

Mr Terry Redman; Mr Mark McGowan; Dr Mike Nahan; Mr Bill Marmion; Mr Sean L'Estrange; Dr David Honey; Ms Margaret Quirk; Mr Zak Kirkup; Mr Bill Johnston; Mr David Templeman; Ms Mia Davies

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## INFRASTRUCTURE WESTERN AUSTRALIA BILL 2019

### *Consideration in Detail*

Resumed from 11 April.

#### **Clause 8: Functions —**

Debate was adjourned on the following amendment moved by Mr D.T. Redman —

Page 8, after line 25 — To insert —

- (4) When performing its functions in a regional context Infrastructure WA must consult the relevant Regional Development Commission for advice on:
  - (a) capacity for the project to unlock economic potential of the region;
  - (b) service equity to regional communities;
  - (c) cultural considerations where appropriate; and
  - (d) other matters as directed by the Premier.

**Mr D.T. REDMAN:** I understand that we are on the amendment that I moved when we were last debating this bill in this place. When that session finished, the Premier agreed that we would work on a form of words to try to achieve the objective of my amendment. I recognise that in opposition we can put together a form of words but we do not have the benefit of parliamentary counsel to necessarily draft appropriate words. However, after a bit of toing and froing, I must say in good spirit, I acknowledge that the people in the Premier's office came to us on that. In a second I will move to withdraw my amendment. There is a form of words that encompasses the Nationals WA views as a minimum for consultation with regional Western Australia as that applies to significant regional infrastructure investments—that is, using the capacity of regional development commissions that are statutorily responsible for looking at infrastructure. Of course, they also have the scope to draw in the respective views of the private sector in particular. A lot of cultural considerations, particularly in the northern part of the state, are taken into account and we debated these aspects when we put up our amendment in the first instance. Now that we have agreement from the government, and indeed the Premier, on a form of words that we think brings value to this bill, it is appropriate that I withdraw my amendment. Accordingly, I seek leave to withdraw my amendment. It is my understanding that if leave is given, we can move on.

#### **Amendment, by leave, withdrawn.**

**Mr M. McGOWAN** — by leave: I move —

Page 8, after line 13 — To insert —

- (ba) the infrastructure needs of the non-metropolitan regions;

Page 8, lines 24 and 25 — To delete the lines and substitute —

relevant, appropriate and practicable, to consult with interested persons, including (without limitation) the Regional Development Commissions, established under the *Regional Development Commissions Act 1993*, and other persons with knowledge of or an interest in the infrastructure needs of the non-metropolitan regions.

These amendments are designed to ensure that Infrastructure WA consults with people in the regions in its deliberations and to meet the National Party's request that regional development commissions are a part of that consultation. The National Party's original amendment was somewhat different. These amendments will remove any implication that consultation is limited to regional development commissions and ensures that any consultation includes the regional development commissions and other regional parties. I think that meets the request of the member for Warren–Blackwood.

**Mr D.T. REDMAN:** I want to speak in support of the amendment. I think the point has been made that we think development commissions are a key part, in fact we consider them to be the minimum standard, of consultation.

The Premier has made the point here, and it was also made in the session we had on Monday with his officers, that there was concern that a heap of other groups who want to be part of consultation, particularly local government, are recognised formally. However, we held the view that because development commissions have formal statutory responsibilities in the work that they do in regional WA, that would be a strong enough discriminator. The form of words that the Premier has come up with allows that minimum standard to be at least meeting with and getting some views from regional development commissions, but it goes on to allow other parties to have significant input,

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and rightly so, to any significant infrastructure investments in regional Western Australia. I thank the Premier for his support of this change and the strengthening of this bill.

**Dr M.D. NAHAN:** On behalf of the Liberal Party, I thank the Premier for his amendments. It is hard in opposition to get them on clearly, and clearly there are a multiplicity. The state invests very heavily in the development and funding of regional development commissions. One of their major tasks is to advise on infrastructure policies for their respective regions; therefore, they need, and in fact it is important that they have, a clear role in advising Infrastructure WA. The Liberal Party supports the amendments.

**Amendments put and passed.**

**Mr W.R. MARMION:** There are lots of paragraphs in clause 8 and I have asked questions about some of them. I had got to clause 8(1)(c), which states —

to provide advice and assistance to State agencies in the preparation of infrastructure strategies, plans and policies, including by preparing, at the request of the Premier, strategies, plans and policies on behalf of State agencies;

My question relates to overlap in responsibilities in terms of a clash when a state agency—let me use the Water Corporation as an example—already has strategies, plans, policies and everything around them prepared, and the Minister for Water has ticked off on them. There is already all of this stuff. What happens if there is a discrepancy or a clash between that and the advice and assistance to that agency? How will that be resolved?

**Mr M. McGOWAN:** This clause will assist agencies when they are not able or do not have the resources to prepare their own plans, or something of that nature. In my meeting with the New South Wales infrastructure minister he told me that Infrastructure New South Wales had been very helpful in doing some of that work for smaller agencies, because some agencies are not capable of doing it.

**Mr W.R. MARMION:** I understand the intent; my question is more about what happens if there is a disagreement between what the CEO of Infrastructure WA believes is a priority versus what the CEO of the Water Corporation thinks is a priority. How would that be resolved?

**Mr M. McGOWAN:** Ordinarily, I imagine that these things would be resolved; government agencies are meant to work together. Ultimately, if some huge disagreement could not be resolved, it would be a question for the government; that is, the cabinet.

**Dr M.D. NAHAN:** I think I understand that process. There is a lot of planning for assets out there, as we discussed before, and there is an issue about who adjudicates assumptions and priorities. Nonetheless, we see how it appears to work in other states. Clause 8(1)(e) might be just semantics. It states —

to review and report to the Premier on infrastructure proposals prior to their submission to Infrastructure Australia;

This is going to be the conduit for Western Australia to Infrastructure Australia. Will it develop and therefore use very similar methodologies to the ones developed and utilised by Infrastructure Australia? I am trying to get a picture of the methodologies that Infrastructure WA will use. It appears it will use the same things that Infrastructure Australia uses.

**Mr M. McGOWAN:** That is a good question. The methodologies, or the frameworks, that IA uses would be the same or similar to those that will be used by Infrastructure WA. Obviously, this is a quality assurance process to ensure that we maximise our prospects of getting federal money; therefore, following the strictures or the rules of Infrastructure Australia would be appropriate.

**Dr M.D. NAHAN:** When Infrastructure WA is not providing the information to Infrastructure Australia, would its methodology, its cost–benefit assessments and its delivery methodology be very similar to those currently used by Infrastructure Australia?

**Mr M. McGOWAN:** Again, that is a good question. If it is not going to Infrastructure Australia, then IWA has its own guidelines that would be published. That is dealt with in a later clause.

**Mr W.R. MARMION:** I have a question on the same clause. Could the Premier advise on Treasury's role in looking at the proposals to Infrastructure Australia and Infrastructure WA?

**Mr M. McGOWAN:** The advice I have received is that Treasury's role is to assess the affordability of a proposal, which is what it currently does. Its role would not change. It would fit that role within its current budget parameters.

**Dr M.D. NAHAN:** Treasury implements, maintains and assists in the strategic asset management framework that all departments and government business enterprises have to follow. It is not just about costing and efficiency; it

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is about planning infrastructure. One of our issues is: how will the existing framework for the strategic asset management, which Treasury is now the guardian of, fit seamlessly into this new body, without duplication, confusion and different sets of assumptions?

**Mr M. McGOWAN:** It would complement the strategic asset management framework, because it sits alongside it, but it is independent. It is not like Treasury, which is not independent.

**Dr M.D. NAHAN:** Treasury implements business cases as part of the strategic asset management framework. Certain methodologies and basic assumptions go into a business case, including timing, cost of capital, interest rates and a whole range of other assumptions. Would the business case methodology that Treasury uses in the strategic asset management framework be the same as that used by Infrastructure WA? Will there be an effort to ensure commonality so that there is a uniform approach to the allocation of resources?

**Mr M. McGOWAN:** The intention is to try to align Treasury and IWA as much as possible. I am advised that the strategic asset management framework is a broader document. It covers more than just infrastructure; it covers other sorts of investments and assets, such as information technology and the like, whereas Infrastructure WA is about hard infrastructure.

**Dr M.D. NAHAN:** I know that the Premier had discussions with New South Wales. The New South Wales Treasury has a very similar methodology to our Treasury. I think they evolved from those two—at least they used to. Did the Premier have discussions with Infrastructure New South Wales about how its methodology was developed to fit in with what existed, to make sure that Infrastructure New South Wales did not duplicate or override and was consistent with what the New South Wales Treasury was doing?

**Mr M. McGOWAN:** I cannot exactly recall the details of the meeting with the minister and the head of Infrastructure New South Wales on that point. My broad impression was that both the head of Infrastructure New South Wales and the minister were very happy with the way that the agency worked with other government agencies. I thought it was the most effective model in Australia. We were of the view that it allowed for agencies to get the best advice and prepare the best plans. They would align where possible. Obviously, Infrastructure WA will be independent, so it will not necessarily exactly align.

**Dr M.D. NAHAN:** One of the problems we have had in planning in both the strategic asset management framework and coordinating the government trading enterprises is that we have not had a common set of basic assumptions about forecasting. A key one is population growth, time horizons are debateable, and the cost of capital is usually dictated by Treasury. Nonetheless, GTEs have a different cost of capital from the general government sector. This has been a problem with infrastructure planning in WA in the past. We have had different assumptions across different agencies. Is Infrastructure Western Australia going to try to apply a common set of assumptions in its infrastructure planning? I think it would be very beneficial if it did that.

**Mr M. McGOWAN:** The advice I have is that Infrastructure WA would apply a common set of assumptions across government to things like population growth and everything else that goes into planning for the long-term future when it comes to building infrastructure.

**Mr W.R. MARMION:** We are sort of jumping ahead into subclause (2), which states —

When performing its functions, Infrastructure WA must ...

It must consider all these things, including population, economic, financial and environmental forecasts. Following on from that and from what the Leader of the Opposition just said, which makes sense, if every agency is already doing that in every single project they undertake, under this new bill, those agencies must still carry out that work. Subclause (2) at the top of page 8 of the bill states —

When performing its functions, Infrastructure WA must consider the following —

Then we have paragraphs (a) to (j). All that stuff should be done by agencies anyway, but as the Leader of the Opposition has highlighted, it is possible that population projections, and indeed where those population increases might be, may be different in different agencies. It might make eminent sense for a body, which could be Infrastructure WA, to do all that work. A whole lot of questions follow on from that. If it did all that work, it is a lot of work. Even the Department of Planning, Lands and Heritage, which does that work, has been criticised, and it is set up to do it. First, to do that work will cost a fair bit and a lot of staff will be needed to do it. Second, does it make all the other staff in other agencies such as the Water Corporation, Planning, Education and Health redundant in the planning areas if all this work will be done by Infrastructure WA? There may be multiple questions there, but my point relates to how the whole thing operates. We do not want a monster. We want the whole thing to work. If there are opportunities to have efficiencies of operation across all agencies through Infrastructure WA, that would be a good idea, but we need a very clever person or people to put all this together, given that it will cut across every single portfolio and will be every minister's responsibility. We are dealing with a very important bill and it has massive implications.

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**Mr M. McGOWAN:** I think I can answer the member's question and put his mind at ease. Subclause (2) states that "Infrastructure WA must consider" all the plans—the operative word being "consider". It is not redeveloping them or anything of that nature. As the member knows, agencies do all sorts of things. I learnt about something that one agency did last week—dog management.

**Mr W.R. Marmion:** A very high priority.

**Mr M. McGOWAN:** I learnt about that in *The West Australian*. It was an interesting experience to open the paper and find out about that.

**Mr S.K. L'Estrange:** I thought it might have been the member for Maylands giving you a hand.

**Mr M. McGOWAN:** No. I love dogs. *The West* misrepresented me and said I like dogs. I love dogs. I love my dog. Anyway, I digress.

The government does all sorts of things across government. Infrastructure WA's role is to consider all of them and adopt the most appropriate or accurate and align the work of agencies.

**Mr S.K. L'ESTRANGE:** Earlier in an answer to the Leader of the Opposition, the Premier said that Infrastructure WA will be independent.

**Mr M. McGowan:** Which clause?

**Mr S.K. L'ESTRANGE:** We are still on the same clause—clause 8.

**Mr M. McGowan:** There are more clauses.

**Mr S.K. L'ESTRANGE:** We are still dealing with clause 8, "Functions". Under that clause, I am still trying to get a clear understanding of Infrastructure WA as a statutory authority. Does the Premier consider it to be independent of him as Premier in the advice that it is giving him?

**Mr M. McGOWAN:** The advice I have is that it will be the most independent body of its nature in Australia and, therefore, it will have a majority of non-government people on the board. Obviously, it will answer to the government and provide advice to the government. There are various ways it will interact with the Premier, the cabinet or the government of the day, which is contained later in the bill. It will have an independent board and its work overwhelmingly will be published. It has that high degree of transparency and independence, which is what the business community, in particular, is asking for. There are lots of clauses that will deal with that later.

**Mr S.K. L'ESTRANGE:** I am sticking to clause 8, "Functions". With regard to the Premier's answer, I refer him to subclause (1)(f) on page 7, which states —

under the direction of the Premier, to coordinate the provision of information and submissions to Infrastructure Australia;

If we go further down to paragraph (i), it states —

to review and report to the Premier on completed infrastructure projects;

If we go to (k), it states —

to perform the other functions conferred ... under this Act;

But paragraph (l) states —

to perform, at the request of the Premier, any other function relating to infrastructure.

Under "Functions", it does not appear to be that independent of the Premier's directions. In fact, there are quite a few paragraphs there, as the Premier can see, that has him directing Infrastructure WA and how it should perform its duties. Should that be removed to enable it to be more independent of the Premier?

**Mr M. McGOWAN:** The intention of paragraph (f) is that if there was an application to IWA that might involve the spending of large amounts of state money, obviously, it would be with the Premier's consent, or direction, if you like. Imagine if the member for Churchlands were the Treasurer and he was putting \$200 million towards a project or IWA wanted to put \$200 million towards a project; obviously, it would need the consent of the government before that money is spent. That makes sense. Paragraph (i) states —

to review and report to the Premier on completed infrastructure projects;

That is a reporting mechanism, not a direction mechanism by the government. Paragraph (l) will allow the Premier of the day to request IWA to do some work across government. It might be to request some sort of review of some procurement or financing methodology or form of contracting, whether it is Alliance or whatever it might be in certain areas. There might be a request to do some work in that regard. I would regard those things as occurring

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further down the track than initially, because obviously in working itself out for the first few years, the state infrastructure strategy will be the major role of this body.

**Mr S.K. L'ESTRANGE:** Further to the Premier's answer, I refer to clause 8, "Functions", subclause (1)(l), which states —

to perform, at the request of the Premier, any other function relating to infrastructure.

The Premier implied that he will not want to be in a position in the early stages to task Infrastructure WA with anything. I thought he said that was more or less not his intent. It makes it quite clear under paragraph (l) that Infrastructure WA is answering to the Premier as the responsible minister, and that he can direct Infrastructure WA to do a task on his behalf. Could the Premier confirm that for me, please?

**Mr M. McGOWAN:** The wording is to request "any other function relating to infrastructure". The member said that I am not going to task it with anything; Infrastructure WA already has a task under the bill, and that is the state infrastructure strategy. As I indicated last time, I think an 18-month process is expected. Obviously, it will have to employ people, get itself sorted out and get systems and the like in place—we will have to appoint the board and all those sorts of things—and then it will carry out the role of preparing the state infrastructure strategy.

In my view, this provision would be sparsely used, but other Premiers might have a different view. If a Premier wanted proper, independent advice around procurement methodologies, what form of contracting is best or whether certain across-government things needed to be done, they might go to IWA and say, "Can you do that work for us?" I think that is a good capacity to have.

**Mr S.K. L'ESTRANGE:** I appreciate the Premier's answer. Words are very important when they become law. The Premier said in his answer that it is about the Premier making the request; however, clause 8(1)(l) is not saying that at all. Paragraph (l) is actually saying that Infrastructure Western Australia is to perform, at the Premier's request. It is not about the Premier requesting that Infrastructure WA do something for him; it is actually the opposite of that. It is actually saying that Infrastructure WA must perform because the Premier has requested it. There is a very big difference between those two. In fact, paragraph (l) makes it very clear that once this becomes law, the Premier can in fact task Infrastructure Western Australia to go against his own second reading speech, in which he said —

Infrastructure investment has long been held hostage to political cycles. That reduces certainty and undermines the confidence of stakeholders, which ultimately impacts on investment in this state.

