

TREASURER'S ADVANCE AUTHORISATION BILL 2010

Committee

Resumed from 1 April. The Chairman of Committees (Hon Matt Benson-Lidholm) in the chair; Hon Helen Morton in charge of the bill.

Clause 3: Authorisation of expenditure to make payments in respect of extraordinary or unforeseen matters or to make advances for certain purposes —

Progress was reported after the clause had been partly considered.

Hon HELEN MORTON: At the last sitting there were a number of areas on which members asked me to get further information. I have that information, and I am wondering whether people would like me to go through that information.

The CHAIRMAN: That will be fine.

Hon Ken Travers: It might save us a bit of time later.

Hon HELEN MORTON: Hon Helen Bullock asked the question about what is the base amount budgeted for mining tenement refunds. The answer to that is that the base amount budgeted for mining tenement refunds for the Department of Mines and Petroleum in the 2009–10 budget is \$7 million. Hon Helen Bullock also asked the question: how often are agencies required to revalue their assets? Treasurer's Instruction 954, "Revaluation of Non-Current Physical Assets", indicates that subsequent to initial recognition, a class of assets can be measured using the cost model, or, where fair value can be measured reliably, the revaluation model. Under the cost model, assets are carried at cost, less any accumulated depreciation and any accumulated impairment losses. Under the revaluation model, assets are carried at fair value as at the date of revaluation, less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. Where a class of assets is measured at fair value, revaluations of that class of assets must be made with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at the end of each reporting period. This implies that the frequency of revaluation depends on the movement in asset values within an asset class over time. Some types of assets may experience frequent and material movements in fair value that would necessitate revaluation each reporting period. Other assets experience only immaterial movements, and revaluation every three to five years may be sufficient.

Hon Ken Travers asked the question: please confirm how the Building the Education Revolution is being treated in the books; does it affect the Treasurer's advance? The answer I have is that funding totalling \$1.277 million has been allocated to Western Australia over 2008–09 to 2010–11 under the commonwealth's nation building and jobs plan Building the Education Revolution infrastructure program. These funds are received from the commonwealth by the Department of Treasury and Finance and appropriated to the Department of Education. In the 2009–10 budget, an appropriation of \$773 million to the Department of Education, of which \$666 million was capital appropriation, was factored in for the 2009–10 year. As such, there is no impact on the Treasurer's advance. Can I make a correction to that? I think I made a comment about the funds totalling \$1.277 million. It is \$1.277 billion.

Hon Ken Travers: I was going to ask you to resign!

Hon HELEN MORTON: Hon Ken Travers also asked the question: why has the depreciation for the Department of Education reduced by \$6.1 million? Three main factors have contributed to an estimated saving of \$6.1 million in the 2009–10 depreciation expenses. The first is the deferral of approximately \$110 million from the department's 2009–10 budgeted asset investment program. The second is the reclassification of certain projects from completed works to works in progress. The third is certain works in progress likely to be completed below estimated cost in the current financial year.

Hon Ken Travers: Could you give a breakdown of how that works? Which agency was that for?

Hon HELEN MORTON: That was the Department of Education. I do not have those details with me.

Hon Ken Travers also asked about the nature of the stamp duty refunds. The increase in transfer duty refunds in this instance is as a result of the flowthrough of the previous government's introduction of an exemption from transfer duty for first home buyers while purchasers of established homes immediately received the benefit of the transfer duty exemption for properties valued at \$500 000 or below and a concession for properties up to \$600 000. Those purchasing only land upon which to build their first home are required to pay transfer duty in the first instance. This is necessary as there is no objective means of ascertaining whether a first home would be constructed on the land so purchased. However, at a point at which the person is later able to establish his or her eligibility with the Commissioner of State Revenue for a first home owner's grant in relation to a contract to build their first home, the person can then apply to the commissioner for a refund of the transfer duty paid on the

purchase of the land. The current level of refunds includes a flowthrough of land transactions where the purchaser has been delayed in entering into a contract to build, plus a heightened refund level flowing from the increase in first home owner activity associated with the commonwealth's first home owner boost scheme. This is in contrast with the supplementation request sought in the past to fund greater than anticipated refund levels associated with transfer duty transactions. These have generally been due to significant one-off refunds arising from court decisions or settlement processes. Given the infrequent but nevertheless significant nature of this type of refund, it is not considered prudent to attempt to forecast such events with a view to their inclusion in the annual appropriation of duty refunds.

