of the Opposition. What we have seen over the 18 months of the Barnett government has been a massive increase in taxes and charges on ordinary families in Western Australia—a massive increase in taxes and charges on ordinary folk around Western Australia at a time when they should expect to receive some dividend from the improvement in the Western Australian economy that we see going on today courtesy of our strong trading position with our trading partners Japan and China. If the increases in taxes and charges are all rolled together, we can equate it to

a great big new tax. I have heard that before—a great big new tax. It will mean a \$1 400 or \$1 500 increase in the average cost per family around Western Australia when we add in the increases in electricity, the increases in gas —

Several members interjected.

The ACTING SPEAKER (Mr P.B. Watson): Members have an opportunity to get up and talk. I want to hear what the member for Rockingham is saying. If anyone else wants to talk, their names will go in the little black book!

Mr M. McGOWAN: The increases in electricity, the increases in gas, the increases in water, the increases in public transport, the increases in —

Several members interjected.

The ACTING SPEAKER: I call the members for Warnbro and Wanneroo to order for the first time!

Mr M. McGOWAN: The increases are in public transport, the Perth parking levies, the brand-new levy to be imposed on households under the landfill levy legislation that this government has passed; the new fishing tax; the list goes on and on of increases on ordinary families around Western Australia. This government has been in office only 18 months thus far.

Those increases are compounded. If members go to the midyear review they will find that this government has not only imposed these additional taxes and charges on Western Australian families, but also abolished \$500 million worth of tax cuts that were due to come in. They are contained in this midyear review—cuts in payroll tax and stamp duty, which often affect relatively small businesses that employ Western Australian citizens, and stamp duty that impacts on ordinary folk in their transactions involving non-real property. That is, \$500 million worth of tax cuts abolished by a Liberal Party government in Western Australia; tax cuts that the ordinary citizens of this state should have been able to expect that they would enjoy from the middle of this year. There are therefore increases in taxes and charges and the abolition of tax cuts around Western Australia, but they are compounded by this government's inability to rein in some of its expenditure.

Several members interjected.

The ACTING SPEAKER: Members!

Mr M. McGOWAN: I will add to this. Members will recall when the Treasurer announced the cap in public sector staffing last year. He said that the government would cap public sector staffing to 99 500 public servants around Western Australia and that the government needed to do that to ensure that there was a control on costs. Since he put in that cap, 2 300 additional public servants have been employed by this government. If we add in the abolition of a uniform tariff in the country—a controversial issue in the late 1990s, as I recall—that means that many small to medium-size businesses in country towns in Western Australia will pay markedly more above these increases for their electricity bills. We are already hearing stories from small and medium-size enterprises in country towns such as Albany and Esperance that will be massively impacted by that abolition. The issue that is topical today is the increase in electricity prices.

A government member interjected.

The ACTING SPEAKER: Excuse me, member, if you are going to interject, would you do it from your own chair? I call you to order for the first time.

Mr M. McGOWAN: Over the course of this year there will be an 18 per cent increase in electricity prices on ordinary households; that is, on top of a 26 per cent increase in the first year of the Barnett Liberal government. That will be an increase in electricity prices of 18 per cent plus 26 per cent. I know that the Premier will stand in this place and say, "It's all your fault because you put in place the disaggregation process, which meant that there was competition in the electricity sector. It's all your fault because you put in place that competitive pressure in the electricity sector." Of course if the Premier had had his way, there would not have been that massive growth in private generation capacity in the electricity sector. That would have impacted on the state budget and would have meant that taxpayers would have paid for the capital that was put in place for the generation of electricity. That would have been the consequence of what the Premier is saying.

However, let us have a look at what the Premier did. He said—I heard him on the news last night—"It's all your fault, what you did." I have got the *Hansard* with me of when the bills went through Parliament in 2005. Let us have a look at what various members had to say during the debate. My personal favourite is what the now Treasurer, the member for Vasse, had to say on the disaggregation process of the electricity sector. He said —

The disaggregation of Western Power ... is something I support, and I am glad the Liberal Party has chosen to support that view. At the end of the day, I have a fundamental confidence —

Mr T.R. Buswell: That is right. Have you seen the account of the incompetent management of the process?

Mr M. McGOWAN: The Treasurer will love this —

... I have a fundamental confidence in the delivery of the market mechanism—that is, supply and demand—to generate the most effective set of long-term social and economic conditions. I also believe that it is the most effective mechanism to use to address problems Western Australia currently faces in the electricity sector.

The Treasurer said that before he supported the legislation. I would have thought the Liberal Party, in saying how awful the legislation was, would have voted against it. The question was put and passed. No member of the Liberal Party or the National Party called “Divide”. Not a single member of the conservative parties of this state called for a division on that legislation.

Several members interjected.

Mr M. McGOWAN: I can find in *Hansard* where the Premier said that he would not vote against the legislation. However, the then Liberal leader and member for Kalgoorlie, Mr Matt Birney, said —

If we want to create a competitive, cost-effective marketplace, it should be separated. The opposition is prepared to offer support for this bill. I thank the minister for taking on board our suggestion to impose a price cap for the smaller players. That will alleviate a fair amount of concern, particularly from members of the Liberal Party.

Several members interjected.

Mr M. McGOWAN: If we go through the debate, we can see that speaker after speaker from the Liberal Party and the National Party and the Premier all said that they would not vote against the legislation. The Premier did not have the courage of his convictions to cross the floor. He did not have the courage of his convictions to call a division, despite the fact that he constantly says the Liberal Party has that capacity.

Mr C.J. Barnett: Did you read my speech?

Mr M. McGOWAN: I did read the Premier’s speech. It was a pretty average speech. It was long and turgid, as is his wont.

Several members interjected.

Mr M. McGOWAN: But I got right to the end of his speech looking for the principle, looking for the Premier saying, “I am going to call a division; I am not going to support this.” What did he say? He said that he would not oppose the legislation and that he would support his colleagues on it. He did not vote against the legislation. All of his colleagues who spoke on the issue indicated support for it.

So what have we seen? A massive growth in private generation capacity in the electricity system as a consequence of those reforms. We also saw under the former government protection for ordinary families, which this government has ripped out and is now responsible for the increase in prices for ordinary families.

MR T.R. BUSWELL (Vasse — Treasurer) [3.37 pm]: I will make a couple of quick comments on the motion. I will start with a quick discussion on electricity and then move on to the broader issues of financial management. The member for Rockingham is right: we did support the disaggregation process. I think at the time we might have expected a level of competence that we could describe as moderate from the minister. That, unfortunately, did not transpire and one of the reasons we are here today is because of that incompetence. It is exactly the same as the mismanagement of that other project in which I became interested in opposition: the Office of Shared Services. It was not until the then Treasurer and now Leader of the Opposition got involved that the thing got back on track, because it was shoddy.

Several members interjected.

Mr T.R. BUSWELL: It was incredible shoddy, and it happened everywhere. It happened at Perth Arena; it happened with electricity disaggregation; it happened with the Office of Shared Services.

Mr F.M. Logan interjected.

Mr T.R. BUSWELL: It happened at Varanus Island when my friend the member for Cockburn went up there. The place had blown up! He came back and made a statement to the house and said, “There’s been an explosion on Varanus Island. Has anyone been awake?”

Several members interjected.

The ACTING SPEAKER: Members, I was hoping we would have a good debate on something that is very important to constituents, especially my constituents. I am sure a circus is not what they want. Let us get back to the point.

Mr T.R. BUSWELL: Thank you, Mr Acting Speaker. Indeed the people of Albany want that hospital.

The ACTING SPEAKER: Yes.

Mr T.R. BUSWELL: It is being built with great speed, Mr Acting Speaker.

The ACTING SPEAKER: I am looking forward to the opening.

Mr T.R. BUSWELL: I will not talk about that.

I want to talk about glide path for a second. The Leader of the Opposition made a lot about how good he was, how generous he was, and that he had this \$1 billion community service obligation across four years.

Mr E.S. Ripper: It was 780.

Mr T.R. BUSWELL: It was \$780 million across three years. It was across four years a \$1 billion bailout of his failed, botched system.

Mr E.S. Ripper: Supporting Western Australian families; subsidies to protect Western Australians—you took it away. Unconscionable!

Mr T.R. BUSWELL: I want to make one point. The Leader of the Opposition talks a lot about 10 per cent per annum price increases. The previous government created this myth that it would increase the price of electricity by only 10 per cent per annum.

Mr E.S. Ripper: The plan went out before the election; what was your plan? What did you say before the election?

Mr T.R. BUSWELL: I refer to the budget statements of 2008–09. This is where the previous government put on the public record its 10 per cent strategy. In respect of cost-reflective tariffs, it states —

This involves a 10% increase in 2009–10, with further annual increases to be phased in over a six to eight-year period.

The previous government asserted that annual increases in these tariffs beyond 2009–10 were not expected to be less than 10 per cent. It was an open-ended compact with the people of Western Australia, but the government never published a glide path. However, there is a bit of an insight into what the previous government had planned post the last election. At the time the previous government moved a 10 per cent price increase to cost-reflective tariffs, the community service obligations figure was around \$270 million to \$290 million. If the government does not catch up to cost reflectivity, the CSO will go up every year. Can members guess what was planned for 2011–12? The CSO was reduced by nearly one-third. The previous government clearly planned for a significant increase in electricity prices in 2011–12, but it never published the figures or shared the information with the people of Western Australia. However, it is there for everyone to see because of the decrease in the CSO. It hid behind the assertion that it would be 10 per cent for 2009–10, but it would not be any less than 10 per cent in subsequent years. The opposition has been caught with its pants down. It has no credibility.

Mr E.S. Ripper: We'll see who has credibility as people start paying their bills.

Mr T.R. BUSWELL: The opposition talks about salary increases. A worker has emailed the opposition, talking about the salary increases in Verve. That is probably not unlike the salary increase of the chief executive officer of the Government Employees Superannuation Board. These are obscene amounts of money.

Mr E.S. Ripper: What are you doing about it?

Mr T.R. BUSWELL: If we could unpick the contract that the previous government put in place and the performance criteria that it signed off on before it left government, we might be able to do something about it, but we cannot.

Several members interjected.

The ACTING SPEAKER (Mr P.B. Watson): Order, members! When the Leader of the Opposition was on his feet, I gave him protection; I expect the same for the Treasurer as he speaks in reply.

Mr T.R. BUSWELL: The member for Cockburn would know. When we discovered the issue with GESB, we had advice from the State Solicitor's Office to say that we could do nothing. I am sure that is exactly the same as the advice that the minister has been given in relation to Verve, because the previous government signed those contracts, not us.

Mr E.S. Ripper: You could direct the board, or you could sack the board.

Mr T.R. BUSWELL: That is a possibility, but the contract is in place. I wanted to share a small piece of information about what has happened; I cannot find it. The data talks about the increase in salary levels at some of these entities since the disaggregation process. It highlights the fact that the previous government was asleep at the wheel, but I will move on.

We know that the previous government had a secret plan and that it failed to tell the people of Western Australia that it was going to put energy prices up. It is self-evident in the fact that the budget papers reveal that it was to be no less than 10 per cent, yet the CSO dropped by nearly a third three years later.

Mr E.S. Ripper: After we'd had some 10 per cent increases!

Mr T.R. BUSWELL: No, 10 per cent does not even keep up, and the Leader of the Opposition knows that!

Mr E.S. Ripper: Do you take us for fools?

Mr T.R. BUSWELL: Yes; it is not a hard conclusion to draw!

I would like to get back to the subject of managing the state's finances, because at the end of the day the suggestion made by the opposition is that the government has not managed the state's finances, and that as a result we have had to ratchet up our fees and charges to cover up for those failures. I do not know; there is a definitional issue here that we need to explore. Does the opposition regard maintenance of the state's AAA credit rating during the global financial crisis to be a failure in the management of finances? I do not know. There is probably only one other state in Australia that has a similar composition to Western Australia in respect of finances and spending, and that is Queensland. In the face of the global financial crisis, Queensland gave up the ghost, went home, let debt shoot through the roof and lost its AAA credit rating. We have kept our AAA credit rating in the face of the global financial tsunami that washed against the shores of Western Australia. Is it a failure of financial management to make a conscious decision, in the run-up to last May's budget, to invest in jobs here in Western Australia? Is it a failure to decide to invest in jobs when we now know, based on —

Mr P. Papalia interjected.

Mr T.R. BUSWELL: We have invested massive amounts in infrastructure, including the floating dock. I will tell the member for Warnbro what we did.

Mr P. Papalia: You don't know where it went!

Mr T.R. BUSWELL: We are not worried about bits of paper.

In the seven months from July to January, 27 300 full-time jobs were created in Western Australia, which is 41 per cent of the entire creation of full-time jobs in the entire nation. Is that a failure? No, it is not. We kept Western Australia's AAA credit rating and we have driven employment in this state to nation-leading levels.

I have found the data about what happened to executive salaries post disaggregation, under the watch of the previous government. Executive salaries of the entities have increased from \$1.87 million in 2006 to \$10.5 million in 2009. The opposition should wear that with pride; it is an increase of only 463 per cent. The creation of the four corporations and all the boards has seen board sitting fees —

Mr E.S. Ripper interjected.

Mr T.R. BUSWELL: Is the Leader of the Opposition admitting it was the previous government's fault? Is he admitting that it was something the previous government had charge of as it skyrocketed? Board fees have increased from \$393 000 to \$1.12 million. The most damning fact of the previous government's failure is the number of FTEs.

Mr E.S. Ripper interjected.

The ACTING SPEAKER: Order, members!

Mr T.R. BUSWELL: The number of FTEs has increased from 2 919 to 4 041. If we were to go back to 2006, I do not think that anyone would say that the system was any more reliable for not having any one of those 1 122 people. That is what the previous government did; it put in place a framework, put the member for Cockburn in as minister, and he fell asleep at the wheel.

I return to the definition of economic management. What did we do? We protected the state's AAA credit rating, and we are seeing nation-leading levels of employment.

Mr E.S. Ripper: You've held families hostage.

Mr T.R. BUSWELL: The Leader of the Opposition should tell the 27 300 Western Australians in full-time employment that we have done a bad job. If he had been here with his little four-page plan for the future, nothing would have happened. He had no idea.

That is our financial management record. What did the previous government do? It governed during a period when this state enjoyed massive surpluses—billions and billions of dollars in surpluses—and it did nothing to improve the quality of service delivery. That is why, despite the best efforts of the member for Cannington in running the last election campaign, the Labor Party lost. If his government was so good, why are its members now sitting on that side of the chamber? It was hopeless. It was hopeless during the campaign, and it was

hopeless in government. The only reason I know that the member for Cannington is hopeless is because all his colleagues tell me so.

Mr W.J. Johnston interjected.

The ACTING SPEAKER: Member for Cannington!

Mr T.R. BUSWELL: The member for Willagee has drawn the short straw, having to sit next to him; the member for Maylands has won—she has moved!

Mr P. Papalia interjected.

The ACTING SPEAKER: Member for Warnbro!

Mr T.R. BUSWELL: The previous government wasted billions of dollars, failed to deliver better services and failed to deliver better infrastructure, economically and socially, for the people of Western Australia. Was it good financial management that the Perth Arena project started out as a \$160 million project and was supposed to be finished last year, but is now a \$480 million project that may be finished sometime? Was it good financial management for the budget for Fiona Stanley Hospital to begin at \$600 million and to increase to \$1.8 billion? I do not think so. Maintenance of the AAA credit rating during a period of incredible financial difficulty, and driving —

Mr E.S. Ripper: What will you deliver for Fiona Stanley Hospital? Are you guaranteeing that there will be no increase in the Fiona Stanley Hospital budget?

Mr T.R. BUSWELL: I am a lot more confident that it will be delivered on time and on budget with us in government than was the case when the opposition was in government. I can tell the Leader of the Opposition that it will not triple in price.

I will move on. I want to touch on a couple of things before I sit down. It is the case that the state's finances have been tight. Revenue growth in Western Australia has slowed significantly. I will give some examples. In the past two years, taxation revenue in Western Australia has declined. That has been driven largely by significant reductions in stamp duty revenue. Some of the major streams of state revenue have declined. Royalty income has declined. In the midyear review, royalty income is estimated at \$2 billion. That is a decline over the past 12 months.

Mr E.S. Ripper interjected.

The ACTING SPEAKER: Order, Leader of the Opposition!

Mr T.R. BUSWELL: As the Leader of the Opposition would know from his days as Treasurer, some of our core income streams are in decline.

Expense growth, on the other hand, is challenging. The member for Rockingham highlighted that point, and I agree with him. It is very, very difficult. Why? It is because we inherited a general government sector in which expense growth had been allowed to ratchet up for a number of years.

Mr P. Papalia interjected

Mr T.R. BUSWELL: I will give the member for Warnbro some figures. In 2004–05, expenditure growth in government was around 10 per cent. In 2006–07, it was around nine per cent. In 2007–08, it was around 10 per cent. In 2008–09—last year—it was around 13 per cent. That is not acceptable. It is a major challenge. In the first six months of this year, the underlying expense growth in Western Australia was 7.4 per cent. So it is coming down. Have we done enough? No. Is there more to do? Yes. But we are slowly winding back the rate of expense growth in Western Australia. It is difficult. It is like turning around a massive ship with only a little oar at the back. But we are slowly getting there, and every minister is committed to doing that. Expense growth is beginning to slow. We hope that, in due course, revenue growth will become more robust.

I will close with a couple of observations. Firstly, the Leader of the Opposition's form in relation to electricity reform is very poor.

Ms A.J.G. MacTiernan: You voted for it!

Mr T.R. BUSWELL: The taxpayer-funded candidate for Canning! How much are we paying the candidate for Canning to get out and about?

The ACTING SPEAKER (Mr P.B. Watson): Order, Treasurer! I think that is getting away from the point of what we are talking about at the moment. I think the Treasurer should be getting back to what the MPI is about.

Mr T.R. BUSWELL: Thank you, Mr Acting Speaker. I do apologise.

I will close with a couple of observations.

Ms A.J.G. MacTiernan interjected.

The ACTING SPEAKER: Order, member for Armadale!

Mr T.R. BUSWELL: I will get to the member in a moment.

When the now Leader of the Opposition was the Minister for Energy, he received a report from Deloitte. The report was on the financial impact of the proposal market reforms on Western Power Corporation and its successor entities. That was a report that the then Minister for Energy received, but he never told anyone about it. I am interested to know why.

Mr E.S. Ripper: Who commissioned the report?

Mr T.R. BUSWELL: I have no idea who commissioned it. I know that the then minister received it, and I know that he never shared it with anyone.

Mr E.S. Ripper: Who commissioned it?

Mr T.R. BUSWELL: I have no idea who commissioned it, but I know that the then minister received it, and I know that no-one was told about it. I know that for a fact.

Mr E.S. Ripper: How do you know that?

Mr T.R. BUSWELL: Is it on the public record? Can the Leader of the Opposition show me where it is on the public record? I do not think so.

The report said that there will be some real problems. It said that there will be a significant reduction in the profitability of the entities of between \$318 million and \$400 million a year. It said that there will be a significant reduction in enterprise value of between \$415 million and \$500 million, and there will be a significant reduction in payments to government of between \$337 million and \$410 million. The report also flagged significant concerns about the long-term viability of the retail unit and the generation unit. The then Minister for Energy also received correspondence from the board of Western Power, but, again, I do not think he shared that with anyone. That correspondence flagged issues around reduced profitability, reduced value for the owner, reduced payments to government, and reduced viability of generation and retail. That is what the Leader of the Opposition was told when he was the Minister for Energy. But he did not happen to share that with anyone.

Mr E.S. Ripper: Are those the only reports that we received?

Mr T.R. BUSWELL: I am referring to the Deloitte report.

Mr E.S. Ripper interjected.

Mr T.R. BUSWELL: What has happened since then? The Leader of the Opposition should listen to this, because this is his track record on energy reform. Western Power's earnings before interest and taxation for the three years before the split was \$1.423 million. The combined corporations' EBIT for the three years after the split was \$948 million. That is a reduction in profit of \$430 million. That is exactly what the Deloitte report—the discredited report, according to the Leader of the Opposition—said would happen with the profit of the enterprises. What did the report say would happen with the value of the enterprises?

Mr E.S. Ripper: Do you oppose the split now?

Mr T.R. BUSWELL: What I am saying is that it was managed incredibly poorly.

Verve's annual report said that there has been a reduction in shareholder equity of \$370 million. That is exactly what the apparently discredited report predicted would happen.

Mr E.S. Ripper interjected.

The ACTING SPEAKER: Order, Leader of the Opposition!

Mr T.R. BUSWELL: The Leader of the Opposition does not like it, Mr Acting Speaker, because it is true. He had the facts presented to him, and he refused to share them with the public and the Parliament, but it has all come true.

I turn now to the last little fact. Western Power's cumulative payments to government for the three years before the split was \$621 million. The cumulative payments to government from the combined corporations for the three years after the split was \$367 million. That is a reduction of \$254 million. That is almost exactly what the report that the Leader of the Opposition did not release indicated would happen.

So what do we know? We know that we are managing the state's finances well in difficult times. That is a given. What else do we know? We know that the former Minister for Energy had a secret plan to raise energy prices. The Leader of the Opposition has not disputed that. We know also that the former Minister for Energy was given every indication and every bit of advice that what he was doing would be a failure, but he chose to share that with no-one. All that bad news has now come home to roost.

DR M.D. NAHAN (Riverton) [3.57 pm]: Mr Acting Speaker —

Several members interjected.

The ACTING SPEAKER (Mr P.B. Watson): Order! The member for Riverton.

Dr M.D. NAHAN: Thank you very much, Mr Acting Speaker.

This debate as I hear it—we have heard it many times before—is about how well the government has managed the downturn and the budget, and how best we can prepare for the next boom or growth phase. If we look back at the last 18 months, it was a very uncertain time. We did not know how bad things were going to get. It was tough. Anyone who tried to manage their finances during that period would know how hard it was. The government stated clearly that one of its priorities was to undertake —

Mr D.A. Templeman interjected.

The ACTING SPEAKER: Order! The member for Mandurah will be going to more than tea if he does not keep quiet.

Dr M.D. NAHAN: Thank you, Mr Acting Speaker. I cannot think through his piercing voice.

One priority was capital works. If we are to prepare for the next growth phase—as the Leader of the Opposition has said we should, and he is right—the most important priority is to put our efforts and our limited revenue into capital works; housing, both public and private; and urban redevelopment, particularly in the north of the state, in the Pilbara. That is absolutely vital. Yet that is something that the previous government completely ignored. We also need to put revenue into the provision of ports, gas hubs and other infrastructure. That is absolutely vital. That is how we prepare for the next boom. We also need to do that during a downturn, because during a downturn the construction sector is often hit hard. Therefore, if we provide that infrastructure, it will enable people to remain employed. I think anyone who looked objectively at what the government did during that time, given the uncertainty, would give the government a big tick.

Another issue is the deficit. Our government inherited a very large surplus, as the previous government had had very large revenue flows. However, revenue flows collapsed because of lower commodity prices and lower commodity sales. The decision we had to make was whether we would go into deficit, as all the other states had done, bar Victoria. The Queensland government is in so much trouble that it is selling Queensland Rail, without disaggregation. The Queensland government is selling the whole lot as a monopoly, because it is desperate for money. When people mismanage debt, they get desperate and they do silly things, as Queensland is doing now. During that period, we had to make some tough decisions. Yes, we increased charges in certain cases. Yes, we pulled back tax cuts that we had proposed. But we did that because we had to draw a line in the sand. It is difficult to have a small budget surplus. I will get to how difficult that is going to be, particularly with the Labor Party's friends in Canberra.

The issue of electricity charges of course started many years ago—in 2001. The new Gallop government at that time decided to disaggregate and reform the electricity sector. Some sectors, particularly the contestable market sector, and large firms, have been a success. It has allowed competition. It allowed private sector investment. It has worked. The problem lies with the south west interconnected system, the non-contestable sector. The idea was that we would get new entrants into the market and be more contestable as new demand grew. Effectively, it did not happen—that is the problem.

Mr E.S. Ripper: Synergy says it saved \$1.6 million in its procurement. That is what it told the house.

Dr M.D. NAHAN: I think Synergy and others, because they were haemorrhaging money, were desperate and did certain things. The real problem was that during the disaggregation period, the price of fuel went up. Fuel, whether it is coal or the whole electricity industry, is determined by the world oil price. It went from \$US11 to \$US12 a barrel to almost \$US140. With it, all fuel prices shot up. What did the former government do? It kept prices constant. As a result, the effective real price collapsed slowly and steadily whereas in every other state—even those disaggregated, some determined by the market and some, like Queensland, more determined by government—it rose. As a new government the basic theme was, “We’re going to try to keep prices low.” Prices went up ten-fold and prices were kept constant. It required leadership at the time to say, “Our system is not working.” At the same time of course the former government was not driving efficiencies and competition in the delivery of production and the SWIS. That is why it failed.

Before the election, the government commissioned a review of the electricity market. I am not sure why; I hope it was because of accountability. That review stated that we needed, I think, about a 72 per cent increase in the price of electricity to get to real market costs. The government accepted the basic premise that eventually it had to get there. We share the basic aim; fair enough. It is only logical. At the same time Labor, and to some extent the Liberals, said that we have to have more realistic pricing of electricity if we are to address efficiency and global warming. We cannot even move towards that if we subsidise electricity prices. I might add, subsidising electricity prices by gouging Verve or running down its asset base is silly. It can invest; or, if we try to subsidise

electricity prices through borrowing—which the government did not do because it had surpluses—or by using the state's thin tax base is not only gouging Peter to pay Paul and distorting the incentive to save electricity, but, even worse, it is inequitable. Big electricity users will potentially be subsidised by people from low-income families. More importantly, how do we pay for the damn things? Do we pay for it by payroll tax? Oh great! Stamp duty on houses—great! Our tax base simply cannot equitably share that.

