

Mr John D'Orazio; Chairman; Mr John Kobelke; Mr John Hyde; Mr Jeremy Edwards; Mrs Carol Martin; Mr
Matt Birney

Division 19: Housing and Works, \$13 526 000 -

Mr Dean, Chairman.

Hon John Kobelke, Minister for Consumer and Employment Protection; Training; Leader of the House.

Mr Pearson, Director, Department of Housing and Works.

Mr Thomas, Acting Director General, Department of Housing and Works.

Mr D'ORAZIO: "Purchase of Outputs", division 19, page 339. There is an amount, \$3 838 000? Is there any salary component in this? My agenda here is very clear, Mr Speaker. If I can get some salary component in here which is for the purposes of administering community housing, then I can ask a question on community housing.

The CHAIRMAN (Mr Dean): Yes, Minister?

Mr KOBELKE: Mr Deputy Speaker, I fear I disappoint the member and his question. The \$3.838 million relates to the government projects office, not to the housing part of the operation.

Mr D'ORAZIO: Explain what the actual community projects office does.

The CHAIRMAN: That is a supplementary?

Mr D'ORAZIO: A supplementary, yes.

Mr KOBELKE: Do you want to answer that?

Mr PEARSON: Yes. He manages the planning and significant capital projects on behalf of Government.

Mr KOBELKE: If we look to the mission statement below, what that does is, to manage the planning and development of significant capital works projects on behalf of the Government, provide development advice to Government and departments.

Mr D'ORAZIO: That is the only thing I need. Thank you very much for that explanation. Can I now ask, in relation to community housing and those projects managed -

Mr KOBELKE: I do not think community housing is significant capital works projects.

Mr D'ORAZIO: It may be. I am just asking the question for clarification.

[10.50 am]

The CHAIRMAN: I will allow you some latitude to explore this, but not for very long.

Mr D'ORAZIO: Thank you. In relation to community housing, is there any major community housing project that you envisage in this next financial year in relation to the authority managing or developing such?

Mr KOBELKE: I will call on Mr Thomas to assist with the details of that.

Mr THOMAS: Thank you, Minister. Yes. There are significant projects for community housing this year. There are 41 under the Community Housing Program and 60 under the Crisis Accommodation Program as well as 81 under our Joint Venture Program. There are nine units for families in Balcatta in community housing, seven in Kenwick, a number of those for people with disabilities, a 17-bed hostel for homeless men in Northbridge and under the Crisis Accommodation Program there are refuges proposed for Derby and Carnarvon as well as a hostel for homeless men in East Perth. Under the Joint Venture Program there are nine units with the Shire of Exmouth, seven with the Shire of Chittering and a number with smaller local authorities in some of the wheatbelt towns, Carnamah and Bruce Rock.

Mr D'ORAZIO: One supplementary question.

The CHAIRMAN: This is your third supplementary.

Mr D'ORAZIO: The first three were only to get me in to ask the question. Now can I actually ask the question? In relation to the City of Bayswater as a joint venture that was started last year, is there a budget allocation for that joint venture?

Mr THOMAS: Yes, there is. That is part of the joint venture program which is shown in the housing program in the papers. There are 1 556 units in that program and there are 81 units for this year for that program. There is none specifically for Bayswater this year, however.

Mr KOBELKE: I just comment that it is notable how some of these really fantastic local projects can get up when you have a good local man.

Mr D'ORAZIO: Thank you.

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Mr HYDE: A point of order. I am just wondering if perhaps you can establish early on what your ruling is in relation to this. Either these items are out or we are going to try and slip them in in some ways. What is your ruling on this?

The CHAIRMAN: No. The member for Ballajura opened up a line of questioning through three supplementaries and he was able to establish, in my opinion - not necessarily law, but my opinion - that that linkage exists. I did come in late to the room, but I see no reason why he could not explore those. He had four questions then, so I think that is fair enough.

Mr EDWARDS: Minister, I just want to refer also to the purchase of outputs on line item 44, page 339, and the budget estimate of \$3 800 000. It does seem to be a significant drop in the forward estimates and perhaps I could have some explanation as to why that should be so.

Mr KOBELKE: If I can refer you to the following page, 340, where you see output 1 and output 2 which give you the major component parts, output 2 is the Centenary of Federation celebrations. Clearly that is this year. There will be some expenditure in the second half of the year and there may be some costs met a little bit later in terms of accounts that come in, but that program was clearly only designated for the centenary year and that is a large part, if not all, of the rundown.

Mr HYDE: Regarding page 340, decisions taken since the State election, parity in wages policy, in that line item there has obviously been an input from Treasury to bring wages in this division of Housing and Works up to parity, so I am assuming that some of that has gone into, say, an area such as GEHA or Country Housing Authority and, that taken, I ask in relation to GEHA, page 352: I note that the total cost of the capital works program there in 1999 was \$20 million. We are now down to \$8 million. I am also concerned at the level of asset sales.