Hon Helen Bullock asked a question about the Insurance Commission of Western Australia. She asked whether there are any examples of unfunded liabilities. Since the previous government insurance fund ceased issuing policies, RiskCover has managed any new claims relating to the government insurance fund policies on behalf of the Department of Treasury and Finance. The government insurance fund currently receives one to two claims a month with liabilities indemnified by the government and settlement provided for as unfunded liabilities in the budget. The Insurance Commission of Western Australia reports that at 30 June 2009 the amount of outstanding claim liabilities was approximately \$45.2 million. The majority of claims relate to workers' compensation-linked policies issued by the government insurance fund prior to the 1997 creation of RiskCover. In particular, these claims and associated liabilities mainly deal with asbestos-related compensation, constituting approximately \$38 million of outstanding claims at 30 June 2009. It is noted that the remaining run-off liabilities in the government insurance fund and indemnified payments are likely to continue for a significant number of years and that the actual claims settled can vary substantially from year to year.

Hon Ken Travers asked a very technical question about the special purpose account. He asked whether the special purpose account for royalties for regions will remain in the Department of Treasury and Finance after the legislation is proclaimed. Does Hon Ken Travers remember asking that very technical question? After all the work that has been done by the Department of Treasury and Finance to get this very technical question answered, he is not even listening!

Hon Ken Travers: I find it easier to check *Hansard*.

Hon HELEN MORTON: The answer is yes. The existing special purpose account is continued under the legislation.

Hon Ken Travers: The existing special purpose account?

Hon HELEN MORTON: Yes, that is correct. The member will obviously read the *Hansard*.

The last question Hon Ken Travers asked related to police. An amount of \$13.7 million for police was included in the 2009–10 midyear review. The total for police is now \$19.2 million, which includes, in addition to the original \$13.7 million, firstly, approval for a further \$3 million for Gold State superannuation increases as a result of increases to employer contributions for the Gold State fund following an actuarial review of the defined benefits scheme assets that have declined in value due to the economic downturn; and, secondly, a provision for post-separation medical benefits of \$2.5 million, which was included as a contingency.

Hon JON FORD: When the government came to office, it transferred Resources Safety from the then Department of Consumer and Employment Protection into the Department of Mines and Petroleum. There is a statement in the budget papers saying that because of that transfer, we might not be able to compare eggs with eggs. As we know, last year this Parliament passed a bill that enabled the government to levy the resource companies' safety levy to help fund enhanced safety. I think it was about \$250 per head.

Hon Helen Morton: Are you referring to a specific line item in this table?

Hon JON FORD: No; I am just trying to identify something. I understand that the funds will start flowing this month as a result of that. Has an allowance been made in this advance for the extra funding, which I believe is about \$8 million for the remainder of the year, or was there a negative adjustment? The parliamentary secretary can get back to me.

Hon HELEN MORTON: I can. It appears that it is not specifically addressed in this bill. This bill covers known excess spending in areas that are identified as requiring special appropriations. The area that the member is referring to is not listed in this bill. It must be funded through a different mechanism.

Hon JON FORD: I thank the parliamentary secretary for that answer. I ask the question because recently a number of companies within the resources sector and the Chamber of Minerals and Energy raised a concern that the Department of Mines and Petroleum had been discounted about \$15 million by Treasury. It thought that money had been allocated through a transitional provision for resources safety. I am trying to find out whether that is correct. Given that we have a number of safety inspectors onshore, has there been a specific allocation within this advance bill to help the minister reach that commitment?

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Hon HELEN MORTON: Because it is not listed, I am going to say that the answer to that is no, it is not specified in the bill. All the items requiring excess expenditure are identified.

Hon LJILJANNA RAVLICH: I refer to page 11 of the document subtitled “Details of Excesses and New Items.” In particular under “Health” there is a line item “Offset By: Asset Investment Program Cashflow Adjustments” for \$67 084 million. I wonder whether the parliamentary secretary could give us an outline of what the adjustments are for.

Hon HELEN MORTON: The question was answered in the house previously and as such the adviser does not have the details that were listed and provided to me last time. We can provide those without any difficulty and will do so after the next break.