Mr E.S. Ripper: How does the government deliver a benefit from a boom to Western Australian families?

Dr M.D. NAHAN: It does not do it by subsidising electricity prices to householders.

Mr E.S. Ripper: How would you do it?

Dr M.D. NAHAN: You do not do it that way. That is the subject. It is a big issue; I admit that. Going to the last election, as the Treasurer said, he announced a 10 per cent increase. It was not clear what he was going to do after the election. I think that is fair enough, because he had to address it during the election. I am not sure how well he did it. He accepted that eventually he had to get to a 72 per cent increase.

Mr E.S. Ripper: We told people the truth.

Dr M.D. NAHAN: Did you? Did you say how you were going to get that 72 per cent increase and the timing and the rate of increase?

Mr E.S. Ripper: Yes.

Dr M.D. NAHAN: You did? Up to 10 per cent a year?

Mr E.S. Ripper: We told people 10 per cent first-off, and at least 10 per cent after.

The ACTING SPEAKER (Mrs L.M. Harvey): Members! There is a lot of background noise in the Assembly. As just evidenced it is very, very difficult to hear the member for Riverton, who has the call. Could you please take your conversations outside.

Dr M.D. NAHAN: The real issue is not whether we are increasing the cost to householders, but basically how it is to be funded. The previous government was going to do the same thing. Somehow it had to plug the haemorrhage in the electricity industry. The choices are either to do it through prices or taxes, or borrowing. It chose basically to do it by taxes. It chose to do it by taxes because it was not actually being accountable. The government was saying, "We'll just put it on the never-never. We have put it in the budget as CEO and we will gouge it somewhere else." At the same time you were rabbiting on about electricity efficiency.

There is another reason why we should have—as the government did—focused on a small budget surplus; that is, focused on realistic pricing of electricity and not put it on the never-never and impose it on our tax base. This state, in common with all states, faces the graded threat to its continued survival by Rudd government changes. The Henry tax review is mooted—it has not been released. The federal government is considering effectively taking over our royalties. It had mooted the idea to put in a profit-based override royalty on all our royalties. That is the biggest threat we could possibly face.

Mr W.J. Johnston: No!

Dr M.D. NAHAN: Yes, it is; financially it is. Secondly, the GST, which the opposition leader has repeatedly said he shares concerns about, has been a systemic problem for some time—and he faced it. The Treasurer said that is going down to 68 cents out of a dollar. Actually, as a result of the changes, it is going down below 6 cents. I share the view of another potential boom, but we face a catastrophic problem with our ability to fund the necessary infrastructure and social services. We do! The problems lie not with the pricing of electricity but with the Labor Party's colleagues in Canberra. Go talk to them, especially the member for Armadale! She must support Mr Rudd's tax rip-offs proposal.

Several members interjected.

Dr M.D. NAHAN: Members do not support that?

This government has done a brilliant job in terms of capital works and managing the budget. Most importantly, it has been honest about electricity prices rather than fudging and hiding prices like Labor would have.

MR P. ABETZ (Southern River) [4.07 pm]: Madam Acting Speaker —

Mr W.J. Johnston: Pull out the big guns!

Mr P. ABETZ: When he is finished, I will commence.

I noted with interest that the Leader of the Opposition —

The ACTING SPEAKER: Order! It is time, member for Southern River.

[Government time expired.]

Several members interjected.

The ACTING SPEAKER: Order, members!

MR J.C. KOBELKE (Balcatta) [4.08 pm]: I think it is very telling that the Premier used backbenchers to address the matter of public interest as he was not willing to mount his own defence of his government. We have a Premier who actually cannot rise in this chamber and mount a defence of any substance, so he chose not to. We are seeing from this Liberal–National Party government something that the Liberals see as their standard approach to raising taxes and revenue—that is, hit the battlers and tax the families. That is the approach Liberal governments take every time they are in power. The approach of the Barnett government when there is a problem in the budget is simply to go out, flog ordinary families and take money from them. That is what the Barnett government is about.

Of course, the Premier did not rise because the facts are not there in support of his position. If we look at the eight years when the Premier was Deputy Leader of the Liberal Party under the Court government, we find year after year that the increase in taxes and charges, as measured by the representative household basket, was above the inflation rate. That representative household basket was put in place by the Court government because it was under attack then as a result of ripping money out of the pockets of ordinary families to try to balance the budget. It is exactly what we see now. When we look at that representative household basket, we find that in the past five years of the Liberal government for which the figures were available there was a five per cent real increase above inflation, which was an extra \$159 a year hit against ordinary families, and extra taxation through the charges that were levied on water, electricity, buses et cetera in that household representative sample. That was what this Premier did when he was Deputy Leader of the Liberal Party under the Court government.

When the Labor governments came in and looked to sharing the benefits of the boom, every single year the cost of that same basket of household goods was reduced in real terms. The increase was below the inflation rate. We do not have the figures for the final year, but in the final year the increases were well below the inflation rate, and if we take the seven years to 2007–08, there was cumulatively a 10.8 per cent real reduction in the cost of that basket of goods. What did we see under the Liberals of the Court–Barnett government? An increase of more than five per cent real in those charges. When we had a Labor government, we had a 10.8 per cent reduction. Then in the first budget of the Barnett government, we see an increase in the cost of that same standard representative household basket of 9.1 per cent in one year, when the reference rate of inflation was 4.2 per cent. It was over twice the reference rate of inflation. If we take the estimated increase in the Perth consumer price index for 2009–10, which is 2.5 per cent, it was nearly four times the inflation rate for the year that the Barnett government was increasing charges.

This government is true to form for Liberal governments. When it needs to balance the budget, it slugs ordinary families. They are the government's simple target to try to raise money. Why does the government need to raise that money? It needs to raise that money because that was the cost of buying government. The deal the Liberal Party had to do with the National Party required it to find an extra \$3 billion across the four years. Where is that \$3 billion being found? It is being found largely from out of the pockets of ordinary families, who are being slugged to try to pay for this coalition government. That is what it is all about; it is simply paying extra costs in power, water, sewerage and drainage and a range of other charges, so that this government can actually try to make its budget balance because of the deal it has done.

What does the government do? It has to create a story to try to shift the heat. This Premier is very good at making up stories. We hear his stories all the time. We remember his story when he came out of the ABC studio about hundreds of weapons in Northbridge. We really had to back him because there were hundreds of weapons in Northbridge!

Mr C.J. Barnett: There are.

Mr J.C. KOBELKE: He says that there are. Where are the figures for it?

Mr C.J. Barnett: Do you deny there are weapons in Northbridge?

Mr J.C. KOBELKE: Does the Premier have any objective evidence that there are hundreds of weapons on the streets of Northbridge? Does he have any evidence? It is a classic example of the Premier simply making up a story with no facts to back it up. It was convenient at the time to create a story, as he did with his claim of weapons in Northbridge, which he had to back away from because it was simply not true. Again, we see in respect of electricity charges that he has concocted and fabricated a false story about the disaggregation creating the problem. The disaggregation has saved the government money. It has enabled private providers to come in and to actually build power stations, which the state would have to fund if they had not been disaggregated. We hear the raucous noise from those opposite because the government has been caught out. It has fabricated a false story, and part of that is that they have stolen—I repeat stolen—the \$780 million that was in the budget to help subsidise the power costs for ordinary families because the Liberal Party needed it to back up its deal with the National Party to form government. That is what it was. All the rest is the concoction of a story to try to sell why they are hitting ordinary families with these extra charges.

In the Treasurer's Statement in this debate there was another story as big as the one concerning the weapons in Northbridge that do not exist. The Treasurer says that this government is managing the state's finances well. It is another weapons in Northbridge story. Everyone knows that the government is a total shambles at economic management. Members can talk to anyone in the public sector about the instructions and the problems that they are facing. There is the cut to front-line services in education, health and police. We can see that this government is a shambles. However, the Treasurer's story, without any substance, is that the government is managing the state finances well. I do not think that is actually going to wash with the people out there who have to pay the increased costs for electricity and other charges.

It is very interesting that part of his willingness to impose an extra penalty on ordinary families and small businesses is the removal of the uniform electricity tariff. Back in the days of the Court government when the current Premier was the Minister for Energy, he attempted then to get rid of that uniform tariff, which, in simple terms, means that we pay a bit more for power in the city to look after the people in regional areas so that they do not have to pay such a huge differential because of the extra costs.

Mr C.J. Barnett: "People", was it?

Mr J.C. KOBELKE: And small businesses.

Mr C.J. Barnett: They were Coles and Woolworths.

Mr J.C. KOBELKE: They were small businesses being hit. The Premier then did not get his way, because the then Leader of the National Party, HENDY COWAN, stood up to him so he could not do it. But it seems that now the current Leader of the National Party has got that \$3 billion, he does not worry if the battlers in the bush are going to be hit because the uniform tariff is being taken away. The point I make there is that it is not a matter of whether people live in the city or the country; this government is about putting its hands into the pockets of ordinary families to try to cover a problem it has created, and a problem it has very clearly created. It was in government for most of 2009–10 and it had the ability to pull the levers to adjust things. The 2009–10 budget, as presented in the midyear review, showed an increase in recurrent expenditure by this government over two years of 23 per cent. If health expenditure blows out by \$250 million, there are extra costs and the government does not get revenue from some of the utilities, we will find a 25 per cent increase in recurrent expenditure in two years under this government.

The Premier tries to make up this story that the government is actually managing the state's finances. The government is not managing the state's finances. To its shame, and the cost of all families, its solution is to whack up electricity bills and whack up other charges way above the inflation rate, because it needs to bring in the revenue to try to stem the flow created by its total lack of control of expenditure. The government's false stories and its attempts to try to rationalise away what is the real truth and reality will not wash with the people in my electorate of Balcatta. I am sure that it will not wash with the people in the electorates of the Liberal members opposite when they are hit with this unnecessary and huge increase, because where we put the \$780 million in to provide a benefit to ordinary families from the boom, the government has taken it out. It has stolen that \$780 million, so it has to increase electricity charges by a much steeper rate in order to try to cover the holes it has had in its budget. I therefore commend the motion to the house.

Question put and a division taken with the following result —

Ayes (26)

Ms L.L. Baker	Mr F.M. Logan	Mr J.R. Quigley	Mr P.C. Tinley
Ms A.S. Carles	Ms A.J.G. MacTiernan	Ms M.M. Quirk	Mr A.J. Waddell
Mr R.H. Cook	Mr M. McGowan	Mr E.S. Ripper	Mr P.B. Watson
Ms J.M. Freeman	Mrs C.A. Martin	Mrs M.H. Roberts	Mr M.P. Whitely
Mr J.N. Hyde	Mr M.P. Murray	Ms R. Saffioti	Mr D.A. Templeman (<i>Teller</i>)
Mr W.J. Johnston	Mr A.P. O'Gorman	Mr T.G. Stephens	
Mr J.C. Kobelke	Mr P. Papalia	Mr C.J. Tallentire	

Noes (30)

Mr P. Abetz	Mr V.A. Catania	Mr A.P. Jacob	Mr C.C. Porter
Mr F.A. Alban	Dr E. Constable	Dr G.G. Jacobs	Mr D.T. Redman
Mr C.J. Barnett	Mr M.J. Cowper	Mr R.F. Johnson	Mr M.W. Sutherland
Mr I.C. Blayney	Mr J.H.D. Day	Mr A. Krsticevic	Mr T.K. Waldron
Mr J.J.M. Bowler	Mr J.M. Francis	Mr W.R. Marmion	Dr J.M. Woollard
Mr I.M. Britza	Mr B.J. Grylls	Mr P.T. Miles	Mr J.E. McGrath (<i>Teller</i>)
Mr T.R. Buswell	Dr K.D. Hames	Ms A.R. Mitchell	
Mr G.M. Castrilli	Mrs L.M. Harvey	Dr M.D. Nahan	

Pair

Mr B.S. Wyatt

Mr A.J. Simpson

Question thus negatived.

CROSS-BORDER JUSTICE AMENDMENT BILL 2009*Returned*

Bill returned from the Council without amendment.

ROAD TRAFFIC AMENDMENT BILL 2010*Second Reading*

MR R.F. JOHNSON (Hillarys — Minister for Police) [4.25 pm]: I move —

That the bill be now read a second time.

I am pleased to introduce legislation into the house to modify the current impounding provisions of the Road Traffic Act 1974. As members of this house are aware, the impounding provisions were introduced by the opposition in 2004. Since that date, there have been a number of amendments to enhance these provisions to indicate that Parliament is sending a clear message to the community that we do not tolerate either drivers who adopt antisocial and dangerous driving practices, or those who blatantly continue to drive, despite being disqualified by a court. The intent of the bill is twofold. Firstly, it upholds the fundamental right of the community to feel safe while on the roads, and, secondly, it corrects situations such as those highlighted in recent times with the impounding of several vehicles that were driven by service providers, such as mechanics, and prospective car buyers.

I will now outline the key provisions contained in the bill. The bill broadens the ability of the police to release impounded vehicles early when the vehicle was in the possession of a vehicle service provider for the purpose of being serviced and at the time of the alleged offence the vehicle was being driven by the vehicle service provider or an employee; the vehicle service provider provided a loan vehicle to the offender while the vehicle service provider was servicing the offender's vehicle; or, the vehicle was for sale and was being test-driven by the offender for the purpose of a road test. In considering an application for the early release of a vehicle, a senior police officer will ensure that the vehicle service provider has provided the service as part of the provider's business and for reward. This excludes a friend or relative of the responsible person from these provisions unless they own such a business.

The bill will enable the Governor to make regulations to prescribe other circumstances for early release if and when those circumstances are identified. When an application for the early release of an impounded vehicle has been made by an innocent person, the senior police officer may require the information to be provided in a statutory declaration. When an impounded vehicle has been released under one of the above circumstances, the police will be able to require the alleged offender to surrender a vehicle for which the offender is responsible as a substitute for a period of either 28 days or three months. This will be achieved by the police issuing a surrender substitute vehicle notice within 28 days of the release of the innocent party's vehicle. If the alleged offender fails to surrender a vehicle for which he is responsible, the police can enter a private property in order to seize the vehicle. If the offender does not own a vehicle, no substitute vehicle will be impounded.

In summary, the bill addresses the issues raised in two recent high-profile cases—namely, that of the Lamborghini that is owned by Dr Nugawela and was impounded due to the actions of a mechanic, and of a Mini Cooper owned by Auto Classic Mini Garage that was impounded due to the actions of a potential buyer. Under this bill, both those vehicles would have been returned to their respective owners and the mechanic and the potential buyer would have been required to surrender their own vehicles for impoundment. When a vehicle is being sold and is taken for a test drive by a potential buyer who commits a hoon offence, I would expect the owner of the vehicle to satisfy the authorities that the intended sale was real. In other words, it is not the intent of this legislation to create a loophole by people simply claiming that a vehicle was being test-driven at the time of the offence if that was not actually the case. I would also encourage both commercial and private sellers to accompany potential buyers, whenever possible, on a test drive.

I commend the bill to the house.

Debate adjourned, on motion by **Mr D.A. Templeman**.

PAY-ROLL TAX ASSESSMENT AMENDMENT BILL 2010*Second Reading*

MR T.R. BUSWELL (Vasse — Treasurer) [4.29 pm]: I move —

That the bill be now read a second time.

The Pay-roll Tax Assessment Amendment Bill 2010 seeks to implement a package of measures aimed at achieving a greater level of harmonisation between Western Australia and the other states and territories in a number of areas of the payroll tax regime; two new exemptions that were announced in the 2009–10 budget for

wages paid in relation to parental or adoption leave and leave taken by specified emergency service volunteers; and new nexus arrangements that govern where tax is to be paid when services are provided in more than one jurisdiction in a month.

Turning, firstly, to harmonisation amendments: the differences in payroll tax arrangements that exist between states and territories have been commented on by business as increasing compliance costs, particularly for businesses that operate in more than one jurisdiction. In March 2006, state and territory Treasurers endorsed Western Australia leading a major project with other states and territories to examine the feasibility of achieving greater levels of consistency in a number of areas of payroll tax administration. These areas were: the timing of the lodgement of returns; motor vehicle allowance exemptions; accommodation allowance exemptions; treatment of fringe benefits; treatment of employee share acquisition schemes; treatment of services performed outside a jurisdiction; treatment of superannuation contributions; and, grouping of commonly controlled businesses. The final recommendations to adopt harmonised provisions and definitions in these key areas were endorsed by state and territory Treasurers in March 2007.

The Pay-roll Tax Assessment Amendment Bill 2008 was introduced in May 2008 to legislate for the above changes and was passed in this place; however, the bill lapsed when Parliament was prorogued at the time the election was called in 2008. The bill has not been reintroduced since that time, pending consideration of finalisation of a number of government decisions that required additional amendments to the bill. These included the exemptions announced as part of the 2009–10 budget; the design and drafting of new nexus arrangements; and a delay in the start date of the harmonised grouping provisions as announced in the midyear review of the 2009–10 budget. In the interim period the harmonisation measures have become the subject of commitments under the Council of Australian Governments' reform agenda associated with business regulation and competition. More specifically, they are part of the "National Partnership Agreement to Deliver a Seamless National Economy", signed in December 2008. Further areas of harmonisation are still being considered as part of this reform program. It is also notable that in introducing these harmonisation measures, a number of other states and territories have adopted template legislation. This was not the preferred implementation approach in Western Australia, primarily because a number of jurisdictionally specific aspects of the Western Australian payroll tax regime have been maintained. These include the retention of quarterly and annual return provisions, which provide consistent lodgement requirements with the commonwealth and provide a unique benefit in Western Australia; provisions for facilitating electronic lodgement processes that support the Revenue Online system, operated by the Office of State Revenue; specific superannuation provisions that outline the treatment of defined benefit schemes that have been praised by practitioners and business in the past for their clarity and ease of operation; and, the exemption of payments made for remote area housing benefits, which recognise Western Australia's extensive and unique regional industries.

One change has been made to the superannuation provisions previously introduced in 2008. This was to correct a minor anomaly and to ensure that superannuation payments paid or payable on behalf of all non-executive directors are included in the assessment of payroll tax. Prior to the change, the provisions had the unintended effect of capturing only those superannuation contributions made on behalf of non-executive directors who had also received shares or options as remuneration. With the exception of the deferral of the amendments to the grouping provisions to 1 July 2012, the harmonisation amendments are scheduled to commence on the day of royal assent, but are applied with effect from 1 July 2009 by virtue of the transitional arrangements in the bill. Keeping to the 1 July 2008 commencement date originally proposed for most of the measures would have caused significant compliance and administration costs as taxpayers and the Office of State Revenue would have had to repeat the annual reconciliation process for the 2008–09 year. Moreover, commencing the amendments part way through the year was not a desirable option. This is because payroll tax is an annual tax, albeit usually paid on a monthly basis, and midyear commencement causes significant complications from a taxpayer, legislative and administrative perspective. Accordingly, these amendments are to apply from 1 July 2009. These minor adjustments are capable of being administered as part of the 2009–10 end-of-year reconciliation process to ensure that taxpayers are not put to undue trouble. Alternatively, once these measures are enacted, taxpayers are able to apply to the commissioner for a refund of any tax that may be owed to them before the end-of-year reconciliation is done. The estimated cost to revenue of the consistency measures included in this bill is \$71 million over four years to 2012–13, \$69 million of which is attributed to the amendments to the grouping provisions that will take effect in 2012–13.

I now turn to the exemptions that were announced in the 2009–10 budget for wages paid in relation to parental and adoption leave, and leave for employees undertaking certain volunteer emergency services functions. These exemptions form part of the further harmonisation measures that were required to be considered as part of the Council of Australian Governments' reform agenda. New South Wales, Victoria, South Australia and Tasmania provide a payroll tax exemption for wages paid for adoption and maternity leave periods for up to a maximum of 14 weeks. In enacting their exemptions, the Northern Territory and Queensland also extended the scope to include paternal leave for fathers over the same period. The exemption in this bill is largely consistent with the

exemption available in the Australian Capital Territory, on the basis that it is the broadest. The Western Australian exemption will be available for 14 weeks' leave taken for maternity and adoption leave, as well as paternity leave taken by male and female partners of a pregnant female.

The exemption for employees who engage in volunteer emergency services work will cover volunteers under the Fire Brigades Act 1942, the Bush Fires Act 1954, and the Fire and Emergency Services Authority of Western Australia Act 1998. Specifically, this exemption covers volunteer firefighters, State Emergency Service volunteers, and Volunteer Marine Rescue Services volunteers. The exemption available in all other jurisdictions is reasonably consistent. The estimated cost of the exemption on wages paid for parental leave and to emergency services volunteers is \$2 million over four years. These amendments are to commence on the date of royal assent, but would also apply for the whole of the 2009–10 year, on the basis of the transitional provisions.

The third initiative in this bill introduces new nexus arrangements that determine when wages are taxable in Western Australia in circumstances where services are provided by a person in more than one jurisdiction. All jurisdictions have announced an intention to legislate common nexus provisions that will determine when wages are taxable in their jurisdiction. The Pay-roll Tax Assessment Act 2002 currently provides that wages paid to an employee who has provided services in more than one jurisdiction are regarded as being liable for payroll tax in the jurisdiction where the wages are paid. This is usually the location of the employee's bank account into which the payment of the wages is made. However, a recent examination of this issue by revenue officers across Australia has questioned the appropriateness and ongoing viability of the current payroll tax nexus in these circumstances both from a revenue perspective and in terms of increasing administrative complexity being encountered by affected taxpayers. The design of the new nexus arrangements uses a series of conceptually simple and logical rules that allow taxpayers to determine the jurisdiction to which payroll tax is to be paid. It is worth noting that these changes will only affect employers who have employees who provide services in more than one jurisdiction in the course of a month. Where that is the case, the employer is to determine where the tax is payable by reference to the principal place of residence of the relevant employee. A number of further provisions have been inserted into the nexus arrangements to deal with situations where the employee's principal place of residence is not located in Australia. While these further provisions add a degree of complexity to the legislation, the number of taxpayers who will be affected by them is likely to be small. As previously foreshadowed, the new nexus arrangements will commence on the date of royal assent; however, the transitional provisions apply these changes as if the provisions had commenced on 1 July 2009. It is expected that the nexus change will have a negligible impact on revenue collections.

On a more general note, the majority of changes in the bill will be favourable to taxpayers; however, the new nexus arrangements in particular will require a limited number of taxpayers to change the jurisdiction to which they pay some amounts of payroll tax. Where taxpayers are required to make adjustments to their tax liabilities, they will have the choice of applying for a reassessment after the bill receives royal assent. This can be done using the reassessment process set out in the Taxation Administration Act 2003, or waiting until the end of the 2009–10 financial year and making the required adjustments as part of the usual annual reconciliation process.

As the amendments to the Pay-roll Tax Assessment Act 2002 made by this bill introduce provisions that are consistent with those of other jurisdictions across Australia, the bill may be referred to the Uniform Legislation and Statutes Review Committee of the other place under standing order 230A. An explanatory memorandum has been prepared using detailed examples to highlight how many of the new provisions will operate.

I commend the bill to the house.

Debate adjourned, on motion by **Mr D.A. Templeman**.

HAIRDRESSERS REGISTRATION (AMENDMENT AND EXPIRY) BILL 2010

Second Reading

MR T.R. BUSWELL (Vasse — Minister for Commerce) [4.39 pm]: I move —

That the bill be now read a second time.

The bill I am introducing today is the Hairdressers Registration (Amendment and Expiry) Bill 2010. The purpose of the bill is to remove the requirement for hairdressers to be registered, to wind up the Hairdressers Registration Board, and subsequently to repeal the Hairdressers Registration Act 1946. At a broad level, this bill is about reducing red tape, addressing skills shortages and assisting the mobility of labour within Western Australia and throughout the rest of the country. The outcomes of this bill are therefore consistent with Council of Australian Governments and Productivity Commission reforms. The bill is also consistent with the government's pledge to review and rationalise the number of boards and committees that exist in Western Australia. The bill demonstrates the government's commitments to reforming the public sector.

This bill is a culmination of reviews of the hairdressing industry at both state and national levels. From a national perspective, the level of complaint about hairdressing services appears to be low—despite the differing

approaches that the various states of Australia have taken to regulate this area. Victoria and Tasmania used to license hairdressers but have since dropped this requirement, while South Australia and New South Wales indirectly regulate the hairdressing occupation. In Western Australia, registration by hairdressers is not required in all parts of the state.

Despite the low levels of complaint, prospective hairdressers face legislative barriers to entering sections of the Western Australian market. It is important to note that while these legislative barriers exist, the occupation of "hairdresser" is included in a list of "Western Australian Occupations in Demand", as published by the State Migration Centre located within the Small Business Development Corporation.

The Western Australian scheme of regulating hairdressing was the subject of a position paper titled "Regulation of the Hairdressing Industry in Western Australia". This paper was released in July 2006 and served as the basis for public consultation. This paper contained a number of proposals to deal with the industry, including repeal of the act. The review of the hairdressing industry in WA found that the existing laws were outdated.

Hairdressers who initially qualify to be registered are also not subject to any periodic assessment of their skills, once registered.

The level of regulation of any industry is always a difficult balancing act between allowing the market to regulate behaviour and to protecting consumers against market failure.

Hairdressing is a service that most consumers purchase on a regular basis. The quality of the service is relatively easy to assess, particularly when compared with services in the medical or legal area. In addition, the financial risk of dealing with hairdressers is relatively low in comparison to other registered or licensed occupations.