The Premier made it very clear in his speech that his intent is for this body to be independent of political cycles, yet here at clause 8(1)(l) it explicitly states that the Premier can task Infrastructure WA to do what he wants it to do. Is that not true?

**Mr M. McGOWAN:** The member will find a range of clauses further in the bill that indicate areas in which the government cannot direct Infrastructure WA. The intent of that clause is as I suggested to the member; that is, if the government needs advice on a certain infrastructure matter or a broader infrastructure issue, it can have that body provide that advice to government. I personally think that is a reasonable thing.

**Mr W.R. MARMION:** I have read further on in the bill and I understand that if the Premier requests Infrastructure Western Australia to perform a function, that has to be put in the annual report. I just put that out there. I will give an example to give some practicality to what the member for Churchlands was saying. I think he has a valid point. For example, could the Premier ask Infrastructure WA to delete a project such as Roe 8? The government of the day may say that it does not believe this project is a priority and does not want Infrastructure Western Australia to look at it, and so tells it to not put it on its list of priority projects.

**Mr M. McGOWAN:** It is a good question. The advice I have is that, under clause 59, what the member is suggesting is not permitted. I am happy to talk about it at clause 59 if the member wants.

**Dr M.D. NAHAN:** I have looked at the Infrastructure New South Wales model. It does a whole range of tasks, but as the Premier said, it is a more mature body. It provides expert advice and project assurance. It actually manages infrastructure projects—that is, it funds them, allocates them and builds them. It is quite strange.

I refer to clause 8(1)(h)(ii) on funding and financing of infrastructure. Does the Premier see this body, as part of its strategy, advising the Premier, and therefore the state, on funding, including privatisation, public-private partnerships and alternative models of funding? If this is an independent body, will the Premier allow the Infrastructure Western Australia board and CEO to put forward what they think should happen and deliver it to the Premier to vet? For instance, are they going to be able to put forward a privatisation program, let us say for Western Power, or alternative funding for infrastructure?

**Mr M. McGOWAN:** The clause is quite clear. Infrastructure WA can provide advice to the Premier on infrastructure priorities, the funding and financing of infrastructure, and any other matter related to infrastructure.

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If it wanted to put forward advice in relation to funding mechanisms, that is entirely within its remit. I would doubt that it would suggest that the government would have to sell this or that. I think it would be more likely that it would say that there is a mechanism for funding this project that is more affordable than another mechanism. That is the way I think it would act.

**Dr M.D. NAHAN:** In this process of providing advice, which of course goes to the Premier—we will deal with that later—it might say, “Let’s do this with a private partnership.” Is that advice going to be made public in some form or fashion?

**Mr M. McGOWAN:** I think clause 9 deals with publishing matters, but the advice I have is that the strategy and the assessment of business cases is made public.

**Mr W.R. MARMION:** My question relates to clause 8(1)(i). One of the functions of Infrastructure WA will be to review and report to the Premier on completed infrastructure projects. I have had a lot of experience with completed projects in government. It is an area that is not well done by anyone in the world. Post-project management and reporting is one of the last things that is done on a project. If anyone wanted to audit probably any project, they would find that it could be improved drastically. It is a task that each agency should be doing, particularly on any project over \$100 million. They should be doing it well. The only people who can really review that are the people who have expertise in delivering those sorts of projects. Again, the question sort of relates to the overlap. I hope that in this respect, Infrastructure WA will not physically review and report on this matter but will make sure that agencies undertake the post-project evaluation themselves, and that it will only review the post-project evaluation done by the agencies and report back to the Premier. An exception, perhaps, as the Premier might have outlined, would be if a small agency needed some help. What if it needed funding to do that? If an agency did not have the funding to do the often lacking post-project evaluation and review of a project, would Infrastructure WA have funds available to engage a contractor to undertake that task?

**The ACTING SPEAKER (Ms M.M. Quirk):** Premier, I think there were about four questions there, so answer whatever you like.

**Mr M. McGOWAN:** That is right. The member was very succinct!

On the last point, Infrastructure WA will have a budget and the board will be able to allocate the budget as it sees fit. If it wanted to get someone from outside to do it—PricewaterhouseCoopers, Deloitte Australia or someone—it can do that. The clause itself gives Infrastructure WA the ability to request agencies to do that completed-infrastructure report; and, if not, Infrastructure WA may well do it for an agency.

**Mr W.R. MARMION:** Moving on to clause 8(1)(j), the function here is to promote public awareness of matters relating to infrastructure. This is a very general clause. When it comes to control, we worry whether there is any political interference in the promotion of a particular infrastructure project. How would that be handled? Would that be at arms-length from the government of the day? Let us say it is a significant project; would a caretaker provision come into operation so that Infrastructure WA would not be able to do any advertising on a project during a caretaker period?

**Mr M. McGOWAN:** The idea is to educate the public about matters relating to infrastructure—how it is delivered, how it is funded, how it is planned, the people who work in it or whatever it might be. The intention is not for an advertising campaign. It might be for community engagement or education programs at universities or working with universities and things of that nature. It is really up to the board of Infrastructure WA on how it might do that, but it is really not its main role.

**Dr D.J. HONEY:** I refer to clause 8(1)(j). Does that public awareness relate to promoting that plan? Will this body promote its own plan?

**Mr M. McGOWAN:** If that clause has any impact at all, it is so there is consultation around the plan or strategy. I would have thought that the other issues of educating the public about matters relating to infrastructure that I talked about before are not in relation to the plan, but broader infrastructure issues.

**Dr M.D. NAHAN:** I go to clause 8(2)(b) on page 8. Some of the background material relating to Infrastructure WA indicated that there will be a triple bottom line approach to the assessment of projects; that is, it is expected that Infrastructure WA will do that. Could the Premier answer a couple of questions? Is this similar to what other infrastructure bodies do, such as Infrastructure New South Wales, Infrastructure Victoria or Infrastructure Australia? If there is a triple bottom line, how is the trade-off done between the various units of environmental, social and economic concerns?

**Mr M. McGOWAN:** The advice I have is that both New South Wales and Victoria do this. It is standard practice these days. Economic, social and environmental issues are considered. As the Leader of the Opposition knows, we are adding regional issues as well.

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**Dr M.D. NAHAN:** When infrastructure such as roads, ports or whatever are being planned, the environmental impact is often profound and determines what can be done and how it can be done. It is easy to draw a line on a map for a road, but, as we know with Roe 8, other things come into play. How will this work with the Environmental Protection Authority and the planning authorities? Will Infrastructure Western Australia, like other agencies, have to accept the independent powers of the EPA and to some extent the Western Australian Planning Commission in its planning processes?

**Mr M. McGOWAN:** Yes, the EPA and the WAPC will remain as is and will remain independent.

**Mr W.R. MARMION:** I am referring to clause 8(2)(b), which states that when performing its functions, Infrastructure WA must consider the economic, social and environmental value of infrastructure. This is a very important issue raised by the Leader of the Opposition, because there is an economic aspect to everything, there is a social aspect to everything and there is an environmental aspect to everything. It depends on what weighting is added to those three elements. Every single person in this chamber will have a different weighting for any particular project. I know there are models. In my previous life, we developed models, and values can be put on social and environmental factors. Everyone will put different values on them. It is a very grey area. There is bit of noise going on out there, it is a bit hard to concentrate! Quite often these three grey areas, these three factors, are resolved by the ministers in cabinet. Will Infrastructure WA develop a model or make a call on the social, economic and environmental factors of a project and the trade-offs between the three, because there are trade-offs, for cabinet; or, if a project comes under a ministerial portfolio, will each minister be able to develop their own cabinet submission for the decision-making process? In summary, how is the decision-making process going to work when there are economic, social and environmental factors in play for these very important projects?

**Mr M. McGOWAN:** The board will create guidelines, upon which it will consult first. Those guidelines will be published and they will set out how the board considers each of those factors. But the board will decide the relative weighting of those three things. I expect that it will not be overwhelmingly skewed towards one or the other, but there will be a holistic approach towards the provision of infrastructure. We will have an advertising process for board members as soon as the bill is passed. I want to get some of the best people in business and infrastructure on to the board so that we can get the best advice on these things.

**Dr M.D. NAHAN:** A practical example of this is Roe 8. Roe 8 was decided on by a whole bunch of experts over many decades. It was decided that that was an important next stage of the Roe Highway, of which seven stages had been built. Main Roads and a whole range of planning authorities decided that that was an appropriate part of the infrastructure strategy. They put it forward. Some governments agreed to it, but the current one does not. There will be a strategy delivered to the current and future Premiers. That is very important, because the objective is to come up with the strategy that successive governments can adopt. If it is a long-term strategy and goes beyond one four-year term, we want it to go across governments and, necessarily, the political divide. There are different value sets within governments and, indeed, over time. If Infrastructure Western Australia came up with a strategy that dealt with a whole range of issues, would the government of the day adopt it or would it be able to override it and say it does not like a certain part of the strategy? I want to see how the government of the day nuances its values as opposed to the board of Infrastructure WA, particularly, let us say, on environmental issues.

**Mr M. McGOWAN:** This matter is dealt with under clause 16. We are dealing with a lot of issues that are later in the bill, but if the Leader of the Opposition wants to deal with them now, we can deal with them now rather than at that time. If Roe 8 were a recommendation from Infrastructure WA, the government of the day would need to outline why it does or does not support it, and would be held to account for its decision. As we discussed last time, that is the role of Infrastructure WA. As we know, there has been a range of infrastructure proposals. As I recall, Stephenson highway was supposed to go through Nedlands and across the river to join up with Stock Road, but that was deleted.

Several members interjected.

**The ACTING SPEAKER:** Members!

**Mr M. McGOWAN:** I did not interject on the Leader of the Opposition. That was back in the days of Sir Charles Court, or some such time, and that was deleted by the government back then. Governments are elected, and they sometimes do these things. I think that is what happened. We can call Ken Travers. He will be able to tell us the answer to that question. He will know that. I have answered the member's question about Roe 8.

**Mr W.R. MARMION:** This is a key issue. Infrastructure WA should be an impartial body. No matter which government is in play, it should be able to provide a very important infrastructure plan that the whole of industry would like. Therefore, one of the fundamental issues we need to address is to make sure that Infrastructure WA is not politicised; otherwise, it will lose its fundamental value. Roe 8 has been in the metropolitan region scheme since 1960, and, since 1960, no-one has changed the MRS—although I think Minister MacTiernan might have done that

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when she ramrodded through an amendment to ensure that Roe 8 could not go ahead. The minister had the power to make that political decision, because Labor was in government. Infrastructure is a very important issue. A major city like Perth needs to have a circular road route. Beijing has seven or eight ring roads. Perth has none. Roe 8 was planned in 1958–1960. It was in the MRS for five decades, until a particular Labor Minister for Transport decided to play with it so that the government could win the seat of Fremantle. As it has turned out, that is the thing that will stop the government from winning the seat of Fremantle. When Roe 8 is completed, people who are stuck in Bicton, Fremantle, Coogee and other areas will be able to get out of those areas. It is a fundamental piece of infrastructure. If two sides of politics are in dispute about a major piece of infrastructure, and an independent body, Infrastructure WA, is tasked with determining whether that is a key piece of infrastructure, how will that work? Will the Premier allow Infrastructure WA to operate independently and give the government that advice?

**Mr M. McGOWAN:** Yes.

**Dr D.J. HONEY:** My question relates to clause 8(2)(a)(i), and also, to save time, paragraphs (f) and (g). Will there be some common basis across government for the assumptions and forecasts that are used? To be specific, I have a great concern that this independent body will come up with forecasts and trends that are at odds with those of Treasury and other government departments. Will there be some process to ensure that various government agencies, including this body, are using the same sets of data and not choosing their own sets of data?

**Mr M. McGOWAN:** I have answered this question before from the member for Nedlands. Subclause (2) states that Infrastructure WA must “consider” the following. That includes demographic advice and other strategies and plans across government. There is a plethora of plans across government, including, as I have said, about dog management. Infrastructure WA will consider all that advice in preparing its documents.

**Dr D.J. HONEY:** The Premier said that Infrastructure WA will effectively use the information that is available within government. Is there currently any process to ensure that government departments utilise the same assumptions when they make plans or come forward with plans?

**Mr M. McGOWAN:** One of the things this body will be able to do is look at the assumptions made by various agencies, because agencies sometimes use different assumptions, and come up with an overarching plan that takes the best of that advice.

**Clause, as amended, put and passed.**

**Clause 9: Advice and reports may be made publicly available —**

**Dr M.D. NAHAN:** I know we will deal with reports later on, but this is just a general point. Subclause (1) states —

Infrastructure WA may, with the approval of the Premier, make advice or a report prepared in the performance of a function under this Act publicly available.

I have a couple of points. One of the objectives is to develop short, medium and long-term infrastructure strategies independent of government, and an annual work program that transcends government. We only need to look at the last election campaign to know that this has been a real problem for governments. The words used are “with the approval of the Premier”. Let us say Infrastructure WA comes out with a report, and it is a relevant issue for future governments. However, it is up to the Premier of the day to determine whether it will release that report. What criteria and limitations will be placed on the Premier of the day with regard to his or her decision to release a report?

**Mr M. McGOWAN:** All of the following documents will be released: the draft strategy and accepted strategy; government’s response to the strategy; the annual state infrastructure program; guidelines for assessment of major infrastructure proposals; the summary of assessment of a major infrastructure proposal; annual reports on government’s progress in implementing the accepted strategy recommendations; any direction from the Premier to Infrastructure WA; and a statement of grounds for suspending or removing a board member or the CEO from office.

**Mr S.K. L’ESTRANGE:** If that is the case, why do the words “with the approval of the Premier” need to be in this clause?

**Mr M. McGOWAN:** A government would not release information if it would pre-empt a policy decision of the government, or if it was commercial-in-confidence, legal professional privilege, or cabinet-in-confidence. There is probably a bunch of others as well.

**Mr S.K. L’ESTRANGE:** Further to that, in the Premier’s answer, he gave an example of where he would not approve it, and that was where it did not conform with a policy of government.

**Mr M. McGowan:** Or pre-empted a policy of government.

**Mr S.K. L’ESTRANGE:** Yes. I draw the Premier’s attention to his second reading speech, which I think relates to this. In the third paragraph, the second sentence, the Premier says —



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With a more strategic evidence base and bipartisan approach, we will continue to turn this around and secure a greater share of funding from Canberra ...

The Premier talked about a bipartisan approach. This goes to the heart of why the Premier wants us to believe that Infrastructure WA will be independent. How could it be a bipartisan approach if advice or a report prepared by Infrastructure WA was not available to the opposition but was available to the Premier?

**Mr M. McGOWAN:** I listed off about nine separate documents—very comprehensive, never provided before—that would be available to the Parliament and, therefore, the opposition. I am advised that it is more transparent than is the case in Victoria, Queensland and South Australia. All of that material is being made available with a high degree of transparency. As I said, and I can only repeat it, there might be things that are commercial-in-confidence that pre-empt a policy decision of government. If the government has an announcement to make, such as an investment decision, that may be inappropriate for release because it might somehow prejudice the government, or if it is something that falls under legal professional privilege, obviously it would not be released, but this gives the opposition reams more information than has ever been available before.

**Mr S.K. L'ESTRANGE:** If the advice to the Premier was to go ahead with a \$1 billion infrastructure project and that advice was not made available to the opposition before the government made the decision on the infrastructure because it was a policy decision of government, it would not then be a bipartisan approach at all, would it?

**Mr M. McGOWAN:** It would be made available. As I indicated to the member before, if the information is contained within the strategy, it is made available. A summary of assessment of a major infrastructure proposal is made available, so it would be made available.

**Clause put and passed.**

**Clause 10: Annual work programme —**

**Dr M.D. NAHAN:** I assume the “annual work programme” is the work program of Infrastructure Western Australia—its priorities for that year, its budget, and the kinds of issues it is going to look at; not so much a strategy, but just the operational plans of the agency.

**Mr M. McGOWAN:** It is the business plan for the year. I think it reflects what the Leader of the Opposition said.

**Mr S.K. L'ESTRANGE:** Clause 10 does not say what the explanatory memorandum says. The explanatory memorandum says that Infrastructure WA will be a budget-funded entity. I do not think that appears in the bill. Is it a budget-funded entity?

**Mr M. McGOWAN:** The answer is yes.

**Mr S.K. L'ESTRANGE:** Can the Premier give an indication of what the budget for Infrastructure WA will be on an annual basis?

**Mr M. McGOWAN:** It is in the budget. It was in last year's budget. I answered the National Party on this. It was \$15.3 million across the forward estimates. When it is fully functional, I think it will be \$5 million a year.