Hon LJILJANNA RAVLICH: I refer to items on page 1 of that same document under “State Development” and, indeed, items under many of these agency summaries. For example, under “State Development” there are fleet savings of \$10 000, but as I look through this document I note that not all agencies have delivered fleet savings. In view of the requirement that there would be a 10 per cent cut to the fleet of all agencies, I am wondering why that is so. Does it indicate, for example, there are no such savings for the Department of Mines and Petroleum and that that agency has not met that target? If it does not indicate that, what does it indicate?

Hon HELEN MORTON: All agencies have been required to reduce their fleet. The reason that some are included in this document and some are not depends on whether it has an impact on their overall requirement for additional expenditure. In the case of State Development it does, but in other agencies it does not.

Hon LJILJANNA RAVLICH: Is the parliamentary secretary saying that the target was met by some but has not been met by others?

Hon HELEN MORTON: No, that is not correct. The appropriation to all agencies was cut by that requirement. Some agencies were able to accommodate that cut within their own mechanism for reducing expenditure. Other agencies had requirements over and above that excess expenditure. That is why some of those agencies have those listed in this table.

Hon LJILJANNA RAVLICH: I am just wondering whether it is possible to get a schedule of those that could accommodate it within their expenditure and those that could not. The parliamentary secretary can take that question on notice if she likes.

Hon HELEN MORTON: I just repeat what I said before: all agencies already had a cut in their initial appropriation. So, all agencies had already had it happen to their agency.

Hon LJILJANNA RAVLICH: I gather from that that, for example, State Development delivered an additional \$10 000. That means it delivered that over and above what it had already delivered; therefore, was it willingly prepared to give up more vehicles?

Hon HELEN MORTON: In this particular one, State Development was able to demonstrate that it could offset some of its additional expenditure against the savings that were found in that area. Others were not required to find that additional expenditure, and so they were not party to this bill.

Hon LJILJANNA RAVLICH: I do not find that to be clear and I think it is a little unacceptable really. For example, if we look at the agency of Indigenous Affairs, it found fleet savings of \$19 000.

Hon Helen Morton: That is right.

Hon LJILJANNA RAVLICH: Over and above what it had already delivered.

Hon Helen Morton: That is an offset.

Hon LJILJANNA RAVLICH: That is what the parliamentary secretary is saying: over and above what it had already delivered. The Department of Education, for example, found \$376 000, but in terms of the vehicle fleet numbers, there is no doubt that the percentage offset under “Education” is nowhere near as great as the percentage offset under “Indigenous Affairs”.

Hon HELEN MORTON: Most of the agencies that have had to take account of that fleet saving in their request for extra expenditure have had it listed in this document. I think Hon Ljiljanna Ravlich’s question was why it did not show up under “Mines and Petroleum”.

Hon Ljiljanna Ravlich: Yes, sure.

Hon HELEN MORTON: That is because this is the administered account for Mines and Petroleum. If it was the control account, which is the one that pays salaries and wages et cetera, that is the account it would show up in. But this is a request for excess expenditure in the administered account under “Mines and Petroleum”.

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Hon LJILJANNA RAVLICH: I thank the parliamentary secretary for that, because that clarification was certainly needed in the way that this document in front of us, the Treasurer's advance details of excesses and new items, should be read. I guess without the provision of that technical information it certainly would not make sense; so I thank the parliamentary secretary for that.

What does the item "Office of Shared Services — Deferred Roll-In" under "Indigenous Affairs" in the same document mean in a practical sense? To what has that \$280 000 been allocated?

Hon HELEN MORTON: The "Office of Shared Services — Deferred Roll-In" reflects the deferral in agency roll-in to the Office of Shared Services from December 2009 to August 2010 and, therefore, a refund is due to the agency.

Hon LJILJANNA RAVLICH: It is not clear to me how that actually works and I was hoping to get an explanation from the parliamentary secretary. Is the parliamentary secretary saying that certain government departments did not roll into the Office of Shared Services or did the Office of Shared Services defer a roll-in to something else? I just wonder whether the parliamentary secretary can clarify it. If it is the former and agencies did not roll into the Office of Shared Services, I wonder whether the parliamentary secretary might be able to explain to us which agencies they were.