The CHAIRMAN: Can you refresh my memory, on page 352, what you are looking at?

Mr HYDE: 352 coupled with my other line item indicating -

The CHAIRMAN: No, not coupled with. What on page 352, capital contribution, are you looking at?

Mr HYDE: The cost of capital works program.

Mr D'ORAZIO: You are not going to get this one up.

Mr HYDE: Thank you for the vote of confidence.

The CHAIRMAN: I am about to rule that if you are talking capital contribution on page 352, there is a zero line contribution, so it is not open to discussion.

Mr HYDE: No, the way I am linking it in, though, is the decision has been -

The CHAIRMAN: The way you are trying to link it in.

Mr HYDE: Okay.

Mrs MARTIN: He is going a good job.

Mr HYDE: What I am getting at is the decision-making by the board, the authority, there has been a parity wage increase, therefore Treasury is in the budget putting in funds for a wage increase, decisions are being made by officers and those decisions are relating to capital works.

The CHAIRMAN: No, I do not see the connection.

Mr HYDE: You do not?

The CHAIRMAN: We are talking about \$2 000 in a parity wage policy. You can talk about that, but I cannot see the link between that and capital expenditure. Minister, do you want to make a comment?

Mr KOBELKE: We are in a difficulty here in terms of the ruling of the Chair but that is consistent with the rulings that have been given in the years I have been in the Parliament and it is a matter as to whether or not we can extend the coverage of these committees to be able to look at what are very important issues, but if they are not directly related to budget expenditure in the Bill then the ruling is it has been excluded. Members from time to time have been very creative in finding connections back to actual expenditure and I think there has been forbearance by chairs in various years to allow it, but it strictly is outside the standing orders or the rules which we have to operate under because it does not relate to an item of particular expenditure in the Bill.

Mr BIRNEY: Mr Chairman, can I just take a point of clarification, and I apologise for coming in about 30 seconds too late after the morning tea break. Is it your ruling that we can only canvass questions that relate specifically to capital expenditure and we cannot canvass questions that relate to operational matters or indeed

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questions that relate specifically to, for instance, a statement of cash flows or any of the individual budget? Can we just clarify your ruling?

The CHAIRMAN: If you look, member for Kalgoorlie, at page 352, on the bottom there is zero capital contributions. Going back to Standing Order 222 part 2, I just read it to you because this is what the previous Chairman ruled -

The Estimates Committee will examine Bills and proposed expenditure contained in the estimates and report on the proposed expenditure by the Government departments funded from the consolidated fund.

Whether that is capital or operational is not really relevant, but because there is zero expenditure there, there is no room in our current standing orders for that to be discussed. The member for Perth can go back to page 340 and talk about parity and wage policies there on page 340. In the 2001-02 budget it is \$2 000 and then goes \$10 000, \$18 000 and \$26 000. He can talk about those, that is fine, but there is nothing on that bottom line there on page 352, which is zero, so it is out of the scope of these current standing orders.

Mr HYDE: Just a supplementary on my original issue. Given on page 339 in the first dot point, "Significant issues and trends," it states -

Following Machinery of Government reforms a highly skilled professional approach to Government assets will be achieved through a consolidated department.

Within the department those officers, government employees, will be liaising with places such as GEHA in terms of government assets even if there is a zero line item there, so is it possible under that significant issue to ask the question?

The CHAIRMAN: You can ask how they are going to liaise but it should relate to a line item. Can you point to a line item that you are talking about?

Mr HYDE: I am pointing to a dot point.

Mr D'ORAZIO: Can I suggest to you, member for Perth, you adopt the strategy I adopted and look at the salary component because they are going to be administered and, therefore, if they are going to be administered, they are subject to our allocation of funds. If you do not like the administrator of the program, you do not allow their salary component, therefore you can discuss.

Mr KOBELKE: I am happy to enter into the issue here as an example.

The CHAIRMAN: If the member for Perth composes himself over the next five or 10 minutes and we move on to other people.

Mr BIRNEY: Minister, can I refer your attention to page 340 and once again the priority and assurance dividend of some \$60 000. Minister, in the interests of expediency I am not interested to know what some of the smaller items were that go to making up that \$60 000 saving. I am, however, interested, Minister, to know what some of the more significant savings may have been that were included in that \$60 000 saving.

Mr KOBELKE: I remind the member that we are looking at a budget approaching \$6 million and \$60 000 on that basis is one per cent.

Mr BIRNEY: Minister, you do have your advisers behind you.