**Mr S.K. L'ESTRANGE:** Thank you.

**Mr W.R. MARMION:** Specifically, I would like to know when the annual work program will come into operation, because there are some tricky bits about how the clauses of the bill operate. When does the Premier anticipate he will receive the first annual work program from Infrastructure WA?

**Mr M. McGOWAN:** The intention is as soon as possible after it is up and running. Obviously, we want to get underway with employing people. Once that happens, this will be one of the first tasks. I would not imagine that this will be that difficult a task in the early days, because the strategy is the big bit of work.

**Mr W.R. MARMION:** Clause 2 highlights how different parts come into operation. We are now on clause 10, dealing with the annual work program. Will this come under a day fixed by proclamation? That is the purpose of my question. Would this come in earlier than some other aspects? Obviously, when the 20-year strategy is being prepared, it will require a lot of work. Presumably, the annual work program will be dealt with prior to that, so it will come in before that. Can the Premier give me a rough idea of the mechanism for clause 10 coming into operation?

**The ACTING SPEAKER (Ms M.M. Quirk):** Member, I think it is covered by clause 2(c).

**Mr M. McGOWAN:** Correct. Thank you, Madam Acting Speaker. It is governed by clause 2(c), so one month after assent.

**Mr S.K. L'ESTRANGE:** Still on clause 10, subclauses (1) to (4) all say “must” in respect of providing information to the Premier, but subclause (5) uses “may” —

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(5) Infrastructure WA may make its annual work programme publicly available.

I bring the Premier back to his second reading speech in which he talked about a more strategic, evidenced-based and bipartisan approach. Can the Premier please outline to me when Infrastructure WA would not make its annual work program publicly available?

**Mr M. McGOWAN:** Clause 10(5) indicates, as the member correctly identified, the word “may”. That means that the public release of the annual work program is at the discretion of the board, so whether the annual work program is made publicly available is really a matter for the board.

**Mr S.K. L'ESTRANGE:** Just to follow on from that answer, I asked that question because it brings us back to clause 8, “Functions”. As we have already been through, under the functions it is very much through the direction of the Premier that this entity conducts its work. It is quite clear, for example, that under clause 10 —

(1) Infrastructure WA must, in consultation with the Premier, prepare an annual work programme.

It is very clear that the Premier will know what the work program is, because Infrastructure WA “must” consult with him on it. When the Premier says that the board may make the decision to not release information to the public, it clearly could release information under the Premier’s direction, because the functions under clause 8 give the Premier the authority to tell Infrastructure WA what to do. As we know, it was made very clear under clause 8(1)(l) that Infrastructure WA has to do what the Premier wants it to do. Notwithstanding the Premier’s answer that the board may decide what it does or does not want to release, the Premier has the power under this legislation to release annual work program information. Can the Premier outline to the opposition any situations in which he would not release that information to us?

**Mr M. McGOWAN:** I am not sure whether we are reading the same thing, but it is up to the board to decide whether it releases the annual work program under clause 10(5). It is at the discretion of the board for the reason that the government may request advice from Infrastructure WA on a confidential basis that may pre-empt a policy decision; therefore, it may not be appropriate for a particular task or annual work program to be published in those circumstances. Just so the member is aware, departments and statutory authorities are not required to publish their work programs and there is no requirement in any other state for work programs to be published.

**Dr M.D. NAHAN:** This is a very important point. Let us take the EPA for example. It is not in control of its work program; other people make submissions to it. But it gives a very good indication in its annual reports about what it has done and what it intends to do in terms of its priorities. If Infrastructure WA is to be different from those other agencies, as indicated in the second reading speech, its primary objective will be to have long-term, agreed positions on infrastructure to the extent possible to have a bipartisan or multi-partisan position. It seems that Parliament will want a good indication of the prospective activities of Infrastructure WA. If it was looking at an issue that led the government to seek a policy on it, the government would not have to disclose all the details of that policy issue. For instance, it might want to look at a specific type of port in Kwinana and make a policy decision on that. That is fair enough, but the question is: why keep from Parliament Infrastructure WA’s annual work program when that would give Parliament surety about the projects and activities of that agency, which in many cases has the support of Parliament more widely?

**Mr M. McGOWAN:** These things, I am advised, are internal working documents that will help an agency’s planning. As I said before, there is no current requirement on any agency to release its annual work program across government—no requirement whatsoever. No other state’s legislation requires similar work programs to be published. We are leaving it to the board to decide whether it will publish the annual work program. The annual report, which I think the Leader of the Opposition referred to, is a backward look at the past year and not the year ahead, and there may well be reasons that the board does not want to make it public. I outlined one reason before.

**Mr S.K. L'ESTRANGE:** In his answer the Premier used the example of other statutory bodies to say that they do not have to make anything available. Help me to understand this: do other statutory government bodies have to make any information available to the Premier on their work program at the beginning of each year?

**Mr M. McGOWAN:** The advice I have is that the legislation of most agencies, which are GTEs or statutory authorities, allows for the responsible minister to have access to information contained within the organisation, which we would expect under responsible government.

**Mr S.K. L'ESTRANGE:** Is the Premier saying that in this instance other statutory bodies may inform the minister of their work program for the year, but that in this instance there is no option? Clause 10(2) states —

Each programme must be submitted to the Premier before the beginning of the financial year to which it relates.

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That will be an act of law. It will have no option. It does not matter whether the board does or does not want to, or whether it seeks it or not, it must in law submit it to the Premier. Earlier I asked under clause 10(5) when that would not apply and when that work program would not be offered to the opposition. I am still not clear about that. The Premier's answer was because it is a statutory body, but he has now outlined that other statutory bodies do not have to when, in fact, this one has to. Why does the Premier not want the opposition to understand the work program of Infrastructure WA, so it can understand the priorities of Infrastructure WA? In so doing, that would align with the second reading speech, which states that the bill is looking for a more strategic evidence-based and bipartisan approach.

**Mr M. McGOWAN:** Under the legislation the annual work program for the year is something that they must do in consultation with the Premier. It must be submitted to the Premier as the responsible minister. I do not think that is unusual. That is the nature of government when agencies work with their responsible ministers. They can, at their discretion, make it publicly available or otherwise. As I outlined to the member, the legislation allows for each agency across government in statutory authority GTEs, such as the Water Corporation, Synergy or whatever it may be, to provide that information to the relevant minister.

**Mr S.K. L'ESTRANGE:** Therefore, if under clause 10(5) Infrastructure WA, for example, got a request from the opposition to make available to it the annual work program, would Infrastructure WA have to seek the Premier's approval to do so?

**Mr M. McGowan:** No.

**Mr S.K. L'ESTRANGE:** Further to that, does the Premier envisage in the future, when Infrastructure WA is established, that if I or any other member of the opposition were to seek from Infrastructure WA its annual work program that it would be denied?

**Mr M. McGowan:** Under clause 5, it is a decision of Infrastructure WA—the board.

**Mr S.K. L'ESTRANGE:** If I were to ask Infrastructure WA the reason for denying me the annual work program, and if I asked them specifically, let us say, on notice or through a freedom of information requirement, "Did the Premier direct you to not provide the annual work program to the opposition?", is there a situation in which that answer could be yes?

**Mr M. McGowan:** No, because the Premier cannot direct them on that matter.

**Dr M.D. NAHAN:** Infrastructure WA is not a GTE; it is an independent body. As the Premier has emphasised, it also has a long-term objective—that is, to get some kind of long-term commitment for infrastructure. I have a hard time seeing why the work program of that agency would not be made public in some form or fashion so that the people who are interested in the activities of the plan would participate to the extent that they wished, or could. Indeed, I think it would be a necessary part of the process of planning infrastructure for interested parties—specifically political parties in this case—to know what Infrastructure Western Australia's plans for the year were so we could debate it in Parliament and make arguments about and submissions to it. It could input to the priorities of the body. I cannot see why it is not mandatory, indeed, to make the annual work program publicly available.

**Mr M. McGOWAN:** As I outlined before—I outline again—every other state does not require similar work programs to be published under the legislation—that is, South Australia, New South Wales, Victoria and Queensland. We are leaving it to the independent board to make that decision. It is a function of its independence. It is up to the board whether it is appropriate in the circumstances to make the annual work program publicly available.

**Mr W.R. MARMION:** I would like an example of why the Premier would not do that. I think the Leader of the Opposition has a very good point. When an annual work program for any agency is produced for a minister or the Premier to sign-off on, the only reason I could think of why they would not release it is if it is a sensitive or secret project. One element of the work program might be sensitive or secret, but surely the Premier would release the annual work program and have a budget item for that secret bit or that something that they do not want to disclose detail on. Surely, from the point of view of the accountability of Infrastructure WA to the people of Western Australia, the Premier could say what the proposed annual work program is. It should not be that secret. If the agency is to be funded by the taxpayers of Western Australia, I cannot see a problem with why they should not have an idea of what the annual work program will be. I could understand that there might be a specific task, but that could be qualified in the work program—"There's \$100 000 but we're not going to tell you what it's for." At least that would be being accountable. But why hide the whole annual work program just because of a small element? Can the Premier comment on that?

**The ACTING SPEAKER:** Member, there were a number of rhetorical questions there. What exactly do you need the Premier to answer?

**Mr W.R. MARMION:** Can the Premier explain to me why it is possible to come up with some part of a work program but he cannot tell anyone what it is?

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**Mr M. McGOWAN:** It is a matter for the board. As I said to the member, it is an independent board. As I outlined to the member four questions ago, the government may request advice from Infrastructure Western Australia on a confidential basis, which may pre-empt a policy decision or a range of policy decisions; therefore, it may not be appropriate for a particular annual work program task to be published. It is a matter for the board. It can publish whichever component of the annual work program it wishes to. It is a function of its independence.

**Mr W.R. MARMION:** The concern that people would have is that although there would be no influence by the Premier, the Premier of the government of the day could suggest to the board chair over a phone call or a cup of coffee on a Sunday afternoon that they would rather the annual program not be released, so the decision would not be made by the board; it would be made by the Premier during a conversation over a cup of coffee on a Sunday afternoon at a coffee shop.

**The ACTING SPEAKER:** Member, that does not relate to clause 10(5).

**Mr M. McGowan:** The board is independent. It is set out in the legislation. We cannot do any more than that.

**Clause put and passed.**

**Clauses 11 and 12 put and passed.**

**Clause 13: Preparation and submission to Premier —**

**Dr M.D. NAHAN:** Could the Premier indicate when he expects the initial work program in developing the long-term strategy for Infrastructure WA to get underway and when he thinks it will be finished and delivered to government and to the WA community?

**Mr M. McGOWAN:** As soon as the board and the staff are employed, it is expected to start work. It will be the first role. We expect that it will take 18 months, but it is up to Infrastructure Western Australia.

**Clause put and passed.**

**Clause 14: Content and preparation —**

**Dr M.D. NAHAN:** I have looked at some of the activities of Infrastructure New South Wales and Infrastructure Victoria. I may not have obtained all their early documents because these agencies have been long established. I get the impression that they do not do a comprehensive assessment of infrastructure needs across the whole state, across all the sectors or even in the public sector or general government sector. They selectively choose where they want to focus. Is it the intention to allow the board of Infrastructure Western Australia to focus on what it thinks the priorities are or does the Premier intend to have a comprehensive omnibus of infrastructure plans for electricity, water, road, port, education and hospital needs and for the whole public sector?

**Mr M. McGOWAN:** There are two points. The strategy will look at the entirety of the state, exactly as is done in New South Wales and Victoria, bearing in mind that those states are significantly smaller than Western Australia. It will also look at a broad range of sectors, whether it is electricity, ports, water, transport or social infrastructure—whatever it might be. It will deal with each of those. It will be up to the board what it does. Some of them might be in integrated reports, some might be based on certain regions and others might be put into chapters on the different forms of infrastructure. It is really a matter for the board.

**Dr M.D. NAHAN:** That was the essence of my question. Will the Premier leave it up to the board? So he will not direct the board to provide an encyclopaedia of plans across all of government? That will not be possible and, indeed, it will not be expected to do so. This clause refers to funding and financing options, when appropriate, for projects. Again, part of the strategy is not only about what to build, the time period and where it will go geographically, but also to provide advice to government in a long-term strategy on the funding of infrastructure. I just want to confirm that.

**Mr M. McGowan:** Yes.

**Mr W.R. MARMION:** Clause 14(1) states —

Infrastructure WA must include in the State Infrastructure Strategy —

...

(b) the economic, social and environmental objectives against which Western Australia's infrastructure needs were assessed ...

I assume that Infrastructure WA will come up with the economic, social and environmental objectives and they will be generic for the whole state, or will there be separate objectives for different regions of the state?

**Mr M. McGOWAN:** They may be for the entire state or they may be regionally based. Each region will be dealt with individually.

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**Dr M.D. NAHAN:** Given that the Premier has indicated that the board will not necessarily cover all issues, is there capacity for the Premier to direct, indicate or request that it focus on a few select issues that undoubtedly will be his priorities? It might be, as we have seen in the past few decades, public transport or roads. Is there capacity for the Premier to direct the priorities of the strategy?

**Mr M. McGOWAN:** Under clause 59, the government cannot direct the board on the content of the strategy, but obviously the body will need to consider a broad array of government policies, plans and the like in the preparation of the strategy.

**Mr W.R. MARMION:** As I said, under clause 14(1)(b), the objectives will be set by Infrastructure Western Australia for a 20-year strategy. If in, say, 10 years it is quite evident to the board, and probably everybody else, that a particular economic, social or environmental objective needs to change, that would impact on the strategy and the projects that may have been selected. What is the mechanism to change the state infrastructure strategy?

**Mr M. McGOWAN:** That is a good question. Obviously, things can change outside of a government's control. I can just imagine something occurring that means that the strategy is no longer relevant in a certain area. Under clause 13(2), the strategy will be reviewed every five years. At any given time, the board can, under clause 17, amend the strategy as required.

**Dr D.J. HONEY:** I refer to clause 14(1)(a) and the period of 20 years. I am intrigued by the selection of that period of 20 years. I do not know of anybody who tries to do any detailed capital planning over that period. It is well beyond five times the forward estimates, so it cannot have any impact on the government's budgeting priorities. I am wondering why such an extreme period of 20 years has been chosen for the plan.

**Mr M. McGOWAN:** The strategy is a long-term plan. It is meant to be long term, which is 20 years. When the member indicated that he has not heard of anyone else who has done it, the Victorian government's plan is for 30 years.

**Dr D.J. HONEY:** I am intrigued about how any of the assumptions that go into the plan could possibly be valid for that period of time, whether another government does it or not.

**Mr M. McGOWAN:** That is a good point. Long-term planning is needed for this state. I think the member quoted the Stephenson plan earlier, which was created in the 1950s for the next 80 years or something of that nature. That is the nature of long-term planning. Compared with that, this is quite short term.

**Dr D.J. HONEY:** I am intrigued by clause 14(1)(c)(ii). I would have thought that that is entirely in the purview of Treasury, not this body. This is government money that will be spent, not the board's money. I would have thought that it is entirely the purview of Treasury to determine the most appropriate funding or financing option for projects. I do not know why this body has any role in that. What is the role of this body versus Treasury?

**Mr M. McGOWAN:** As I indicated a couple of questions ago—I think we were on clause 8 and we had a long discussion about this—it is advice to government on models for financing, but, as was indicated, it is advice to government.

**Clause put and passed.**

**Clause 15: Acceptance, tabling and publication —**

**Mr S.K. L'ESTRANGE:** Clause 15(1) says that the Premier must consider a strategy when it is submitted to him and within 60 days of receipt of it, he must either accept it or return it to Infrastructure WA for further consideration and resubmission to himself. Can the Premier outline to us some circumstances, or examples of why he thinks he would send it back?

**Mr M. McGOWAN:** The Premier cannot direct; he can ask Infrastructure WA to consider. The Premier or the government might think that the state infrastructure strategy has not considered or not taken account of something, and they can request that it take account of that matter. It can only happen once.

**Mr S.K. L'ESTRANGE:** Further to that, can the Premier give a practical example from his experience as Premier of when something might be put in front of him that he would send back for reconsideration?

**Mr M. McGowan:** I send things back all the time for reconsideration.

**Mr S.K. L'Estrange:** Can you give us an example?

**Mr M. McGOWAN:** Cabinet submissions, letters and proposals come forward all the time. I do not just write "approved"; I write "not approved" or I request that further advice be given. That is not unusual in government. Otherwise, what is the point of having people who are elected? We might as well just let the directors general of agencies run the show.

**Mr S.K. L'ESTRANGE:** I think the Premier made a really interesting point. We have already spent a fair bit of time on this bill, and the Premier outlined to us that Infrastructure WA is an independent statutory body, not

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a department that can be directed by the relevant minister. As an independent statutory body, it is here to advise the government of what it thinks is the best course of action. The Premier's example of situations in which he might send back proposals that are not approved is directing the statutory body to do what he wants instead of doing what it thinks is in the best interests of Western Australia. Can the Premier please outline to me why he would send something back and say it is not approved?

