

ESTIMATES OF REVENUE AND EXPENDITURE

Consideration of Tabled Papers

Resumed from an earlier stage of the sitting.

HON TJORN SIBMA (North Metropolitan) [5.03 pm]: In that awkward phase prior to the interruption of proceedings for the taking of questions, but not necessarily the provision of answers —

Several members interjected.

Hon TJORN SIBMA: It is a durable one! If government members are allowed their hackneyed phrases, I am allowed mine in the spirit of equity and fairness. We should proceed apace.

In that period before question time, I foreshadowed an interest in environmental management in the jurisdiction of Western Australia. Those who are interested in these matters can find reference to the two key portfolios once exceptionally ably led in this jurisdiction by the now Minister for Emergency Services. Without being silly about it, this individual introduced a very broad and comprehensive reform bill. It was exceptional in terms of its quality, but as I noted at the time—this was a bill that I believe was debated and passed in the real peak period of COVID uncertainty—the quality of reform and, indeed, the essence of strategy is not so much in the concept or map but in the execution.

In the execution of reform, there are bits over which ministers do not actually have that much direct control. They have control over the shaping of policy and drafting of bills and give due consideration to some of the dynamics of the drafting of regulatory instruments, but then it is basically over to the department to operationalise. Some pieces of reform are easier to implement than others. I make the obvious and, I think, reasonably charitable assertion that when one attempts to undertake change on that scale, it is going to take time to deliver. Sometimes, the delivery of those changes, and the drafting and implementation of the regulatory components that are necessary to make them real, can be difficult, because it involves all kinds of detail, the consideration of complexities perhaps not previously given time, and the obvious stakeholder dynamics and mechanics. But still there should be some threshold of expectation in which a Parliament and, indeed, the public and those who take an interest in these matters should see such reforms. I mean no disrespect to the public servants of this state and no personal disrespect to any minister of the Crown, current or previous, but if they are absolutely fair dinkum about driving reform, they have to drive it. Once a government starts changing ministers in the middle of very complicated reform, I am sorry but the bureaucracy reverts to type, regulation reverts to type and the culture is unchanged. We could make that observation about any portfolio area.

This is not a malady that we encounter just in the Western Australian jurisdiction under a Labor government—the Barnett government encountered the same difficulties; commonwealth governments of Labor or Liberal hue encounter this—but it seems to be at a fever pitch because state governments are, fundamentally, in the service delivery business. State members of Parliament are closer to their constituents and constituencies than are federal members. The threshold of difficulty is not normally something to which licence is given, but I actually think it is harder to be a minister at a state parliamentary level in terms of managing different components in real time. There are obviously some exceptions to this, but it is a little easier to take a step back in the commonwealth jurisdiction and set the broader budget parameters and general policy direction and let everybody else figure out the details. Federal ministers can squirm out of the details a little. I have worked for one, at least, who was very good in the macro settings. He took an interest in details, but that interest was not always shared. Ministers are very much dependent on the calibre of their staff and their commitment to the reform agenda. Sometimes, we ask the public sector to take on jobs that it is not equipped to do or on which we do not provide enough guidance in terms of the scope of delivery that it could possibly consider.

I want to focus on one particular piece of environmental/economic reform that is referred to in this budget, as it has in at least the last five budgets, and that is a digital online platform called Environment Online. This is the one-touch, or one-desk, approach to managing, on a proponent's behalf, the full sweep of approvals and conditions that are needed for a project overall and its various sub-components. The platform aims to take the paperwork and silliness out of the process and hopefully to drive a bit more synergy between respective agencies that act as regulatory gatekeepers and are all enjoined to take their different perspectives on the project under consideration that the proponent wishes to develop.

It is not that clear in this budget, which is why I had to ask a question about it today, but I think that the full scope for Environment Online was \$30 million. I think that for a piece of bespoke information technology architecture, that might be optimistic. These things have risks, not only in Western Australia under different governments, but generally. IT procurements handled by the public sector do not have a good track record in this jurisdiction or other jurisdictions.

Hon Dr Steve Thomas: Office of Shared Services!

Hon TJORN SIBMA: That is an obvious one; thank you for reminding us all.