Hon HELEN MORTON: As the member will know, all the different agencies are rolling into the Office of Shared Services in different time lines. The Department of Indigenous Affairs was due to roll in in December 2009. That now will not happen until August 2010. A reduction in the appropriation had already been made to take account of the savings in the Department of Indigenous Affairs, but because that has been delayed and cannot be rolled in until August 2010, the department has had to have that funding reinstated.

Hon LJILJANNA RAVLICH: Could the parliamentary secretary give an explanation of why the Department of Indigenous Affairs was not able to roll in in the scheduled 2009 original time frame and why it has had to be deferred until 2010?

Hon HELEN MORTON: The schedule is reviewed on a regular basis. I do not have the specific details about why the Department of Indigenous Affairs was not able to roll in in December 2009, but if the member is specifically looking for that information, I can get it on notice.

Hon LJILJANNA RAVLICH: Yes, I am looking for that. I wonder whether the parliamentary secretary can take that on notice. I refer on that page to Department of Fisheries, where there is a deferred roll in of an appropriation of \$48 000. Could the parliamentary secretary give me the time frame of when Fisheries was supposed to roll in and when the roll in has been deferred to?

Hon HELEN MORTON: The roll in was delayed for Fisheries from February 2009 until October 2009, so there was a delay period again of that number of months, which required a reinvestment of funds.

Hon LJILJANNA RAVLICH: Could the parliamentary secretary advise the chamber of the implication of a deferred roll in; in other words, what would it mean practically to both the Department of Indigenous Affairs and the Department of Fisheries?

Hon HELEN MORTON: In the case of the Department of Fisheries it was \$48 000, as is listed on the table that has been provided, and in the case of the Department of Indigenous Affairs it is \$280 000.

Hon LJILJANNA RAVLICH: I think that the parliamentary secretary misunderstood the question. The Office of Shared Services performs a number of functions. I am wondering whether the parliamentary secretary could advise what functions will be affected by the deferred roll in; and, if she cannot, can she take it on notice?

Hon HELEN MORTON: My understanding is that the services that have been rolled in are human resources services, payment of accounts et cetera. It would mean that those things are being undertaken by the agency before it is rolled in.

Hon LJILJANNA RAVLICH: I just wonder whether I can ask a general question but related to this. Are these the only two agencies that have had a deferred roll in or are there other agencies that have had their roll in deferred?

Hon HELEN MORTON: No, these are not the only two agencies. When the review process takes place, some agencies are in a position to roll in a bit quicker than had been expected and some agencies' roll in might need to be delayed for different sorts of reasons. It is constantly being reviewed. These are the agencies that have been impacted at the time of this Treasurer's Advance Authorisation Bill.

Hon LJILJANNA RAVLICH: Could the parliamentary secretary take this question on notice: what is the scheduled date for the total roll in of all agencies into the Office of Shared Services?

Hon HELEN MORTON: I think the member is looking for a quite detailed response. I think it requires the member to put it on notice to the minister.

Hon JON FORD: A line item under the Kimberley Development Commission is a re-cashflow of the Weaber Plains flood mitigation project. My understanding of a re-cashflow is that it is really a re-phasing. Could the parliamentary secretary tell me what that means? Does it mean that \$450 000 has been moved into the Treasurer's advance because it is imminent or currently occurring?

Hon HELEN MORTON: I will read this out and the member can tell me if it answers the question, and if it does not, I could have some discussion with the member about it. The member is referring to the re-cashflow of the Weaber Plains flood mitigation project. The Kimberley Development Commission has re-cashflowed funding of \$450 000 relating to the Weaber Plains flood mitigation project from 2008–09 to 2009–10. The ongoing management strategy is still being developed and negotiated between the Water Corporation, the Shire of Wyndham and the Ord Irrigation Cooperative. These funds cannot be released by the agency until all three parties have reached agreement and the strategy is developed.

Hon JON FORD: Would the parliamentary secretary be up to telling me whether, in the government's view, it thinks the \$450 000 is adequate? I remember that initially when it was being developed there was some concern about it being adequate. Would it be true to say that part of the re-phasing of the project is due to rescoping or concerns about adequate funding?

Hon HELEN MORTON: The money that is contained in this bill relates to a delay in the expenditure from one year to the next. It is not in the context of this bill anyway, but I am not in a position to talk about whether the amount of money in total was sufficient for the project and the scope of the project, or whether the scope of the project is increasing or decreasing et cetera. This bill relates to a re-cashflow from one year to the next of moneys that were delayed in expenditure from one year to the next.