The hairdressing industry is a competitive industry and the market will reward hairdressers who meet the needs of their customers. However, the government does not believe it should rely solely on the market to ensure sufficient safeguards are in place when hairdressing services are provided. In formulating this bill, the government recognises that significant laws relating to consumer protection, health and safety and training have been enacted since commencement of the Hairdressers Registration Act in 1946. These laws offer far stronger protection for consumers and a greater range of penalties for unsafe and unsatisfactory hairdressing than does the Hairdressers Registration Act.

In considering safeguards, an issue that is often mentioned in relation to this industry is the handling of chemicals. As is currently the case, consumers are protected under laws such as the Fair Trading Act and the Consumer Affairs Act. In addition, the Occupational Safety and Health Act deals with chemical handling procedures and the tracking of serious workplace injuries, whether it be to the employer, employee or a hairdressing client. These laws contain a range of compliance tools to prevent, and, if necessary, appropriately deal with issues that might arise in this industry from time to time. As part of the implementation of this reform, the Department of Commerce will be increasing its monitoring and enforcement of fair trading and occupational safety and health legislation with respect to the hairdressing industry.

I would now like to turn my attention to the issue of training. Apprenticeship data obtained in considering the proposal indicated that the uptake in completion of apprenticeships was not adversely affected in jurisdictions where hairdressing is not regulated. Laws will continue to be in place dealing with hairdressing apprenticeships.

I will now briefly outline the key features of the bill. When the amendments in the bill commence, the registration scheme for hairdressers ceases and it will no longer be an offence to practice hairdressing without being registered. In addition, an administrator will be able to be appointed to step into the shoes of the Hairdressers Registration Board to oversee its winding up. The administrator is able to employ staff to assist in the task of winding up of the board. Winding up of the board will involve consideration and observance of relevant laws in finalising the board's accounts; negotiating any redundancies or redeployment of board staff; and ensuring the retention of necessary records so that they can be appropriately archived. While the board is being wound up the administrator will be obliged to maintain audited accounts and will be subject to a final reporting requirement. The minister must table the final report, which includes financial statements and an auditor's report, in Parliament or to the Clerk of the House. The administrator will be appointed by the director general of the Department of Commerce. Any assets remaining from the winding up of the board that are not sold will be transferred to the Department of Commerce, while any surplus funds, which are not expected to be significant, will be credited to consolidated revenue. Once the minister is satisfied the board has been wound up, a notice to repeal the Hairdressers Registration Act must be published in the *Government Gazette*.

This bill is about reducing red tape for business and improving the mobility of labour to assist in addressing skills shortages in this industry. While this bill involves removing the requirement for hairdressers to be registered, it is important to remember that many protections remain in place.

I commend the bill to the house.

Debate adjourned, on motion by **Mr D.A. Templeman**.

ABORIGINAL HOUSING LEGISLATION AMENDMENT BILL 2009*Second Reading*

Resumed from 14 October 2009.

MR M. McGOWAN (Rockingham) [4.45 pm]: I rise as the first speaker for the opposition on this legislation. The opposition supports the Aboriginal Housing Legislation Amendment Bill 2009. We have four or five speakers who have a great interest in the housing of Indigenous Western Australians, so a number of opposition members will be commenting on this legislation. We believe that in an overall sense this legislation will be beneficial for Indigenous communities throughout Western Australia, and in some ways it is overdue. I am pleased that the commonwealth has come up with this funding package for Indigenous housing as part of the National Partnership Agreement. That agreement will mean that roughly \$496 million will be spent on housing and infrastructure in remote Aboriginal communities over four years. That nearly \$500 million that will be spent on Aboriginal housing around Western Australia to build new housing and to upgrade existing housing is very welcome. That is not just a stimulus measure, but a humanitarian measure that will make life better for many of our first Australians living in Western Australia. I am supportive of that expenditure on public housing for Indigenous people around Western Australia and in remote communities. I would like to put that on the record at the outset.

The condition of receiving that half a billion dollars in expenditure for Aboriginal housing was that the legal basis under which people live in that housing had to be subject to some change. Therefore, the commonwealth said that if Western Australia wanted this money under this National Partnership Agreement, the state must provide legislative changes to improve management practices over housing in Aboriginal communities around Western Australia. The phrase that was used—the “build-and-abandon approach”—had to be done away with. The build-and-abandon approach was the approach by which the state went to remote communities and said that it would build five or ten houses and, once built, nothing more was done with those houses. Bearing in mind the conditions and climate—the extreme weather conditions and temperatures—in many of those communities, the condition of the housing stock deteriorated. The build-and-abandon approach had to be done away with if Western Australia was to be eligible for that commonwealth money. The commonwealth negotiated with the state, in effect, for a statutory framework to enable the Western Australian Department of Housing, with the agreement of the relevant Aboriginal community, to legally control and manage the letting and leasing of housing in Aboriginal communities. Therefore, the Department of Housing, with the agreement of the relevant Aboriginal community, would manage, let and lease the housing in that community. As I said, it will increase the amount of funding. It reflects the reform process that commenced in 2007 and puts in place a legislative basis for the memorandum of understanding established in 2007 between the housing authority and the Aboriginal Lands Trust. Therefore, it kind of builds on work that was informally but not legislatively done in 2007, and it will build on that into the future.

How it will work is that the agreement will be voluntary. It will be entered into on a case-by-case basis with individual Aboriginal communities and only when the housing authority is satisfied that the Aboriginal inhabitants of that particular community are happy with the arrangement. The arrangement itself will not create an interest in the land; therefore, a housing agreement between the Department of Housing and an Aboriginal community will not mean that the Department of Housing has an interest in the land in the community with which the agreement is reached.

The Aboriginal community will retain general responsibility for the land whilst the housing authority will assume responsibility for managing housing, including—this is very important—rent collection and maintenance. It will ensure that the Residential Tenancies Act 1987, the Western Australian legislation, is applicable to the people living in those individual communities. Therefore, it normalises or regularises housing arrangements in individual communities by underpinning those communities with the application of the Residential Tenancies Act. The Residential Tenancies Act, of course, provides not only rights but also responsibilities. Therefore, a rights and responsibilities approach will be taken in individual communities so that people living in those communities who choose to be bound by this arrangement will have the rights and responsibilities under the Residential Tenancies Act that all tenants not living in remote Aboriginal communities have. That is the fundamental basis of this legislation.

What is the benefit for an Aboriginal community? What is the benefit for Aboriginal people living in an Aboriginal community who sign up for one of these deals? The benefit is that the rent collected by the Department of Housing under this arrangement will be spent on maintaining those houses in that community. Therefore, people in an Aboriginal community will pay rent for the house that they live in and that rental money will be spent on housing in their community. The department assures us that that is a watertight arrangement; that individual communities that pay their rent will have exactly the same amount of money spent on housing in those communities. Another benefit, which is funded by the commonwealth, is that \$4 000 a house will be spent each year on maintenance in those communities. As I understand it, that is additional to the rental payments that

will be spent on houses in that community. Suddenly a major funding base that previously was not there will be provided, both by the individuals in the community itself and the commonwealth, that will be used to maintain and repair houses in Aboriginal communities. As I said, under the build-and-forget, build-and-move-on or build-and-abandon approach, the amount of money that is necessary to maintain properties in these communities was not there; it will now be there under this arrangement entered into by the state and commonwealth that is formalised by this legislation. I think that we will also see an improvement in the condition of housing in communities that choose to enter into this arrangement because of the amount of money that will be spent in these communities.

There is also a rent-setting provision in the bill, so that, depending on where people live, and I assume their capacity to pay, the nature of the community they are living in and so on, there will be a differential in rent that is set between communities. Not everyone will pay the same rent; a bit like the case in non-Aboriginal communities whereby not everyone pays the same rent because it is differentiated depending on the style of housing, people's earning capacity and so on. That sort of arrangement will be put in place with the rent-setting capacity under this legislation.

I think I have outlined the basis of what this legislation will do—the bones of what is being put in place. As we know, the commonwealth has provided funding for 200 or 300 new houses under this agreement, which will suck up a large amount of the \$500 million. I think the money being spent on refurbishing and maintaining some of the houses in many of the Indigenous communities around Western Australia will probably be of greater benefit, and that will be a good thing. As I understand it, we will receive 24 per cent of the total money to be spent under this program, which I think also reflects the proportion of Indigenous people in Australia; roughly 24 per cent live in Western Australia. All these things are reasonably fair and this is a reasonable thing to do.

Of course, this will be a change for a number of the people who agree to enter into this arrangement. A number of people living in remote Aboriginal communities have not been subject to these rights and responsibilities under the Residential Tenancies Act before; therefore, it is a change that will take a bit of getting used to, I think. I want to put on record that the Department of Housing, again, has assured us that there will be some transitional arrangements to ensure that some of the people in these communities who are not perhaps completely ready for these new arrangements will have assistance to get themselves ready before the Residential Tenancies Act applies to them. Of course, paying rent, if people have not paid rent before, will result in a significant change in their circumstances, so getting their communities and themselves ready for that will require some considerable work.

It is a big change. When I compare many of the Aboriginal communities around Western Australia—most Western Australians have probably never been to one—with Perth, the thing I always think of is that it is like going to another country. It is a very different experience from living in Perth. That is why there needs to be some flexibility in these arrangements and understanding in how the government provides housing and services in remote Indigenous communities, because it is so different. The background of people living in these communities is so different from ours; the language, the culture, the climate, the history, their life experiences, the experiences of their fathers, mothers and grandparents and so on is completely different from those of us who live in the city or most regional towns around Western Australia. Therefore, the government needs to approach these issues with a degree of understanding that it needs to be flexible with people who have never experienced these arrangements. Although there are benefits from these changes, I urge the government to be understanding of the circumstances of people living in these communities—understand that they have not had many of the benefits and things that have come with perhaps growing up in a community in Perth, with all the educational, social and other benefits that come with that. The government needs to be compassionate to the people living in these communities and considerate of their backgrounds and experiences.

There are numerous remote Aboriginal communities around Western Australia; many of them are in some of the most remote places on the planet. Therefore, enforcing some of the provisions of this legislation will be a very difficult thing. Again, that is why I say that the government needs to be understanding and considerate of the people who live in these places and their life experiences before the government acts too hard in implementing these rules. Overall the rules are good, because they bring a lot of benefit to the people there and help to instil a culture of rights and responsibilities, and that is a good thing.

While on this subject, I will refer to outstations in Western Australia, which was the subject of debate some time ago. Some Indigenous people live in remote communities and some live in remote outstations. Often the outstations are very small and the communities, which have been there for a long time, are very small as well. If members go to what is commonly known as “Aboriginal lands” they would find that the communities are small and very traditional. A lot of the people who live there have had contact with Europeans for a very short time only. When I went to these communities, I met middle-aged people—people who are not old—who had come out of the desert as young people and had never met a European. They live in very small communities in the desert on the Northern Territory – Western Australian border at places such as Wingellina, Warburton and Warakurna.

In considering Aboriginal housing, we need to also consider outstations, which are small communities. I have heard talk about closing some of the outstations and moving the residents to nearby towns. I recall discussions about closing some of the outstations and moving the residents to Kalgoorlie. It would be a disastrous move for those people to be told that they should live in Kalgoorlie. It would be an unmitigated disaster for some of those people if they were told to do that.

Although we should retain communities around Western Australia, we should support Aboriginal people living in small communities in which they have always lived. The idea of closing these small communities and moving people to bigger towns is a disaster and it is something that I would always oppose. However, consideration should be given to the smaller outstations in which there are one or two houses that are 50 or 100 kilometres from a community such as those I mentioned, because often there are one or two children living in those outstations. We need to ensure that when these issues are examined, the interests of the children in those outstations is considered to determine the best arrangement for them so they can receive the benefit of the services that are often provided in the smaller communities—namely, schooling, education, health and so on. I am fundamentally opposed to closing Aboriginal communities and moving people to bigger towns. However, I think there needs to be a little bit of flexibility for, and examination of, some of the outstations that might have in them only one or two houses and are located 50 or 100 kilometres from a bigger community.

As education minister, I found that it was very difficult to get some of the children to school who live a long distance from one of the nearby smaller communities. Often a smaller community might have only 20 or 30 students at the community school. Having a community school with a sufficient number of students to make it viable and to provide services, resources and so forth is very important to the broader community. Sometimes we need to consider what is best for the children in those regions to ensure that we provide the necessary facilities for those people.

The opposition supports the legislation. A number of members on this side of the house are very passionate about providing decent housing for Aboriginal people, and I look forward to hearing from them because they are more knowledgeable than I am about this issue. I look forward to hearing contributions to this debate from the members for Kimberley, Pilbara and, in particular, Kwinana. They might even address the issue of the outstations and the best policy approach to deal with them. I would be interested to hear their thoughts in that regard.

MR T.G. STEPHENS (Pilbara) [5.05 pm]: We are debating the Aboriginal Housing Legislation Amendment Bill 2009, but I have been provoked by the shadow minister to refer to outstations. In my electorate a large number of non-Aboriginal people live on stations with their families, and have done so for generations. These families access government support to obtain education, health and other services in the locations in which they live and have lived for generations. Some people who visit outstations would say that they exist only by virtue of the largesse of government. The truth is that they exist because they have existed for time immemorial. People have lived on outstations for more than 40 000 years, and the passing parade of members making speeches in this house about where they should best be will not determine where they end up.

On the issue of Indigenous affairs, we must walk and talk humbly. A person who has worked for years with Aboriginal people will find that the more they get involved with them, the more they discover that they know very little about the circumstances in which they are placed.

I will probe some of the detail of the bill, in particular the minister's second reading speech and his reference to the fact that this legislation will provide for the flow of commonwealth–state funds. The minister referred to a figure flowing over the next four years of \$496 million. I want the minister's assistance to understand how that works. I was working on the basis that the Council of Australian Governments agreement produces a flow of funds for Western Australia over 10 years of \$1.18 billion. The flow, as I understand it, will see, in the out years, a figure of \$106.202 million in 2017–18; \$97.429 million in 2016–17; \$124.258 million in 2015–16; and \$165.649 million in 2014–15. For the financial years closer to 2014–15, which is what this legislation refers to, it will be \$191.278 million in 2013–14; \$128.669 million in 2012–13; \$98.507 million in 2011–12; and \$81.834 million in 2010–11. My concern is about the figures of \$105.834 million for 2009–10 and \$81.726 million for 2008–09. The only way to get the figure of \$496 million, to which the minister refers in his second reading speech, is by throwing in the figures for 2008–09. I am trying to understand what has happened here. Why is there no expenditure of the \$496 million, even though \$81 million of that is for the 2008–09 financial year?

Mr T.R. Buswell: I will have to get more information.

Mr T.G. STEPHENS: I understand that.

Mr T.R. Buswell: My advice is that \$496 million has been allocated across the first five years.

Mr T.G. STEPHENS: The first year of that agreement was 2008–09. Does that mean that the government has not spent any of that money?

Mr T.R. Buswell: I will get some more advice on that. We may not have; I do not know. Of that \$496 million, the vast majority is about \$318 million, which is for capital spending. That is broken down between 295 new houses and about 1 020 refurbishments. There is about \$93 million for urban Indigenous reform, which is upgrading of houses, as I understand it, that are largely controlled by Aboriginal housing bodies, Goldfields, the south and a few others. There is also \$67 million for property and tenancy management, which is normalising some of the tenancy issues, and I think another \$20 million for employment-related accommodation, which is the type of thing we are currently doing in Halls Creek. I am sure we could get some more details about the question the member has asked.

Mr T.G. STEPHENS: I thank the minister. The other couple of points I wanted to make in reference to the detail of these issues relate to the state's financial contribution to Indigenous housing in Western Australia. During my period as housing minister I found that there has not been a pattern of the state contributing significantly in this area, even when it was not forthcoming about the detail. I am hoping that at some stage during this debate the minister will be able to detail the cash terms of the state's contribution to Indigenous housing.

Mr T.R. Buswell: I should be able to get that. I am sure somebody is taking down notes at the back. We will not finish tonight. We can start again tomorrow. As the member knows, and would recall from his time as minister, this is a real hotchpotch in terms of who accepts responsibility for building what. There was always this breakdown between remote and town-based, delivery of essential services, capital versus current, delivery of houses, capital versus maintenance and all these things. I am happy to try to get that data for you.

Mr T.G. STEPHENS: I appreciate the minister's offer. We have a COAG agreement with Western Australia that does lay out the commonwealth's contribution for 10 years and the minister is talking about these first five. We now have a situation where the commonwealth is making it clear what it is going to spend on Indigenous housing in Western Australia for those 10 years.

Mr T.R. Buswell: Can I also just raise for your information —

Mr T.G. STEPHENS: Can I finish that one point? It would be good if the state laid on the table its proposed contribution that will match or join with the commonwealth's contribution.

Mr T.R. Buswell: We would have to look at it a bit more broadly than just houses because there are also essential services.

Mr R.H. Cook: That is the other COAG agreement that the member might be referring to.

Mr T.R. Buswell: The other COAG agreement?

Mr R.H. Cook: Essential services.

Mr T.R. Buswell: Essential services are currently subject to ongoing negotiation with the commonwealth. An audit of essential service provision has been conducted. Out of that audit will come a funding model. We are still working through that process.

Mr T.G. STEPHENS: I am not referring to any agreement other than the housing agreement.

Mr T.R. Buswell: I just wish to make one other point. The commonwealth has actually reopened negotiations around some aspects of the national partnership funding. It has introduced an element, not all of it—I do not know the exact percentage—of competitive funding. Jenny Macklin's concern is that some states are not pulling their weight in terms of delivery. They want an element of their funding to be subject to the competitive process. I am quite relaxed about that now. I think we are getting on top of what we are trying to do. I am increasingly confident that we will meet our goals, which means we should get our fair whack.

Mr T.G. STEPHENS: The member is in a very fortuitous situation as housing minister because he has a very good friend who is the Treasurer. That puts him in a different position from many of his predecessors.

Mr T.R. Buswell: I am not sure that the department would agree with that.

Mr T.G. STEPHENS: Did the minister see *The Mikado* on the weekend?

Mr T.R. Buswell: I went to AC/DC.

Mr T.G. STEPHENS: I did not see it this time but there was a character in *The Mikado* that I thought the minister might understand —

Mr T.R. Buswell: Angus looked like a miniature version of you!

Mr T.G. STEPHENS: I was thinking of the Pooh-Bah character. He is able to have a conversation with himself in a variety of different roles. In the housing minister's case, there is a chance that he will talk to the Treasurer, hopefully persuading him to give the flow of funds that are necessary to respond to the urgent situation with which we are faced.

Mr T.R. Buswell: The challenge is that my budget submissions were the leanest of any.

Mr T.G. STEPHENS: That is a bit of a worry, particularly in a situation where the minister knows—he will increasingly get to understand this in the challenges of Aboriginal housing—that this should not simply be the responsibility of the commonwealth. It is good that it is stepping up to the plate on some of these issues. These are the challenges of governments historically.

Mr T.R. Buswell: As the member knows, I have invested a fair bit of time personally trying to get it to understand.

Mr T.G. STEPHENS: I give the minister credit for that. I hope that the investment of that time is matched by simply —

Mr T.R. Buswell: I do not know the solution yet but I am working on it.

Mr T.G. STEPHENS: It requires a combination of focus and hard work. It is an endlessly difficult challenge. No-one should underestimate how fundamental Aboriginal housing is for providing people with the chance to move from circumstances that are, in too many cases, woeful. People simply cannot emerge out of overcrowded, unsafe housing rested, fed, safe and able to take up schooling, training and employment opportunities. Housing is a basic fundamental prerequisite to do that. It cannot be done by any sphere of government alone, particularly if it is just the commonwealth thinking it can do this alone. It does need the state to pull its weight. I am asking the housing minister to document what will be the state's financial contribution to Indigenous housing over the life of this 10-year housing agreement —

Mr T.R. Buswell: Is that remote remote and town based?

Mr T.G. STEPHENS: I am talking about the COAG agreement. What are the matching funds that come in from —

Mr T.R. Buswell: The COAG agreement was not specifically into matching funds. I understand what the member is asking.

Mr T.G. STEPHENS: It is for Indigenous housing.

Mr T.R. Buswell: I think we will focus on remote and what the member would call town-based community funding, if I can get that.

Mr T.G. STEPHENS: I am happy for the minister to provide that. If he is able to provide any additional detail over and above that, that would be good as well. It would be wonderful to quantify the state's contribution to Indigenous housing. I came to the portfolio in 2001. My predecessor was the current Deputy Premier, Dr Kim Hames. He left me with a portfolio where it was not easy to detail the state's contribution. I do not think it became much more transparent by the time I finished in the portfolio. I do think that transparency —

Mr T.R. Buswell: Part of that is also what happens internally in Housing. Housing is doing a lot of work in the way it reports internally, where it sources income from and where it spends income, so it is a little clearer.

Mr T.G. STEPHENS: There is another thing that I am keen to see in reference to this legislation. I said to the minister earlier in the day that parts of the bill look like they have been skilfully drafted. There is this area of commonwealth insistence of trying to ensure that we no longer have this policy of what I used to call “plunk it and run” where houses were simply dumped and left. There was a need to secure arrangements. The great fear of the Indigenous community was that the arrangements would create an interest in Aboriginal land. Proposed section 62H in part 2 of the bill very clearly and explicitly ensures that nothing is contained within these agreements that can in any way be construed as being a land grab by a state agency. I have not checked to see whether the government has any amendments to this legislation on the notice paper. Is the minister expecting to amend —

Mr T.R. Buswell: I think there are two amendments on the notice paper.

Mr T.G. STEPHENS: There is nothing in our explanatory notes that —

Mr T.R. Buswell: There are two amendments on page 11 of the notice paper. One tidies up the definition of “Aboriginal land” for the purposes of the act and the other relates to “agreement”. Those changes were requested by the commonwealth.

Mr T.G. STEPHENS: That is exactly what I was looking for now that I found part 3. That is a very necessary part of this legislation. I did not know the origins of this but I hear from the minister that it has been specifically sought by the commonwealth.

Mr T.R. Buswell: My understanding is that it arose through conversations with the commonwealth. This legislation has been developed in close cooperation with the commonwealth, which also has legislation to make changes to the native title legislation going through the federal Parliament.

Mr T.G. STEPHENS: Clause 11 seeks to insert proposed new section 33A into the Aboriginal Affairs Planning Authority Act. It looks to me as though it will specifically ensure that the legislation applies to Aboriginal reserves and will specifically—maybe—the minister can clarify this when he gets advice—exclude crown land from the purview of the bill. If it were to apply to crown land, people would see it as a risk to native title interests in that crown land. A different sort of interest would be reserve land. When I had a quick look at the amendments earlier, I did not spot this bit at the end. It is important that the housing management agreement not be able to be construed as impacting upon people's native title interests, and it will be amended to apply only to crown land.

Mr T.R. Buswell: We can deal with that in consideration in detail, and I will try to get the member some more information on that. My advice is that, in consultation with the commonwealth, everything is being done to ensure that this bill will not impact on anyone's access to native title over land.

Mr T.G. STEPHENS: And presumably it will not impact on Aboriginal freehold land either; is that correct?

Mr T.R. Buswell: Yes, that is right.

Mr T.G. STEPHENS: That seems to handle those concerns.

The minister is in the very privileged position of holding the housing portfolio. It is an utterly wonderful portfolio for a minister at a state government level to have. It gives the minister the chance to respond to enormously important needs and challenges within the Aboriginal community. It requires transparency on the part of the state to put on the table clearly and explicitly the funds that will flow from the state's resources independently of that which we get from the commonwealth. It also is important to put on record that the costs of dealing with housing stock in remote areas are quite simply astronomical. The \$4 000 that people talk about being allocated notionally to each house across the remote and regional areas of Western Australia will get gobbled up quickly if anyone tries to do any work on a house in the Pilbara. Four thousand dollars does not go too far. The housing stock that will be the subject of this agreement is of a much lower standard than that which has been available to the wider community, and certainly is a different housing standard altogether from that which the people in the metropolitan area of Perth have become used to. These are not large numbers, even when we start talking about \$4 000. When we add to that the income stream that will become available from rents, the rents do not add up to very significant amounts either. This is an area in which governments, both national and state—hopefully, in time, local governments will become involved in it—contribute funds from their combined income streams towards housing that will respond to the housing challenges with which Aboriginal communities in the regional and remote areas of Western Australia are faced. The bill deserves the support of the opposition. It is good that the issue about the impact upon freehold title has been clarified, and I look forward to the minister's reply during consideration in detail.

MRS C.A. MARTIN (Kimberley) [5.24 pm]: I would just like to say that I support the bill, but for only one reason: it is about time that something happened with Indigenous housing. I am not talking about the past five, 10 or 20 years; I am talking about the history of Indigenous housing in Western Australia and the terrible state of affairs that has been allowed to progress since 15 April 2004 with the demise of the Aboriginal and Torres Strait Islander Commission. We have been waiting all that time for this Council of Australian Governments agreement to be signed off. What a disgrace! There are communities that have had all their hopes built up and then slashed again. Members should think about the millions of dollars worth of infrastructure in remote communities, yet we are chucking four grand at each of them. If people who live at Jarlmadangah want to get a window fixed, the first thing that applies is a cost of \$2 a kilometre. If it is 188 kilometres one way, members can work out the cost, and then it is \$500 just for a call-out. How many hundreds of dollars an hour would it cost—a couple of hundred? Four thousand dollars is not a lot of money. This means that we are not looking after our assets. It is not just Aboriginal people's assets, but the state's assets.

I know that the responsibility will come back to the state through this agreement, but I want to put this on the record because it is important. If I am to support this bill, it is because we have not had anything in the past that has actually worked. If people go up to my region, which is the most important region for me, they will find that the Kimberley regional service providers are funded to go out to remote communities to do all the maintenance on water, electricity and sewerage services—all those really important things. That is their job and they have been contracted to do it for years. The good thing about it is that they are a local business, but they do only maintenance. The real issue is that they do not do upgrades or repairs. What a waste! It is about making things in Indigenous communities and provisional services logical. That is what I am saying. Hopefully, this bill will make it logical.