The proposition embedded in Environment Online is excellent. It is really good. Once it is delivered, I think it will be an absolute boon to those proponents. The problem is that we need that to be working now, or at least substantially advanced. The original concept of \$30 million was to have the full suite of this system up and running and operational by next year, with a view that the easier-to-do bits might come online first. The department has now segmented this up into what it calls minimum viable products. There is a theme to this. Environmental impact assessments will be the first bit of approvals work to be brought online. The implementation of this has been delayed over the course of the last two years. I asked a question earlier this year about when it might come online. The answer I received was that road testing had commenced and it would hopefully be done in the first half of this year. The answer I received recently is that that is now not the case. The first release—the very first usable bit of this—will not happen until 16 August. We are dealing with peak pressure loading in the approvals space. This is something that has been spoken about by this government quite frequently and quite deliberately. The outcomes are not matching the rhetoric. But of more concern to me is that the overall package now has an indeterminate delivery date. There is now no answer as to when the whole thing will be ready. That is a profound disappointment and it actually comes at a cost. There is, obviously, an economic cost, an opportunity cost, and I think, in the main, a cost to the concept of sound ecological stewardship, because if the department gets one component of its key business area wrong, that mistake and the encumbrances that it will encounter are likely to be transmissible across the whole department.

The original pledge of Environment Online was to save proponents between six to 12 months in obtaining their approvals. This project has now been delayed in its initial delivery by about two years, and we do not know when the full outcome will be. If a proponent thought two years ago that the promise of six to 12-month savings was a foreseeable thing that they might enjoy in the short to medium-term horizon, I am sorry to disabuse them of their confidence.

On the other side is, one might say, a more traditional conservation-based admission statement to ensure the future of threatened and critically endangered species and ecological communities. These things are easy to say; they are a little bit more difficult to manage. Nevertheless, we should have a far better line of sight on ecological environmental management and stewardship in Western Australia than we presently enjoy. There is a consistent key efficiency indicator—it is repeated—on page 712 of budget paper No 2 that deals with how many recovery plans are in place for these endangered species and communities. There is a vast array of them. Overall, the answer provided to me was that there are 678 threatened species and 65 threatened ecological communities. What we know from the budget is that 72 per cent of those species have a recovery plan in place. What we do not understand is how well they are funded, whether those recovery plans are fit for purpose and whether their effectiveness has been audited. I ask these questions because there is not, as one would expect, a single line item in the budget that shows how much is allocated to managing this issue.

As a state, a country and a global community, we face some key questions about environmental management. I am sometimes humbled by our inability to do the basic things well. This is probably what constrains my enthusiasm when I talk to people about their views on climate change and their obviously understandable calls for action. They are dealing with an enormously complex global issue. I would have a little more confidence if I had the requisite faith in my local environmental stewards in the employ of the government. I think that on something as basic as the management of these threatened species, that is a threshold that has not been met and continues not to be met.

Another very basic issue that I just reflect upon in passing is probably something that no minister actually wants to attach themselves to too closely, and that is the need to deal with our waste recovery policy in a far more effective, transparent manner. With due respect to Hon Dr Steve Thomas, to some degree, I have inherited the issue of PFAS from him.

Hon Dr Steve Thomas: Take it seriously!

Hon TJORN SIBMA: I certainly have in terms of the spoil that has come out of the tailing for the Forrestfield–Airport Link, which I referred to earlier.

Hon Dr Steve Thomas: There's 700 000 cubic metres still looking for a home.

Hon TJORN SIBMA: There we have it. We have a key issue. I have called it a fraud. I have called it a systemic, well entrenched, unlawful practice of avoiding the waste levy fee. This is an enormous cost to revenue. It comes at enormous risk to public health. It comes at a cost to capacity to manage the local environment in a sensible way. This is an issue in which I think, frankly, the compliance officers at the Department of Water and Environmental Regulation, who are good officers, are constrained by two things. One is the resource asymmetry. It takes a lot of energy to mount a case—to take a complaint and verify it through to a prosecution. I asked a question last year and I was told that there had been 39 reports that had ended in zero prosecutions. I understand there is a bit of wastage along the way, but I thought that was a suboptimal outcome. But the constraint is largely imposed by the regulatory unfitness of our current regime, which provides economic incentive for either dumping that waste outside of the metropolitan area or stockpiling it. At the very least, I think for the first time in a budget, this budget concedes that the department recognises that there is a serious stockpiling issue, particularly of construction and demolition waste. This is where we really need to be focused in terms of waste levy avoidance—construction and demolition waste

that should be going through the proper reprocessing and recycling process, but is not. It is being dumped in pits or stockpiled somewhere out of mind and out of sight. That costs potentially up to \$100 million a year. That is not my estimate; that is the estimate of the peak body. If that is true, I think that is completely unacceptable.