**Mr M. McGOWAN:** I cannot send the strategy back and say that it is not approved. It may well be that the Premier asks for something to be considered. For instance, there might be a proposal in the strategy for something in the member's electorate that he has been calling for that somehow the preparers of the strategy did not see or hear about. If I thought it was a good idea, I would go back and ask that they consider that. It is a request for consideration. When I was talking about things that are not approved, that is not under this legislation because it does not exist. That might be proposals or advice provided to me by the Department of the Premier and Cabinet or the Department of Jobs, Tourism, Science and Innovation. It might be anything that they provide that governments often accept or do not. Propositions for meetings, events, letters, cabinet subcommittees and the like are put forward all the time that may not be accepted. The role of an elected government is to make decisions on these things because we were elected.

**Dr M.D. NAHAN:** I wish to get some clarity. The strategy is provided to the Premier. Let us say that the Premier returns the strategy to Infrastructure WA, which is one of the options, the Premier must provide in writing to Infrastructure WA his or her issues with it, and then it has to come back. Does the Premier communicate to Parliament the correspondence detailing the initial problems with Infrastructure WA? In other words, if the Premier sends the strategy back for reconsideration, which can happen only once, are the issues of that reconsideration made available to Parliament?

**Mr M. McGOWAN:** I am advised that it is an FOI-able document, and it might be up to the Premier to release the document in question. I expect that this circumstance would be something like I outlined to the member for Churchlands; there might be something that the Premier of the day regards as a glaring oversight that the government of the day thinks that Infrastructure WA did not consider appropriately and requests that it considers it. I personally do not think that is unreasonable.

**Dr M.D. NAHAN:** Just as an aside, when does the document go to cabinet? It is relevant for FOI. If it is FOI-able, when does it go to cabinet for consideration and if it does go to cabinet, at what stage does it go and are cabinet confidentiality restrictions therefore imposed on it?

**Mr M. McGOWAN:** The expectation is that the strategy would not go to cabinet because it is not the government's document; it is the IWA's document. This clause just deals with the opportunity for the government to provide the advice to Infrastructure WA on something that the government views it may have missed. In comparison with other states, only Victoria is required to table the strategy in Parliament, so therefore only one state is as transparent as we are.

**Dr M.D. NAHAN:** The government does not have a requirement to put the document before cabinet. Let us say that the strategy goes to the Premier and he looks at it. He or she could take it to cabinet for discussion. We would expect that to be the case, especially for a long-term strategy, because it would undoubtedly lead to long-term policy decisions and perspectives, and it may be controversial. Would that be a cabinet-in-confidence document?

**Mr M. McGOWAN:** No, because under clause 15(4) it is required to be tabled in Parliament.

**Mr S.K. L'ESTRANGE:** Further to that answer, clause 15(4) states —

The Premier must, within 28 days of acceptance or re-submission of a strategy, cause the strategy to be —

(a) laid before each House of Parliament;

We are actually talking about the process before that stage. If we come back to clause 15(1), the Premier has 60 days to consider a strategy, and can either accept it or return it for resubmission. That is pretty clear. What we are asking is: will the Premier make available to the opposition or the Parliament of WA, in keeping with the Premier's second reading speech about a bipartisan, strategic approach, the Premier's reasons for sending it back to Infrastructure WA?

**Mr M. McGOWAN:** That would be a matter for individual Premiers to decide whether they wish to do that. It is not required under the law.

**Mr S.K. L'ESTRANGE:** Under clause 15(2), the Premier cannot return a strategy to Infrastructure WA more than once. Why not?

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**Mr M. McGOWAN:** I think it would be because of unnecessary delay. The Premier will have one opportunity to provide feedback. Of course, the Premier has the resources of government to give advice on anything that may be missing from the strategy. If Infrastructure WA elects to accept the Premier's views or not, the Premier gets one shot at it and then the report is tabled.

**Mr S.K. L'ESTRANGE:** I am just curious about why it is only once, because it could be at the expense of a bad decision going ahead in a strategic plan. Surely the government of the day should have the capacity to provide further input before a big mistake is made and something is put into an infrastructure plan that the government does not believe in.

**Mr M. McGOWAN:** The plan is advice. Governments can accept it or reject it.

**Mr S.K. L'ESTRANGE:** Clause 15(3) says —

If the Premier returns a strategy to Infrastructure WA —

(a) the Premier must provide in writing the Premier's feedback on the strategy;

Will the Premier make that feedback available to the opposition, as part of this bipartisan approach?

**Mr M. McGOWAN:** As I said earlier, when I think I answered this question, it would be up to individual Premiers whether they wish to do that in the circumstances.

**Mr S.K. L'ESTRANGE:** Clause 15(3)(b) says —

Infrastructure WA must respond to the feedback, either in the re-submitted strategy or in a separate document.

Can Infrastructure WA, upon the request of the opposition, make its information available to the opposition?

**Mr M. McGOWAN:** The opposition may well be able to get access in both cases via freedom of information, or the Infrastructure WA board may wish to provide that in response to a request.

**Mr S.K. L'ESTRANGE:** Does the Premier envisage a situation in which a Premier might direct Infrastructure WA to not provide that information to the opposition?

**Mr M. McGOWAN:** I would not have thought that the Premier could provide that direction under the FOI act. I am pretty confident that that is not the case.

**Mr W.R. MARMION:** I am just trying to get my head around what the state infrastructure strategy might look like. Could the Premier outline how he envisages the documentation and the projects that will be recommended will be presented? Will they be presented on an annual basis with a cost in terms of priority? Of course, there are subsets of different areas—there is water, roads and rail. Will they be prioritised under different headings or under what Infrastructure WA thinks is a priority, cutting right across those bands? For instance, there might be four road projects ahead of a rail project or even a water project. Can the Premier give the house a bit of an idea of how he envisages the 20-year infrastructure strategy will look?

**Mr M. McGOWAN:** It is a matter for the board. It may divide it into regions. It might outline each region with education, health, water, power, ports, transport or whatever it might be, or it might divide it into portfolio areas and do transport, health or the like across the state. It really is a matter for the board. I do not think any option is particularly better than another. I always believe that things should be readable, so whichever is the most readable and easiest to understand is the option I would suggest.

**Mr W.R. MARMION:** The reason for the question relates to the priority of projects. Regardless of which sector it comes from, we might find that one sector might have higher priority than another in one year or two years, while another sector, such as the Water Corporation, might not have any projects. The board might choose to do that. I know that it is advice and that the government of the day could undertake project 10 because it wants to keep the workforce going in a particular area.

**Mr M. McGOWAN:** It is advice. The government makes the decisions. The government might decide to do whatever it might decide to do. This is just advice.

**Clause put and passed.**

**Clause 16: Government response —**

**Dr M.D. NAHAN:** This clause is very interesting. As I understand the government's response, the Premier has a long-term state infrastructure strategy. Once the Premier agrees to it, it is laid before Parliament. The Premier then has to respond to it within six months and has to indicate the extent to which each recommendation in the strategy is supported by the government. For each recommendation that is not supported, the Premier has to outline why. I understand that. I take it from that that a large number of recommendations will be made. I want some kind of indication of the granular nature of this agreement. For instance, the previous government did a long-term, 20 or

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30-year transport plan that almost had routes here and there. There was a great deal of uncertainty about whether there would be tunnels or whatever. Especially when it is extending 20 years down the track, the government of the day will not be able to agree to or make a decision on much of that, except in an indicative sense. How granular are these responses going to be? I ask that to satisfy my curiosity, more than anything else.

**Mr M. McGOWAN:** It is about the resources of government. The government can accept, not accept or accept in principle. The government can provide all sorts of detail and it will be held to account for that. It is far more accountable than anything that currently exists.

**Dr M.D. NAHAN:** When the government gives a response, does the Premier envisage a debate or some process for Parliament to officially consider the strategy? Does the Premier envisage it going to the Public Accounts Committee for review? Does the bill consider a process by which Parliament will officially look at it?

**Mr M. McGOWAN:** I expect this material will trigger lots of debates. That would be my expectation. I expect that oppositions would welcome this because it provides material for consideration. As I said, I think it does good things for the governance and governing of a state or country, but of course it provides material for argument as well and governments and oppositions can agree on these issues or not. I personally think that over time, in particular when the body gets its strategy and act together, as has happened in other states, it will become more and more persuasive in the reports it prepares.

**Dr M.D. NAHAN:** Would the government consider a formal process by which Infrastructure Western Australia appears before the Public Accounts Committee on its strategy, whether that be the long-term strategy over 10 years or its shorter term strategy?

**Mr M. McGOWAN:** I expect that as a government body it could be requested to come before the estimates committee, and if a parliamentary committee requested its attendance, it would happen.

**Dr D.J. HONEY:** I am intrigued by the whole concept behind this government response. This is a body making a recommendation, but as I read this, the government is answerable to a statutory body and has to give explanations to it. I cannot see any justification for that at all. It is the role of government to decide and the role of Parliament to approve any expenditure and any changes to the capital program. In this situation there is a statutory body formed by Parliament and Parliament is answerable to it. I am intrigued about why there is this provision at all. I can understand that a government says it will accept or not accept a part of a report. In fact, I find it offensive that effectively Parliament, through the Premier, has to be answerable to a statutory authority.

**Mr M. McGOWAN:** Again, it provides advice to government. The government is not bound by the advice. The government is not answerable to it. It provides advice to government. It is standard practice for governments to provide responses to reports given to government. The member might hear them every day—regularly. Committee reports are handed down Thursday morning and governments table responses to those reports. It is not unusual for governments to respond to reports that are provided to it.

**Dr D.J. HONEY:** Governments may choose to do that or they may not. In this case, surely the response from government is what it does and it accepts parts from strategies and implements them, and then there is proper debate in Parliament, not more discussion with the statutory authority. The government may choose to do that, but in this case it is obligated to. As I say, this seems to completely reverse the role of Parliament; that is, Parliament is the ultimate authority in these matters. Yet, Parliament and the Premier are answerable to a statutory authority. I see that as completely unnecessary. Again, I wonder why it is mandated in the legislation like this.

**Mr M. McGOWAN:** The government provides responses to reports every day. They are tabled every day. It is common practice. This enshrines in law that form of accountability in response to the reports provided by Infrastructure WA. I would have thought that this is something the opposition would welcome.

**Mr W.R. MARMION:** Further to this, my question relates to the response that the government might make to a recommendation. My question can be answered if the Premier explains to what level of detail a recommendation might go to. I can understand a fairly generic set of projects being presented to the government and the government saying it agrees that they should be done at some time. If the recommendation specifically identifies a project to be implemented at a certain time frame and the board, which is only advisory, recommends to the government that a certain project needs to start construction next year, that is a very specific recommendation. The government then has to respond to that. This relates to a previous question in debate on the last clause about what the strategy looks like. Will the strategy have specific recommendations with time frames for construction?

**Mr M. McGOWAN:** Clause 14 states that the recommendations must give a relative priority. Clause 16(2), which we are dealing with, states —

The response must include —

- (a) an indication of the extent to which each recommendation in the strategy is supported by the Government; and



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(b) for each recommendation that is not fully supported — reasons why it is not fully supported.

That requires comprehensive material, which, again, I would have thought that any opposition would welcome.

**Mr S.K. L'ESTRANGE:** We welcome the fact that input can be provided, but I think we are questioning why there is any need for clause 15 based on the Premier's answer. Infrastructure WA's job is to advise the government and it can respond to that advice. If a report is provided, and the Premier used the examples of other agencies providing reports, the government can respond to the report. Why is there the need of a clause 15? I know we are debating clause 16, but why is there the need for clause 15 at all to give the opportunity to the government to adjust Infrastructure WA's plan if it has the ability to respond to it anyway, as it does with all other reports written by statutory bodies?

**Mr M. McGOWAN:** The strategy is not finalised until after the government has had the opportunity to give some feedback that can be considered, rejected or partly taken into account. Once the strategy is tabled, the government then provides advice about each of the recommendations and give views about whether or not it supports them. I suppose it is a dual level of accountability, if you like.

**Mr S.K. L'ESTRANGE:** Further to that, I think the Premier is starting to get a sense of why we are asking these questions. Clause 16 gives the Premier of the government the opportunity to respond to Infrastructure Western Australia. There is a very detailed explanation of how they can respond. The problem we have is that clause 15 gives us the impression that the Premier is shaping Infrastructure WA's report prior to getting the opportunity to respond to it. It gives the impression that this is not an independent statutory body. The bill gives the impression that the Premier has a role to play in shaping the advice of the statutory bodies so when it presents its recommendations or report to the Premier, he can give a response, but he has already shaped what it is presenting. Does the Premier not agree that it is not in the best interests of an independent statutory body for him to have the capacity to shape an outcome prior to him responding?

**Mr M. McGOWAN:** I can only deal with clause 16. That means that in relation to the infrastructure strategy there is the opportunity or the requirement for the government to respond. We dealt with clause 15 earlier.

**Clause put and passed.**

**Clause 17: Amendment —**

**Mr S.K. L'ESTRANGE:** I refer to clause 17(1), which says —

Infrastructure WA may, from time to time, prepare and submit to the Premier amendments to the State Infrastructure Strategy.

When Infrastructure WA makes an amendment and submits it to the Premier, will he make it available to the opposition as part of his bipartisan approach as outlined in his second reading speech?

**Mr M. McGOWAN:** Yes.

**Clause put and passed.**

**Clause 18: State Infrastructure Programmes —**

**Dr M.D. NAHAN:** I take it that this is the more operational 10-year plan. It goes from the 20-year to the 10-year plan, it brings in the Treasurer and brings it into the budget cycle. It goes beyond, but it covers the budget cycle. It basically starts to operationalise and internalise and make the infrastructure strategy part of the government policy. That is how I interpret it. This is just a recommendation from an independent board; governments are not bound by it. But it is basically stated in the budgetary process that the government of the day and the Treasurer must include Infrastructure Western Australia's strategy. That is an overview. How closely is the government going to be tied to the strategy recommended by this independent body?

**Mr M. McGOWAN:** If the member goes to subclause (4)(a), the requirement on the Premier and the Treasurer when preparing the annual state infrastructure program is to take into account the recommendations of the state infrastructure strategy. As I have said a number of times, the state infrastructure strategy is advisory, but obviously oppositions, the press and the public can look at the infrastructure strategy versus what the government is doing and ask the question about why things might be different.

**Dr M.D. NAHAN:** What happens if the government of the day simply does not agree with Infrastructure Western Australia's long-term strategy or advice provided to it, and then the Premier is required to make a state infrastructure program using the Infrastructure WA strategy that it disagrees with? I can give an example. There might be a change of government. A new government comes in and it has a different set of priorities and viewpoints of the 10-year infrastructure needs, and it has this strategy that it just does not agree with. I can envisage

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that quite clearly, actually. How does this work when Infrastructure WA's independent views do not accord with the current government's views in setting up a state infrastructure program?

**Mr M. McGOWAN:** The government is not bound by the infrastructure strategy. I will say it again: the government is not bound by the infrastructure strategy, but it is required to prepare a state infrastructure program, which would largely align with any state infrastructure strategy of a sensible government, in my view. There might be points of difference. A new government coming in can amend the existing state infrastructure program or issue its own.

**Mr W.R. MARMION:** I had some experience in Main Roads in preparing a 10-year state infrastructure program. It had a planning section that produced, without any government interference in those days because it was in the 1970s, basically a rough 10-year program of major projects. It recognised the problem, so it did not do a detailed design of these particular projects. They had to have rough estimates because costs change over time. I note in clause 18 that the program must cover a 10-year period. It specifically suggests that it is quite detailed for the budget year, and it also covers the forward estimates. After the forward estimates, are the projects in the 10-year state infrastructure program costed, and to what level of detail is the costing conducted? The Premier might find that he is wasting a lot of time and energy costing projects that may be on the 10-year horizon. I know that the current government has a lot of knowledge about Perth Arena. The cost blowout of Perth Arena as it was being designed and built was massive. A lot of it was caused by the increase in the cost of steel. A massive amount of steelwork was imported from China, and the cost of steel went through the roof at that particular time. There is a problem when someone puts in a possible capital cost of a project probably after the five-year horizon. Having laid that issue on the table, my question to the Premier is: how is Infrastructure WA going to cost projects on a horizon greater than the forward estimates, and will it put the same attention to detail into those projects as it would for the annual and forward estimates projects?