Mr T.R. Buswell: I accept the point you have made. The houses in a lot of the communities are way below an acceptable standard. There is funding in the national partnership agreement—I know that this won't cover all houses—for 1 025 houses to have significant refurbishments, which will get them up to a level, and, hopefully, the rent plus that \$4 000 will help maintain them. I do not know whether that will do the job. It certainly would not do the job for a lot of houses.

Mrs C.A. MARTIN: I have worked in remote communities for 35 years. When I first went out there, there was not that much infrastructure. People were still living in Nissen huts and all sorts of things. The only minister I know who has had the portfolio for housing and infrastructure is the member for Pilbara. He actually put in kerbing, street signs and street lights. He provided services for these communities that made it a little more comfortable for them. Just having a bit of bitumen in the community stops people having dust in their house all the time. We also need to ensure that when 30 people live in a house—not through choice, but because that is the only housing they have—extra toilets are put in. Things like that are just commonsense things that people want. I am not criticising the minister, but I do not want these things to continue to happen. Please do not build a house for five people and expect 30 people to live in it and then allow it to fall to pieces around them. Houses are not built that robustly. If 30 people are going to live in a house—we accept that that is going to happen because of the overcrowding—please construct a house that is appropriate for the traffic.

Mr T.R. Buswell: Can I just ask a question, because I think this is really important?

Mrs C.A. MARTIN: We need to have the discussion, but can I just go on a little further?

The other thing is that when the Aboriginal and Torres Strait Islander Commission existed and we asked how many houses it was responsible for, it would give a figure. When we asked Aboriginal housing, the state body, how many houses it was looking after, we were told of several different sorts of housing; it had Aboriginal housing stock in town and, was it reserve housing?

Dr K.D. Hames: Sometimes.

Mrs C.A. MARTIN: Sometimes under the Department of Indigenous Affairs.

Dr K.D. Hames: Under the Aboriginal Lands Trust.

Mrs C.A. MARTIN: Yes, the ALT and the DIA.

Dr K.D. Hames: Yes.

Mrs C.A. MARTIN: It was as though we had to go around in a big circle to get something done. In Derby, Karmulinunga was the best example. I was the liaison officer there for something like 10 years. When I tried to get the sewerage system fixed permanently, I could not do it. Nobody had the will to do it because it was a town reserve. As the Minister for Indigenous Affairs knows, there are still a few town reserves.

Hopefully, this legislation will streamline everything. Firstly, how many Aboriginal houses do we have? It will bring together housing management. Secondly, perhaps a house-by-house survey can be done to see what is needed. That was done in Broome and it worked really well. It showed up things such as four power points in one area. We know how dangerous power points are if they are not maintained. I own a house and I really dislike having to spend money on it but I want to maintain my asset so I do spend money on it. That is what we need to continue to do but we need to spend real money. It must be appropriate for the needs. Therein lies the issue.

The minister knows how many Aboriginal communities are in my electorate. We have discussed Oombulgurri and we have talked about viability and all these things. What are we going to do when there are 30 houses in some communities and two people? We have to also have a conversation about that. More importantly, is this legislation going to rob Indigenous people of their land again? I understand it will not affect freehold properties. Is that right?

Dr K.D. Hames: No.

Mr T.G. Stephens: Apparently it will affect freehold land owned by the ALT people as such.

Mrs C.A. MARTIN: Okay, I need to clarify a point then. If I am wrong, the minister can correct me. To establish a 99-year lease, a piece of land must be made freehold. Is that right?

Dr K.D. Hames: No.

Mrs C.A. MARTIN: Then it is sublet to the Aboriginal people who lease it. Is that right?

Dr K.D. Hames: We don't do that now. With our ALT land, when we were in government last time, we established all the 99-year leases, particularly on the peninsula.

Mrs C.A. MARTIN: An example is the airport reserve in Broome. I understand that a 99-year lease is established on a block of land that has been given freehold title, subdivided and leased out for 99 years. In fact, it is freehold.

Dr K.D. Hames: I do not think that is the case. We are looking at the Dampier Peninsula, as something separate from the legislation. We are going to come up with deals that offer whatever they like, whether it is a 99-year lease or the establishment of freehold title so that individuals can own blocks of land.

Mrs C.A. MARTIN: That is not in the legislation.

Dr K.D. Hames: You're right. You are asking me questions that the minister behind me has responsibility for.

Mrs C.A. MARTIN: I know, but can you, as Deputy Premier, take it up with him?

I want that on the record because it needs to be said. We need a system that provides a real service for real people. Aboriginal people live in remote locations, as the minister knows. Some of the places they live in have been built and abandoned, as we have said, and we all agree with that. But other places have not been abandoned. Some of those people have been on community development programs for more than 20 years—since they were first introduced in the 1980s. Let us face it, not one of these people has superannuation; not one of them has anything, yet they have made full contributions to their community as leaders. They have made sure things have worked. They have maintained their houses, yet they will never know what it is like to have the great Australian dream, even though they own the land.

Dr K.D. Hames: They can. Separate from this, that is what we are offering as part of the solution to the Dampier Peninsula, at least as a start.

Mrs C.A. MARTIN: There is a difference between dealing with agreements such as native title agreements and this issue. This legislation could be a part of the vehicle that is the Indigenous land use agreement.

Dr K.D. Hames: This is here because the federal minister says it had to be.

Mrs C.A. MARTIN: Yes, but we have been waiting six years for it. For six years, people have been in limbo waiting for maintenance to be done on their houses. Are there any houses left? I am being sarcastic and I apologise for that.

Dr K.D. Hames: There is a problem with maintenance. I think it is one of the worst things to deal with.

Mrs C.A. MARTIN: We should not forget that these houses remained in Western Australia; they have never been anywhere else. We have been in government; the minister is in government and they are still here. We still have to talk about what has happened to these houses in that five years of limbo. The amount of \$4 000 will not cut it for me. Does the minister know what I mean? I know what it costs, the minister knows what it costs and his government knows what it costs. Maybe we can shake down the Treasurer to give us a bit more money. It might be helpful to receive three or four times that amount. Most importantly, with regard to the Aboriginal Lands Trust and the Aboriginal Affairs Planning Authority Act, which I thought had been repealed apart from one small section, if we are going to look after the land for Aboriginal people in perpetuity, we need a real trust—a trust between Aboriginal people and the government that manages their land. I know Doc Reynolds and the other people on the ALT; they are great people. However, in some cases, this land needs to be given back to the people who are supposed to own it. I know that is what we have tried to do over the years, but somewhere along the line we have come up against a brick wall. Traditional owners—Aboriginal people who have a right to claim—get so far towards getting their land back and then come up against a brick wall. It is called bureaucracy. Bureaucracy stops them from taking control of their own destiny and their own future.

These funds are not enough. The minister needs to take this up at the next Council of Australian Governments meeting. The legislation will be passed. The opposition supports it, although it is not enough money. We need to tally exactly how much we put into resources and infrastructure in remote communities and deal with it realistically. If I were to build a house in Derby, I would be looking at paying probably \$300 000. To build a house 100 kilometres down the road at a remote community would cost three times that amount. I am not joking; that is not an exaggeration.

Mr T.R. Buswell: Last year an audit was done on all remote community housing, including town-based communities. I might try to get you a copy. The audit was done on every house and identified how much they would need to spend, and it was half a billion dollars to get those houses up to a standard.

Mrs C.A. MARTIN: I will tell the minister a secret. I get a regular report on every remote community.

Mr T.R. Buswell: That doesn't worry me.

Mrs C.A. MARTIN: That is only because I am on an advisory committee. I help them with whatever they need. When a generator has broken down and the owners ask the relevant body to fix it, they are told, "We can't get you to do it because you're employed only to do maintenance." Does the minister know what I mean? There is a real issue with that. We know exactly how many houses are involved, but they are only the ones that used to be funded by the Aboriginal and Torres Strait Islander Commission—what about all the other ones? "Oombie" was a mission, was it not? How many houses are out there?

Mr T.R. Buswell: The audit looked at all houses in remote communities.

Mrs C.A. MARTIN: Did it also do an audit on what needed to be repaired or replaced?

Mr T.R. Buswell: Yes; it was done on all the houses. That is how we knew last year that we had the problem with the RCDs in Roebourne, which was terrible. That is how we knew the extent of the problem. The people who were doing those inspections were then rolled over to do the RCD installations.

Mrs C.A. MARTIN: The minister cannot tell me the money we are getting will be enough to fix it all. I cannot believe that.

Mr T.R. Buswell: As I said before, it is not. We have enough money in the national budget to refurbish 1 050 houses.

Mrs C.A. MARTIN: There are a helluva lot more than that.

Mr T.R. Buswell: There are a couple of thousand.

Mrs C.A. MARTIN: That is what I am saying.

Mr T.R. Buswell: Not all houses are —

Mrs C.A. MARTIN: They are assets and are now vested in the state government, which must make sure that the assets do not depreciate. It is the responsibility of every single one of us to make sure we act in the best interests of the public. That means making sure that proper maintenance is done. Does that mean we have to go back to the federal government? What do we need to do? How much is needed? The minister knows how much is involved now; he just told me, but I want him to tell me again.

Mr T.R. Buswell: The point about it is that it will take years to do 1 000 refurbishments. It will not happen in one year. It will take time. It may be that in due course we will have to ask for more money for more refurbishments.

Mrs C.A. MARTIN: I will take the minister up on that offer to look at that report, thank you very much. I support the bill, but a few things need to be ironed out. I will sit down now. Thank you.

MR P. PAPALIA (Warnbro) [5.40 pm]: I rise in support of the Aboriginal Housing Legislation Amendment Bill 2009. I do not pretend to have anywhere near the depth of knowledge or experience as that of the member for Pilbara and the member for Kimberley.

Mr T.G. Stephens: I don't think it's helped us much!

Mr P. PAPALIA: Nor have I experienced the level of frustration that they have endured over the years. Nevertheless, I am interested in this bill, not least because of my shadow portfolios of corrective services and local government, both of which will be directly impacted by the way in which we perform in this endeavour.

It is no secret that Indigenous representation in our prison system is outrageously disproportionate when compared with non-Indigenous representation. Housing will play a key role in tackling that terrible situation. Local governments, whether they have a direct involvement in the delivery of the money that will be enabled through this legislation or some other ancillary measure, will have a role to play in delivering better housing and better services to Aboriginal communities, particularly those in our remote north. Given that I am interested in corrective services and local government, the Aboriginal Housing Legislation Amendment Bill is of great interest to me.

I inform the Minister for Housing and Works that I am concerned about some areas. I appreciate the briefing that the minister's staff provided. I am sorry that I had to leave that briefing early. From what I garnered during the briefing and from what the minister has confirmed during his comments across the chamber, the Local Government Advisory Board's August 2008 "Report on the Inquiry into Local Government Service Delivery to Indigenous Communities" was, until some time last year, providing a framework or a plan for upgrading and improving service delivery in many of these remote communities.

Mr T.R. Buswell: That is municipal services.

Mr P. PAPALIA: Yes. It is essential that we look at housing improvement and the delivery of new housing in Aboriginal communities in conjunction with the provision of essential services, including municipal services. I contend that it is impossible for us to expect the quality of life in remote communities to improve just because we plunk new houses into them. The national partnership agreement for the delivery of services in Western Australia is looking at only four communities.

Mr T.G. Stephens: It is four locations.

Mr P. PAPALIA: Yes, four locations. I know that there are many communities in Fitzroy Crossing alone. In reality that is only a small proportion of the Western Australian communities that need improved service provision.

Mr T.R. Buswell: I think you're 100 per cent right. The challenge for us is that the commonwealth wants us to build 270 or so houses over a certain period, but it will not let us build those houses without a framework in place to normalise our relationship with potential tenants.

Mr P. PAPALIA: Yes.

Mr T.R. Buswell: I think you're right. You can't do it in isolation, but for a whole range factors it has been pushed into isolation.

Mr P. PAPALIA: I will be looking forward, perhaps in consideration in detail, to eliciting more information. Perhaps the minister will not be able to give it all to me because he has referred to the fact that service provision is still in negotiation, and it appears as though the Local Government Advisory Board report has been abandoned as the framework—I do not know.

Mr T.R. Buswell: I don't have an answer to that.

Mr P. PAPALIA: I am not suggesting the minister would. However, my view, having, as I say, a relatively shallow knowledge of this field, is that I do not think we can expect it all to work unless we engage with the federal government and get it to acknowledge the challenges that are faced and are almost unique to Western Australia, because we have a third of the continent.

Mr T.R. Buswell: Can I just make a point: this is an area of serious argy-bargy between the state and the commonwealth about essential service provision and municipal service provision—argy-bargy in terms of who is responsible for the capital and recurrent. That has not been resolved yet. Just to make one other point, I was in Roebourne last Friday. We desperately have to do some things in Roebourne. I simply refuse to build another new house in Roebourne until we have a new approach —

Mr P. PAPALIA: You have no argument from me.

Mr T.R. Buswell: — that involves local government, the state and the local community, and we will do that in the next few weeks.

Mr P. PAPALIA: That last bit is vital, and the minister would be aware of that anyway. By the sound of it, I feel that the challenge will be to encourage the federal government to acknowledge that perhaps it cannot just steamroll a solution across the nation and expect it to work everywhere, particularly in light of the fact that it is really focusing on only four locations in Western Australia for the service delivery part of that national partnership agreement. I suggest that if in any way any of us can support the minister's argument and assist him, we are quite willing to do that. I have other concerns about this bill. I do not get a sense that the federal government has attached adequate oversight and management procedures, infrastructure or resources in the form of individuals to the money that it is throwing at the minister. That is a significant amount, \$496 million.

Mr T.R. Buswell: If there was any more, we would not be able to —

Mr P. PAPALIA: Hang on, minister. I was fortunate enough to travel with the member for Pilbara on a tour up to the member for Kimberley's electorate that he was conducting for the United States consul. We were lucky enough to happen upon a Fitzroy Futures Forum meeting at which the national partnership agreement regarding service delivery to remote communities was being discussed. It was wonderful to see that in action. It was a great education and provided an incredible insight and some sense of optimism, although there are a lot of challenges, and housing is clearly a key part of that. However, I got the sense at the time that the federal government was applying a lot of oversight. It was putting people on the ground, and it was insisting that the state government minister have an individual on the ground and that Minister Macklin have one of her people on the ground to directly report back to the federal government's office so that it knew where the money was going, how much was being delivered and what services were being provided in response to the expenditure that was being outlaid. All that was going on. I left the briefing early, and it may be that I did not elicit the correct response from the advisers, but I got a sense that when it came to the money under this national partnership agreement, we might get one individual in Perth from the federal government to oversight it—we might not, but we might—and that is it. I understand what the minister is saying. He may say that there will be targets that he has to hit—I would hope so. There does not appear to have been any detailed in the briefing.

Mr T.R. Buswell: No. You are right, because this bill is not specifically about the delivery of national partnership commitments, but I can tell you that there is an enormous focus on what we are having to deliver in relation to the houses on the ground. No individual project happens unless it is signed off by a FAHCSIA representative.

Mr P. PAPALIA: Where is the FAHCSIA—Department of Families, Housing, Community Services and Indigenous Affairs—person who signs off on it located?

Mr T.R. Buswell: I have no idea.

Mr P. PAPALIA: In Canberra. That is my issue with this money, because this is a significant amount of money. I have another concern, but I will not keep going because we can talk about it at the consideration in detail stage and I want to let the member for Kwinana get up and have a crack. I am not having a go at the minister; I just want to extract some information about this and I will probably have to get it from his advisers.

Mr T.G. Stephens: Don't break the habit of a lifetime by not having a go at him.

Mr P. PAPALIA: Ha, ha! There is the part about how FAHCSIA will ensure that it gets what it wants for its money. There is another part about where the money is going that we—as in the government of Western Australia and the minister as the particular representative in that role right now—allocated for Indigenous community construction. I am assuming that everything has been overtaken. The out years in the last budget is probably not that relevant and may not be accurate in light of this massive amount of money that has come into the budget since then courtesy of the federal government. However, at the last budget the amount that we had allocated to Indigenous community construction represented about 40 per cent of the then federal government allocation. According to the out years in the budget now—I know the money coming from the federal government is more than this—it went down to 21 per cent by the end of the three-year period.

Mr T.R. Buswell: I would have to have a look at it.

Mr P. PAPALIA: I am an optimist at heart but I am a little cynical, having been a member of this place for three years. My concern is that the government will get this huge amount of money from the federal government and as the federal government money goes up by that amount, the state government money might go down correspondingly. I am concerned that the government will not be monitored as strictly—as is apparent on the face of it—by the federal government with this bucket of money as it will be with the service provision in that national partnership agreement.

Mr T.R. Buswell: I would have to get that data.

Mr P. PAPALIA: Okay; I would be very interested to hear about that. I would also be very interested to find out, if the minister can reveal to me—perhaps he could consult at dinner with his ministerial colleagues for local government and the regions —

Mr T.R. Buswell: I'm having dinner with my wife, so I'll have to pass on that.

Mr P. PAPALIA: Do that first.

Perhaps the minister can convey to us any detail on the sort of structure, process, program or organisation that will be involved in the delivery of those improvements to municipal services to remote communities because, as I said and the minister agreed, that is integral to the likely success or failure of this program.

Mr T.R. Buswell: Yes.

Mr P. PAPALIA: I look forward to the consideration in detail stage.

MR R.H. COOK (Kwinana — Deputy Leader of the Opposition) [5.54 pm]: I rise to make some comments on what I think is a really interesting point in the debate on this Aboriginal Housing Legislation Amendment Bill 2009—that is, the provision of services and, indeed, the framework that we use to engage with Aboriginal communities for the provision of infrastructure, for the conduct of community development and, I guess, in some respects for the provision of a framework around it for that to happen.

I want to begin by acknowledging the contributions from the members for Pilbara and Kimberley. The member for Warnbro was right in acknowledging their expertise and long service in this area of trying to bring true social and economic infrastructure—a better life—to people living in remote areas of Western Australia. I say “remote areas of Western Australia” because indeed my understanding is that the national housing agreement is for people living in a remote setting. Therefore, this money that is on offer from the federal government will have an impact only on people living outside the South West and the Perth metropolitan area. It is important when we begin a discussion of this nature and talk about the great benefits of this sort of housing program that we also bear in mind that a very large majority of Aboriginal people live in an urban setting and that they share the social, health and economic profiles of poverty of those people living in a remote setting. It is certainly true to say that a lot of the symptoms of poverty are on show in my electorate of Kwinana.

This legislation comes about in response to the federal government's conditions for the National Partnership Agreement on Remote Indigenous Housing. There is \$496 million on offer over five years to make what should be a significant contribution to the social infrastructure of people living in remote communities. It also provides some money for the refurbishment of around 1 000 houses, in addition to the houses that will be built. That is another important contribution, because obviously everyone has a deep appreciation for the condition of a lot of the housing in which Aboriginal people live. This legislation also provides a really interesting framework for the engagement of Aboriginal people and for going about the provision of these sorts of programs in an informed way that empowers communities to continue to develop and to take on a lot of these issues in the future. Obviously a precondition for any changes that impact upon the rights and interests of Aboriginal people must involve a high level of consultation; or, to put it another way, prior and informed consent. Before we can go forward with legislation or any sort of legal framework that impacts upon the rights, obligations and interests of Aboriginal people, it is important that we sit down with Aboriginal people and seek their views, and that they are given the opportunity and resources to engage with decision-makers and government to provide their feedback

and contribution to the debate. In the briefing we received from the department today, we certainly gained an appreciation of the fact that a good deal of consultation has gone into this legislation.

As many as 50 per cent of the remote communities and Aboriginal corporations that the department considered would be directly impacted by the legislation were met by the department on a face-to-face basis. They were informed about the legislation and their views, where possible, were incorporated into the legislation. I think that that is a very important contribution for this legislation to make to the process. I will be interested to hear more about that from the minister during consideration in detail. The federal government's approach to this is, I guess, somewhat draconian and certainly hard-edged. The federal government took a very strong stance on the improvement of communities around Alice Springs, and there were difficulties associated with those consultations.

[Leave granted for the member's speech to be continued at a later sitting.]

Debate thus adjourned.

Sitting suspended from 6.00 to 7.00 pm

**APPROPRIATION (CONSOLIDATED ACCOUNT) RECURRENT 2007–08
AND 2008–09 (SUPPLEMENTARY) BILL 2009
APPROPRIATION (CONSOLIDATED ACCOUNT) CAPITAL 2007–08
AND 2008–09 (SUPPLEMENTARY) BILL 2009**

Second Reading — Cognate Debate

Resumed from 26 November 2009.

MR M. McGOWAN (Rockingham) [7.00 pm]: I am happy to say that I will be the final speaker on this series of bills that we are dealing with cognately. I have made an arrangement with the Leader of the House that the debate on these bills will take only three hours. This debate provides an opportunity for the opposition to take up issues with the Treasurer. I will not speak for very long. However, we do want to spend some time in consideration in detail questioning the Treasurer on some of the items of government expenditure over the period that is covered by these bills.

These bills seek to respectively authorise, or approve, both capital and recurrent spending over the 2007–08 and 2008–09 financial years. For 2007–08, the bills seek to approve \$443 million in additional recurrent spending and \$162 million in additional capital spending; and for 2008–09, the bills seek to approve \$1 billion in additional recurrent spending and \$139 million in additional capital spending. As anyone can see, the big increase in additional spending of roughly \$1.2 billion occurred in 2008–09, which was the first year of the Barnett Liberal–National government.

Over the period of the government, there has been a massive increase in expense growth. For each month from January to June 2009, which is the first six months of last year, the increase in the expense growth figure was never under 12.5 per cent, and at times it reached 13.6 per cent. Therefore, there is now a major increase in state debt. In the year between 1 July 2008 and 30 June 2009, state debt increased by more than \$3 billion as a consequence of the failed financial management of the new government. The new government has now been in place for 18 months. We debated earlier the massive increases in costs for ordinary families. Increases in taxes and charges and new taxes and charges have been imposed on Western Australians. All of this amounts to a failure to control spending and the mismanagement of the budget. It means big increases in taxes, fees and charges and, potentially, as we will see shortly, increases in the royalty rates and perhaps new royalties imposed on the Western Australian mining industry.

As part of this debate, we want to take up a range of issues with the Treasurer, in particular issues surrounding the employment of additional public servants despite the cap on the number of employees that the state government said it would implement last year. As I recall, the Treasurer indicated that there would be a cap and it would be frozen at that point in time—perhaps it was halfway through last year. As far as I am aware, an additional 2 300 employees have been taken on since the cap was imposed, which makes the cap somewhat illusory, if that is the case. We will be delving into some of those issues as part of the debate. We will delve into the efficiency dividend to see what has happened with that. We might delve into the huge increase in costs caused by the Department of Health budget blowouts, which the Premier has indicated the government will pick up. We might have a look at all those matters, as well as some of the projects that have been cancelled around Western Australia, as part of the consideration in detail debate on this bill. I will now sit down. I suppose it is an opportunity, therefore, for the Treasurer to respond. We can then go into consideration in detail and start questioning the Treasurer.

MR T.R. BUSWELL (Vasse — Treasurer) [7.08 pm] — in reply: That was short, brief and concise, and I will be short, brief and concise. These bills deal with effectively a retrospective appropriation of moneys from 2007–08 to 2008–09 for capital and recurrent expenditure, and basically appropriate moneys that have been spent

under the Treasurer's advance, and I welcome the opportunity to work through those in detail over the next little while with the opposition.

Question put and passed.

Bill (Appropriation (Consolidated Account) Recurrent 2007–08 and 2008–09 (Supplementary) Bill 2009) read a second time.

Leave denied to proceed forthwith to third reading.

**APPROPRIATION (CONSOLIDATED ACCOUNT) RECURRENT 2007–08
AND 2008–09 (SUPPLEMENTARY) BILL 2009**

Consideration in Detail

Clause 1: Short title —

Mr M. McGOWAN: Are we dealing with each bill separately?

The ACTING SPEAKER (Ms L.L. Baker): We are dealing with the Appropriation (Consolidated Account) Recurrent 2007–08 and 2008–09 (Supplementary) Bill 2009.

Mr M. McGOWAN: If we are dealing with just one bill at a time, would we not deal with the Appropriation (Consolidated Account) Capital 2007–08 and 2008–09 (Supplementary) Bill 2009?

Mr T.R. BUSWELL: For clarification, I understand that there are two bills. One is for recurrent expenditure and the other is for capital expenditure. Both bills span two years—that is, the 2007–08 and 2008–09 recurrent expenditure and the 2007–08 and 2008–09 capital expenditure. My understanding—correct me if I am wrong—is that we are dealing with the recurrent expenditure.

The ACTING SPEAKER: That is correct, Treasurer.

Mr W.J. JOHNSTON: I seek some clarification because it was not clear from the minister's second reading speech why 2007–08 and 2008–09 are included in the one bill.

Mr T.R. BUSWELL: I was advised that that is how it had to be done to get the legislation into Parliament. The incoming government had to juggle its various priorities. Nothing can stop us from dealing with them at the same time, although usually they would be dealt with separately. The timing was complicated by the election and the impact that that had on compressing the legislative time frame.

Clause put and passed.

Clause 2 put and passed.

Clause 3: Appropriation for recurrent services and purposes —

Ms R. SAFFIOTI: My question relates to the schedule of expenditure that is contained in this bill. When we discussed the Treasurer's Advance Authorisation Bill 2009 in this place, details were provided about the anticipated expenditure under each portfolio. Has a similar table been prepared for this debate? That would assist us all to go through the expenditure. Could that table be provided as part of this debate? Currently, we can see the aggregate expenditure per portfolio and per agency but we would like a breakdown of the causes of expenditure per agency.