Mr KOBELKE: No, I am happy to turn to that, and again I have tried, as I did with the previous divisions, to answer fully your question, but I am just pointing out that the basis of the question of looking for significant cuts - we will certainly come and see if there is one there which might fit that category of being significant, but I am just drawing to your attention that in a budget between \$5 million and \$6 million, then one per cent is \$50 000 to \$60 000, so we are actually looking at a priority and assurance dividend of the order of one per cent of overall expenditure. If all that cut was taken from one particular program, yes, that would be significant, but if it is spread across a range of areas then it is not of great significance and it is hard to quantify at this time those specific issues. I will seek clarification for you as to whether or not the priority and assurance dividend is going to take a particularly big bite out of one specific area or whether it has been spread across a number of areas, in which case it is hard to designate it and it is of not great significance if it is the order of one per cent

[11.00 am]

Mr THOMAS: No, Minister, you are correct, it is spread over a number of activities. In fact it relates to office accommodation savings in terms of the Machinery of Government.

Mr HYDE: Paper clips and that sort of thing.

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Mr KOBELKE: Not to that detail. I know in another agency that the reorganisation of office space, without changing the number of people employed in that agency, led to quite a substantial saving in the actual cost of rental, so there can be issues like that that amount to tens of thousands of dollars.

Mr EDWARDS: Minister, I apologise because this may have been answered already and I think I may have missed it, but I would refer you to page 353 under, "Capital works program," and both dot point 5 and 6.

Mr KOBELKE: 353? I am with you. Dot point?

Mr EDWARDS: Dot point 5 and dot point 6, "Land acquisition and development," and, "A State development" in dot point 6. Could I just ask, what regional significance will both these projects have, I suppose on the ground and also financially?

Mr KOBELKE: I will be brief because we are skirting close to the edge here.

The CHAIRMAN: Hang on.

Mr EDWARDS: Am I going to get ruled out of order on this too?

The CHAIRMAN: Yes. If you flip over the page, State Housing Commission, capital contribution is zero so your question is out of order.

Mr KOBELKE: That is a pity. I would have liked to tell you the problem we were left in by the last Government not looking after this area properly.

The CHAIRMAN: The question is with respect to divisions 19 and 21, appropriations be recommended.

Mr KOBELKE: Can I just make a small comment which goes to the issue of the ability of people to ask questions in this area, and it is in no way a question of your ruling. It is an issue which will fall to myself and other members to look at how this functions in the future because the ruling that you and the previous speaker or acting speaker have given have been in total conformity with what has been the practice for many years and for many years it has been a complaint from members, whoever was in opposition, that really there are whole areas of Government activity that cannot come under scrutiny. There are issues as to whether the Public Accounts and Expenditure Review Committee rightly takes that up or some other forum or whether we extend the rules. We are caught in that situation.

It is a matter I think we need to take up in another forum to see whether or not the rules that apply with respect to these Estimates Committees need to be varied, but if I could just give you one little example of why this is important. With respect to the GEHA, the Government Employees Housing Authority, we have a situation where if one looks through the number of properties available, they basically stayed the same, but we have gone from a situation where in 1992-93 96 per cent of those properties were actually owned by the authority but because of the sell-offs over the last eight years we are down now to only 70 per cent actually being owned. It totally changes the cost structure through Government decisions and it makes it very difficult for that agency to actually cope, but those sorts of issues we cannot get into questioning. I think it would be appropriate if we could.

Mrs MARTIN: A good point.

Mr KOBELKE: You have caught me on the hop.

Mrs MARTIN: An excellent point. Good on you.

The CHAIRMAN: I would like to rule him out of order but it is in the ether now, so I cannot.

Mr BIRNEY: Minister, can I refer to page 353 and dot point 1?

Mr KOBELKE: You are referring to the State Housing Commission zero output.

Mr D'ORAZIO: Mr Chairman, can we have recorded in these minutes that because a lot of the funding here comes from a federal agency, it is totally inappropriate that we do not have the ability to scrutinise what is happening here, not just for the purpose of wanting to put the agency under the microscope but even for the ability of members to question some of the housing developments within their own areas. We have absolutely no ability to influence that process. Could we record, and obviously it will be because I am saying it, some form of looking at just the normal accounting process?

It is not very difficult. Because it is money physically coming to the State from the federal Government and other sources, whether it is loans or whether it is sell-offs or whether it is development, there is an ability to adjust the budget because it is expenditure and can go in and out and therefore we can discuss it. It just means that the budget is going to have an extra income stream. Other items in the budget do have revenue grants etc from other authorities or other agencies.

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Why cannot this agency also have that ability? It then gives us the flexibility of being able to question the item. I ask that it be referred to our Government ministers to make this recommendation through the appropriate process because it only is a stroke of the pen. Accountancy will enable us to address this properly. I think it is totally unacceptable that we cannot query it. I have a heap of questions I would like to ask. Some other initiatives it would be appropriate to deal with through here and we cannot do it.