**Mr M. McGOWAN:** They may or may not be costed by the government of the day. I imagine the ones that are in the earlier years of the state infrastructure program would be; the ones that might be at the nine or 10-year mark may not be, and it is up to the government of the day as to whether it wants to put a ballpark figure on it. My experience with ballpark figures is that they are politically dangerous because one is held to a figure that is an estimate. I expect that some costings would be attached to some, as I have said. I probably explained it as well as I could a moment ago.

**DR M.D. NAHAN:** What is the role of Infrastructure WA in the state infrastructure programs?

**Mr M. McGOWAN:** It is contained in clause 18(4)(b). It is to provide advice on the program.

**Mr W.R. MARMION:** On this point, there is a trap here. Main Roads fell into a trap when putting a cost to a forward program in a period in the 1970s when there was no inflation. All of a sudden, in the 1980s, it had massive inflation. A rough figure became knowledgeable to the community. Now that governments get more involved in cost blowouts, the problem we have with a project on, say, the nine and 10-year horizon—I guess the question is how the Premier might deal with this—is that it might be identified as roughly a \$250 million project. However, when the time comes, it might be a \$500 million project, but the public and the media in particular—the media are probably the main problem—have been talking about a \$250 million project. When a full design of the project is finally done, even the scope may be changed. That is another issue that people do not understand. The scope might be changed so that it is a better project. It has more utility and it is now a \$500 million project—a better project—but what happens then is that the media reports that there is a cost blowout on something that was costed 10 years earlier at only \$250 million. I just want to put on the record that there are traps when one does a 10-year program. Does the Premier recognise this?

**Mr M. McGOWAN:** I think I indicated that in my last answer. My experience is that if one puts costings on prior to business case and proper work, it is a trap, because one is held to an earlier amount that may have been an estimate, done in good faith. Nothing here says that costs have to be included, but I will repeat: I would have thought that in the early years, when the program is being implemented, the likelihood is that the business cases will have been done and, therefore, the accurate costings will be there; in the later years, perhaps not. I think the member's memory that the 1970s had low inflation might be failing him.

**Mr W.R. MARMION:** I said the 1970s had low inflation; the 1980s had high inflation.

**Mr M. McGOWAN:** I think the member's memory might be wrong about the 1970s.

**DR M.D. NAHAN:** That was a period of stagflation, but anyway. In clause 18(4)(b), is the advice sought from Infrastructure WA going to be disclosed to Parliament?

**Mr M. McGOWAN:** The advice I have is that that would be at the discretion of the government and the Premier.

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**Mr S.K. L'ESTRANGE:** Clause 18(1) refers to preparing an annual state infrastructure program. Can the Premier outline to the house the difference between an annual state infrastructure program and Infrastructure WA's annual work program?

**Mr M. McGOWAN:** The work program is IWA's business plan for the year—the work it plans to do, assessments and the like. The program referred to in clause 18 is the government's infrastructure program for that year.

**Mr S.K. L'ESTRANGE:** Clause 18(1) states that the annual state infrastructure program must be made publicly available. Will the Infrastructure WA annual work program also be made publicly available alongside the annual state infrastructure program?

**Mr M. McGOWAN:** We dealt with the work program earlier, and, as I indicated, that is a matter for Infrastructure WA. This is about the work program of the government, not Infrastructure WA, which will be made publicly available.

**Mr S.K. L'ESTRANGE:** Thank you. Further to that, I am trying to get an understanding of how the annual state infrastructure program, which is made publicly available, interrelates with Infrastructure WA's annual work program. The Premier has told me that Infrastructure WA's annual work program lays out what Infrastructure WA will do for the year. I am seeking clarification. Clause 18(1) states that the Premier must, in consultation with the Treasurer, prepare the annual state infrastructure program. Does that refer to the money that will be spent by Infrastructure WA in carrying out its duties to complete its annual work program?

**Mr M. McGOWAN:** No. The two things are completely different. I will explain it again. Under subclause (1), the state infrastructure program is the work that is to be done by government in planning and building infrastructure for schools, roads and so forth across the state. The Infrastructure WA work program is its planning document for the assessments it will do during the course of the year.

**Mr S.K. L'ESTRANGE:** I thank the Premier for clarifying that. I will now deal with the annual state infrastructure program. Clause 18(3) states —

A State Infrastructure Programme must cover a 10-year period ...

Clause 18(2) states —

Each State Infrastructure Programme must be made publicly available within 3 months after the day on which the State Budget, for the first of the years to which the programme relates, is presented in the Legislative Assembly.

That will obviously not happen this year, because this bill will not be done in time. Subclause (1) uses the plural “programmes”. Therefore, even though it is an annual state infrastructure program, does that mean we can expect that 10 programs will be submitted within three months after the budget is handed down?

**Mr M. McGOWAN:** The reason the word “programmes” is used in subclause (1) is because it is done once each year, but for 10 years. It is a rolling program. That why there is an “s” at the end of the word “programme”.

**Mr S.K. L'ESTRANGE:** Does that mean that within three months of the budget being handed down, the Premier will provide us with a 10-year infrastructure program?

**Mr M. McGOWAN:** Yes. It is a rolling program; therefore, each year, another year is added on. A 10-year program will be provided each year, within three months of the budget being handed down.

**Mr W.R. MARMION:** Just to finish off on that point, there is possibly an 18-month time frame in which to develop this. That would mean that the first state infrastructure program would not come in until three months after the budget has been handed down by whichever government is elected after the next election. That is the most likely time frame for when it would be made publicly available. Can the Premier confirm that, please?

**Mr M. McGOWAN:** The member is correct.

**Mr S.K. L'ESTRANGE:** Clause 18(5) states —

The Premier may amend the State Infrastructure Programme and subsections (1) and (4) apply with the necessary modifications.

The Premier must hand down the 10-year rolling plan within three months of the budget being handed down, but he may amend or modify the plan at any time. What is the time frame for reporting those modifications to the Parliament?

**Mr M. McGOWAN:** I am advised that under the Interpretation Act, the advice would need to be given as soon as possible to the Parliament. In any event, it would be made plain when the rolling state infrastructure program is revealed within three months of each year's budget. That is to cater for exigencies. The infrastructure program might include a new bridge somewhere at year 5, but if the existing bridge is washed away by a flood, we will have to bring it forward. Those are the sorts of exigencies we need to deal with.

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**Mr S.K. L'ESTRANGE:** I thank the Premier for that answer. There were two answers in that response. The Premier said that under the Interpretation Act, he has to advise the house as soon as possible. The Premier also said that in the three months after the following budget, it would be made clear. They are two different things. Can the Premier clarify that under the Interpretation Act, if a modification is made to a plan that had been outlined to the house within three months of the previous budget, the Premier must explain that modification to this house as soon as possible?

**Mr M. McGOWAN:** It would depend on which occurred first. It might occur three months after the budget had been handed down, and that would mean it would come within the strategy to be released at the three-month point.

**Clause put and passed.**

**Clause 19: Infrastructure WA to assess major infrastructure proposals prior to investment decision —**

**Dr M.D. NAHAN:** This refers to when Infrastructure WA will start to assess major projects. Does the Premier envisage that it will do that soon, or will it prepare the 10-year strategy before it gets into assessing individual projects?

**Mr M. McGOWAN:** As I have said a number of times, the state infrastructure strategy work will be done first, and, once that is done, these assessments would be available. I think that would be the view of any board as well.

**Dr M.D. NAHAN:** Subclause (2) states —

The major infrastructure proposal must be submitted to Infrastructure WA, and Infrastructure WA's report on the proposal must be received by the Premier ...

Does this mean that Infrastructure WA will assess, for instance, all the major projects proposed by Western Power and Horizon Power, such as network expansions and additions, and the Water Corporation's individual pipeline decisions, such as desal plants?

**Mr M. McGOWAN:** The definitions mean that it would assess any projects with a capital cost of \$100 million, or more, or if a proposal is nominated by the Premier.

**Dr M.D. NAHAN:** Most major transmission investments would be \$100 million plus. Western Power's transmissions are assessed and regulated by the Economic Regulation Authority under a certain methodology. That is undertaken by a government entity, Western Power, and it would fit \$100 million. Is the Premier saying that Infrastructure Western Australia must duplicate the assessment of Western Power's transmission, if it is \$100 million, under its regulatory regime?

**Mr M. McGOWAN:** I do not think there are many new transmission lines, but if it is above \$100 million, Infrastructure WA will provide that advice. I think the ERA normally does work around tariffs, not new construction. The advice I have is that it does not assess business cases; it has a different role.

**Dr M.D. NAHAN:** The ERA regulates the infrastructure program, on a five-year rolling basis, for Western Power. If infrastructure is required by Western Power, it indicates, on both a short and long-term basis, whether or not it can be undertaken, if it is large scale. I am just trying to come to grips with this: we have large institutions—Main Roads and others—that have large capital works programs and regulatory regimes, and are very well catered for in respect of assessment of infrastructure projects. If we are going to have Infrastructure Western Australia duplicate that, how are we going to resolve that duplication?

**Mr M. McGOWAN:** They all have different roles. The ERA's role is about working out whether an investment proposal is justified for the fees that would be charged. This role is a strategic role, examining—as we discussed earlier—whether or not the economic, social and environmental considerations, and the state's best interests in terms of competing needs of capital, are best met by that piece of infrastructure being built.

**Dr M.D. NAHAN:** To give an example, the midwest transmission line was more than \$500 million and went up to just south of Geraldton. It was designed to facilitate the electrification of the Karara mine and the increasing number of wind farms in that area. It was assessed by the ERA. Under its regulatory regime, it had to see whether or not it met the investment criteria. Let us also take the example of the Water Corporation building a desalination plant. Does the Premier see Water Corp's desal plant being assessed by Infrastructure Western Australia?

**Mr M. McGowan:** Yes, I would. If there was another one proposed, yes.

**Dr D.J. HONEY:** I refer to 19(2) and 19(4). I will go to my concerns on this and perhaps the Premier can answer. I assume that those proposals will have to be reviewed by Infrastructure WA prior to the investment decision for the proposal. Is this potentially a mechanism for Infrastructure WA to hold the government to ransom? There is nothing time bound on that. I would have thought that it would make sense to have it time bound. As an extension of that point, if for example it does not consider it for two years, what happens? It seems to me that this is a mechanism for holding the government to ransom, particularly if the body has a strong view that the government should not be doing it.

**Mr M. McGowan:** Clause 20 deals with time frames.

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**Dr D.J. HONEY:** Sorry, what was the answer to that?

**Mr M. McGowan:** Clause 20 deals with time frames.

**Dr D.J. HONEY:** Clause 20? I will get to that.

**Mr W.R. MARMION:** While the member looks at the next clause, further to the point the Premier made about proposals, let us use the desal plant as an example. What would happen if the government and cabinet of the day approved a desal plant but it had not gone through Infrastructure WA? The first question is: could cabinet do that? Would it be contravening something that would mean it was null and void? If it cannot, could a key decision be delayed because Infrastructure WA needs to assess it? It may not be its number one priority, although the Premier could direct; fair enough, but it may take some time and the government of the day might say, "Well, this is so important. We've worked out that you need some water, and we've worked out that if you start construction of the desal plant tomorrow, you'll get the water on time. We can't wait three months for Infrastructure WA to give us some advice."

**Mr M. McGOWAN:** That is a good question. Government is required to go through the processes contained here, and I think over time it would save a lot of money to government and would make sure that the right priorities are met by governments of all persuasions. However, if a government or an agency does not comply with it, under clause 19(6) that failure to comply would not affect the validity of any decision made, so it would not void a contract or something of that nature. But obviously, if people deliberately ignore the wishes of the law, that would be something of which governments would need to take account in relation to those individuals.

**Dr M.D. NAHAN:** Let us take the example of the desal plant. How much would a full business case for a desal plant cost? A couple of million? The budget of this agency is going to be about \$5 million. We could look at other ones that are more sophisticated; for some of these, business case development is very, very expensive and particularly, if we were to move outside Water Corp, we would have to bring in a whole range of expert advice that would cost even more. What really is the role of Infrastructure Western Australia in assessing these business cases? Is it to take the business case from Water Corp in the case of the desal plant, and apply its methodology to require Water Corp to provide all the data, or is it out there, doing that independently of Water Corp? Given that it has a budget of \$5 million, it just cannot do that much.

**Mr M. McGOWAN:** Infrastructure WA, as I have said a number of times, will not do the business cases; that would be up to individual agencies. There would then be an independent assessment of those business cases by IWA to work out what the priority is and where it might fit within its view of what the priorities are. In the case of a desal plant, I was very fortunately part of the government that committed to both desal plants. Obviously IWA, in that circumstance, might compare a desal plant with, for example, a canal from the Kimberley. Those are the sorts of things on which it might do a comparison and it might reach a conclusion as to which one is more economically sensible.

**Dr D.J. HONEY:** I should have read ahead on my own notes. I am still struggling; if I look at clause 20(1)—I am jumping ahead a bit, but I am talking about clause 19—it still says that it is a negotiation between Infrastructure WA and the state agency in respect of the timing. I still cannot understand why the government of the day could not be held to ransom by Infrastructure WA if it simply chooses to not negotiate an acceptable time frame.

**Mr M. McGowan:** I think that's a matter for clause 20.

**Dr D.J. HONEY:** Sorry, I could not hear the response.

**Mr M. McGowan:** That's clause 20.

**Dr D.J. HONEY:** I read clause 20.

**Mr M. McGowan:** Yes, but we're dealing with clause 19.

**Dr D.J. HONEY:** No, when I asked the Premier about the timing for major infrastructure appraisal to be submitted, he referred me to clause 20. I am happy to go to clause 20 when we get there.

**Mr M. McGowan:** Okay.

**Dr D.J. HONEY:** Fair enough; that is up to the Premier.

**Mr W.R. MARMION:** Clause 19(1)(c) relates to joint proposals. The Department of Housing, as the Premier would know because he was Minister for Housing many decades ago, I think —

**Mr M. McGowan:** No, I wasn't.

**Mr W.R. MARMION:** He was not.

**Mr P.C. Tinley:** Shadow.

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**Mr W.R. MARMION:** He was the shadow. The Premier would know that a lot of Department of Housing land developments and apartment construction are joint developments. In terms of the kick-off for whether a project will be covered by Infrastructure WA, will the actual project cost for a joint venture have to cost \$100 million or is that the amount of money that the state government is obliged to provide?

**Mr M. McGOWAN:** It is the total capital costs including private costs.

**Mr S.K. L'ESTRANGE:** Recently the government announced that \$3.3 million has been allocated for the planning to move King Edward Memorial Hospital from its current site to the QEII site. If Infrastructure WA is established, can the Premier explain how this clause would apply to that planning process?

**Mr M. McGOWAN:** This clause is not about the planning process; it is about the investment decision. Once the business case is prepared, which at \$3.3 million no doubt we would work on, that proposition would then, if it is over \$100 million, need to go through Infrastructure WA for assessment. Then, obviously, government would make a decision after that. Infrastructure WA would provide advice to government. A range of options might be prepared through the business case process for procurement models, financing models, scale, location, whether existing buildings or new buildings are used, and how they are connected to the existing children's hospital. A range of models might be prepared and that would go to Infrastructure WA to assess the most efficient and best use of government capital.

**Mr S.K. L'ESTRANGE:** An amount of \$3.3 million is a significant amount of taxpayer money. If the Department of Health were to go ahead and use the \$3.3 million allocated to it by government, I assume that the cabinet would have to approve that \$3.3 million for planning—maybe not; maybe the department could do it on its own. If it then goes to Infrastructure WA with its plan —

**Mr M. McGowan:** Cabinet would approve that.

**Mr S.K. L'ESTRANGE:** If it were to go to Infrastructure WA and it did not think that it was a good idea to put the new King Edward Memorial Hospital on that site, would that be a waste of \$3.3 million? Would it not be better to get Infrastructure WA's input into the planning process prior to the health department doing its plan?

**Mr M. McGOWAN:** No, because a proposition has to be put to Infrastructure WA before it can consider it. As I said in my earlier answer, the \$3.3 million worth of planning might suggest a number of different options. My view is that—this is the advice of the clinicians—it needs to go to the QEII site because of all the pathology and other services there and also because of the proximity to the children's hospital and the complementary services there. But it might, as I indicated earlier, look at different procurement, construction and contracting models; it might look at using a mix of existing buildings, new buildings or a standalone new building. All those things might be part of it. That is given to Infrastructure WA. Infrastructure WA does its own analysis and it provides advice to government, which the government can accept or reject, accept part of it or otherwise. It is just a way of making sure that we get good use of taxpayers' money and, hopefully, avoid some issues that we have seen with other major construction projects particularly in health in recent years. We want taxpayers' money to be used wisely.

**Mr S.K. L'ESTRANGE:** Clause 19(5) states —

This section has effect despite any other written law.

Can the Premier explain to the house what this means?