Mr T.R. BUSWELL: I appreciate the question. I have eight copies of that detail and I am happy to provide them. I will also provide this detail ahead of the Treasurer's Advance Authorisation bill, which I am sure the member is looking forward to debating with us on Thursday. The document on the bills before us will be circulated to members of the opposition who are interested in it.

Ms R. SAFFIOTI: Can I ask about the expenditure under "Premier and Cabinet", which is \$8.6 million for the financial year ended 30 June 2009? Does that figure include payments for redundancies; if so, how many redundancies; and, if the information is available, can the Treasurer give a breakdown of the redundancies paid for under that item?

Mr T.R. Buswell: Is that to 30 June 2009?

Ms R. SAFFIOTI: Yes.

The ACTING SPEAKER (Ms L.L. Baker): Member, are you referring to the schedule?

Ms R. SAFFIOTI: Sorry; it is schedule 2.

The ACTING SPEAKER: I think we need to wait until we get to schedule 2 before the member can discuss it.

Mr M. McGowan: It's all part of clause 3, isn't it?

Ms R. SAFFIOTI: Clause 3 approves the aggregate expenditure; schedule 2 just breaks that down.

Mr T.R. BUSWELL: Just so I can be sure, we are looking at the financial year ended 30 June 2009 and the \$8.584 million under “Premier and Cabinet”. If the member reads the document that is being distributed, she will see that it contains the breakdown. As I read that document, none of that relates to redundancies or the termination of term-of-government staff or anything like that.

I will run through it. It refers to the Sir Charles Court memorial statue, which is a magnificent project for the people of Western Australia. The Sir Charles Court monument will be suitably placed so that the people of Western Australia can pay due deference to that great leader.

Mr P. Papalia: That was something we did!

Mr T.R. BUSWELL: I know; it is good! It is a fantastic idea! I could talk about the Sir Charles Court statue for the next three hours. In fact, I may start off with that, but, in the spirit of cooperation, I will not.

Does the member have the chart now? Then I will not go through it all. The largest single item is funding for unanticipated election costs, and the detail shows that it relates to \$7.3 million for end-of-contract payments to ministerial and electorate officers. I do not think we need to go into that. It then outlines \$180 000 for the costs of engaging electorate staff for new members; \$220 000 for temporary accommodation for four new members of Parliament and so on and so forth. That is the main component, and I think the member for West Swan has the rest of the detail now. If the member wishes to ask me about specifics, I am happy to go through them.

The member for Albany is not in this place, but \$433 000 was allocated for the Anzac Peace Park in Albany. I was in Albany the other week; it is a great project.

The ACTING SPEAKER (Ms L.L. Baker): I mention again that when get to schedule 2, there will be an opportunity to go into its detail. Rather than repeat the detail, I assume the member will be asking questions about it only once—that is, during consideration of clause 3. Clause 3 refers to the details of the schedule, so we will get to the details of the schedule when I put the question about the schedule.

Ms R. SAFFIOTI: Okay. Can I follow up on a point that the Treasurer made?

The ACTING SPEAKER: You may, member for West Swan.

Ms R. SAFFIOTI: I go back to the redundancy question. I notice there is some provision listed in this document for senior executive service redeployees; I am not sure whether that is redundancies. Does the Treasurer have the Department of the Premier and Cabinet’s information on how many redundancies came from DPC for 2008–09, and what the cost of those redundancies was, as part of the voluntary redundancy for the service?

Mr T.R. BUSWELL: That is a good point. I do not have that information. Off the top of my head, we budgeted, I think, \$48 million for that redundancy package, covering 500 staff. About 465 to 470 staff took the redundancy at about that total amount, but I do not have the breakdown by department. I am happy to provide it by way of additional information, or the member can ask a question on notice. I have all that data somewhere; it is just not in my mind at the moment. It is a fair call to ask for a breakdown by department. The first wave of that voluntary redundancy policy targeted 500 staff at a cost of \$50 million. Because the first one was so popular, we have the second wave. We had unmet demand, and heaven forbid that we would leave unmet demand in the public sector! Clearly, there are people who feel it is time to move on through a voluntary redundancy program. The first wave cost \$48 million and we dealt with 460 staff, maybe a bit over or under. In the second wave, we are targeting 300 staff at a cost of \$30 million. That was announced last week, and I am aware there is already some considerable activity in and around that. I will provide the member with a breakdown, if I can, of departmental take-up in that first wave.

Mr P. PAPALIA: My question relates to the documentation provided to members on the schedule. As I am running through it, I can see only the 2008–09 figure for Corrective Services. I am not sure that is the same for other areas, but it would appear that we do not have information on the previous year, and it is supposed to be provided at the one time.

The ACTING SPEAKER (Ms L.L. Baker): Is that a question about the schedule?

Mr P. PAPALIA: We need that documentation to consider the schedule in detail. This may mean that the documentation needs to be corrected.

Mr T.R. BUSWELL: I provided that documentation to assist members. I do not have to provide it. However, my documents show 2007–08.

Mr P. Papalia: I may not have all of that.

Mr T.R. BUSWELL: I handed over the opposition’s packs for copying and distribution. I will get a copy of the pack to have a look, in case there are some issues we may be able to address.

Mr P. Papalia: Maybe I have one pack that does not include that part.

Mr T.R. BUSWELL: The one I have has 2007–08 stapled to the front and then 2008–09. I will swap with the member. I understand that Corrective Services received no supplementary funding in 2007–08.

Mr P. Papalia: Not according to the information provided with the appropriation bill, so I was wondering.

Mr T.R. BUSWELL: My apologies, it is \$24.9 million.

Mr P. Papalia: Which is more than in 2008–09.

Mr T.R. BUSWELL: The member is right.

The ACTING SPEAKER: Member for Warnbro, we can discuss 2008–09 when we get to the schedule.

Mr W.J. JOHNSTON: In drawing the Treasurer's attention to the information sought by the member for West Swan and his commitment to provide supplementary information regarding the number of employees by portfolio or department who have taken up the redundancy package in 2008–09, can that information be provided by salary band?

Mr T.R. Buswell: Our redundancy package is in the 2009–10 financial year.

Mr W.J. JOHNSTON: That would be very welcome.

Mr T.R. Buswell: We did not have a redundancy package in 2008–09.

Mr W.J. JOHNSTON: Yes; the government did. That was its first year in government. It was for the year ended 30 June 2009. I am asking Treasurer if that information could be provided by salary band.

Mr T.R. BUSWELL: I will provide the information to the extent that I can deliver the breakdown. I do not want to hide that. People have left; there is nothing not to disclose. If we can do it by salary band, we will; if not, we will not. If we can do it by description of occupation, we will. I am happy to be open about that. The advice I have been provided is that around 74 per cent of people who took voluntary redundancy were in management or administrative-based positions, which I term as non-front line. It was an interesting take-up. I am happy to provide as much information to the member as I can about that voluntary severance program; it is an important part of what we are trying to do in government to slow the rate of growth of the public sector.

Ms R. SAFFIOTI: I think that the full set of notes has not been distributed to each person; for example, I have 2007–08 capital and 2008–09 recurrent and I think other people have the reverse. I am not sure whether we can ask the attendants to photocopy full copies of all four documents. I think it is just a matter of how they were distributed, Treasurer.

Mr T.R. Buswell: Fair point; I will let the member sort that out while I bumble on. We provided a copy of the data.

Clause put and passed.

Leave granted for schedules 1 and 2 to be considered together.

Schedules 1 and 2 —

Mr J.C. KOBELKE: Treasurer, I refer to page 3 of the Appropriation (Consolidated Account) Recurrent 2007–08 and 2008–09 (Supplementary) Bill 2009 relating to 2007–08. At the bottom of that page is the line item "Treasury and Finance — Matrix Fleet Leasing Liability" for \$14 million. I want to know whether that is a final and total payment for what was a bit of a debacle from the Court government era, the Matrix fleet leasing, which was a privatisation that failed terribly. Do we have any outstanding liabilities or commitments in tidying up that Matrix fleet deal? I think we are aware that the lawyer who did it for the government ended up in jail on drug charges.

Mr T.R. BUSWELL: I do not know about the lawyer's drug charge—heaven forbid! My advice is that the \$14 million amount the member can see appropriated in the bill is a payment to the Australian Taxation Office for the full and final settlement of tax matters relating to the termination of the Matrix fleet leasing transaction.

Mr J.C. Kobelke: I accept that that is full and final settlement of the tax matters. Are there any other outstanding issues?

Mr T.R. BUSWELL: That is all the information I have; I can only go on what have I before me.

Mr J.C. Kobelke: Is the Treasurer willing to provide supplementary information on whether there are any other outstanding matters?

Mr T.R. BUSWELL: How about the member asks me a question and I will provide him with an answer? That is the data I have. I do not know whether the lawyer is in jail on drug matters. I know that tomorrow the Auditor General is bringing down his report into Perth Arena, and I think that will be very interesting. I am looking forward to that and to discussing it with the house in a full and frank way, as I am sure the member knows I will.

Ms R. SAFFIOTI: My question relates to recurrent expenditure for 2008–09 and royalties for regions. How much was the expenditure for royalties for regions in 2008–09? How much was anticipated under the recurrent heading?

Mr T.R. Buswell: Which schedule is the member talking about, please?

Ms R. SAFFIOTI: I am talking about 2008–09 recurrent.

Mr T.R. Buswell: Which item?

Ms R. SAFFIOTI: Royalties for regions is held in a number of places. I think some of it is held in Treasury and some is held under Regional Development.

Mr T.R. Buswell: If the member gives me a specific item, we will deal with it.

Ms R. SAFFIOTI: On page 10 —

Mr T.R. Buswell: The \$269 million.

Ms R. SAFFIOTI: It is the \$269 million. I am just looking at the initial information provided to the house last year when we were debating the Treasurer's Advance Authorisation Bill 2009, which asked for \$337 million for royalties for regions. I want to know the underspend in royalties for regions under the recurrent banner in 2008–09. How much was the final expenditure compared with how much was sought under the initial Treasurer's advance?

Mr T.R. BUSWELL: I can tell the member what this item of \$269 million relates to. In 2008–09 the Department of Treasury and Finance was allocated \$269.1 million for a new item that related to royalties for regions. The annual contribution for the royalties for regions program is set at 25 per cent of the annual royalty income projection. The original allocation of \$337 million—give or take—which I think the member may have referred to, was calculated at 25 per cent of the projection for royalty income contained in the 2008–09 *Pre-election Financial Projections Statement*, adjusted for the half-yearly operation program in 2008–09. The final allocation for 2008–09 was revised down to \$334 million, which is a reduction of \$3 million, reflecting lower than forecast royalty projections. That amount is shared between recurrent expenditure of \$261.1 million and capital of \$64.9 million. This is the global allocation of funding in the 2008–09 financial year for recurrent purposes for royalties for regions.

Ms R. SAFFIOTI: Was the only underspend in the Treasurer's notes \$3 million?

Mr T.R. BUSWELL: I am not referring to an underspend; I am referring to recasting of the royalties for regions amount from \$337 million down to \$334 million because of a change in estimated royalty collections between the *Pre-Election Financial Projections Statement*, adjusted for the half-yearly operation of the program. An underspend would not necessarily be picked up in this appropriation, which deals with matters to support the Treasurer's advance.

Mr P. PAPALIA: I refer to page 14 of the Treasurer's handout and to schedule 2 on page 11 and the Corrective Services allocation for 2008–09. With reference to the breakdown the Treasurer has kindly provided us with, of that \$18.964 million, I note in particular that the prison population operating costs are \$15.74 million. Looking back at the breakdown the Treasurer provided of schedule 1, I believe there was about a 50 per cent increase in operating costs. I am wondering whether he can tell me how the department calculated the amount of money it required. What was the breakdown of that increase, which is a significant increase in operating costs for the prison population, and how is that increase then linked to the increase in the prison population over that time?

Mr T.R. BUSWELL: Are we referring to the \$15.7 million?

Mr P. Papalia: Yes.

Mr T.R. BUSWELL: Which is for the financial year 2008–09.

Mr P. Papalia: As I understand it, for the previous year the same line item was about \$10 million.

Mr T.R. BUSWELL: In 2008–09 the Department of Corrective Services received an allocation of \$10.5 million to realign funding for the daily average population—DAP—for updated prisoner numbers from 3 700 to 3 900. I am assuming that that was part of the budget process. In addition, as Treasurer I endorsed supplementary funding of \$5.2 million to DOCS in June 2009. Actually, the \$10.5 million was not part of the budget process. Another \$5.2 million was allocated towards the end of the financial year, in June 2009, to acknowledge the fact that prisoner numbers had been realigned from 3 900 to 4 000. We had a situation during the year, as I read it, in which \$15.7 million of extra funding was allocated in two tranches. The first one dealt with an update of prisoner numbers from 3 700 to 3 900. The second—\$10.5 million in the 2008–09 financial year—which occurred in June of that financial year, was to accommodate a shift in DAP from 3 900 to 4 000. My understanding is that the increases were based on a prisoner number multiplied by a marginal cost rate per prisoner of approximately \$144 a day.

Mr P. PAPALIA: My interest lies in how the Department of Treasury and Finance and the minister justify these figures. The figure of 3 900 was used by Corrective Services for the budget calculations for allocations of prisoner numbers. That was the prisoner muster that it utilised. Subsequently, that muster escalated very rapidly, predominantly in the latter quarter of the 2008–09 fiscal year, particularly from April with the appointment of the new Prisoners Review Board. I cannot give the minister a guarantee, but I would suggest that that prison muster exceeded 4 100. Is that what the minister said?

Mr T.R. Buswell: I said 4 000.

Mr P. PAPALIA: I would suggest that the department had exceeded 4 000 by the time it approached the minister for that extra allocation. As the minister is the person responsible for the state's finances and this is such a significant ongoing problem with regard to the state's finances, I am concerned about how much rigour the minister and his department apply to assessing applications for additional funds and ongoing planning for funding from the Department of Corrective Services. I would suggest that by the time it received this allocation for 4 000 prisoners, it had well in excess of 4 000 prisoners in its prisons.

Mr T.R. BUSWELL: That is a good question. My advice is that the funding model we have for Corrective Services is quite robust. In government we see some funding models that are perhaps a little less robust. I do not think I need to talk about those. Corrective Services is generally regarded as having a robust funding model. The figure we use in daily average population is, as the name suggests, an average. We attempt to average that across the year and multiply it by a marginal cost to determine our total allocation. I understand that it is entirely consistent with the budgeting model adopted for Corrective Services by the former government. It is one of the few things that we have changed.

The member's issue is not so much with the funding model but with the fact that we are locking people up. I know he has a certain view about how nasty it is to lock criminals up and perhaps keep them in prison when they breach parole and all sorts of other things, but his view and ours may be slightly different.

Mr P. Papalia: It is not about locking people up; it is about wasting taxpayers' money. This robust tool that you claim the Department of Corrective Services has was completely compromised in April last year. Subsequently, the blatant growth of the prison muster has been so rapid that any tool that you may have inherited from the previous government is no longer appropriate. I want to seek some indication from you that you have applied a little more rigour than you currently appear to be indicating you have applied.

Mr T.R. BUSWELL: All I can tell the member is that we attempt to determine an average prison population and multiply that by a cost factor.

Mr P. Papalia: So it had exceeded the number that you had given them as an allocation when they asked for it.

Mr T.R. BUSWELL: That is because we were locking up more bad people. Heaven forbid that that may be a bad thing.

Mr P. Papalia: Does that mean you're feeding them less or you're clothing them less? What are you doing?

Mr T.R. BUSWELL: The marginal cost has not changed.

Mr P. Papalia: That's the point. You had more prisoners than they asked for money for.

Mr T.R. BUSWELL: Yes, because we are locking up more people. Maybe I am in a different orbit from that of the member for Warnbro. We come from a side of politics that says that if people break the law in a serious way and the law determines that they should be locked up, we will lock them up. Maybe that is wrong; I do not know. Perhaps the member can put his argument to the public of Western Australia at the next election.

Mr P. Papalia interjected.

The ACTING SPEAKER: Order, member for Warnbro!

Mr T.R. BUSWELL: Some things, member for Warnbro, we have to fund. It is called demand pressure.

Mr P. Papalia: If you sit down, I'll ask you another question.

Mr T.R. BUSWELL: I have not finished yet; I have two minutes and 18 seconds left, and I am going to use them up. If there were more kids at school at the start of the school year than we had anticipated, what does the member reckon we would do? Would we say, "Crikey; the funding model is wrong. Send them away"? No, we would not do that; we would educate them. If at the start of a certain period, there were more people lined up to go to prison than someone had anticipated, would we say, "Open up the gates and let them out"? No, we would not.

Mr P. Papalia: No; you say that you'll steal that money from schools, hospitals and police and put it into prisons.

Mr T.R. BUSWELL: No, we do not. Prove it. That does not happen. It is called the supplementary funding program.

Mr P. Papalia: That is effectively what you are doing.

Mr T.R. BUSWELL: It is entirely what happens. The fact is that the Labor Party does not like locking people up. That is fine; the member for Warnbro can espouse that view in all the Labor Party's marginal electorates: "I am the shadow Minister for Corrective Services and I do not believe in locking people up." Go for it. Ramp it up. Get out there and sing the message.

Mr P. Papalia: What is your plan?

Mr T.R. BUSWELL: It is not our view. Our view is that we will fund using a model that was developed —

Mr P. Papalia: Do you know how much it's gone up in the past 12 months?

Mr T.R. BUSWELL: I have been funding it. The member will see on Thursday exactly how much it has gone up in the past 12 months.

Mrs C.A. Martin: Stop being mean; just answer the question!

Mr T.R. BUSWELL: I am answering the question.

Mrs C.A. Martin: You're being mean.

Mr T.R. BUSWELL: I can be mean and answer the question; I can be kind and answer the question. The fact is that it is not a question that deserves to be answered kindly. The member for Warnbro's argument is that if more schoolkids turned up at school on day one, he would lock the door and send them home; if more patients turned up at the hospital system that the member for Kwinana wants to run than we had budgeted for, he would shut the doors and send them home; and, if more criminals were sentenced to prison sentences than we had budgeted for, he would lock the doors and let them go free. That is not our approach. We will fund demand pressures. That is why they are called demand pressures.

Mr P. PAPALIA: What I am saying to the Treasurer of the state, who is responsible for the finances of Western Australia, is that a department told him that it needed funds for 4 000 individuals when it already had probably a couple of hundred in excess of that number by the time it asked for that amount. All I am asking him for is some indication that he has applied some sort of rigour to the management of the state's finances for Corrective Services. It has blown its budget. Its population has increased by 955, which has increased the cost, according to the Chief Justice and the Inspector of Custodial Services, by \$95 million this year. I would have thought that that would be of interest to the Treasurer, but he should let me know.

Mr T.R. BUSWELL: I will tell the member what happens. When members of the jury go through their deliberations and find someone guilty and when the judge decides what the sentence will be, they do not open up a bit of paper that asks whether the Department of Corrective Services has blown its budget, and I would not expect them to. Would the member? Does the member for Warnbro expect a judge to take on board the budgetary position of the Department of Corrective Services? Of course he does not.

Mr P. Papalia: I expect you to care that a department is increasing its cost by \$100 million a year with no horizon in sight.

Mr T.R. BUSWELL: That is because more bad guys are being locked up in prison. Where has the member been? What orbit is he in? Where did he park his kombi van? What is he talking about?

Mr W.J. Johnston: Like that of the member for Southern River!

Mr T.R. BUSWELL: That is a good point. That is one of the worst kombi vans I have ever seen! However, it has no flowers on the side, fortuitously.

It is a model based on an average. The member for Warnbro should go home tonight, go to his fridge and get a bucket of iced water and put one foot in it, and then he should get a bucket of boiling water and put his other foot in it, because on average he is going to be comfortable. That is how it works. It is an averaging model. Yes, there are more people locked up in prison.

Mr P. Papalia: There were 4 000 in June last year.

Mr T.R. BUSWELL: We will fund —

Mr P. Papalia: There are 4 871 today.

Mr T.R. BUSWELL: What would the member have us do—not admit them to prison?

Mr P. Papalia: There are 871 more than there were when you gave that money out.

Mr T.R. BUSWELL: Who cares?

Mr P. Papalia: You should care because it's \$90 million.

Mr T.R. BUSWELL: We are locking up bad people. We are locking up people whom the courts say we should lock up. Maybe I have missed the point. Maybe I have been asleep. Maybe I missed the last election campaign. It is exactly the same situation as a situation in which more primary school kids than the 116 000 that we budgeted for turn up to school on day one. Do we tell the first child who exceeds the 116 000 that he or she should go home or go to an alternative school? We do not say that. It is called demand pressure. We have to meet it. It is part of government. It has happened under this government and it happened under the previous government. We will keep locking them up.

Mr P. Papalia: It didn't

Mr T.R. BUSWELL: Of course it did! Is the member for Warnbro telling me that if I were to look at previous Treasurer's advances, I would not find demand pressures in education, health, corrective services, disability services and child protection services? Is the member saying that demand was flat for eight years? What planet is my friend the member for Warnbro on?

Mr W.J. JOHNSTON: I draw the Treasurer's attention to the document that he circulated when we discussed the Treasurer's Advance Authorisation Bill last year. The Treasurer explained to the chamber that these were the items included in the Treasurer's advance authorisation at the time he presented the bill. I remind him that that was the largest ever Treasurer's advance authorisation in the state's history. It reflected the fact that under his stewardship Western Australia has experienced the highest expense growth in its history. When I compare that to the document the Treasurer has kindly circulated to members tonight, which sets out the details of recurrent expenditure excesses and new items for the 2007–08 and 2008–09 financial years, the two documents do not match. For example, in the document that the Treasurer provided last year at the time of the Treasurer's advance authorisation, the Department of the Premier and Cabinet was not listed. In the document provided tonight, I note that \$8 584 000 has been allocated to that department. The Treasurer said that the Department for Communities would require \$29.8 million, which does not seem to reflect the amount included.

Mr T.R. BUSWELL: The member has raised a good point, but the fact of the matter is that things move. The Treasurer's advance legislation will be introduced tomorrow, but it was finalised a couple of week ago. There is an unallocated contingency in it. It is based on our best—I should not use the word “guess”—estimate at the time that we finalise the Treasurer's advance. There will be unders and overs. I am sure that there always have been unders and overs. The application of a global contingency, which will happen again on Thursday, is no different. I expect some departments will achieve what we anticipate when we introduce the Treasurer's advance. Some will exceed what we anticipate and some will fall short. Some, such as the Department of the Premier and Cabinet, may be an emerging issue that we have to fund. It is very much a work in progress, which is why we must bring this bill back to Parliament. This is the formal mechanism by which we appropriate the funding spent up to the limit established by the Treasurer's advance. The Treasurer's advance sets a limit. For a range of reasons the composition will always be subject to change.

Mr M. McGOWAN: My question relates to health. I refer the Treasurer to “WA Health” on page 8 of the Appropriation (Consolidated Account) Recurrent 2007–08 and 2008–09 (Supplementary) Bill 2009 and to the figures of \$42 million and \$145 million. I refer also to the document that the Treasurer handed out tonight. Page 3 refers to the “Recashflow of Election Commitment — FINE / Silver Chain (Public Hospital Admittance)” of \$9 million. I refer also to the line that reads “Recashflow of Election Commitment — Grants to After Hours General Practices”, which has a corresponding amount of \$1.92 million. There is then a heading that reads “WA Health — Contribution To Hospital Fund”, and over the page there are three lines that refer to a “Recashflow of Election Commitments from 2008–09 to 2013–14”, \$5 million, a “Recashflow of Election Commitment”, \$3.5 million, and a “Reversal of Additional Commonwealth Funding — Australian Healthcare Agreement”, \$50 million. Will the Treasurer explain what they mean?

With those re-cashflows, does it mean that they are election commitments that are undelivered? That is on pages 3 and 4.

Mr T.R. BUSWELL: What was the third one?

Mr M. McGowan: The re-cashflow of election commitment regarding Silver Chain is on page 3. The second one is on page 4, “Recashflow of Election Commitments from 2008–09 to 2013–14”, \$5 million. There is also “Recashflow of Election Commitment — WA Suicide Prevention Strategy”, \$3.5 million, and “Reversal of Additional Commonwealth Funding — Australian Healthcare Agreement”, \$50 million. What are they? Are they election commitments that are undelivered?

Mr T.R. BUSWELL: With the re-cashflow, is the member talking about the hospital nurses support fund?

Mr M. McGowan: If you go to page 3 —

Mr T.R. BUSWELL: Unfortunately, my numbers are not the same as the member's.

Mr M. McGowan: Silver Chain is the first one—FINE and Silver Chain.

Mr T.R. BUSWELL: Okay; we are just getting ourselves aligned. In relation to the FINE, which is the Friend in Need—Emergency scheme, and the Silver Chain public hospital admittance-related issue, the amount is \$9 million. I can say that initially in 2008, cabinet approved an allocation of \$84 million over four years, which included \$12 million in 2008–09, to WA Health to establish the Friend in Need—Emergency scheme. A certain amount of that money was unable to be expended in that financial year—re-cashflowing would indicate that—and that has been moved into the subsequent financial year. Does that mean the election commitment has been ignored? No. It simply means that its introduction has been delayed into the subsequent financial year for a range of reasons. I do not have those reasons. If the member wants those reasons, he should put that in a question on notice to the Minister for Health. My understanding is that the issues associated with getting the money spent are within the period and that that was basically moved into the following financial year. I am sorry; what were the other ones that the member asked for?