Mr KOBELKE: I have a comment on what are basically procedural matters. As it has already been raised, it will be in *Hansard*. To take it further, there are a number of steps. I will just mention one. There is room for debate on the report of the Committee in the Assembly so some members might try to take that opportunity to raise it again. Perhaps the matter could be raised privately with ministers and the Leader of the Opposition, or alternatively through other committees, such as the Public Expenditure and Review Committee. They may wish to consider that issue.

There is also the Machinery of Government which may mean that the restructuring would bring these together under one agency and therefore that may provide an opportunity because there would then be expenditure for the agency. I am not saying it will solve the problem but there is a line that needs to be pursued there to see if it opens it up. It is certainly an issue worth considering and it needs to be considered. I do not know if we need to take up the time of this Committee as to how we progress that.

The CHAIRMAN: No, we do not.

Mr KOBELKE: The point has been clearly made and there are opportunities to make it further.

Mr HYDE: I was going to make a similar point. We should move on.

The CHAIRMAN: Do not waste time. Thank you.

Mr BIRNEY: I had not been given an opportunity to put my question. I understand it relates to the State Housing Commission and that in fact the net bottom line from the State Housing Commission is in fact zero. However, my question related to the \$93.9 million that the Government intended to spend.

Mr HYDE: Point of order. I think we are going over old ground.

Mr BIRNEY: Mr Chairman, I still have not had an opportunity to put my case forward. You have given the minister an opportunity and I would appreciate the opportunity to reciprocate.

The CHAIRMAN: Member for Kalgoorlie, patience please. You have not heard my ruling. I will listen to your question and then I will rule on it.

Mr BIRNEY: I can continue. Thank you, Mr Chairman. My question relates to the \$93.9 million on page 353. It may well be the case that the bottom line in terms of the capital contribution is in fact zero. However, there is a very clear commitment on the part of the Government to expend \$93.9 million. That will come from a variety of sources. We as the Opposition in my view at the very least, Mr Chairman, should be afforded the opportunity to question the Government as to how they intend to expend that \$93 million, particularly in light of the fact that there were some \$110 million budgeted for in that same area in the last budget, being the 2000-01 budget. Mr Chairman, if we cannot explore those avenues, then I think we need to seriously consider if our time is being well spent here. If the Government is not prepared to allow us to explore those avenues, then as I said I for one would probably prefer to spend my time elsewhere.

The CHAIRMAN: I have some bad news for you. In fact it does appear on page 354, halfway down the page, \$93 936 000, which then goes to the total bottom line of the page. It does not fit into Standing Order 222. As the member for Ballajura, the minister and the member for Perth have pointed out, you will have to take up that proposition somewhere else in this House. It is a ruling that has been in for the last 10 or 15 years on my understanding. I do not intend to break standing orders at this stage.

Mr BIRNEY: A further point of order, Mr Chairman, if I may. I refer you to committee meetings that were held yesterday.

The CHAIRMAN: Where the same ruling was made.

Mr BIRNEY: In particular the Training Committee meeting was held yesterday, at which the minister was in attendance. Certainly that committee did not comply with the ruling that you are seeking to make today. The minister, I am sure, would concur with that.

Mr KOBELKE: You have missed a technical point. The training budget has State money.

[11.10 am]

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The CHAIRMAN: There is no discussion. I have made my order. The question is that in respect of divisions 19 and 21, the appropriation be recommended.

Mr HYDE: Just 19.

The CHAIRMAN: No, 19 and 21 I have been told.

Ms MARTIN: We did them both at the same time.

The CHAIRMAN: At the start you moved a motion to put 19 and 21 together.

Mr KOBELKE: No. The motion was that they be taken in that order. The first part was 23, 24 and 25. They are all voted on individually but they were just moved up in order.

The CHAIRMAN: The previous acting speaker explicitly told me that they were taken together as one motion.

Mr BIRNEY: Mr Chairman, it was my motion. That could be clarified if you like.

The CHAIRMAN: Yes, please.

Mr BIRNEY: My motion basically dealt with the fact that they would be dealt with in consecutive order after dealing with divisions 23, 24 and 25 initially and then after dealing with division 19, they would then be taken in consecutive order.

The CHAIRMAN: That is fine. I will put the question separately if you wish. We can always check the transcript tomorrow. The question is that in respect of division 19, the appropriation be recommended. I think the ayes have it. Division 21, page 369 - the question is that in respect of division 19, the appropriation be recommended. The ayes have it. Division 21 is dealt with. Division 20 is on page 256.

Mr KOBELKE: Mr Deputy Speaker, we need to change people now.