Hon JON FORD: Perhaps in the remaining time that we are dealing with this bill the parliamentary secretary might be able to get that detail. The reason I am concerned is that this has been going on for some time. I am not trying to blame anybody for that. I know it is a difficult issue that includes weather deferment because it cannot be implemented during the wet, for obvious reasons. Is there an expectation that it will be completed soon, because it has been going on for quite some time?

Hon HELEN MORTON: This is the sort of question that needs to be referred to the minister concerned. It is not a matter for Treasury at this stage, certainly not in connection with this bill.

Hon JON FORD: I know it is a difficult question for the parliamentary secretary to answer on the spot. I do not expect her to do that but perhaps she can come back with an answer. My experience with Treasury is that it has very much to do with the detail and has a great deal of say; in fact, many ministers will say that it has far too much to say. I know Treasury places the parliamentary secretary in a difficult position, but I expect that when we are considering a bill of this magnitude that does not cover that many line items, but certainly a large amount of money, we could have some details. The parliamentary secretary provided some good detailed responses at the start of consideration in committee of this bill, and perhaps in the remaining time she might be able to seek that advice. If she cannot, the member is right, I will take it up with the minister.

Hon HELEN MORTON: The areas for which I have provided detailed responses are areas I believe Treasury has responsibility for. On this issue, the member is asking about the scope of a project that comes under the minister responsible for the Kimberley Development Commission, so I think it needs to be directed to that minister. It is not in the same context as some of the other questions I have sought extra information on. If it were a technical question about the money or the amount of funding contained within this bill, I would follow it up. But I think Hon John Ford is asking a question that is outside the parameters of this bill and, therefore, I ask him to send it to the minister concerned.

Hon JON FORD: I thank the parliamentary secretary for that. My next question is definitely within the scope of the bill. Does the parliamentary secretary expect that this money will be spent this financial year; and, if so, when?

Hon HELEN MORTON: The advice from the agency is that it will be spent this year. I cannot give the member a detailed breakdown of how it will be drawn down—the months et cetera.

Hon LJILJANNA RAVLICH: I refer to the document we have been working from; that is, "Details of Excesses and New Items for the 2009–10 Financial Year" and to the \$210 million extra for health. In terms of additional pressure on that \$210 million, the last time this was discussed, no new industrial agreements seem to have been entered into. My question is: from now until the end of the financial year, is it likely that any new industrial agreements that may need to be entered into could impact on the amount that has been allocated here?

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Hon HELEN MORTON: The advice from the agency is that the amount of \$210 million that has been requested under the Treasurer's Advance Authorisation Bill is based on no new industrial agreements being entered into in 2009–10.

Hon LJILJANNA RAVLICH: I understand that the agency's advice is that it will not enter into any industrial agreements prior to the 2009–10 financial year. However, are any industrial agreements within this portfolio due prior to the end of the financial year; and, if so, what are they?

Hon HELEN MORTON: I can only reiterate the advice I have been given, but if the member would like me to check it, I will do so. In the year 2009–10 the request for \$210 million is based on no new industrial agreements being entered into.

Hon LJILJANNA RAVLICH: I accept that the member will take that on notice because she is giving me an answer to a different question. I am asking whether any industrial agreements are to fall due before the end of this year—I notice that the adviser is shaking his head—and, if so, what are they? It may well be that the agency has said, "Okay, they are due to be negotiated before the end of this financial year, but we will not fund them until the next financial year." I am asking: are any going to fall —

Hon Helen Morton: For what?

Hon LJILJANNA RAVLICH: Are any going to fall due for renewal; that is, to be renegotiated prior to the end of the financial year? I notice that the adviser is shaking his head.

Hon HELEN MORTON: I think the adviser is nodding his head, indicating that we will take that question on notice.

Hon LJILJANNA RAVLICH: Okay, take it on notice, but the parliamentary secretary is making it very difficult because she is giving me an answer to something I have not asked. The parliamentary secretary is not being receptive to the matter I am asking about.

Hon JON FORD: I refer to the Department of Fisheries. I was absent through illness at the start of this debate, so please forgive me if I am repeating myself, in which case, the parliamentary secretary can refer me to the relevant section in *Hansard*. There is an offset of procurement savings of \$218 million, and I wonder if the parliamentary secretary has the detail of that.