I have asked whether there might be some movement in redrafting the regulations. It is moving very, very slowly. Again, I am disappointed that the portfolio overall has turned over ministers this frequently. I think they are three high-calibre and high-functioning people, but the capacity of an agency and a government to deal with issues that are fundamental to their ability to then take on broader and larger challenges such as climate change needs to be addressed first. I put it that we need to get the basics right and to establish the fundamentals before even considering or deigning to take on multi-jurisdictional, multi-sector and amorphous complex issues such as climate change, unless we are just attempting to deal with them in a superficial manner.

Where might we start? It is very easy for people like me in opposition to criticise governments. This far in, there should be an expectation that we can suggest some ideas that will not come at an enormous cost. One, in terms of environmental practice in this jurisdiction, might be to bring back something that we used to do—that used to be done by the EPA—and that is, the state of the environment report. It need not be done on an annual basis, but it could be done on at least a reasonably regular basis. There is absolutely no way that a minister of capacity, high intelligence, energy and great moral fortitude could really drive superior environmental outcomes, and with it superior economic and community outcomes, if they are dealing with deficient datasets. That is the problem and it is how some environmental debates are bogged down. It becomes a question of fact—divergences. We need at least to attempt to establish in this jurisdiction an incontrovertible set of facts, which could then drive every other decision, whether it be from the EPA independently or in driving the delivery of individual government platforms and reforms within the broader portfolio. I think, in a bipartisan spirit, that is a good suggestion. I anticipate that there might be some sectoral grizzling about that but, frankly, it is in industry's interest as well to act in accordance with the same set of facts before we can start to enjoy the promise of potential online reform delivery packages, whenever they might come.

Although I do not have a particularly hard and fast view on it either, it stems from a perspective of a foundational lack of data and the need to perhaps revisit more strategic views of what is environmentally valuable, at least insofar as the Perth and Peel region is concerned. A process initiated by the previous Barnett government, with the very cumbersome title of the strategic assessment of the Perth and Peel regions, attempted to deal with environmental challenges in a macro sense and to stop the twin sins of, firstly, the pecking away—the slow erosion in a scattergun approach—of pieces of environmental value and, secondly, to stop an insensible driving up of offset ratios. It is in the interests of industry and the community that we have a shared understanding of what is valuable and what is being done to preserve and to develop that value, at least insofar as the Perth and Peel region is concerned. This is not an out-there concept. The McGowan government, to its credit, was prepared to entertain this concept prior to the COVID-19 pandemic, but it was jettisoned under the guise of making administrative arrangements to deal single-mindedly with the COVID-19 pandemic and the unknown ahead of us in March 2020. Industry, whether it be the Urban Development Institute of Australia or the Property Council, has been calling for this. It is what sensible property developers think is useful. It is what sensible environmental advocates consider to be useful as well. I encourage the government to look at the process again and perhaps resurrect it. It is interesting that we have had our colleagues from the Victorian Parliament here, because Victoria has been operating under such a strategic policy setting for at least 10 years, maybe more. In terms of making environmental policy and legislative advances, the Victorian jurisdiction leaves us in the shade on a couple of dimensions, and as a proud Western Australian, I find that very difficult to stomach, so let us have a contest if we can.

Largely, however, the capacity of any government to deliver on its promises, whether they are campaign promises or changes of focus in the course of its term, rests on its ability to have an open, constructive and professional relationship with the public sector and, in particular, public sector leaders. What is past is prologue to some degree. I will not go over the very rushed machinery-of-government changes that the government initiated in the first three months of being sworn in in 2017, but that did lead inevitably to an exodus of a cohort of very senior, experienced, diligent and apolitical public servants. I cannot look at what happened to them through any other lens other than as a political cleansing. As a person who is reasonably pragmatic and who understands how things are done, I think that it was expected to some degree. I think, however, it has compromised overall the public sector's capacity to take on challenges for which there are no easy political fixes and has been in a sense a restraint on the desirability or incentive for any new director general to provide government with advice that it might not want to listen to.