Mr M. McGOWAN: They are “Recashflow of Election Commitments from 2008–09 to 2013–14”, \$5 million; “Recashflow of Election Commitment — WA State Suicide Prevention Strategy”, \$3.5 million; “Recashflow of Election Commitment — Hospital Nurses Support Fund”, \$6.1 million; “Recashflow of Election Commitment — Assistance for Palliative and Cancer Patient Care”, \$2.9 million; and the list goes on. On top of that, there is the reversal of the additional commonwealth funding, \$50 million.

Mr T.R. BUSWELL: Again, where members see re-cashflowing, they can take it to mean that that is money that had been moved out of that particular financial year, which in this case would be 2008–09, and into the subsequent financial year. Therefore, members should read that as 2009–10 for each and every one of those programs. Again, I do not have any other detail. I encourage the member to put a question on notice to the relevant minister.

Mr M. McGOWAN: The Treasurer has not answered the other part of the question, which was about the reversal of the additional commonwealth funding. It is about the same page of the legislation—page 8. Against “Reversal of Additional Commonwealth Funding — Australian Healthcare Agreement”, there is an offset of \$50.2 million. I would like to know what that is.

Mr T.R. BUSWELL: My advice is that in 2008–09, WA Health received a net increase of \$82.8 million in commonwealth government funding under the Australian Health Care Agreement—so read \$82.8 million—which represented an increase in base funding and associated indexation. They are the five-year bilateral health care agreements between the commonwealth and each state. Obviously, there has been a movement—again I would assume a reversal, and I would perhaps have to take this on some notice. That reversal means that some decision had been made in and around that \$50 million. I do not have the detail, but I am happy to provide that extra detail —

Mr M. McGowan: Why would the state hand back \$50 million?

Mr T.R. BUSWELL: I am not sure that I take that as handing back \$50 million, because the document says that the amount for WA Health was \$145 million.

There were a number of issues that impacted on that. I note there is \$133 million additional commonwealth funding under the Australian Health Care Agreement. I note on the next page there is a reversal of additional commonwealth funding under the Australian Health Care Agreement of \$50 million. The net figure between \$50 million and \$133 million, as I read it, is around \$83 million, give or take. The information I provided to the member for Rockingham earlier under the additional funding was a net increase of \$82.8 million, which is almost \$83 million. I am therefore assuming that through some process that involved the commonwealth and the state, which I am unfortunately not privy to, we got given with one hand \$133 million and for some reason had to give back with the other hand \$50 million, which led to a net increase over and above that which had been initially anticipated of \$82.8 million. I therefore do not see that as a negative; we have come out in front with a net figure of \$83 million. That is the full extent of the information I have. My strong advice would be that if the member requires further information, I have committed to providing some supplementary information around that or he can ask the minister a question, but that is the data I have. It is a net increase. I am not privy to all the dollars that go in and out under the Australian Health Care Agreement, unfortunately.

Ms R. SAFFIOTI: My question also relates to health. One item refers to “Recashflow of Election Commitments from 2008–09 to 2013–14”, which seems a little different from the other items that the Treasurer said had only a one-year delay. Could the Treasurer list which election commitments have been deferred from 2008–09 to 2013–14?

Mr T.R. Buswell: I do not have that detail, but again I am happy to provide that detail to the member for West Swan.

Ms R. SAFFIOTI: Will that be by additional information?

Mr T.R. Buswell: Yes. Through some mechanism we will table that supplementary information. For some questions I will ask the member to ask the Minister for Health, but on that sort of question I am happy to provide the information, as it should have been here.

Ms R. SAFFIOTI: Also on health, one item of additional expenditure by Health in 2008–09 in the table headed “WA Health — Contribution to Hospital Fund” is an extra \$1 million for “Debt Servicing — Department of Treasury and Finance ...”. Can the Treasurer explain why that exists? I note that a saving was highlighted under the Public Transport Authority through reduction in debt servicing because of a reduction in interest rates. Could the Treasurer explain why there is additional expenditure from Health going to Treasury for what appears to be additional interest payments?

Mr T.R. BUSWELL: The advice I have is that the item refers to an allocation of \$1 million in 2008–09 that Health received to retire Department of Treasury and Finance repayable appropriations and loans from Treasury Corporation. So it would seem that it was an appropriation to which Health had access to retire a repayable appropriation—I wish I knew what a repayable appropriation was; I wish I had more of them—and also loans from WATC.

Mr J.C. KOBELKE: My question relates to page 7 of the information handed out by the Treasurer. Under “Education and Training” there is a sum of \$7.649 million for “Royal Street Rental Expenses”. Could we have some explanation as to why a building that has been rented for some years now has this additional expenditure relating to rental?

Mr T.R. BUSWELL: The advice I have is that the Department of Education and Training has a tenancy at 151 Royal Street, East Perth and that in 2008–09 it needed \$7.6 million to fund significant increases in the cost of what I have been advised is maintaining the tenancy. I am assuming therefore that it is for lease and other costs. That is the sum total of the information I have. If the member for Balcatta has any other question relating to the Department of Education and Training’s occupation of 151 Royal Street, which I think is head office, “Silver City” —

Mr M. McGowan: Yes.

Mr T.R. BUSWELL: I thank the member for Rockingham. I have never visited it, but it is quite a large footprint. I do not have exact details on the annual rental. I suspect it is related to that and possibly other costs.

Mr J.C. KOBELKE: The building there has been the Department of Education and Training headquarters for decades. If the lease were due to be renewed, surely that should be taken into account and not caught here as extra expenditure, or the department might have extended its area or something. It looks a bit unusual and I think it would be appropriate for the minister to give some explanation—if not now, then by supplementary information—as to why the DET headquarters, which has been there for years, should suddenly incur more than \$7.5 million in extra rent expenses.

Mr T.R. BUSWELL: I have given the member the information I have. I say to him that if he has an interest in that particular Royal Street property, he should ask the minister a question on notice. I do not have any more detail, although I will say, more broadly, that as office accommodation, it is an absolute dog’s breakfast. I found agencies whose leases had expired and they had failed to take up options; I found agencies in all sorts of weird and wonderful rental arrangements. I am not saying that that applies to Royal Street; we are trying to fix that now. The information I have given the member is the sum total of the information I have. I will not speculate further, but I would respectfully encourage the member, if he has a question in relation to that matter, to put the question on notice to the Minister for Education.

Mr J.C. KOBELKE: To pursue this a little further, can we have an explanation for the entry under “Curriculum Council” on page 8—“Curriculum Council Operating Deficit and Senior Schools Reform”—and an amount of \$2.1 million. Can we have some explanation as to how that was incurred by the Curriculum Council?

Mr T.R. BUSWELL: My advice is that in April 2009, as part of the budget process, cabinet endorsed an allocation of \$2.1 million to fund the Curriculum Council’s operating deficit in 2008–09, and to cover the costs of increased compulsory high school examinations as a result of the implementation of the senior schools reform.

Mr M. McGowan: What a good decision.

Mr T.R. BUSWELL: Yes, all good decisions occasionally have funding implications. We were obviously doing two things with the \$2.1 million. There was funding for compulsory high school examinations, which I think is a great thing, and there was obviously some operational deficit; I do not have any detail in relation to the breakdown.

Ms R. SAFFIOTI: To stick with education, I refer to the item “Recashflow Election Commitment — Better Behaviour in Public Schools”, and an amount of \$5 million. Could the Treasurer explain to us what year that has been re-cashflowed to, and what that election commitment refers to—whether it is the total election commitment that has been pushed back, or whether there are elements of election commitment being pushed back?

Mr T.R. BUSWELL: I can tell the member that cabinet approved an allocation of \$40 million over four years, of which \$6.3 million was to go to the Department of Education and Training in 2008–09 to provide behavioural management specialists in support for public schools, in line with our election commitment. One hopes that this program will result in increased chaplaincy services as well as the employment of 50 additional school-based psychologists and 10 behaviour management specialists. It was reduced in 2008–09 by \$5 million to reflect the anticipated spending profile of the government. Obviously a lump of money was allocated late—I stress late—in 2008, and during the balance of 2008–09 it was not spent in line with the allocation money.

Ms R. SAFFIOTI: Are these items necessarily re-cashflow, or is it just under-expenditure?

Mr T.R. BUSWELL: We treat them as the same. Generally, re-cashflow will be for one of two reasons: either we have not been able to spend the money for a defined program and it is basically just moved back through the forward estimates, or we make a conscious decision to not spend that money during period X, but to start spending it during period Y, and it is re-cashflowed from period Y as opposed to starting during period X. The member is right; it could be an underspend, or it could be a conscious decision by government to defer that spending for a time. My understanding is that they are both generically referred to as re-cashflowing.

Ms R. SAFFIOTI: Just to clarify, a re-cashflow would normally happen with capital items, because they are basically project driven. Initially you said that for all these items expenditure was pushed back from one year to the next. But that is not really the case, because they are recurrent items. If you did not spend the money in 2008–09, then unless a conscious decision was made to add that money into the following year, it is not really a re-cashflow. It is basically that you did not spend it; and it is a recurrent item anyway, so it keeps going.

Mr T.R. BUSWELL: The member can call it what she likes. We are calling it a re-cashflow, because we are not spending the money this year; we are spending it next year. With some of these things, the practicalities are—as I am sure the member would be aware—that when we come into government, we are full of eager anticipation about all the wonderful programs that we are going to deliver.

Mr W.J. Johnston: That is what your mate Rudd is doing!

Mr T.R. BUSWELL: My mate! That is a nice turn of phrase!

Ms R. Saffioti: Your mate!

Mr T.R. BUSWELL: My mate Kevin; and tomorrow I am meeting my mate Wayne—well, my mate at least for the next 12 hours!

That is what happens. Sometimes we have programs on which with good intent we want to spend money, but it is not always possible. In relation to the Better Behaviour program, our intention is still to spend the \$40 million. It is just going to occur over a slightly different period of time.

Ms R. Saffioti: But that \$5 million, for example, would not be added to the 2009–10 expenditure?

Mr T.R. BUSWELL: I would have to double check, but my understanding is that there would be a quantum shift.

Ms R. Saffioti: So it is all pushed back?

Mr T.R. BUSWELL: Yes—a re-cashflow, as we say it.

Ms R. Saffioti: Well, not really, because you said before that the re-cashflow was push-back from one year to the next.

Mr T.R. BUSWELL: What I am saying is that re-cashflowing can happen for two reasons. The seniors' cost-of-living rebate—as much as I hate to raise that issue—is something that we pushed back by a couple of months.

Mr J.C. Kobelke: But that is not a re-cashflow.

Mr T.R. BUSWELL: That is a re-cashflow. Similarly, we fund programs that we quite simply cannot get off the ground. That is a re-cashflow.

Mr W.J. JOHNSTON: I am still on “Education and Training”. At the time of the Treasurer’s advance authorisation there was a lot of discussion, as the Treasurer will remember, about the enterprise bargaining agreement for schoolteachers and the funding of that. Page 7 of the document refers to “Election Commitment — Teachers’ Pay”, and an amount of \$35 million, and page 8 refers to “Recashflow of Teachers’ EBA Funding”, and an amount of \$33.954 million. Does that mean that the additional expenditure on that item is \$1 million, and change, in 2008–09; and, if so, is there any explanation for why it is such a small amount, particularly given the amount of discussion that we had on that very topic during the TAA debate?

Mr T.R. BUSWELL: I do not have any detail on this other than what is presented here. On my quick reading of that data, the member is probably right. An amount of \$35 million was allocated to meet the teachers’ pay EBA, or election commitment—or whatever the member likes to call it. For whatever reason, the totality of that was

not drawn. Unfortunately I do not have that data, but I accept the broad thrust of what the member is saying. It is absolutely correct.

Ms R. SAFFIOTI: I refer to the page 15 of the document, under the heading “Communities”, and the item “Election Commitment — Seniors’ Cost of Living Rebate”. It appears that \$25 million has been provided in 2008–09 for that rebate. However, as I understand it, that rebate has not been paid. Perhaps I have got my financial years wrong —

Mr T.R. BUSWELL: Yes. It is the wrong year, member. The rebate for 2009–10 has not been paid.

Mr W.J. JOHNSTON: I just want to clarify something that the Treasurer said about the approach that the government has taken to the TAA. When in opposition, the Treasurer was very critical of the former government and its accountability to the chamber in respect of its expenditure. Given that for the two years of this government, the Treasurer has had record expenditure growth, is the Treasurer saying that we have had these unders and overs et cetera, and that the information that the Treasurer provided at the time of the TAA debate—which I referred to before—should not be relied upon, and that we should worry just about the authorisation that the Treasurer is seeking from the house today in these appropriation bills? If that is the case, how do we as members of Parliament hold the government to account on its intentions? How do we know when it has succeeded or failed in its intentions? The Treasurer has brought in a \$1 billion Treasurer’s advance authorisation, the largest in the history of the state. How do we do our job to hold him to account? What does the Treasurer suggest we do to ensure that he is telling us what he wants to do, that he has a plan and that the plan is being implemented, if there is no relationship to it in the information provided?

Mr T.R. BUSWELL: That is a good question, and I would ask the same question. I suppose that I could summarise it like this: technically the Treasurer’s advance is the upper limit to which we can spend, and so we do that. We provide data at the time of the Treasurer’s advance to give a best possible indication of where that money is intended to be spent. Is it perfect? There will always be slippages. We will not spend all the money we anticipated. In some areas we will spend more than anticipated; there may be areas where we anticipated spending and we do; there may be areas where we anticipated spending and we do not. That is just the reality of what we do. The Treasurer’s advance technically gives an absolute. This is where we are held accountable for the composition of the absolute. We cannot spend over the absolute. It caused us a tad of grief last year towards the end of the financial year as we managed some of the Treasurer’s advance. We now come back to Parliament and, rightly so, have to account for every single dollar of spending. Is it perfectly going to match dollar for dollar with the Treasurer’s advance authorisation? No. Has it ever? I doubt it. Perhaps when the TAA was very small, it might have been closer to the appropriation. I think it is a valid point that the member raises. There is always a contingency in the TAA as well for the unexpected, and by its nature there will always be the unexpected. I think that where the Parliament can have some comfort is the fact that the TAA sets an absolute and we cannot go beyond it and that, ultimately, we have to report back to Parliament with the composition of that absolute. On the other point the member raised earlier about why we are doing 2007–08 now, I think he is perfectly correct in raising the issue. My intention is not to have to do that again, because it is so long ago that we have almost forgotten what it was. I accept that. The other commitment is that when the TAA is introduced tomorrow, I will provide a breakdown of what the member has now in the detail so that he can consider it for at least a day ahead of the debate, in the knowledge that that is the full sum of the information I have. So I will not be able to provide much more detail, but that is the best I can provide.

Mr W.J. Johnston: Is there not a problem in that there does not appear to be any relationship between what you gave us under the TAA and what you are presenting tonight? To take education, for example, the only money allocated was for capital improvements.

Mr T.R. BUSWELL: Again, it is a dynamic environment we live in. We often rely on information that agencies provide to us when we set up the TAA compared with what agencies then realise at the end of the year. It is imperfect. I am not going to debate that, because the member is 100 per cent right. All I can do is stand before the member with the actuals that were anticipated at the time of the TAA compared with the actuals at the time of the end of the budget cycle, and he can hold us to account. We did this once before when I was in opposition and we were very critical. We were debating spending items. We are not going to do it tonight because 2007–08 was a different government. The current opposition was then in government. We are basically appropriating money now that was spent during the time of the former government, and that is fine, but it was two years ago. I am battling to remember what happened last week! It is a good point.

Mr P. PAPALIA: I am almost afraid to confront the Treasurer again after that demonstration of incredible zeal in defending the hard right-wing zealots in his party who are insisting on ignoring completely the skyrocketing costs of the prison system as a result of the exploding numbers of the prison muster, but I note that his wife is in the chamber so I figure that he will behave himself a little more now than he would otherwise.

Can I ask the Treasurer about schedule 2 —

Mr T.R. Buswell: She doesn't like you; she told me!

Mr P. PAPALIA: She is only human; come on!

Mr T.R. Buswell: The "Burekup Berk", she calls you!

Mr P. PAPALIA: I am sure she would not do that.

I refer to schedule 2 on page 11 of the Appropriation (Consolidated Account) Recurrent 2007–08 and 2008–09 (Supplementary) Bill 2009, and the breakdown of that on page 14 of the Treasurer's document, related to the previous period funding shortfall to the Office of the Inspector of Custodial Services. Can the Treasurer provide an explanation about the \$355 000 and how the shortfall came about?

Mr T.R. BUSWELL: We have an interesting challenge: the member's figures are different from mine.

Mr P. Papalia: Sorry; I am asking about the 2008–09 Office of the Inspector of Custodial Services expenditure, or advance.

Mr T.R. BUSWELL: Is the member asking about the grand sum of \$355 000?

Mr P. Papalia: It all counts, Treasurer; it's all taxpayers' dollars.

Mr T.R. BUSWELL: I can inform the member that in 2008–09 supplementary funding of \$355 000 was provided to the Office of the Inspector of Custodial Services to cover an operational shortfall over two years—2007–08 and 2008–09. Obviously, there were some funding pressures. We do this in agencies from time to time; for example, Health, which is on a slightly larger scale. I do not have a breakdown of spread of that \$355 000 across those two years, but clearly there were some funding pressures that we felt compelled to meet. Sometimes agencies come to us with funding pressures that we do not meet, and we make them source them internally, but that is not always the case.

Mr J.C. KOBELKE: On page 12 of the Treasurer's notes, under "Racing, Gaming and Liquor — Administered", there is amount of \$1.1 million for deferred equine influenza financial assistance. Can the Treasurer explain what that means and why it was taken out of the preceding year and put into this year?

Mr T.R. BUSWELL: It means there were a lot of sick horses, member for Balcatta! The former government's cabinet had previously approved a draw down, in October 2007, for an allocation of \$1.1 million to the Department of Liquor, Gaming and Racing for the equine influenza assistance package; the member may recall that. DOLGAR made a decision that it did not need to draw that down in 2008–09 because it held strong cash balances.

Mr J.C. Kobelke: It didn't draw it down in which year—2007–08?

Mr T.R. BUSWELL: It deferred the draw down of the allocated funding to 2008–09 because strong cash balances were held at the end of 2007–08. It made a decision in 2007–08 not to draw it down, and deferred it until 2008–09.

Mr J.C. Kobelke: Does that mean it may have spent the money on the equine influenza in 2007–08, but did not actually take it from Treasury until the following year?

Mr T.R. BUSWELL: Correct. It is a cashflow matter.

Mr J.C. KOBELKE: I would appreciate it if the Treasurer would assist me to try to understand the actual presentation of accounts so that I can understand what lies behind them. If we go to the 2008–09 "Annual Report on State Finances", released in September 2009, appendix 5 provides the policy decisions affecting spending. I know that the time at which things are brought to book can change things, but I have assumed that appendix 5 is a reasonable summary of decisions that have impacted on the budget, and therefore I thought they would be, to some extent, in parallel with the part of the bill that covers the 2008–09 year, but I have had difficulty finding reconciliation on a number of points and I am seeking some explanation. I will give the Treasurer an example: The 2008–09 "Annual Report on State Finances" shows nothing under "Treasury" relating to the royalties for regions program, but under "Local Government and Regional Development" there is \$175.3 million; how does that \$175.3 million relate to the \$269.1 million shown under "Treasury and Finance" in these bills? There must be some relationship, but I cannot discern it from the differing figures in those two presentations.

Mr T.R. BUSWELL: I do not have a specific answer to that question; it is only a couple of hundred million dollars! I am happy to provide supplemental information, as I am sure the member can see that I am trying to be helpful wherever I can.

Mr J.C. Kobelke: I assume they equate to the same area.

Mr T.R. BUSWELL: There are two Ps in spending—policy and parameter. Ultimately, anything reflected in the TAA would reflect either a policy decision of government, which is, "We will do this," or a parameter decision: "We have more prisoners in the clink; we have to feed them." There are two factors that combine to make up the

total amount of spend—discrete policy decisions and parameter shifts. Without knowing the detail, I expect that the total appropriation will be different from the amount listed under policy decisions because it will also include parameter shifts; that is, more kids at school, so we need more funding.

On that specific royalties for regions issue, I do not have an answer. I will get an answer. I suspect it has something to do with the fact that Treasury holds all sorts of accounts in which it holds money for all sorts of agencies for all sorts of reasons. I would rather not speculate on that, but I will provide more accurate details. My officer is dutifully writing that down and I will attempt to get that answer by way of tabled information in the future.

Mr M. McGOWAN: The Treasurer said he will provide supplementary information, but there is no supplementary information process for this stage.

Mr T.R. Buswell: I will now use the word “table”. I will table answers to those questions through some process.

Mr M. McGOWAN: There were a range of questions during consideration in detail.

Mr T.R. Buswell: I will provide the information. If I miss one, the member can remind me. I am sure that was picked up by Hansard, and my officer is a highly reliable individual.

Mr M. McGOWAN: The Treasurer will table that information—terrific.

I have a question on items in the police budget and also the planning and infrastructure budget. The Treasurer has indicated on a number of occasions that a re-cashflow of an election commitment is basically deferring it for a year or longer perhaps, but he also refers to a deferral. If the Treasurer looks to the reference to “Western Australia Police” at page 11, it reads “Deferral of Supplementary Funding”. If he then goes to Planning and Infrastructure, instead of re-cashflowing, it refers to “Deferral North Greenbushes Railway Project” and “Deferral Owners Drivers Program”. What is the difference between a re-cashflowing of an election commitment and a deferral of a program that was obviously in place? Can the Treasurer comment on the specific examples of deferral of supplementary funding, the Greenbushes railway program, and the deferral of the owner–driver program?

Mr T.R. BUSWELL: That is what I call a BGQ—a bloody good question! I suspect it has something to do with the terminology used by the person writing it, although I can provide information. It is a fair call; I do not have a specific answer. For example, with WA Police, the deferral of supplementary funding of \$5.065 million relates to a decision by police to reduce their drawdown of supplementary funds in 2008–09 by \$5.1 million as part of its cash management process. That funding will be drawn down subsequently in 2009–10 and 2010–11. If the member wants details of why that happened, he will have to ask the Minister for Police. Clearly, police at the time had supplementary funding approved but decided not to draw down on it.

Mr J.C. Kobelke: It may have been something like the operational cost of new helicopters, because they did not buy them.

Mr T.R. BUSWELL: It could have been. It could have been anything.

Mr J.C. Kobelke: We put in a lot of money for new helicopters, but they were not bought.

Mr T.R. BUSWELL: I am not prepared to speculate on why that money was deferred as opposed to re-cashflowed, other than to say that it may have been a turn of phrase. The North Greenbushes project has definitely been deferred.

Mr M. McGowan: Why has it not been re-cashflowed?

Mr T.R. BUSWELL: That is the turn of phrase used. I can tell the member that the Greenbushes railway project was both re-cashflowed and deferred. There may be some further announcement around that in due course, but any specific questions the member has on Greenbushes railway he can put to the Minister for Transport, as I am sure the member for Collie–Preston has already.

Mr R.H. COOK: I am seeking clarification on “WA Health — Contribution to Hospital Fund”. The election commitment under hospital nurses support fund is \$6.1 million, plus a re-cashflow of \$6.1 million, which suggests that nothing has been spent in 2008–09 under the hospital nurses support fund. My understanding was that in that financial year there were at least two activities—the purchase of a childcare centre at Rockingham hospital and another, I believe, at Princess Margaret Hospital for Children. Can the Treasurer clarify the activities associated with that fund?

Mr T.R. BUSWELL: Hospital nurses support fund: I want to get it straight; are we dealing with the re-cashflow of \$6.1 million?

Mr R.H. Cook: They are both \$6.1 million, so my point is —

Mr T.R. BUSWELL: It is money in, money out.

Mr R.H. Cook: Was absolutely nothing done?

Mr T.R. BUSWELL: Is this in the 2008–09 financial year?

Mr R.H. Cook: Yes.

Mr T.R. BUSWELL: I may not be able to help the member specifically with that; the member might have to ask the minister a question on notice. What I know is that we allocated \$21.3 million over four years—\$6.1 million in 2008–09. I suspect that—the member will have to ask the minister to confirm—the fact that it has been re-cashflowed suggests that that money was not spent to 30 June 2009. That does not mean it was not committed; that is, we might have given a commitment to do something—I think the member mentioned child care, which is great—but it may well not have been spent; in fact, I suspect it was not. I suspect that any spending that was associated with the commitments made prior to 30 June 2009 has not happened until the current financial year.

Ms R. SAFFIOTI: My question relates to expenditure under the Public Transport Authority for 2008–09. In the table on page 9 under “Offset By” is the item “Increased Fare, Rental and External Works Revenue above 2008–09 Budget Forecast”. Of the \$14.263 million, can the Treasurer break down: how much came about because of increased fare revenue; how much came about from increased rental revenue; and how much came about from the external works revenue? I have some follow-up questions too, but I will get the Treasurer to answer these questions first.

Mr T.R. BUSWELL: In relation to those specific items that amount to \$14.3 million, the ministerial offices have provided me with no further details. I have offsets and exactly the same detail that the member has in relation to that. Therefore, I will not even speculate but I will make a note, given that that is something that we should have been providing, and provide that by way of information that I will table at a later date, and I do apologise.

Ms R. SAFFIOTI: Thank you, Treasurer. As well as the breakdown between those three items, could we have just a short explanation; for example, is the fare a revenue figure because the fare increase was higher than anticipated? In respect to rental revenue, too, does that again —,

Mr T.R. Buswell: We will give the member the breakdown and we will try to identify the causes for those increases up to that sum of money.

Mr J.C. KOBELKE: I have two questions. One question refers to page 11 under “Western Australia Police”. Can we have some explanation of the movement in leave liability of \$4.5 million? Were police asked to use up their accrued leave? Why has the government suddenly copped \$4.5 million in one year? Further, on page 12, under “Western Australian Sports Centre Trust” —

Mr T.R. BUSWELL: Can we deal with one question at a time? Sorry member, I am not trying to be disrespectful but with our alternative page numbering it is a bit tricky.