**Mr M. McGOWAN:** There may be another act or regulation—bear in mind that there are hundreds, if not thousands of them—that indicated a decision could be made on expenditure of more than \$100 million without going through the Infrastructure Western Australia process. This provision overrides that.

**Mr S.K. L'ESTRANGE:** Subclause (6) then states that a failure to comply with this section does not affect the validity of a decision made by an agency that did not go through Infrastructure WA. Why do we need clause 19(5) if clause 19(6) says that a failure to comply does not affect the validity of that decision?

**Mr M. McGOWAN:** Agencies, government trading enterprises, commissions, departments and the like should comply with the requirement that there be a proper assessment. As I said, we might avoid some of the pretty big shocks that have occurred in relation to some projects over recent years, but if a contract was signed, the sanctity of that contract would not be affected by this clause.

**Mr S.K. L'ESTRANGE:** Help me understand, then. If an agency or department, be it health, transport, police or education, did not submit an investment decision or infrastructure proposal to Infrastructure WA to assess, and signed a contract, under clause 19(6), the government is saying that a failure to comply with that section does not affect the validity of that decision. What is the purpose, then, of having this overarching Infrastructure WA organisation to help the government coordinate better infrastructure plans if a department or agency does not have to comply?

**Mr M. McGOWAN:** I will explain it again. They do have to comply; it is the law. As I indicated to a member earlier, it is a requirement for GTEs, commissions, government departments and the like to comply with this

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provision if the expenditure is over \$100 million on a specific proposal. Another member raised earlier that there may be a contingency under which the government had to urgently invest \$100 million-plus without going through this process. Let us imagine a natural disaster such as an earthquake hitting Perth, and we had to spend a huge amount of money on some capital project that was urgent, or a war occurred, and we had to build an airport somewhere, or something like that. We might then have to proceed more quickly, so clause 19(6) states that if that happens, it does not affect the validity of the decision made under this proposal. Obviously, this clause does not override or invalidate any contracts signed because of that emergency.

**Mr S.K. L'ESTRANGE:** In the upper house, or indeed when this becomes law, people will be looking carefully at that answer. A natural disaster as an answer to justify clause 19(6) is definitely unique. I am not sure that that was the intent of clause 19. It is made pretty clear in clause 19(2) that a major infrastructure proposal must be submitted to Infrastructure WA, and Infrastructure WA's report on the proposal must be received by the Premier prior to the investment decision for the proposal. It cannot get much clearer than that, so why have this subclause (6) that states that a failure to comply with this section does not affect the validity of any decision made?

**Mr M. McGowan:** I have explained that four times.

**Mr S.K. L'ESTRANGE:** Does that mean that a department can in fact carry out its own infrastructure planning without submitting anything to Infrastructure Western Australia?

**Mr M. McGowan:** Not if it is over \$100 million.

**Mr W.R. MARMION:** To follow up on that, I can see why the legislation might have that clause.

**Mr M. McGowan:** Your example was good.

**Mr W.R. MARMION:** Another example is if a rogue CEO or someone who did not take notice of this provision signed up to a desalination plant, there would be consequences for the government. My question relates to subclause (7), which states —

Infrastructure WA may exempt a proposal from the application of this section.

It is quite good to have a clause that can legitimately exempt a proposal from the application of this section. Infrastructure WA will be able to choose of its own will to exempt a proposal for whatever reason it might choose. Can the Premier instruct Infrastructure WA to exempt a proposal from the application of this section?

**Mr M. McGowan:** No.

**Clause put and passed.**

**Clause 20: Timing of assessment of major infrastructure proposals —**

**Dr D.J. HONEY:** Clause 20(2) states that regulations may deal with time frames and subclause (2)(b) refers to setting default time frames. Is it the government's intention to set default time frames for consideration of those proposals?

**Mr M. McGOWAN:** The expectation is that if the need arose, I imagine that the board of Infrastructure WA would want to work constructively with agencies across government, and that it would be a cooperative and free-form productive working relationship, as it is in other states.

**Dr D.J. HONEY:** Further to that answer, if for example there were a particularly strong-willed chair of that body, such as the one the Premier has appointed, and there were a government that that chair may not like, they may decide to be pigheaded. I ask again—I raised a concern on clause 19 that a government could be held hostage to this body—does the government intend to set default time frames in the regulations?

**Mr M. McGOWAN:** If the member's doomsday scenario came to pass, obviously a government could then put in place default time frames.

**Clause put and passed.**

**Clause 21 put and passed.**

**Clause 22: State agencies to provide information to Infrastructure WA —**

**Dr D.J. HONEY:** In relation to clause 22(1), which states —

Infrastructure WA may request a State agency to give it any information it requires for the purposes of performing its functions under this Act.

Does that not potentially present a risk to the smooth operation of an agency depending on the nature of the information that is required?

**Mr M. McGOWAN:** No. As I learnt in New South Wales, it often provides advice and support to agencies, particularly small agencies that might have difficulties and can call on the expertise of that body in that state. The CEO and the minister were glowing about that role that it performs.

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**Dr D.J. HONEY:** My concern with it is in the first sentence—"to give it any information it requires". It is a very broad-ranging inquiry that could involve significant resources from an agency.

**Mr M. McGOWAN:** Infrastructure WA is not going to ask for the personal information of people who might work there, what they are paid or anything of that nature. Under the act, an agency may be requested to provide any information required for the purposes of performing its functions under the act. That relates to preparing infrastructure strategy or assessing projects.

**Mr S.K. L'ESTRANGE:** Subclause (5) of clause 22, "State agencies to provide information to Infrastructure WA", sets out the reasons a state agency is not required to give information. That makes perfect sense because of information relating to investigative matters, law enforcement, legal professional privilege or being in contempt of court. Subclause (6) states —

A State agency that does not give information in reliance on subsection (5), must give written reasons.

Some of the big departments such as Transport, Education and Health are often responsible for big infrastructure projects. Infrastructure WA will be expected to make decisions on projects worth over \$100 million, as the Premier said. There are a number of those projects. For example, we know that high schools cost around \$100 million nowadays depending on the school. They could come into that bracket. Some of our big road and rail projects would obviously be worth \$100 million or more. Clearly, it can cost upwards of \$2 billion to build a new hospital. Clearly, there would be decisions. Those departments have a large number of staff working on those projects and getting in consultants to do all the planning, yet the government is allocating only \$5 million a year to the function of Infrastructure WA to make its assessments. Does the Premier envisage under clause 22 that Infrastructure WA could become a bottleneck for the government's own planning processes of its major infrastructure projects for the big government departments?

*Point of Order*

**Ms M.M. QUIRK:** I cannot see how the question relates at all to clause 22. The member for Churchlands started off talking about subclauses (5) and (6) but then went onto a topic that was completely unrelated to the clause. Therefore, my point of order is: why does the Premier have to answer that question when it has no connection to the clause that we are discussing?

**The ACTING SPEAKER (Mr I.C. Blayney):** I do not think there is a point of order. There is a degree of leeway, and the Premier is answering the questions, so therefore I will rule the question in order.

*Debate Resumed*

**Mr M. McGOWAN:** In other states, agencies want to give information so the strategy released has heard the views of individual agencies. Infrastructure WA will not do the business case preparation or the overwhelming body of work. It will review that work. The budget is \$5 million. It is modest, I admit, compared with New South Wales, but it does not perform the depth of work that Infrastructure NSW does.

**Mr S.K. L'ESTRANGE:** I imagine that the information coming from a large agency could involve a big volume of work. When Infrastructure WA gets that volume of work and makes its assessments and then makes its recommendations to the Premier under previous clauses for an investment decision, with all this process happening, will it slow the process down? That is the first part of the question. Second, is this all still outside of the cabinet process or is this still between the agency, Infrastructure WA and the Premier?

**Mr M. McGOWAN:** It is outside the cabinet process. I do not expect it will necessarily slow things down. I think it will result in better decision-making and, hopefully, it will avoid some of the waste due to pretty poor contracting that has been done in the past.

**Mr S.K. L'ESTRANGE:** This clause requires that information must be provided to Infrastructure Western Australia. As the Premier just said, this process sits outside the cabinet process. As he indicated earlier on a previous clause, the actual approval for some of the infrastructure planning proposals by an independent agency such as health could have the imprimatur of cabinet to allocate \$3.3 million for a planning process. That part involves cabinet process, but this part does not; is that what the Premier is saying?

**Mr M. McGOWAN:** The clause is about Infrastructure WA requesting information from other agencies. That is all it is about. It is not about cabinet process or anything of that nature. It is about Infrastructure WA being able to fulfil its role.

**Mr S.K. L'ESTRANGE:** For it to fulfil its role, it has the capacity to usurp any other department's plan, as outlined in clause 19. I am still trying to understand the process, and I know we are getting into the real meat of this bill right now because this is where it gets complex. This will be an organisation that can demand information from an agency and then present to the Premier its view on what infrastructure should take priority and what should not, so it is a pretty important agency that must seek the Premier's feedback under the legislation. With this agency,



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the Premier will have a fair bit of power over the other agencies sitting outside the cabinet process, as he just said. A fair bit of authority, power and planning of process will go on whereby billion-dollar projects could be at stake and the actual dialogue between the Premier and Infrastructure Western Australia and between Infrastructure Western Australia and the relevant agency, as he just said, will happen outside the cabinet process. Therefore, does the Premier see risks to the planning process if the other cabinet ministers are not brought together to give their input at this stage of the process?

**Mr M. McGOWAN:** All this clause will do is allow Infrastructure WA to get information from other government agencies in order to fulfil its role. That is all it is. The member used the word “usurp”. I do not really understand that. Rather than Infrastructure WA having to do all the work itself, it will seek information from other agencies. The advice is that in other states this process does not slow projects. In fact, agencies are only too willing to give the information because they want their projects to be part of the deliberations of Infrastructure WA because it elevates their projects. There is therefore a desire by agencies to provide this information. As I said a number of times, these processes will, hopefully, assist us to avoid some of the huge cost blowouts and wasteful projects we have seen over the last few years.

**Clause put and passed.**

**Clause 23: Obligations of State agencies —**

**Mr W.R. MARMION:** This is a fairly strong clause because it puts obligations on state agencies. I do not have any problem with subclauses (1)(a) or (1)(b), but subclause (1)(c) states that a state agency has the following obligations —

- (c) to align its strategies, plans and policies with, and implement —
  - (i) the recommendations in the State Infrastructure Strategy that are relevant to the agency, ...

The state infrastructure strategy is a guideline. This might be covered in the next few words of the bill, but if an agency sees that its strategies and plans are slightly unaligned with the state infrastructure strategy, what would the Premier expect the agency’s board to do? The Water Corporation is a good example because it has a board.

**Mr M. McGOWAN:** As the legislation expresses under clause 23(1) —

A State agency has the following obligations —

...

- (c) to align its strategies, plans and policies with, and implement —
  - (i) the recommendations in the State Infrastructure Strategy that are relevant to the agency, to the extent to which the recommendations are supported by the current Government response;

That is, agencies should align their plans, strategies and policies with the view of the government that is in power.

**Mr W.R. MARMION:** I refer to subclause (3), which states —

If an obligation that a State agency has under this section conflicts or is inconsistent with an obligation that it has under the Act under which it is established or continued, the obligation under this section prevails to the extent to which the obligations conflict or are inconsistent.

To give an example, say Infrastructure WA has a plan for a particular road project, which might cost a billion dollars. Meanwhile, Main Roads has a fairly important maintenance program for its network of roads in rural areas. For instance, it might be a highway. There may be a conflict over this. Maintenance is a fairly important issue. There could be a safety matter with regard to the maintenance of the road. Which takes precedence?

**Mr M. McGOWAN:** Under the concept of responsible government and of elected, democratic governments, what this subclause says is that the strategies, plans and policies of agencies should align with those supported by the current government. I do not think that is inconsistent with what everyone of us in Parliament should believe—that if the elected government has a strategy or policy, that is the strategy or policy of the government.

**Mr W.R. MARMION:** I understand that, but I am looking at subclause (3)—I have moved on to another question which goes to the next level down. I gave an example so that it would be easy to understand. There might be a conflict between the project that Infrastructure WA has identified and the agency’s program. The government’s response is that it is an important project and so it supports the project. The Commissioner of Main Roads, for instance, has an obligation under the Main Roads Act to make sure that Western Australia’s road network is as safe as possible. One thing that happens with road networks is that they have to be maintained. There might be a substantial bit of highway that has fallen apart because of a natural disaster; for instance, there could have been a flood. That money is needed to maintain the road. The CEO of the state agency therefore has a conflict between his obligations under the Main Roads Act versus the Infrastructure Western Australia act, which says that if

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Infrastructure WA has identified a certain program, it takes precedence. Is there a mechanism for the state agency to get some relief from the obligation under clause 23?

**Mr M. McGOWAN:** Infrastructure WA will not say which roads should be maintained, which potholes should be fixed or where there should be a road treatment because that will not be its role. I do not see the relevance of that example. Clause 23(3) says that if there is a strategy plan or policy in the state infrastructure strategy that is supported by the current government, it should prevail. That is not an unusual thing. It has nothing to do with potholes.

**Mr S.K. L'ESTRANGE:** Can the Premier explain in what circumstances what is stated in clause 23(3) would occur?

**Mr M. McGOWAN:** If a government trading enterprise was of the view that its plan, policy or relevant legislation provided that it could invest in project X and project X conflicted with the state government's strategy, plan or endorsed state infrastructure strategy, the state infrastructure strategy and the government of the day's plan would prevail.

**Mr S.K. L'ESTRANGE:** Obviously, subclause (3) was included for a reason. Can the Premier explain to the house which state agency obligations would be captured by clause 23(3)?

**Mr M. McGOWAN:** The advice is the obligations in subclause (1). Subclause (3) provides that if the state government has a state infrastructure strategy and it is endorsed, the planned strategies and policies within that would prevail over the strategy of a port authority, a cemetery board or something of that nature. It is about getting alignment and coordination across government.

**Mr S.K. L'ESTRANGE:** Therefore, Premier, if a state agency obligation under the act in which it was established is in conflict with Infrastructure WA, will the government change the relevant acts of those agencies so that they are no longer in conflict with Infrastructure WA?

**Mr M. McGOWAN:** It would not be in conflict with Infrastructure WA. It would be in conflict with the recommendations supported by the government that are made by Infrastructure WA, so there is no requirement to do that.

**Mr S.K. L'ESTRANGE:** Will the government amend the acts for agencies so that it is clear to them that even though they have been formed under their act, they will no longer be able to fulfil their duties under that act because it will be superseded by this legislation?

**Mr M. McGowan:** There is no need to because this makes it clear.

**Dr M.D. NAHAN:** What would happen if, for example, Synergy had an agreement to build a new power plant, and the view of the Synergy board was to build a type of power station that meets its provisions in terms of network efficiency, environmental concerns and so forth, but Infrastructure WA's view involved a different location and nature of plant? I interpret this as Infrastructure WA's request dominating Synergy's in this example. That is fair enough, but, under our existing laws, if the board of a government trading enterprise is overridden, it has to be issued with a section 68 or something similar so that it is a transparent directive of the government to deviate from the decisions of the board. What is the process, particularly with a GTE, when it has an independent board under legislation and is supposed to act in a certain way, if it is to deviate from this to meet, let us say, the requirements of Infrastructure WA? What kind of processes are in place to direct the board and to exempt it so it can deviate from the act under which it is established or continued?

**Mr M. McGOWAN:** It is not about individual decisions. I repeat again: clause 23(1)(c) says that the state agency has to align its strategies, plans and policies with those supported by the current government. That is what it is about. Any decision about a new power station, which is probably not the wisest of examples, considering what has occurred—there have been a few disastrous decisions —

**Dr M.D. Nahan:** You want to go to Albany.

**Mr M. McGOWAN:** There have been some pretty significant ones. They are decisions for government and governments can still issue directions to GTEs.

**Dr M.D. NAHAN:** But that is my point. In our current process, government can issue a direction to deviate from what the board suggests. This provision basically states that Infrastructure WA's obligations dominate, in this case, the power station. I am looking for the process by which the government accepts that there are independent boards in the GTEs that have a statutory requirement under their acts. If they are overridden, what is the process by which the government gives those boards the statutory legal right to deviate from the acts under which they are established or continued?

**Mr M. McGOWAN:** As I have said all along, it is an advisory body. It is the government's decision. As it currently is, the government can still issue a direction to a GTE if it wishes to. I repeat for the fourth time: this is about strategies, plans and policies, and it is requiring GTEs and others to align their strategies, plans and policies with those of the government of the day.