My friend and colleague Hon Dr Steve Thomas looked at this budget through the prism of it being a lost opportunity for necessary economic reform. I said at the start that I share that sentiment. I also have the view that, correspondingly, this is the best time to undertake a proper review and reform of the public sector in Western Australia. To some degree the Public Sector Management Act 1994 was a reaction to the sins of the 1980s and the politicisation of the public service that happened during the Burke era. It is possible, however, to overcorrect. It is also, I think, timely to review whether an act drafted albeit in the last decade of the twentieth century is still fit for purpose in the second decade and beyond of twenty-first century Western Australia. I think those factors invite a review because it can be very difficult.

Governments still constrain us from achieving our full economic and industrial potential, and that is done in ways in which I have attempted to illustrate in terms of the capacity for reforms that are sensible and agreed upon to be delivered.

We often, I think with some good reason, outside this Parliament, particularly in the media and the community at large, look at our capacity as individual legislators. Every four years, we all have to go back to the public and submit very humbly—it is a very humbling experience as we all know—to its assessment of our performance and future promise. We have four-year terms. We are paid a base wage, which I am not complaining about, but we do not enjoy a sense of employment security. There are no leave provisions. They are the kinds of things that we do not enjoy, and although we have all volunteered—this is not a sob-story—for this service, who actually delivers? Sometimes it is ministers and sometimes it is Parliaments, but in the end, we are in thrall to the public sector leadership to deliver, to run our services effectively and efficiently, and to implement a policy direction.

A good 30 per cent of the 120 000-odd full-time public servants in this state—I am including middle management on the class 6, 7 and 8 levels who really are the reservoir of corporate knowledge within any agency, and their senior leadership—are on a salary of about \$100 000 per annum or above; and one might say they deserve it. The senior echelons, the senior executive service, are class 9 and above. It is a small subset of people—there are around 4 500—who will earn between \$150 000 and \$600 000, or more, depending on the particular role that the Salaries and Allowances Tribunal determines; again, it is a very small proportion of the public sector. We saw systemic issues of corruption. I will identify the Department of Communities as one area, although it did not stem from there but from the Department of Housing. That matter is before the courts so I do not have to repeat people's names, but there was a prolonged process of embezzlement, of defrauding, which was only called out after some \$20 million had been lost to the state. Part of the problem was that it was obviously a rogue individual, who is not in any way reflective of his colleagues. I have thought about how to prevent something like this occurring. It is difficult to prevent corruption at the best of times, but it is especially difficult when we cannot manage performance. Insofar as these 5 000 people are concerned, or even if we deal with only the top 100 public service leaders in this state, we do not know what key performance indicators they are working to and they have no online gift register or declaration of public interest. These things are kept internally. My humble submission to improving governance in this state is to remedy those two things. It need not be done in a way that embarrasses individuals, but we must remember that these people are paid by the taxpayer and they are entrusted to deliver those services in a responsible and professional manner. Their level of conduct and their accountability, and the transparency that should apply to their conduct, should be at least the equal of a backbench member of Parliament. If we have to submit annual returns, which we should—we should do it more frequently, I suggest, not that I would win friends by saying that—and if that is the bare expectation we have of an individual who is in the legislature and not part of the executive and does not necessarily influence policy or make procurement decisions or make decisions on anything for which there is a commercial inducement, then we should at least expect that from the director general level and below to the executive director level as a bare minimum. That is often overlooked.

We often have discussions about political donations from property developers and the like, and I was asked at the last election whether I saw a ban on this and I thought that perhaps it was inevitable. But we also have to have a more mature understanding of where the risk of corruption and malfeasance might be, and it is not at the end of the line. It exists at the level of the desk officer, the project officer and the project director, who are shaping and making decisions, and certainly at a local government level. Unfortunately, I would be surprised if 50 per cent of local government councillors read their papers ahead of meetings. I do not say that to be flippant. We need to adjust risk management and performance expectation settings accordingly to where performance is required and where risk really exists. This is something the government can do. It will not be very popular I know, but I suggest that to the government for its consideration. The government can do that without spending more on reform processes, committee reports and investigations—the churn-and-burn approach. This is an opportunity, with a surplus of \$5.6 billion, for the government to undertake overdue reform to improve the quality of public sector outcomes and processes, and its capacity to deal with business, as we deal with anything else.

In the closing stages of the generous one hour I have had, I say that this is a budget that could have done better, but it has failed that test. It is not a terrible budget, but if there was a time to promise something and deliver it, this was the best opportunity, not in a lifetime but in a series of lifetimes, to undertake serious economic, cultural and establishment reform in Western Australia, and that opportunity has been passed up. It is a great shame.

Debate adjourned, on motion by **Hon Colin de Grussa**.