Movement in leave liability: the police received an allocation of \$4.560 million—let us round it up to \$4.6 million—in the 2008–09 financial year to cover an increase in leave liability balances. My advice is that an actuarial model is used to calculate the agency’s leave liability in which interest rates are used to discount future cashflow requirements into present values. So there is a future cashflow requirement and there must be a net present value or an interest rate to apply across that. When the interest rate decreases, which it did, the leave liability increases, because the discount rate decreases. Therefore, the net present value of those future cashflows increases. That is what happened across government and it cost government hundreds of millions of dollars off the bottom line last year. The leave liabilities increased because interest rates decreased.

Mr J.C. Kobelke: As this is held against Western Australia Police, does that mean that the \$4.56 million was transferred to police for it to hold in cash reserves, a trust fund or something else?

Mr T.R. BUSWELL: Yes. It would have gone into police and been passed to a holding account for leave liability.

Mr J.C. Kobelke: In other words, generally, the individual agents hold those cash reserves to cover leave liability because it is not held centrally?

Mr T.R. BUSWELL: The member is correct. I think we use a component of the bond rate—I do not know which one—in determining the interest rate that we apply across the future cashflows. Last year the government had to fund more than \$100 million or perhaps up to \$2 million off the bottom line.

Mr W.J. Johnston interjected.

Mr T.R. BUSWELL: Yes, It happened across government. I am not sure how other departments were funded, but on aggregate it had a big impact.

Mr J.C. KOBELKE: If I understood the Treasurer correctly, he said that there had to be an adjustment across the public sector because the government's actuarial analysis indicated that the amount provided for leave liability was inadequate. Therefore, Treasury provided \$4.56 million to police to cover that. If that happened across the public sector, why are we not seeing a similar amount against other agencies?

Mr T.R. BUSWELL: That is a good question. I cannot confirm this, but it might have been because police—as the member will be aware having been a former police minister—runs a fairly lean and efficient operation and might have lacked the capacity to absorb any change. I am not aware of other agencies, but police sought \$4.65 million to cover that in this instance, which we funded. The member knows that the police department runs pretty close to the bone. It is a reasonably lean and efficient organisation. I suspect that might have been the case, but I cannot confirm that was exactly the case and I do not want to speculate on it. However, from a global point of view right across government, it had a huge impact on the bottom line last year. I was really thrilled when I was presented with that information!

Mr J.C. KOBELKE: The other question that I foreshadowed related to page 12 of my copy of the Treasurer's document and it might be a different page on his copy; that is, the Western Australian Sports Centre Trust for which there is a one-off funding injection of \$1.642 million. Can the Treasurer give a reason for the basis for that additional funding injection.

Mr T.R. BUSWELL: Again, that is a good question. It is a one-off funding injection to restore cash balances and to provide working capital to the agency. For whatever reason I suspect the agency might have run slightly over its allocation for one or two years and from time to time we have to top up its allocation. Members will have noticed in the midyear review that we did that for health. I wish health was only \$1.6 million. My recollection is that it was a hundred —

Mr P. Papalia: And the rest.

Mr T.R. BUSWELL: There are two aspects to health and members will see it outlined in glorious detail tomorrow. Last year health sort of ran out of money and nearly breached, according to some interpretations, some components of its responsibilities in drawing down on funds that were held in other accounts. That has been well documented. We had to provide a capital injection into health because it lived beyond its means. This will have been a capital injection into the Western Australian Sports Centre Trust for the same reason. I do not know whether it happened in that year or it was a hangover for a couple of years. That is generally why we have to provide capital injections. It is not something that I am pleased about doing, but, ultimately, and notwithstanding our best efforts, we cannot have insolvent government agencies.

Mr P. PAPALIA: I refer again to the 2008–09 corrective services expenditure and the breakdown provided in the line "Government Regional Officers Housing Rental Costs". Is that something that is spread across the state or was a large proportion of it associated with flying prison officers in and out of Roebourne or the Karratha area to staff the Roebourne prison?

Mr T.R. BUSWELL: I thank the member for the question. I cannot imagine that the cost of flying someone anywhere would be picked up in GROH. Agencies pay the Department of Housing to provide Government Regional Officers' Housing. My advice is that the Department of Corrective Services needed an extra \$4.435 million in the 2008–09 financial year to meet the increased operating and maintenance costs for GROH housing as a result of increases in rental costs passed on to them by the Department of Housing to administer the GROH program for every government agency, with the exception of the Department of Health. Health should be in GROH, and I suspect it will ultimately be in GROH. It is ridiculous to have a separate system of Government Regional Officers' Housing for Health as opposed to the rest of the agencies. We still need to make reforms in GROH. GROH is an important part of providing the necessary inducement to get government regional officers into regional areas. The advice I have is that there was an increase in GROH costings, or bills to that department, of around \$4.4 million. That was effectively because of the invoices they had from my department to the Department of Housing. I can only imagine that was due to maintenance costs, or, as the note here says, "maintenance costs or rental costs levied by the Department of Housing." Would it relate to fly in, fly out to Roebourne? It may relate to providing housing for people working at Roebourne but, for the actual cost of transportation, it is not a GROH responsibility.

Mr P. Papalia: So the Treasurer does not know the breakdown of locations?

Mr T.R. BUSWELL: No; but I suspect most of the costs would have been costs in the north of the state.

Mr P. Papalia: Specifically Roebourne—my understanding is that there are a large number of prison officers there who are accommodated in short-term, high-level rental —

Mr T.R. BUSWELL: I am not sure whether they are funded under an arrangement with GROH or an alternative arrangement with the agency. There are government agencies that, for a whole range of reasons, have people working in regional areas that are not in GROH houses. They might be in motels; they might be in all sorts of things.

Ms R. SAFFIOTI: Can I ask about —

Mr T.R. BUSWELL: Is the member sure her baby is not hungry; I have run out of puff!

Ms R. SAFFIOTI: I have already fed her. I thank the Treasurer for his concern. Under “Treasury and Finance —

Mr T.R. BUSWELL: I will give you a tip—they do not get any less hungry as they get older!

Ms R. SAFFIOTI: Under “Treasury and Finance—Administered” there is an item regarding a refund of past years’ revenue collections of \$90 million. It is on page 10 of our copy. Does that figure relate to one refund or does it relate to a number of taxpayers having been refunded?

Mr T.R. BUSWELL: The \$90 million?

Ms R. SAFFIOTI: Yes.

Mr T.R. BUSWELL: I suspect “All Others” includes a number of people. My advice is that there was an allocation of \$90.7 million for the repayment of higher-than-expected tax refunds following successful taxpayer appeals. I do not know the breakdown. If the member wants the detail, she can ask me a question; I am happy to provide it on notice. I am not going to provide it by way of tabled information but if the member has an interest in revenue refunds, I am happy to provide the information. I do not have any more detail than that.

Ms R. SAFFIOTI: In the table above it refers to “Office of State Revenue Legal Costs Appeal”. An additional \$2.4 million was provided to the Office of State Revenue. Do those items go together in the sense that there was additional funding given to the Office of State Revenue to fund some appeals by some major taxpayers and the state lost and that is why there is \$90 million being refunded?

Mr T.R. BUSWELL: That is a good point. The member is right. The \$2.4 million was effectively for legal costs. My understanding is that a lot of that related to a dispute before the State Administrative Tribunal in the defence of one \$160 million stamp duty assessment. Of course, it would be inappropriate for me to speculate on whom that was for, but I actually do not know. There was a stamp duty assessment with penalty tax and possible interest. The advice I have is that due to the magnitude of the assessment and the complexity of both the factual matters and legal issues, a whole range of specialist valuers, expert witnesses and senior counsel had to be engaged. I am not sure whether the full \$2.4 million covered that. After reading this advice, it may well have done. I do not have that detail, but I assume so.

Mr W.J. JOHNSTON: I draw the Treasurer’s attention to the Disability Services Commission and to the line item “Election Commitment — Five Out of Home Respite Facilities” for \$5 million. I wonder whether that \$5 million was allocated to recurrent expenditure. I am confused. Given that it was an election commitment in 2008–09, it is not clear how the government is expected to spend \$5 million recurrent on that. It is also re-cashflowed below that in the table.

Mr T.R. Buswell: Can the member just hang on a minute?

Mr W.J. JOHNSTON: Certainly. It is on page 9 of the document that I have. I do not know what page it is on in the Treasurer’s document.

Mr T.R. Buswell: I assure you that we will have consistent page numbers next time. What was the member’s question?

Mr W.J. JOHNSTON: There is a line item for “Election Commitment — Five Out of Home Respite Facilities” for \$5 million. It sounds like a capital amount, but let us leave that aside. Below that in the table there is a line item for “Recashflow — Election Commitment — Five Out of Home Respite Facilities” for \$4.588 million. I am interested to know what happened. This is a general question that the Treasurer might address as well. Do we have any indication which of these re-cashflow election commitments have been dropped and will not be seen in the future; which are being flowed through to future years but are being paid for by a reallocation of the department’s resources; and which are being flowed through to subsequent years and are increases over what was in the pre-election financial projections?

Mr T.R. BUSWELL: In answer to the second part of the question, that sort of detail is picked up as we work through the budget process. I am not going to go through each of these, but clearly some were being re-cashflowed at this time. The money was being moved back for a range of reasons—either we could not deliver on it or we made a conscious decision to push it back. Some of those will not happen. Either the government will make an announcement in relation to that or, in the true nature of political argy-bargy, the member will discover that. That largely comes out through the budget process.

Mr W.J. Johnston interjected.

Mr T.R. BUSWELL: That is how it works, is it not? Let us be up-front.

The line item for five out-of-home respite facilities specifically relates to \$11.7 million of funding over two years—with \$5 million in 2008–09 and, I suspect, the other \$6.7 million in subsequent years—to provide grant funding, which is why it is recurrent for the Disability Services Commission, to the Department of Housing to construct home respite facilities in metropolitan and rural Western Australia. The member is right; the fact that \$4.5 million of that \$5 million, which is a big chunk, was re-cashflowed suggests that it simply was not spent. I think it is a fair call.

Mr M. McGOWAN: I refer to schedule 2 on page 10 of the bill. Under the line items for Treasury and Finance, there is a range of areas of expenditure, but there is a range of additional expenditure under each portfolio area in the entire schedule. I am interested in the cost of additional staff. I would like to know for each portfolio, or perhaps in totality, how many additional staff have been employed since the Treasurer announced the staffing cap a year or so ago and at what additional cost?

Mr T.R. Buswell: Is this under Treasury and Finance?

Mr M. McGOWAN: Treasury and Finance is an obvious area under which to ask the question, but it impacts on every portfolio.

Mr T.R. Buswell: Which line item is it?

Mr M. McGOWAN: On page 10, there is a line item for Treasury and Finance for \$5.844 million. No doubt there is additional expenditure for staff members for each of the agencies, including the Western Australia police service. They are all global amounts. I am interested in the additional expenditure on staff and the additional number of staff employed by the government since the Treasurer announced the staffing cap.

Mr T.R. BUSWELL: The \$5.844 million for the Department of Treasury and Finance specifically relates—I think you have been given this detail—to land tax measures of \$165 000; building management works depreciation costs of \$1.760 million; Office of State Revenue legal costs of \$2.3 million; Economic Audit Committee establishment costs of \$800 000; building management works for mesothelioma claims of \$485 000; and Community and Public Sector Union – Civil Service Association, general agreement 4, wage claims of \$3.8 million. This is offset by the efficiency dividend of \$3.1 million; media and marketing that saved us \$142 000; and the reduction drawn out of the supplementary funding of \$243 000, which is a total of \$5.844 million. They are the composite matters that refer to that additional funding on page 10 of the bill.

I have no advice—I am not saying that there is not an element of FTE change—about FTE growth contributing to any of those increases other than the detail I have just provided. FTE growth in agencies is provided on a quarterly basis by the Public Sector Commissioner. The member for Rockingham raised an interesting point this afternoon when he talked about the FTE cap. The member is right. We have had to adjust the cap three times. It has driven me nuts. Why did we adjust the cap? We set the cap based on the FTE figures that appeared in the budget papers 2008–09, which was not my budget. It was the budget we inherited. I do not think that this is a political issue. Government agencies never accurately reported their FTEs. We went through the budget papers and took the FTE for every agency and said that that is now its FTE. The Public Sector Commission takes a snapshot at a period in time and looks at how many people are getting paid to determine FTE numbers. We have had to ask why some figures were low and some were high. Agencies never felt compelled to report an accurate FTE relative to the numbers they had employed. I think that has been going on forever. The total wage bill was divided by some average wage to come up with an FTE figure, which is hopeless. There is a lot more focus in government on FTEs. We have had to adjust the cap three times as the major agencies have fessed up to the fact that their number of FTEs is different. I do not have the data here. If the member for Rockingham wants me to, I am happy to lay it all out because some agencies have historically underreported on their FTEs. We have adjusted the cap a few times. I am more confident that the data we are using in Treasury, which is an average FTE across the year, is reflective of what the Public Sector Commission reports after it takes its snapshot at the end of every quarter. What component of that \$5.844 million comprises FTE growth, I do not know.

Mr M. McGOWAN: I refer to the entirety of schedule 2, rather than one particular line item. I am interested in what the cap is now and the total number of staff in the public sector. I would have thought that that was a straightforward question to answer if the analysis had been done. If the Treasurer cannot answer that question, perhaps he could provide supplementary information via the good auspices of his advisor. If he cannot provide that information—I expect he can because he has adjusted the cap—can he provide it by way of supplementary information so that we know the exact number of FTEs?

Mr P. Papalia: It was an easy question when he was in opposition.

Mr T.R. BUSWELL: I thought it was. I have data on the cap. I do not have it here because such data does not relate to this bill. I am happy to provide supplementary information. I will table information that details the original cap, the changes we have made and the reasons we made those changes. That is the best I can do. I could guesstimate, but I will not. A figure of 101 000-plus comes to mind. I would rather provide the figure that we

started at, what we stepped it up to and the reason we had to step it up. The cap will always move because the nature of government is to employ extra staff. The purpose of the cap —

Mr P. Papalia: That's not what you said when you were in opposition.

Mr T.R. BUSWELL: It will not increase by thousands, but it will increase; there is no doubt about that. We have demand areas that we must meet. We have employed extra child protection workers, extra schoolteachers and extra people in prisons.

Mr P. Papalia: You have employed extra people in prisons.

Mr T.R. BUSWELL: There are more schoolteachers; I can give the member a tip on that right now. We have employed extra prison officers because there are demand pressures. The issue is that it is a tool to help manage the rate of growth of public sector wages. It is slowly starting to bear fruit—slowly. The rate of growth of public sector wages this year is well under 10 per cent, and much lower than was the case last year. We have a long way to go, of course.

Mr P. Papalia interjected.

Mr T.R. BUSWELL: We just deal with it on an emerging basis. I could easily tell the member to put it on notice, but, in the spirit of cooperation that has dominated this debate, I will get him that information by way of data that we will table for him. I hope that we will have that information by the end of this week. If we do not, it will definitely be available and I will table it next week.

Mr P. PAPALIA: I refer to schedule 2 on page 12 of the bill that relates to the Minister for Child Protection's allocation. In the Treasurer's document, the biggest single line item is for "High Cost Fee-for-Service Placements". I am wondering whether the Treasurer can shed a little light on what sort of high-cost fee-for-service placements they are. Are they the intensive supervision programs or are they the placements on the farms for the really troubled kids? What are they? The amount is \$8 million, and that is pretty significant.

Mr T.R. BUSWELL: My advice is that there was an approval of \$8 million of extra funding in 2008–09 to the Department for Child Protection to procure high-cost fee-for-service placements for children in state care from non-government organisations because DCP did not have the capacity within its current residential Perth service.

Mr P. Papalia: Are these the ones in the metropolitan area?

Mr T.R. BUSWELL: I simply cannot speculate because that is all the information I have. Obviously, there were some high-cost fee-for-service placements. DCP did not have the capacity, and it has gone to third parties to provide those placements.

Mr P. Papalia: Is that for supervised housing?

Mr T.R. BUSWELL: I assume it is housing and supervision, in line with that high-cost model, because it costs a lot. That is all the detail I have. If the member requires any more detail, he will have to put it on notice to the minister. I am not going to speculate. It is actually a really important area of government, and I do not want to speculate on it or demean its significance by having a guess.

Mr J.C. KOBELKE: On page 1 of the 2008–09 papers, under Premier and Cabinet, the final item at the bottom is "Closure of Ravensthorpe Nickel Mine", \$3 million. Can the Treasurer please advise whom that \$3 million went to, whether it has been spent and what it was spent on? It looks like it was a grant to some other agency, being a rounded \$3 million.

Mr T.R. BUSWELL: That is \$3 million that was spent in 2008–09 to assist the Shire of Ravensthorpe with maintenance of local infrastructure and to provide grant assistance for affected small businesses in the region as a result of the closure of the mine. That is basically the data I have. We have approved a total of \$5 million. We spent \$3 million in 2008–09. It was for local government and assistance programs for local small businesses.

Mr J.C. Kobelke: It all went through the local government, or —

Mr T.R. BUSWELL: No. My understanding—I do not have a breakdown—is that it went to local government for maintenance of local infrastructure and to provide grant assistance for small businesses. Therefore, it would appear, based on this information, that it did go through local government. I suspect that is right, but I could not confirm that.

Mr J.C. Kobelke: But local government had multiple purposes on which it could apply.

Mr T.R. BUSWELL: Yes.

Mr R.H. COOK: Under "WA Health—Contribution to Hospital Fund", I refer to chemotherapy and radiotherapy outpatient services. The amount not spent in 2008–09 has been carried forward to 2009–10. Does that relate to the delayed cancer centre at Sir Charles Gairdner Hospital; and, if not, what does it relate to?

Mr T.R. BUSWELL: I do not have a breakdown of the reason for the deferral. The only data I have available to me states that, in the table headed “WA Health – Contribution to Hospital Fund”, \$10 million was provided over two years to assist metropolitan and regional hospitals to improve facilities and staffing levels to build their capacity to treat cancer patients. I do not know whether that is specifically related to the cancer centre but quite clearly money has been allocated that has not been spent. If the member for Kwinana wants the detail, he will have to ask the minister; I am sorry.

Mr W.J. JOHNSTON: I take the Treasurer to page 2 of the document that he has given to us and refer to the Department of the Premier and Cabinet. I have not been in the chamber for the whole evening, so my apologies if I ask a question again that the Treasurer has already answered. I note that \$466 000 is allocated for “Senior Executive Services Redeployees”. I am interested to know exactly what that is for. It appears to be payments to people to do work that was not needed, or something like that. It does not appear to be for the replacement of one senior executive person with another, which would not need an additional allocation. It appears to be some particular expense. At the same time, while I am on my feet and so that the Treasurer can answer the two questions together, I am wondering as well what the cause is of the \$280 000 allocation for the London office.

Mr T.R. BUSWELL: My advice is that that is funding that is provided to the Department of the Premier and Cabinet to assist in the transition of senior executives out of the public service. A group of people, for a range of reasons, are leaving and the agencies are not funding them; DCP picks up the funding for a period of time and then they depart. Perhaps it could be termed “funding for the departure lounge”.

Mr W.J. Johnston: And the second part?

Mr T.R. BUSWELL: I am sorry, I did not hear that.

Mr W.J. Johnston: The \$280 000 for London, directly above the \$466 000.

Mr T.R. BUSWELL: My understanding is that there were increased costs for the London office of \$280 000, which covered the Agent General’s salary increase, \$50 000 for increased rents and Western Australia’s contribution to Australia Week.

Mr W.J. Johnston: I am sorry, what is the Treasurer saying the additional costs were for?

Mr T.R. BUSWELL: An increase to the Agent General’s salary.

Mr W.J. Johnston: Yes, that is the question: did the government appoint a new Agent General during that period?

Mr T.R. BUSWELL: I do not know, but I know that the Agent General’s salary went up, rent and utilities went up and an Australia Week contribution was required.

Mr M. McGOWAN: On that same page 2 there is “Funding for Unanticipated Election Costs” of \$8.5 million. I am interested in what that might have been and whether or not that was perhaps the referendum costs. I will seek the Treasurer’s advice as to what that is. I have a further question after that, but I will let the Treasurer answer that one first.

Mr T.R. BUSWELL: In the allocation of \$8.5 million for unanticipated election expenses, \$7.3 million was for end-of-contract payments to ministerial and electorate offices. I do have a lot of detail on that, but I think I will leave that. There was \$180 000—I have already answered this one—for engaging new electorate staff for new members; \$220 000 for temporary accommodation for four new members of Parliament; \$250 000 to facilitate relevant human resource management processes; \$475 000 for information technology projects; and \$59 000 for air charter flights by the then Leader of the Opposition. I have no further detail.

Mr M. McGOWAN: If we look at the major agencies and the document the Treasurer provided us with, most of the major agencies—not all of them, which is a question in itself—have a three per cent efficiency dividend as the offset. Some of the smaller agencies, as I understand it, were not required to put in place a three per cent efficiency dividend as an offset because they were so small that they could not perhaps meet it.

Mr T.R. Buswell: Yes.

Mr M. McGOWAN: I therefore assume that the Mid West Development Commission and the Great Southern Development Commission were too small and therefore the three per cent efficiency dividend was not applied to them. When we go to some of the bigger agencies such as the Department of State Development, there was no efficiency dividend; nor was there an efficiency dividend for the Legislative Assembly or the Legislative Council. Why would an agency such as State Development not be required to provide an efficiency dividend? Considering that there have been huge problems implementing the efficiency dividend in a number of the agencies, how is the government incorporating a three per cent efficiency into its savings if the agencies have not delivered them?

Mr T.R. BUSWELL: I will have to get back to the member on the Department of State Development; I do not have any information about that.

Mr M. McGowan: Is that supplementary information?

Mr T.R. BUSWELL: Yes. In relation to the challenges, most agencies have pretty much delivered. There have been some issues in some agencies. At the time of the midyear review and at the time of the budget, we reported pretty broadly on achievements against the three per cent efficiency dividend. I suspect that we will have to provide supplementary funding to agencies that have not met their three per cent target, and that will be picked up in the Treasurer's advance tomorrow. By and large, the vast majority of the three per cent has been realised across the majority of agencies, but there are a couple that have not; the member will see that tomorrow. I do not have an answer in relation to the Department of State Development, but I will commit to providing the member with an answer.

Mr W.J. JOHNSTON: We are approving \$1 billion in three hours, which is very efficient of the chamber. I am sure that the Treasurer is also very proud of the fact that it is a record for supplementary appropriations. For that \$1 billion, how many additional public sector employees will be employed?

Mr T.R. BUSWELL: As I think I have explained, I do not have that detail. What I can provide and have committed to providing is a detailed breakdown of the full-time equivalent cap for the general government sector. Public sector numbers are reported quarterly by the Public Sector Commission, and I will have to refer the member to its website for that specific detail. The data I have does not provide that breakdown and I am quite simply not in a position to speculate on it.

Mr W.J. JOHNSTON: This goes to the question of the government providing money for 460 redundancies, and now allocating an extra \$30 million to try to encourage a further 300 people to leave the public sector. It appears that the government is laying people off with one hand and employing people with the other. It is not possible for members sitting here today to see whether the government is actually doing what it says it is doing, which is to put them into priority areas.

Mr T.R. Buswell: With due respect, I have been careful to try to provide answers and I am providing supplementary information where I can. That is not within the gamut of this bill. If the member wants a detailed breakdown of the number of people in different agencies, the Public Sector Commission produces a report that he can look at, or he can ask questions on notice. I do not have that information in the file notes I have in front of me.

Mr W.J. JOHNSTON: The point I am making to the Treasurer is that his view on accountability to this chamber when in opposition was significantly different to his view on accountability to this chamber now that he is in government. Given the bitter and personal attacks he made on the former Treasurer, it seems a bit surprising that he cannot provide what he described when in opposition as simple, basic information. He says that we can ask these questions in another way, but this is record expenditure growth. This is increasing expenditure of the money of the taxpayers of this state at a level that has never before been seen in Western Australia. If this were included in the budget, we would have the opportunity during the estimates process to actually tease these matters out; instead we have three hours to do it. We are trying to do that to the best of our ability. However, quite important information is being withheld from us. The Treasurer proudly talked in the media on a number of occasions about the first round of redundancies that he made. The Treasurer made an announcement recently—last week or last month, or whenever it was—that a second round of redundancies would be made. However, we do not know whether the taxpayers are getting any value out of that. We do not know whether there has been any reduction in the head count of staff. We have no way of checking whether the government is just putting people off on the one hand—probably the people who are the most readily re-employable as we gear up for this booming economy—and is re-hiring other people. That does not seem to be a satisfactory approach. I have heard the Treasurer's interjection, and I do not know what the Treasurer will say when I sit down. I am sure the Treasurer is very aware of the things he used to say about the obligation of the former Treasurer to provide information to the chamber—if he wants, I can quote it back to him. I was not in the last Parliament, but given that commentary by the Treasurer, it does seem surprising to me that the Treasurer is not prepared to answer what he said were simple questions; such as: how many public servants do we have in this state?

Mr P. PAPALIA: I refer to page 10 of the bill, schedule 2, Public Transport Authority of Western Australia. The breakdown refers to the re-cashflow of election commitments for the 20-year transport plan and the better transport system. I am aware that the Orwellian use of the word "re-cashflow" means that it has been delayed. Can the Treasurer give us an indication of when we can expect that to be delivered? I assume that means that it has just been laid aside.

Mr T.R. BUSWELL: Yes.

Mr P. Papalia: Do you have any indication about the delivery of that?

Mr T.R. BUSWELL: No. The member would need to follow that through with the minister.