**Clause put and passed.**

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**Clause 24 put and passed.**

**Clause 25: Board is governing body of Infrastructure WA —**

**Mr S.K. L'ESTRANGE:** Clause 25 says that Infrastructure WA is to have a board. In debate on the previous clauses, the Premier made very clear the importance of this board being independent of him and for it to be able to make decisions on what information it releases publicly or not. Can the Premier outline to us how independent the process of selecting that board is?

**Mr M. McGOWAN:** I think that is contained in clause 26.

**Clause put and passed.**

**Clause 26: Board membership —**

**Mr S.K. L'ESTRANGE:** I apologise for asking my question in clause 25 when it should have been clause 26. Can the Premier outline to the house the process for selecting his board members?

**Mr M. McGOWAN:** It is an expression-of-interest process, which I would launch as soon as the bill is proclaimed. It would be for up to six members to go on the board. There are three ex officios: the head of Department of the Premier and Cabinet, the Under Treasurer and the chief executive officer of Planning. I would want to advertise the EOI process and get the most talented people possible. It will then go to cabinet and cabinet will announce the members of the board.

**Dr D.J. HONEY:** On clause 26(4), I am wondering what is driving the philosophy of having government employees in the minority on that board? As I understand it, Infrastructure New South Wales has a majority of government members on that board. What logic is driving that?

**Mr M. McGOWAN:** It is to ensure that the board is independent, and we get the best experience and advice from the private sector.

**Dr D.J. HONEY:** Obviously three government positions are already outlined in this clause. My concern is that there are areas in which it is likely that the greatest expertise resides in government. It is very unlikely that there is any expertise in the private sector that exceeds the expertise in the government sector in areas such as roads and water. That may well be the case in other areas. I am wondering why the government would, in my contention, limit the capacity to get the best people on the board by that majority clause.

**Mr M. McGOWAN:** The organisation will have the capacity to consult and seek advice from any of those people. I agree with the member; people who run similar agencies would have a lot of experience and knowledge. The organisation will also have the capacity to establish committees and for extra people to be appointed to the board, up to two other government board members. Those people might be the ones appointed.

**Mr Z.R.F. KIRKUP:** I understand that much of this legislation has been reflected from New South Wales and other jurisdictions in which an infrastructure body such as this has already been set up. I am curious to understand. New South Wales has, I think, appointed the director general of regional development, or some regional body there. To ensure that Infrastructure WA has a regional focus as part of one of the officers, I am keen to understand whether it was a deliberate decision of the government to not ensure someone from a regional body like that was appointed; and, if so, will that be reflected by the other private sector experience?

**Mr M. McGOWAN:** In New South Wales it is not the regional agency. The secretary of the Department of Industry has been appointed.

**Mr Z.R.F. KIRKUP:** I appreciate the clarification, because the legislation in front of me says that it is the director of Trade and Investment, Regional Infrastructure and Services. I would assume that that is the agency that has some sort of responsibility with regard to a regional focus. In the absence of that, given the importance of ensuring the provision of regional infrastructure, which of course is of interest to people in Mandurah, I am keen to understand what mix of people would be included to have that sort of regional focus. I note that under following clauses there is no specified requirement for a regional focus. But of course, as I said, going back to the New South Wales legislation, it is enshrined that a regional agency is part of the board.

**Mr M. McGOWAN:** At clause 8, we drafted an amendment, at the instigation of the National Party, to ensure that regional development commissions and regional people are consulted in the deliberations of this body. It may well be that a person who has a regional background or lives in the regions and has considerable experience in the regions is appointed. I would expect that to be the case, because a great many people have that experience.

**Mr S.K. L'ESTRANGE:** In an earlier answer on clause 26, the Premier said that cabinet would make a decision on board appointments. Clause 26 does not say anything about cabinet. Subclause (2) states —

The Governor may, on the Premier's recommendation, appoint up to 7 members.

Subclause (6) states —

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... the Premier must be satisfied that the person has appropriate expertise in the areas of infrastructure policy, planning, strategy, funding, financing or delivery.

It is very clear in the bill that the Premier alone has that authority. Therefore, is what the Premier said earlier incorrect?

**Mr M. McGOWAN:** As a matter of convention, it goes to cabinet. The member might recall that on the back of the cabinet agenda are numerous appointments. It is not dictated by the various acts of Parliament that those appointments have to go to cabinet, but by convention they do.

**Mr Z.R.F. KIRKUP:** Subclause (7) states —

A person who is a staff member cannot be appointed as a Board member.

I assume that is the board of Infrastructure WA, but can I get confirmation of that?

**Mr M. McGowan:** Yes. That is in the definitions section, I think.

**Mr Z.R.F. KIRKUP:** As part of that —

*Point of Order*

**Mr W.J. JOHNSTON:** The member cannot speak twice. You called him once, and he sat down.

**Mr Z.R.F. KIRKUP:** The Premier responded.

**Mr M. McGowan:** Yes, I did.

**Mr W.J. JOHNSTON:** The Premier never took the call.

**The ACTING SPEAKER (Mr I.C. Blayney):** I heard the Premier answer the question, and I was satisfied with his answer, and so it follows on to the next question. Carry on, member.

*Debate Resumed*

**Mr W.J. Johnston:** You still need to comply with the standing orders.

**Mr Z.R.F. KIRKUP:** The minister is requiring that the Premier stand. I was quite happy with the Premier's response.

**Mr W.J. Johnston:** I am just asking about the standing orders.

**The ACTING SPEAKER:** From now on, I will insist that the Premier stand to answer a question.

**Mr W.J. Johnston:** You can't insist that the Premier do anything.

**The ACTING SPEAKER:** I will ask him to do that.

**Mr W.J. Johnston:** You have to comply with the standing orders. You can't give the member for Dawesville the call. It's not possible. He has already had the call.

**The ACTING SPEAKER:** Minister, I give you an assurance that, from now on, I will ask—I will actually insist—that the Premier stand.

**Mr W.J. Johnston:** No, you can't do that. There is no standing order that requires him to do that. You have to comply with the standing orders. You know that as well as I do.

**The ACTING SPEAKER:** Carry on. What am I supposed to do?

**Mr W.J. Johnston:** Put the clause. That's your job.

**The ACTING SPEAKER:** I have given the call to the member for Dawesville.

**Mr W.J. Johnston:** You haven't given the call to anybody. Put the question.

**The ACTING SPEAKER:** The member for Dawesville.

**Mr W.J. Johnston:** You can't give the member for Dawesville the call when he has already had his time.

**The ACTING SPEAKER:** That is fine. The member for Cottesloe.

**Dr D.J. HONEY:** Premier, are there any restrictions on any other person who may be appointed? For example, the clause refers to appointing a staff member to the board. What about political lobbyists or staffers in political offices and the like?

**Mr M. McGOWAN:** There is no barrier. Subclause (8) states —

A person who is or has been within the preceding 3 years a member of the Parliament of the Commonwealth or any State or Territory cannot be appointed as a Board member.

Obviously, the government is publicly accountable, and it must release the names of the people on the board. My view is that I will seek people who are of the highest quality, have a great deal of expertise and are widely respected.

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**Mr W.R. MARMION:** While we are on subclause (8), is there any reason why three years was chosen as the period within which a former member of Parliament cannot be appointed to the board? If a former member of Parliament were appointed to the board, would they also have to qualify under subclause (6)?

**Mr M. McGOWAN:** Apparently, this is a standard clause in a range of Western Australian acts. Personally, I think there is some injustice in this, but that is a cross we all have to bear.

**Mr W.R. MARMION:** One would assume that if it were a former member, they would also have to qualify under subclause (6) and have “appropriate expertise in the areas of infrastructure policy, planning, strategy, funding, financing or delivery”.

**Mr M. McGOWAN:** The member sounds as though he should be sending me his résumé!

**Mr S.K. L'ESTRANGE:** Referring to clause 26(6), can the Premier explain how he would satisfy himself that the person has the appropriate expertise in those areas listed there, and who he would seek guidance from in making the appointments to the board?

**Mr M. McGOWAN:** Obviously, there is an expression-of-interest process. I would receive the CVs and there are referees. I would probably seek the advice of Mr Langoulant, the interim chair, and have a wide range of discussions. If the member has any suggestions, I would welcome it.

**Clause put and passed.**

**Clause 27: Chairperson and deputy chairperson —**

**Dr D.J. HONEY:** Perhaps warming to an earlier theme with the chairperson and deputy chairperson: if the majority of committee members are not government employees, I am intrigued why the chairperson or the deputy chairperson cannot be a government employee if indeed they may be the best person to carry out that role for that committee.

**Mr M. McGOWAN:** Independence.

**Dr D.J. HONEY:** Surely the independence is determined by having a majority of non-government members, because I am assuming any contentious matter goes to a vote. The non-government members will have a majority on that committee. I do not understand why that guarantees any greater independence on the committee, and it potentially excludes talented individuals from that role.

**Mr M. McGOWAN:** Further independence from government. There is a bit of a contrary argument running here. It means there is greater independence from government if the chair is not an employee of mine.

**Clause put and passed.**

**Clause 28: Terms and conditions of appointment —**

**Mr S.K. L'ESTRANGE:** Clause 28(1) states —

The chairperson may be appointed on a full-time or part-time basis.

Can the Premier explain to the house why that particular subclause is there?

**Mr M. McGOWAN:** As I understand it, it is standard for a chair of an organisation that is substantial. I think there were similar arrangements when it came to the Economic Regulation Authority. The member might find that some other government boards have a similar arrangement. It depends upon the demands of the chair of the board of the government of the day. Future governments might want to have a permanent full-time acting chair; other governments might want to have a part-time chair. It is really a matter of the exigencies of the role and the capacity of the person fulfilling the role.

**Mr S.K. L'ESTRANGE:** With the actual appointment of the chairperson, the terms and conditions of appointment, given the Premier earlier mentioned that the time line for getting Infrastructure WA in place with regards to having its first program ready would be after the 2021 state election, when does he envisage appointing the chairperson of the Infrastructure WA board?

**Mr M. McGOWAN:** As soon as possible after the bill is assented to. I have already appointed an interim chair. Obviously we want to get this through and in place as soon as possible. I would have liked to have done it last year but we had to consult very widely to make sure we got the right model.

**Mr S.K. L'ESTRANGE:** Linked to that, under clause 28(3), an appointed board member will hold office for a period not exceeding five years. They are eligible for reappointment but for no more than 10 consecutive years. Obviously it can be a long-term appointment.

**Mr M. McGowan:** Yes.

**Mr S.K. L'ESTRANGE:** If Infrastructure WA, as a statutory body, cannot put anything in place to be budgeted until after the 2021 election, what will the chairperson, whom the Premier will appoint this year, be doing?

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**Mr M. McGOWAN:** The state infrastructure strategy.

**Clause put and passed.**

**Clause 29 put and passed.**

**Clause 30: Casual vacancies —**

**Dr M.D. NAHAN:** This clause refers to casual vacancies. Maybe I missed it somewhere else, but given that appointments to the board will be for up to five years and sometimes up to 10 years, if a new government came to power, it could be uncomfortable with some of the board members. Clause 30(4) lists some of the reasons that the Governor may, on the Premier's recommendation, remove someone from the board. Subclause (4)(b) refers to "any other reasonable cause". Can the Premier explain what he means by that?

**Mr M. McGOWAN:** I would expect that a new government would have the right to put whom it wants on the board; it would just be accountable for it. I suspect that the opposition will think that the people we will appoint are fine people.

**Dr D.J. HONEY:** I have a couple of concerns with this clause and I will go through them. I wonder how practically easy it will be for the Premier to remove an appointed board member. Clause 30(4)(b) states "for any other reasonable cause". I wonder what a reasonable cause is and who will determine what a reasonable cause is. Is it really just the Premier's opinion at the time?

**Mr M. McGOWAN:** I think I just answered this question from the Leader of the Opposition. I gave an example. A new government would have the opportunity to remove or replace as it sees fit; it is just that it would be accountable for whom it puts on the board. As I said, I expect that the people we appoint will be widely applauded.

**Dr D.J. HONEY:** Subclause (5) refers to removing a government employee who is appointed to the board. I am concerned about subclause (6), because the government may have a good reason for removing someone from the board, but it could be personally humiliating for that matter to be made public and it may not necessarily be a matter of critical public interest that it be known. I am concerned that there could be a legitimate reason that could be extremely humiliating for the public servant, but the compunction to report that would compound that issue for that person.

**Mr M. McGOWAN:** This is an accountability mechanism. If it was an extremely humiliating or embarrassing reason, I am sure the person would resign in order to avoid that. This is just to ensure that if people are removed, there is accountability around why they are removed, which I would have thought any opposition would support.

**Dr D.J. HONEY:** I am still concerned, Premier. For example, it may be that the Premier forms the view that that person is incompetent. Normally that situation would not be made public for a public servant; it would be a private matter, if you like, for the employee within the government department. But in this case, either a reason is made up or that person is publicly humiliated when, in the normal course of their employment, they would not be. I understand in a general sense why the Premier would say that, but I just think the compunction to do that could be unnecessarily humiliating to a public servant.

**Mr M. McGOWAN:** It is not just a public servant; it could be a board member who might be from the private sector. If we were to have no clause requiring explanation and could just remove people without any reasons being provided, I suspect the opposition would demand that reasons be provided.

**Dr D.J. HONEY:** To go to the other side of this, I do not believe there is any statement to say why a member was selected. I do not see why, on the opposite end of that, the government should have to say why they have been removed. The Premier is not going to give a statement saying why he has selected each member; he is not compelled to do that, so, for the reasons I have said, I do not see why the Premier of the day should be compelled to give a reason. In any case, we heard the Premier say before that if the government of the day wanted to remove someone, it could. I do not see why there should have to be any reason laid out when we do not do it in relation to the appointment.

**Clause put and passed.**

**Clauses 31 to 43 put and passed.**

**Clause 44: Disclosure of material personal interests —**

**Dr M.D. NAHAN:** This is an important one because we are dealing with —

**Mr M. McGOWAN:** Can I just have some clarification? Have the clauses to clause 43 been approved?

**The DEPUTY SPEAKER:** Yes, that is correct.

**Mr M. McGOWAN:** Sorry; I misheard you. I thought you said clause 40.

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**Dr M.D. NAHAN:** This is an important point because of the nature of the issues we are dealing with. By definition, half the board will be independent but they will have expertise in related areas. People get expertise in related areas by working in those areas and often people come and go and might have some interests in some of the projects that are underway. Could the Premier give me some indication of the fines and penalties in this clause, which are quite comprehensive in the coverage of potential conflicts of interest, and whether they are consistent with what other states have done and with similar legislation or regulations in Western Australia?

**Mr M. McGOWAN:** We appoint to the boards of a range of government trading enterprises people who have worked in the area or have expertise in the area, or whatever it might be. We have Gold Corporation, we have the energy corporations and we have the land development agencies and the like. We want that sort of expertise there. As I understand it, these have been largely copied from some of the other GTE legislation in which there is the potential for conflict, but clearly one of the considerations in appointing a board is that people may well have conflicts; that is the nature of these things, and it is hard to avoid. That is why we have to have a wide dispersal of people with different interests, because we cannot have everyone excluding themselves from the decision-making process. That will be part of the balancing act, I suspect, as we go through the board appointment process.

**Dr M.D. NAHAN:** Just to confirm, I accept that the board will have to have people related to the industry. The Premier stated that these positions have been copied from similar regulations for government trading enterprises.

**Mr M. McGOWAN:** The advice I have is that the Metropolitan Redevelopment Authority has the same arrangement.

**Mr Z.R.F. KIRKUP:** I refer to clause 44, "Disclosure of material personal interests". If the board is considering a matter or an item of some sort, an individual would have to declare their interest at that point of discussion and absent themselves from the decision. I wonder why that path was chosen rather than that of Infrastructure New South Wales, whereby all members have to disclose their pecuniary interests up-front. That document is open to the public to inspect in Infrastructure New South Wales' office at any point during what is defined as reasonable hours. Why has the government gone down the line of choosing that the member needs to absent themselves only at the point of consideration and discussion, and why does the government not want to publicly declare those members' interests?

**Mr M. McGOWAN:** I am advised that this model is similar to other models. It is a good point, by the way. Apparently, standard practice with these things is that board members can declare all their interests up-front, which I suspect most people will do, so that if there is an issue, hopefully, one of the staff members can identify it for them, or they can declare it as matters come along. I am not sure about the model of people on the board having to declare all their interests and other people going and inspecting it. That seems to me to be a disincentive to getting good people on the board.

**Mr Z.R.F. KIRKUP:** I refer to the penalties that are listed in that clause. I assume that it will not restrict the operations of the Corruption and Crime Commission, for example, which might look at unethical behaviour or something like that.

**Mr M. McGowan:** I just have to duck out for a minute. Mr Templeman, who is an expert on these matters, is going to look after things while I am not here. Can staff leave?