Mr M. McGOWAN: I refer to page 10 of the bill, Treasury and Finance, first home owner assistance, \$137.9 million. That is an administered program. Is that money that the state is administering on behalf of the commonwealth? Secondly, that appears to be a massive increase on what was expected to be spent on the first home owner scheme. Does the Treasurer have any indication of what the funding for the first home owner scheme will be in the current financial year, considering that huge growth?

Mr T.R. BUSWELL: That is a good point. Of course the commonwealth introduced the first home owner boost on 14 October 2008. That obviously had an impact into the 2008 financial year, which closed on 30 June 2009. That boost was then extended into the current financial year. It has had a huge impact on the Treasurer's advance this year, and we will reveal that tomorrow. It is in excess of \$200 million this year. So the short answer is that first home buyers were excited into the market by the stimulus arrangements. We have an obligation to fund that. Some of that funding—the \$7 million to \$14 million, and the \$14 million to \$21 million—is subsequently passed back to us with a lag, but it has had a huge impact on first home buyer activity in Western Australia.

Schedules put and passed.

Title put and passed.

Leave granted to proceed forthwith to third reading.

Third Reading

MR C.J. BARNETT (Cottesloe — Premier) [9.10 pm]: I move —

That the bill be now read a third time.

MR M. McGOWAN (Rockingham) [9.10 pm]: I will speak very briefly on this bill and then we can get on to the capital legislation; I think we will deal with that in a quicker fashion than we have dealt with this legislation. I appreciate the document that the Treasurer handed to us on the increased expenditure for 2008–09 recurrent expenditure, which details each of the areas where there was an increase in expenditure and then details where there was an offset in relation to that expenditure. The offset meant that there was an increase in expenditure in various agencies, and then there was a reduction in expenditure because of certain matters such as the efficiency dividend.

The legislation basically is authorising the expenditure for the 2008–09 financial year. Various areas have an increase in expenditure and the government has made a saving in various areas. The major forms of saving are the three per cent efficiency dividend and the re-cashflowing, as it is put, or deferral of election commitments. They are two areas of saving, as detailed by this document. As for the three per cent efficiency dividend, the Treasurer has indicated under questioning that some agencies achieved it and some agencies did not. I think that he was referring obliquely to perhaps health and some of the other major agencies that did not meet the saving. Therefore, this document that has been handed out is obviously incorrect. If a saving has not been met and the saving is written into the document, the document and therefore the analysis underpinning it are incorrect, and therefore the totality of the documents that we are dealing with must be incorrect as a consequence. Secondly, the Treasury indicated that the re-cashflowing and the deferral are roughly the same thing, and that it is just that different public sector agencies have written the amounts, and it is a change in spending patterns of the agencies' deferred expenditure into future years. A re-cashflowing of an election commitment from one year to another is a broken promise. If a promise is made to spend the money in a certain financial year and it is re-cashflowed into a subsequent year—or a year after that, or indeed four years hence as some of the re-cashflowings have contemplated—that is the breaking of an election promise. This document contains 20 to 30 of those re-cashflowings, and we will ask further questions about the breaking of election promises in all sorts of agencies, as indicated in this document.

This document validates expenditure under what was virtually the first full year of the Barnett Liberal government. As we know, there was a massive blow-out in expenditure under the Treasurer's advance, which this document validates, and tomorrow we will see what the blow-out in the Treasurer's advance for the current financial year is expected to be. It will be very interesting to see whether the spending patterns and the financial management of this government have improved after its woeful first-year performance.

Question put and passed.

Bill read a third time and transmitted to the Council.

**APPROPRIATION (CONSOLIDATED ACCOUNT) CAPITAL 2007–08
AND 2008–09 (SUPPLEMENTARY) BILL 2009**

Second Reading

Resumed from 26 November 2009.

Question put and passed.

Bill read a second time.

Leave denied to proceed forthwith to third reading.

Consideration in Detail

Clause 1: Short title —

Mr M. McGOWAN: If members go to the Appropriation (Consolidated Account) Capital 2007–08 and 2008–09 (Supplementary) Bill 2009 and find the heading of “Public Transport Authority of Western Australia” —

The DEPUTY SPEAKER: Member for Rockingham, we are on the short title and we need to move through the bill clause by clause.

Clause put and passed.

Clauses 2 and 3 put and passed.

Leave granted for schedules 1 and 2 to be considered together.

Schedules 1 and 2 —

Mr M. McGOWAN: In schedule 2, the item for Public Transport Authority of Western Australia shows an increase in capital expenditure of \$28 million. That would have been higher, but it is offset by a deferral of the school bus replacement program. Why has the school bus replacement program been deferred and what is the consequence of that decision?

Mr T.R. BUSWELL: The only information I have is that there was a \$6.7 million saving due to a deferral. I have no further information, but I will table additional information with the other recurrent data that I have agreed to table.

Mr W.J. JOHNSTON: Again, Treasurer, thank you for providing the information that you have this evening. The New MetroRail project under “Public Transport Authority” shows \$30 million and change in additional expenditure. How much of that relates to the out-of-court settlement over the disputed contractual arrangements with Leighton and what advice did the government receive on the settlement, as opposed to continuing the litigation?

Mr T.R. BUSWELL: I am not going to reflect on advice that was provided to the minister or the government about pursuing litigation. The member can pursue that with the minister. The amount of \$30.871 million comprises two components: a \$22.8 million allocation, which was provided to cover settlement payments associated with the New MetroRail project, and another \$8.1 million provided by way of adjustments to project costs as a result of the rise and fall component of the contract. That is all the information I have. Anything more, the member will have to seek from the Minister for Transport.

Mr P. PAPALIA: I refer to page 5 of schedule 2, under the Treasurer’s portfolio area, which shows the capital component of the royalties for regions fund was \$64.9 million. Can the Treasurer give us a breakdown of that capital allocation and where the funds went and, if there were significant capital items, what they were and where that money is going?

Mr T.R. BUSWELL: That was a centrally held provision for royalties for regions. I was asked a question earlier on about royalties for regions and I indicated that there was originally \$337 million of royalties, which was adjusted down to \$334 million, being split into \$269.1 million for recurrent expenditure and \$64.9 million for capital expenditure. As was the case with recurrent funding, I do not have the detail of the breakdown. I was not part of discussions on the way that money was allocated in and out of Treasury. The member will have to refer that to the Minister for Regional Development.

Mr P. PAPALIA: Is the Treasurer indicating that is a paper transfer of that money and it has not necessarily been allocated to capital works? Was it parking the money somewhere so that the books looked better or is this money allocated to some capital expense?

Mr T.R. BUSWELL: I do not have that detail. I will provide that by way of additional tabled information. That will keep half of Treasury tied up for a week!

Mr M. McGOWAN: Under schedule 2, the consolidated account for the year ended 30 June 2009, capital, refers to three or four different agencies, but it does not include some of the capital matters that were contained within the new items of the Treasurer’s advance in 2008–09, including education and training, where there was going to be a school capital improvements program of \$48.4 million as part of the government’s election commitment. School capital improvements would seem to me to be school “capital” improvements; therefore, I am confused as to why it is not contained within the Appropriation (Consolidated Account) Capital 2007–08 and 2008–09 (Supplementary) Bill 2009 because it was contained in the Treasurer’s Advance Authorisation Bill as a capital item when that was passed last year.

Mr T.R. BUSWELL: The member is right; at the time the original Treasurer's advance bill went through, we flagged that education would require \$48.4 million—that is my recollection—to assist in that program. I do not have the reason why education did not need to draw down on that money, but it may well have been because of a slowdown in some other projects that that capital funding remained available within the totality of that budget. I am not privy to the total breakdown item by item of education's budget; all I know is that the \$50 million that it anticipated requiring at the time of the Treasurer's advance last year did not materialise. There is a range of reasons for that. The most likely reason is that other anticipated capital spending requirements did not crystallise and that that money was made available. This is only really if all other avenues are exhausted. That is the best advice I can give.

Mr M. McGOWAN: Would the case be, potentially—the Treasurer might provide me with supplementary information on this—that part of the commonwealth's school building program, which I understand is going on in every school across the state, may well have obviated the need for this capital expenditure, and therefore the state has withdrawn from the field in some respects and is allowing the commonwealth to provide some of the capital works around the state? Therefore, that \$48.4 million is not being spent.

Mr T.R. BUSWELL: I cannot answer that; I do not run the capital works program in education. I can tell the member that there was a commitment to build a range of new schools, which it was anticipated would have required that funding. Obviously, that funding was not required. Have those schools been built? I anticipate that they have been. Regarding how education moves that funding—the member would know it is a pretty big capital works program—I do not have that information. I think the best avenue of advice or information would be through the minister by way of a question. Treasury would not have that information. The best source to go to for that information would be the minister, and I am sure the opposition's shadow minister is on top of that issue.

Mr W.J. JOHNSTON: In the information that the Treasurer provided at the time of last year's Treasurer's Advance Authorisation Bill, an amount of \$7.6 million was allocated to Western Australia Police for new police stations and station upgrades as part of election commitments. It does not appear that that is in the bill before us today; I wonder what happened to that \$7.6 million.

Mr T.R. BUSWELL: Again, it is the same answer, member: either it was not spent or the funding that was spent was sourced from somewhere else within the police capital works budget. I do not have that level of breakdown because it is not actually in the Appropriation (Consolidated Account) Capital 2007–08 and 2008–09 (Supplementary) Bill 2009, so I do not have any notes on it. It may well be that it was not spent on a police station, which had previously been committed to; it may well be that it was, but that that money was made available from somewhere else within the police capital works budget. That would be a matter best directed in due course to the Minister for Police.

Mr R.F. Johnson: The member is better to do it on notice, though.

Mr T.R. BUSWELL: Yes; on notice.

Mr M. McGOWAN: I have a similar question. If we go to the Treasurer's advance 2008–09, I want to put this one on the record as well, corrective services has a new medium-to-maximum-security prison for \$7.5 million and a new juvenile prison for \$7.5 million listed as part of election commitments. I am having difficulty once again finding them in the capital appropriation; therefore, I seek the Treasurer's advice as to what might have happened to that expenditure.

Mr T.R. BUSWELL: It is the same answer. The Department of Corrective Services has a large capital works program. I advise members that the government is definitely building Eastern Goldfields and the Acacia expansion, it is definitely finishing Derby and it is definitely building the young offenders prison. All that is happening.

Mr P. Papalia: What have you done in the Eastern Goldfields?

Mr T.R. BUSWELL: What does the member mean by that?

Mr P. Papalia: You said you are building it.

Mr T.R. BUSWELL: It will definitely be built. The government will definitely build it.

Several members interjected.

Mr T.R. BUSWELL: We do not need to go down that path. I am not privy to the movements of money in and around the capital works program of corrective services. It is a question best directed to the minister. Capital works by its nature is lumpy. Projects may have moved and projects might have been able to be funded out of other sources of funding that had otherwise been anticipated to be spent. I do not have that detail. The cash flow and delivery times for those specific projects should be directed by a question on notice to the relevant minister.

Mr W.J. JOHNSTON: In his second reading speech, the Treasurer made the point that for 2007–08 the capital expenditure was \$2.892 billion and for 2008–09 it was \$1.985 billion, which was \$471 million less than was

authorised at the time of the budget and \$1 billion less expended by the new government compared with that expended by the previous government.

Mr T.R. Buswell: Is that data relating to the TAA? That is not total capital spending.

Mr W.J. JOHNSTON: It is exactly what the Treasurer said in his second reading speech. He said —

In 2007–08, capital appropriations amounted to \$2 892.2 million, a net increase of \$9.8 million from the 2007–08 budget estimates of \$2 882.4 million. The unforeseen appropriation of \$162.3 million sought in this bill was offset by underspending of \$208.9 million against other votes and increased expenditure of \$56.4 million authorised by other statutes. In 2008–09, capital appropriations amounted to \$1 985.1 million, a net decrease of \$471.2 million from the 2008–09 budget estimate of \$2 456.3 million.

It basically means that \$1 billion less was spent during this government's first period in office compared with the figure for the last period that the former government was in office. I seek clarification on what was not spent of that \$471.2 million. What did this state miss out on because the government decided to spend less on capital expenditure at that time?

Mr T.R. BUSWELL: I am getting some more data on total asset investment. I am thinking that what we are looking at here is general government capital spending versus total public sector asset investment.

Mr R.F. Johnson: All Treasury was doing was anticipating.

Mr T.R. BUSWELL: No, I am reading from this as well. The point the member is trying to make is that capital spending declined in our first year. Unfortunately, I do not have the latest annual report on state finances, which I will find so that I can provide the member with a breakdown. My suspicion is that there may have been some adjustments, and it would be certainly picked up in the general government sector.

Mr J.C. Kobelke: Does the Treasurer want the quarterly or annual report?

Mr T.R. BUSWELL: I want the annual report. If the member for Balcatta has it, I will grab it and then I might be able to give a more detailed answer before we adjourn tonight. Perhaps members might like to ask further questions while that is worked out.

Mr W.J. JOHNSTON: I will go on to another question while the Treasurer gets his calculator out. Exactly what was the \$15 million allocated to the Forest Products Commission for?

Mr T.R. BUSWELL: I will read from page 20 of the *Annual Report on State Finances* of 2008–09 —

Total public sector spending on infrastructure was a record \$5.8 billion in 2008–09.

I will get some more detail on the breakdown of that. But according to the *Annual Report on State Finances* infrastructure spending in 2008–09 was at a record \$5.8 billion. Obviously there are some compositional shifts between the general government sector and the non-general government sector, but suffice to say that money on capital spending is flowing out the door, has continued to flow out the door and will continue to flow out the door.

As to the \$15 million to the Forest Products Commission, that is a distribution to FPC to assist in covering the impact of reduced sales in 2008–09 and for bushfire damage to state-owned pine plantations in February 2009. I suspect the reason is capital—it would have been a capital injection out of Treasury into the Forest Products Commission.

Mr M. McGOWAN: To clarify that last one: therefore a government trading enterprise has received a payment from Treasury to assist it to meet its ongoing costs because it has generated some losses? That is what that one is, which resonates with other debates we might have had. Back to the revised public housing and land development investment, there is a \$30 million spend there—I am interested in what that might be.

Mr T.R. BUSWELL: I can tell the member exactly what that was for. Public housing is an interesting beast. It has all sorts of interesting revenue generation areas—one of them is land sales. The Department of Housing is one of the largest land developers in this state; namely, through joint ventures. In the 2008–09 financial year land sales dropped because of a decline in the market. They did not generate the revenue they had anticipated from land sales. We had to top up the Department of Housing's budget to offset that decline in land sales. That top-up involved \$30 million in capital appropriations and \$60 million in recurrent appropriations to the housing authority to cover expected decreases in the level of land and dwelling asset sales during the 2008–09 year. It was really a top-up to pick up on the fact that the property sector had declined in its activity rate.

Mr W.J. JOHNSTON: Returning to the Forest Products Commission and the \$15 million, there is of course, as the Treasurer is probably well aware, criticism of the FPC in that it shows a surplus in its accounts on the basis of revaluations of its standing forests. I understand the Treasurer's answer to my previous question on this topic was that there was a \$15 million allocation made up of two components—one was for fire damage and the other,

as the member for Rockingham described it, was for a loss on its part that needed to be made up. Given that the FPC is a trading enterprise and that the \$15 million was an allocation from the general government sector to it to make up for those losses, even though it boasts in the report of being a trading enterprise that operates on a commercial basis and produces a profit from the operations of its forests, it does seem a little unusual that that has been needed given the nature of the FPC.

Mr T.R. BUSWELL: All I can tell the member is what I advised before; that is, there is \$15 million to cover the impact of reduced sales and for bushfire damage. That is all the data I have.

Mr J.C. KOBELKE: I come back to the question that was asked by the member for Cannington. It relates to the reduction in capital spend. The Treasurer simply quoted that it was a record—I accept that. But there actually was a whole range of projects in 2008–09 that were stopped or delayed; therefore there was a reduction. The Treasurer can give an answer now or by supplementary information—can he provide a list of those projects where there was a major reduction in capital expenditure either through a policy decision to delay or simply because the project could not progress as quickly as intended?

Mr T.R. BUSWELL: I think the member has a copy of the 2008–09 *Annual Report on State Finances*. I refer him to pages 20 and 21. It is pretty much detailed there. The member is right: we implemented the capital works audit and some projects were delayed. Notwithstanding that, we still spent \$5.8 billion. It was less than the \$6.5 billion projected at the time of the budget. It is not unusual for capital works to be less than that projected at the time of the budget, but that is explained by major projects deferred and also by agency on page 21 of the *Annual Report on State Finances* for 2008–09.

Mr J.C. KOBELKE: I refer the Treasurer to the Western Australian Sports Centre Trust and the Perth Arena capital funding, not that he needs to practise swinging his boot today; he is going to do that tomorrow. How much of that \$137 000 is a re-shifting of the amount and how much is to do with the cost blow-out?

Mr T.R. BUSWELL: My understanding is that the total amount was to assist with the start of the fit-out cost process.

Mr J.C. Kobelke: So you have committed money for the fit-out?

Mr T.R. BUSWELL: My advice is that there was an endorsement of \$137 000 to the Sports Centre Trust to cover the fit-out costs associated with the establishment of Perth Arena. The fit-out costs will be a lot more than that. That is all the detail I have.

Mr J.C. Kobelke: I suggest that that is not the case. Fit-out costs would be \$20 million to \$40 million.

Mr T.R. BUSWELL: All I know is that that is the amount that was asked for over and above the amount that had been appropriated. I have no detail on whether that is the total amount. Clearly, it is not the total amount for the fit-out, but I suspect that the Sports Centre Trust is starting to do some work on identifying the fit-out costs. As the member well knows, the fit-out cost was deleted from the total cost of the project at an earlier date. He is right; I am not going to deal with that tonight. I will have plenty of opportunity tomorrow to canvass that. The member would have to ask the minister exactly what that money has been set aside for and whether it was an additional appropriation or whether it was a stand-alone appropriation perhaps for a consultancy to assist in beginning the process. That is all the detail I have and I cannot speculate any further.

Schedules put and passed.

Title put and passed.

Leave granted to proceed forthwith to third reading.

Third Reading

Bill read a third time, on motion by **Mr T.R. Buswell (Treasurer)**, and transmitted to the Council.

House adjourned at 9.43 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

SENIORS CARD — ELIGIBILITY CRITERIA

2126. Mr C.J. Tallentire to the Parliamentary Secretary representing the Minister for Seniors and Volunteering
Given the Liberal Party's promised review of the eligibility criteria of the Western Australian Seniors Card before the State Election 2008, and that in September 2009 the Minister for Seniors and Volunteering said an announcement would be made soon, I ask:

- (a) why are seniors who choose to continue to work still being excluded from the generous concessions of the Western Australian Seniors Card;
- (b) when will the Minister make an announcement on this issue; and
- (c) has the Minister received funding for this election promise?

Mr A.J. SIMPSON replied:

- (a) The issues raised by the Review are highly complex and sufficient time is needed to ensure that the implications of changing the eligibility criteria are fully considered.
- (b) An announcement on the decision is expected in the near future.
- (c) The funding implications of the Review recommendations are currently being assessed.

MUSIC, ARTS, SURF AND STYLE (MASS) FESTIVAL — HEALTHWAY SPONSORSHIP

2129. Mr J.N. Hyde to the Minister for Health

In relation to Healthway funding of the non-Council approved Music, Arts, Surf and Style (MASS) Festival in Margaret River, I ask:

- (a) was the Minister aware prior to 11 February 2010 that the MASS Festival had not received Council and venue approval, despite advertising tickets on sale for a March event;
- (b) what is the total amount of Healthway funding and on what date was the funding agreement entered into;
- (c) what legal entity is the sponsorship agreement with;
- (d) is the Minister aware of the links between the promoters of the problematic One Movement for Music Festival and the MASS Festival;
- (e) what audience numbers, ticket prices, and complimentary tickets were agreed to in the sponsorship agreement; and
- (f) does Healthway have a policy regarding events requiring Council and venue approvals prior to sponsorship being agreed?

Dr K.D. HAMES replied:

- (a) No.
- (b) Nil.
- (c) Not applicable.
- (d) No.
- (e) Not applicable.
- (f) Healthway makes all offers of sponsorship conditional on the sponsored organisation securing any necessary approvals.

INTERNATIONAL MEDICAL STUDENTS — INTERNSHIPS

2166. Mr J.N. Hyde to the Minister for Health

- (1) Can the Minister confirm that I approached the Minister for Health (himself) on behalf of a constituent regarding international medical students being offered internships in Western Australia last year?
- (2) Can the Minister confirm that his response to this approach was to reply that international students were ranked the lowest in the current internship recruitment priorities and that there were no guarantees for an internship, meaning that many had to leave after five years of study here; and
 - (a) if not, what was the Minister's response?

- (3) Will the response given last year change following the recent announcement by the Federal Minister for Immigration and Citizenship on alterations to migration laws that place emphasis on the need for people from the medical profession to come to Australia; and
- (a) if not, why not?

Dr K.D. HAMES replied:

- (1) Yes.
- (2) No.
- (a) Western Australia (WA) is aligned with all other States and Territories to act in accordance with priority groupings in the appointment of internships, with Australian citizens or permanent residents being offered a position before non-residents. International graduates of Western Australian medical schools who are able to fulfil the visa requirements of the Department of Immigration and Citizenship are ranked third out of a total priority grouping of five.

At the Council of Australian Governments (COAG) meeting of 14 July 2006, States and Territories agreed to provide intern training for Commonwealth supported medical students. Jurisdictions did not guarantee intern positions for international full fee paying medical students, but positions were offered due to the availability of more positions than domestic graduates. However as increasing numbers of domestic graduates enter the health system, fewer places will be available for international graduates.

Historically, WA has been able to offer internships to all international medical students, but this situation is changing as Australian graduate numbers increase. In 2010, ten of fifteen international medical students who applied for an internship did not receive an offer from WA. They did however subsequently accept offers from other jurisdictions.

National workforce projections indicate that without the establishment of new, funded intern placements from 2012, all jurisdictions including WA will have reached capacity for their own local graduates, with limited availability for interstate and international medical students.

- (3) No.
- (a) The alterations to migration laws will not change the capacity of the health system to provide internships to international students.

SENIORS — HOME SECURITY DEVICE REBATE

2168. Mr C.J. Tallentire to the Parliamentary Secretary representing the Minister for Seniors and Volunteering
- (1) By the end of January 2010, how many seniors had applied for the security rebate?
- (2) How many rebates had been granted?

Mr A.J. SIMPSON replied:

- (1) Since payments began in October 2009, until the end of January 2010, there have been 2 577 claims made by seniors for the Safety and Security Rebate.
- (2) Of this figure, 2 487 claims have been successfully processed.

SWAN VIEW PROPERTY — PURCHASE BY GOVERNMENT

2246. Mrs M.H. Roberts to the parliamentary secretary representing the Minister for Child Protection; Community Services; Seniors and Volunteering; Women's Interests

I refer to the purchase of 13 National Park Road, Swan View by the Minister's Department, and ask:

- (a) when was the property purchased;
- (b) what was the cost of purchase;
- (c) what modifications have been made to the property;
- (d) were any approvals sought for any building modifications;
- (e) if yes to (d), what approvals were sought;
- (f) if no to (d), why not;
- (g) what are the details of any government monies expended on the property;
- (h) how many people will be occupying the house at any one time;

- (i) how many supervisory staff will be allocated to the house and at what times;
- (j) what community consultation has taken place and on what dates did it take place;
- (k) is any further community consultation planned; and
 - (i) if so, when and what form will it take; and
- (l) will the Minister please table any correspondence between herself or her Department and the Shire of Mundaring with regard to this matter?

Mr A.J. SIMPSON replied:

- (a) 9 October 2009.
- (b) \$740 000.
- (c) Internal modifications to provide direct access from the main house area to a connected flat.
- (d) No.
- (e) Not applicable.
- (f) The contracted architect advised that no building approval was required for the scope of work completed. There is no change to the 'footprint' of the house.
- (g) Modifications: \$24 000 and Upgrades \$10 000 (i.e. electrical/fittings/landscaping).
- (h) Up to four children/young people.
- (i) The house will be operated on a rostered staff model with two staff on duty twenty-four hours a day, seven days a week and will be supported by a unit manager, a case coordinator, an education officer and a psychologist.
- (j) An email was sent to the local member of Parliament on 18 January 2010 informing her of the Department's purchase of the property and intended use.
A "letter drop" informing local residents of the Department's purchase and providing a contact name and number should they require further information.
A neighbour subsequently made contact and requested that the Department complete a clean up of the site. This was followed up and completed.
- (k) Further consultation/information will be provided in response to community requests.
 - (i) In response to requests. Either individually (one-on-one) or with local community representative groups.
- (l) There has been no correspondence with the Shire of Mundaring in regard to this matter.

TOM PRICE HOSPITAL — ULTRASOUND MACHINE

2353. Mr T.G. Stephens to the Minister for Health

- (1) Is the Minister aware that the ultrasound machine currently in use at Tom Price Hospital is a second-hand unit, originally purchased and used at Karratha Hospital, that is producing less than perfect results?
- (2) Is the Minister aware that the results obtained from this machine are resulting in unnecessary and stressful trips for constituents – 800km return – from Tom Price to Port Hedland to obtain MRI verification or negation of these results?
- (3) When will the Minister make funds available to the hospital at Tom Price to purchase a new and fully functioning ultrasound machine, so that the residents of Tom Price will no longer have to use second-hand units from elsewhere?

Dr K.D. HAMES replied:

- 1. The ultrasound machine currently in use at Tom Price Hospital is a new GE Logic 9 ultrasound machine, which was provided to the hospital in November 2009 through Royalties for Regions joint partnership with the Department of Health and major Pilbara industries.
- 2. No.
- 3. Not applicable.