**The DEPUTY SPEAKER:** Yes, they can leave, Premier.

**Mr M. McGowan:** They can leave and come back in?

**The DEPUTY SPEAKER:** Yes.

**Mr M. McGowan:** Do they have to go out the back door or what?

**Mr S.K. L'Estrange:** Do you want to adjourn?

**Mr M. McGowan:** No, Minister Templeman is an expert.

**The DEPUTY SPEAKER:** We can hold the debate for a couple of minutes. Leader of the House, would you like to suspend —

**Mr D.A. Templeman:** No, I am very happy to keep going.

**Mr Z.R.F. KIRKUP:** This is great! I am interested in the operation of proposed section 44 and the Corruption and Crime Commission. Will the prescribed penalties for breaches relating to the disclosure of personal interests overlay any restriction on the ability of the CCC to investigate and bring a prosecution, which might eventuate if someone does something unethical or there is any misconduct?

**Mr D.A. TEMPLEMAN:** After deep consideration of the member's question, the answer is no.

**Mr Z.R.F. KIRKUP:** Can I get some clarification of why the summary fine of \$10 000 was chosen?

**Mr D.A. TEMPLEMAN:** It is simply for consistency with other legislation or state allocation.

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**Mr Z.R.F. KIRKUP:** I appreciate the minister's clarification on that. Proposed section 44(5) states that for any determinations that are embarked upon, disclosures relevant to those determinations have to be provided and recorded in the minutes of the meeting. Given that the government has not pursued an Infrastructure New South Wales model, whereby the pecuniary interest disclosures are made public up-front, does the government envisage that these disclosures might be able to be accessed in any way by the opposition or members of the public, or interrogated at a later date? If they are in the minutes, can they be FOI-ed? Would the government seek to ensure that they were actively provided? Those disclosures are actively provided right now on Infrastructure NSW's website; however, as far as I understand the legislation, no real vehicle will facilitate that. I am keen to understand where the government thinks active publication of pecuniary interests will go?

**Mr D.A. TEMPLEMAN:** There is no requirement for a register; however, it will be subject to FOI principles and processes.

**Mr Z.R.F. KIRKUP:** Given the minister's role as Minister for Local Government, I think it is interesting that a councillor who makes fairly immaterial decisions must actively and publicly disclose their relationships and pecuniary interests, but a member of the board of Infrastructure WA will not have to, and they will be making significant multimillion-dollar decisions.

My concern is in relation to section 6 of the Freedom of Information Act and how commercial information about an individual board member does not have to be actively provided. Although they can be FOI-ed, a member of the opposition or the public will be able to see that person X exempted themselves from a decision only because there was a pecuniary interest, but given the nature of that commercial information, that information might not be provided by way of the FOI act. I am keen to understand why there is a need to be transparent about that disclosure and why someone would exempt themselves from the decision. The opposition is very keen to make sure that this is a very transparent process for board members. The government has not pursued the Infrastructure New South Wales model. That is fine. I appreciate that. But if a board member exempts themselves because they believe that they have a perceived or material pecuniary interest, the FOI act will not necessarily facilitate that to be fully articulated if there is commercial or personal information. For example, if a member of the board absents themselves because they believe that an area might have an impact on their personal home, that home has an address, but division 3 of the FOI act exempts that person from releasing those details because it is personal information. So we will not understand why a person has exempted themselves from making a decision. With respect, the path to go down would seem to be the Infrastructure NSW model, which requires a person to publicly disclose all information about any material interests that they might have, because there are obvious limitations with the FOI act, which I am sure the minister appreciates.

**Mr D.A. TEMPLEMAN:** The first part of the question implied that this body is a decision-making body. I need to highlight that this body is in fact an advisory body and, therefore, its considerations are purely advisory. The member then asked about whether the considerations of the group, essentially, could be disclosed. There is nothing that prevents them from being disclosed. That is entirely possible. I want to make sure that the member is clear about the role of this body. It will not be a decision-making body but an advisory body. With that outstanding contribution, I will vacate the chair—unless the Premier wants me to continue!

**The DEPUTY SPEAKER:** Welcome back, Premier. The question is that clause 44 stand as printed.

**Dr D.J. HONEY:** I do not think this is covered under this clause, but my question is relevant to the issue of personal gain or benefit. What will cover the situation of a board member having access to confidential information? For example, this body will be considering matters that relate to long-term planning, such as rail and road corridors. That could confer substantial commercial benefit to someone being aware of those plans, once they left the board. What in these regulations—I do not think it is covered here—prevents an ex-board member gaining commercial benefit from knowledge that they have gained while on the board?

**Mr M. McGOWAN:** Further on in the bill, at clauses 64 and 65, there are rules about the disclosure and use of information acquired in that role. Bear in mind that most of the information is released.

**Clause put and passed.**

**Clauses 45 to 58 put and passed.**

**Clause 59: Premier may give directions —**

**Dr M.D. NAHAN:** Just for clarification—it is late at night, and I cannot read this straight—can the Premier tell me the difference between subclauses (1) and (2)? Subclause (1) states that the Premier may give written directions to Infrastructure WA to perform its functions, and subclause (2) states that a direction under this section cannot be about the particular performance. The Premier can give a direction for the performance of the functions of Infrastructure WA, but not the particular performance of its functions. Can the Premier tell me the difference between those two?



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**Mr M. McGOWAN:** Clause 59(1) provides the opportunity for written directions, and subclauses (2) and (3) provide the rules around that direction.

**Dr M.D. NAHAN:** Subclause (1) says that the Premier can give a direction, but he cannot give a direction that relates to the content of any strategy, advice, report or guidelines. The Premier cannot give the board of Infrastructure WA directions about how to form a strategy, how to provide advice, what advice is provided, or what reports or guidelines can be provided.

**Mr M. McGOWAN:** The directions can be only general in nature, and they may well be administrative. The Premier may well direct that Infrastructure WA must comply with the government's bullying strategy, its accommodation strategy, its policy on the use of motor vehicles or its greenhouse policy, whatever that might be.

**Dr M.D. NAHAN:** Just to confirm that, whatever that direction is, and whether it is specific or otherwise, it must be disclosed to Parliament within 14 days.

**Mr M. McGowan:** Yes.

**Clause put and passed.**

**Clause 60: Premier to have access to information —**

**Dr M.D. NAHAN:** Just to clarify, this body has access to huge amounts of information and it is, I note, giving it to the Premier and the Premier can get any information generally that he wants, with restrictions. What is the purpose of this clause? Is it basically to ensure that the information collected by or used by Infrastructure WA is given back to the Premier for use elsewhere? What is the purpose of this provision?

**Mr M. McGOWAN:** The advice I have is that this is a standard clause that is present in a bunch of other acts, including the Planning and Development Act, the Western Australia Land Authority Act and the Western Australian Treasury Corporation Act. It is standard that the relevant minister has access to the same information as the agency.

**Dr D.J. HONEY:** In relation to the information that the Premier obtains under clause 60(2) and 60(3), can the Premier distribute that information at will, or are there limits on the distribution of that information?

**Mr M. McGOWAN:** That is dealt with in clause 66.

**Clause put and passed.**

**Clauses 61 to 63 put and passed.**

**Clause 64: Confidentiality —**

**Dr D.J. HONEY:** I see that this is the confidentiality clause that the Premier referred to earlier. The clause refers to a penalty if someone discloses information. I had a quick read of the clause but I could not see anything that amounts to a penalty. The information provided to this body could provide substantial commercial advantage worth many hundreds of millions of dollars to, for example, a property developer. I am concerned that the penalty is grossly inadequate if we compare it with penalties elsewhere. I am happy to be educated on that. Is there anything else that would amount to a penalty if someone disclosed information that would give them substantial commercial advantage to, for example, a future employer? Would there be a criminal penalty or the like if that occurred or is it simply a \$10 000 fine?

**Mr M. McGOWAN:** This penalty is standard with some of the other government agencies, particularly land development agencies where people may get information. Obviously, if people misuse information acquired in these ways, I think offences under the Criminal Code can deal with that as well. That person could be dealt with in various ways. I think the people who will be appointed to this body will be very respected and high quality Western Australians and I would be very surprised if anything like that would happen. In any event, if a person were conflicted, they would be required to not have access to or participate in any decision-making or be provided with any information thereabouts.

**Clause put and passed.**

**Clauses 65 to 76 put and passed.**

**Title put and passed.**

*Third Reading*

**MR M. McGOWAN (Rockingham — Premier)** [11.22 pm]: I move —

That the bill be now read a third time.

**DR M.D. NAHAN (Riverton — Leader of the Opposition)** [11.22 pm]: I will not speak for long on the third reading of the Infrastructure Western Australia Bill 2019. We went through the legislation in the consideration in

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detail stage and I thank the Premier for his forbearance on that. It has been a long exercise and it is late at night. I recognise fully that Infrastructure WA was a Labor Party election commitment and is strongly supported by the business sector in Western Australia. It is a model that works in other states and the commonwealth. Although I have some concerns about the ability of this entity to cover the full gamut of activity in the public sector and the potential overlap and duplication with existing departments, I think the restrictions on its budget and the appointment to the board of reasonable people will make sure that Infrastructure WA works and looks at the important things that need to be done. It is a useful exercise, it is a government commitment and the Liberal Party supports the bill.

**MS M.J. DAVIES (Central Wheatbelt — Leader of the Nationals WA)** [11.24 pm]: I wanted to note and put on the record our thanks to the Premier for considering the amendment moved by the member for Warren–Blackwood relating to considerations around regional matters. The issues that we had concerns with were well canvassed during the second reading debate. Again, I reiterate that although we support the principle of the Infrastructure Western Australia Bill 2019, obviously, some concerns were raised during this lengthy debate and we look forward to seeing how Infrastructure WA will be rolled out in practice.

**DR D.J. HONEY (Cottesloe)** [11.24 pm]: I will make a few points about the Infrastructure Western Australia Bill 2019. The debate that occurred during consideration in detail has not done a lot to ameliorate the concerns that I outlined during my speech on the second reading. There appears to be a fundamental premise behind this bill that in some way the existing processes have been a failure and that Infrastructure WA will provide us with some step change improvement in infrastructure. I do not think that is the case. As I have said before, for all the imperfections, the current processes of departments, Treasury, government and this Parliament, and that includes the members opposite, have proven the test of time and we have had good outcomes. If we look at projects for a parallel body that were considered in this state, we could look at the Gateway WA project, Elizabeth Quay and Perth Stadium, but only the Gateway project was recommended and supported by Infrastructure Australia. As we have heard in this place today, the government is now touting that the construction of the Chevron building at Elizabeth Quay is a saviour for the construction industry in this state. As we have seen, Tourism WA and other bodies have said that Perth Stadium has been the saviour for tourism in this state.

**Mr P. Papalia** interjected.

**The DEPUTY SPEAKER:** Minister and shadow minister, enough!

**Dr D.J. HONEY:** Thank you for your great protection, Madam Deputy Speaker. The point is that we cannot delude ourselves that board members in their private capacity have any greater capacity than the current government processes to determine proper priorities in the future. There has been no project, or so-called project failure that the Premier keeps referring to, that goes even close to the project failures within the private sector in Western Australia. I will give one simple example. I mentioned other examples in my speech on the second reading. The Gorgon project was budgeted at \$37 billion. This is a massive multinational organisation. It may be that even people who were involved in that project might be appointed to Infrastructure WA. That project came in at \$54 billion—a massive blowout on a \$37 billion project. Nothing in this state has gone even close to that. I think it is an illusion to believe that this body will somehow see some step change.

I am extremely concerned, as I alluded to in consideration in detail, but also as I stated in my speech on the second reading, that this is the tail wagging the dog; that is, we have an unelected body, which, let us be frank, will be largely unaccountable in the public sphere, determining infrastructure priorities but the government of the day will be held accountable. In particular, if we look at the timing of this bill, the plan will be developed by this government but that plan will, to a large extent, constrain the next government. It may well be that the next government is not the current government. I think that is a significant risk given what governments do and what the public see what governments do. It is in large part the capital projects for all else that we get excited about in this place. In fact, what the public see by and large of what governments do are the various capital projects. The things the government gets excited about and congratulates itself on with dorothea dixers in question time are the various capital projects that are being implemented around the state. I have reservations about this Infrastructure Western Australia Bill. Given the scope of this body, the budget moving to \$5 million per annum seems to be grossly inadequate. I guess the proof of the pudding will be in the eating. I will watch with interest but I expect subsequent governments might have a considerable deal to say about whether this body is effective. I thank the Premier for his patience in consideration in detail.

**MR Z.R.F. KIRKUP (Dawesville)** [11.30 pm]: I will be very quick. I want to thank the Premier for his accommodation in consideration in detail and the Leader of the House as acting minister, who did an outstanding job once again.

**Mr D.A. Templeman:** I am basking in the afterglow!

**Mr Z.R.F. KIRKUP:** I thank also the departmental staff who assisted the Premier. I appreciate their time here this evening.

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**Mr M. McGowan** interjected.

**Mr Z.R.F. KIRKUP:** Mate; I am just recognising the people who spent their time here, that is all. Just chill.

I would like to make two points. I have some concern about the regional focus, albeit, the National Party has spoken to the Premier about that. I would have liked to see enshrined in recommendations that the Premier must be satisfied that the person has a regional interest or regional background if they are to represent a regional area. It is important that there is a representative on the board that looks at that perspective.

The only other point I would like to raise is in relation to the disclosure of interests. I want to put this very carefully. I think the model we have looked at in New South Wales is very, very good. The disclosure there specifically states that pecuniary interests of board members be recorded in a book that can be accessed publicly. We can get them online right now. Although the Premier acknowledged that it is quite a good model—I do not want to verbal him—he said words to the effect that it might prohibit some individuals from perhaps seeking membership of the board of Infrastructure Western Australia. Infrastructure New South Wales has people like Graham Bradley, the non-executive chairman of HSBC Bank Australia, one of very well qualified individuals on that board. I hope we see a similar tenor of people appointed to the Infrastructure Western Australia board. It quite clearly has not kept people away from serving in NSW. I have concerns about that. I think pecuniary interests should be actively disclosed. That is required for all levels of local, state and federal governments, although I appreciate that they are elected public officials. Certainly, quite a large advisory body provided advice to the government, as the Leader of the House rightly pointed out. It would be nice to know in advance what those people's interests are.

I foresee that, given the history in Western Australia, at some time a pecuniary interest might not be picked up. It would be awful for the government of the day to inherit such an issue on that board. The Premier pointed out that a clause in the legislation enables the government to quickly get rid of a board member if an issue arises, and that would be prudent. It bothers me that a model was not pursued in which board members' pecuniary interests could be actively highlighted ahead of time. It does not seem right to me, necessarily, that we will rely on minutes and a member removing themselves from a meeting and the pecuniary interest being minuted. The opposition, the media or the citizens of Western Australia in general will have to go through the freedom of information process, although the limitations of the FOI act might not actively disclose why a person removed themselves in the first instance from participating in the discussion or from a decision. We have all gone through these and history reflects how we have gone down this path a number of times in Western Australia. It seems it will be an added burden for the government of the day if and when it ever eventuates. They will have to deal with a member of the board who has not declared a personal interest and been investigated for a particular reason or there will be a Corruption and Crime Commission report or something like that and the opposition will complain that it could not easily get access to those pecuniary documents. The media, whatever it looks like, might do the same.

It seems to me that it probably would be a far more effective model if we were replicating what New South Wales does in that respect and have a disclosure document up-front. I think that would solve a lot of those problems. The Premier has mentioned a number of times, as have members of the opposition, that future governments, regardless of whether they are Liberal or Labor, will inherit this legislation and this body, which the opposition obviously supports. However, to me, this would remove the risk of those pecuniary interest issues becoming a problem. I appreciate that the legislation is, in all other respects, relatively transparent. I just think this is an area on which we could have done some better work.

**MR M. McGOWAN (Rockingham — Premier)** [11.35 pm] — in reply: I thank members for their support for the Infrastructure Western Australia Bill 2019 and for their assistance in the consideration in detail stage. I thank the Leader of the House for his outstanding contribution; he managed to bring the debate to a close far swifter than I could have done. I thank members opposite for their commentary. I thought the points made by the member for Dawesville just then were quite good, and we will examine that issue, in particular about declarations. The government is obviously very keen to get this legislation through the Legislative Council as soon as possible and to bring it into effect, appoint the board and do the work that we committed to well before the state election. I must say that there is much excitement in some parts of the community about this new body and the role it will perform in Western Australia. We want to get it underway as soon as we possibly can. I thank members for their support for the bill. I look forward to, and hope for, a speedy passage of the bill through the upper house.

Question put and passed.

Bill read a third time and transmitted to the Council.