Hon HELEN MORTON: As the member is probably aware, procurement reform was undertaken across all agencies, and the amount found by the Department of Fisheries is \$218 million.

Hon JON FORD: Am I right in saying that it does not necessarily mean a reduction in assets, but that better practices have been introduced or changes made to the way contracts are managed?

Hon HELEN MORTON: It is a reduction in appropriation and about more efficient purchasing.

Hon JON FORD: Does the same apply for fleet savings? It is only a small amount, but is that in capital or operational expenditure?

Hon HELEN MORTON: It is in operational costs, and the answer is yes.

Hon LJILJANNA RAVLICH: I refer now to the education portfolio on page 3. It shows an increase of \$12.4 million for depreciation expenses. Can the parliamentary secretary give us an overview of the categories of those expenses? It would be helpful even in her terms.

Hon HELEN MORTON: We have answered this question before so I am repeating the answer I provided the last time the member asked it. The increase in depreciation expenses is largely driven by the commonwealth's \$1.1 billion two-year capital funding injection under the auspices of its Nation Building and Jobs Plan Building the Education Revolution, of which \$700 million is anticipated to be spent in 2009–10.

Hon SALLY TALBOT: I refer the parliamentary secretary to item 75, which deals with the Fire and Emergency Services Authority; I see that there is \$11.4 million there. Would the parliamentary secretary tell us what that is about?

Hon HELEN MORTON: That refers to the national disaster relief and recovery arrangements for the State Emergency Service responding to wildfire incidents. There is additional funding for the joint territory and commonwealth government program that is designed to share the cost of relief and assistance, and to help re-establish communities following natural disasters. There is also additional funding for the operational costs incurred by bushfire services and volunteers assisting local governments in fire suppression activities. SES volunteers responded to a number of incidents, including storms, rescues and searches, and provided firefighting support for large fires, including fires at Toodyay, Dandaragan and Coorow.

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Hon SALLY TALBOT: When I first saw this quite large item in this bill, I assumed that the parliamentary secretary's answer would be framed around the state's response to the recommendations that flowed from inquiries into the Victorian bushfires, which, according to my recollection, was in January or February 2009. My question was going to be: why was the government \$11.4 million short when it framed the budget in the middle of May? However, is the parliamentary secretary now telling me that it is not anything to do with the response to the Victorian bushfires?

Hon HELEN MORTON: These are quite specific extra expenditure items, and as I mentioned before, they relate to the operational costs incurred by bushfire services and volunteers assisting local governments in the fire-suppression activities I mentioned—particularly, responding to fires at Toodyay, Dandaragan and Coorow. The other areas included storms, and searches associated with them.

Hon SALLY TALBOT: I again point out that it seems like an extraordinarily high figure with which to top up FESA's budget. I also notice that the government must have made this allocation before the Toodyay report was brought down. Does the parliamentary secretary have any comments to make about that to reassure the chamber that this expenditure has been properly accounted for?

Hon HELEN MORTON: As I mentioned, the natural disaster relief arrangements are about the cost of relief, assistance and help for communities to be re-established following a natural disaster, so some of the funds I am referring to are things like rebuilding bridges and other public facilities like that.

Hon SALLY TALBOT: Perhaps I am still a little unclear here, parliamentary secretary; does this arise from the recommendations of the ministerial council, or is it just in-house—Western Australia?

Hon HELEN MORTON: My understanding is that it is related to quite specific requirements of the agency for the areas that I have mentioned, which is what I think the member is referring to as "in-house". That is the advice I have.

Hon SALLY TALBOT: I now take the parliamentary secretary to item 81, which is the Department of Planning. I would like some indication from the parliamentary secretary about this grant saving item. Could the parliamentary secretary tell the chamber what the Planning and Transport Research Centre is engaged in?

Hon HELEN MORTON: We have been asked this question before, and that is why the adviser does not have the relevant information directly to hand. We used to fund the Planning and Transport Research Centre, but that funding has now ceased. That is why \$140 million is shown as an offset there.

Hon SALLY TALBOT: Have those functions been transferred elsewhere?

Hon HELEN MORTON: To the best of my knowledge, the services continue; it is just that the government is not providing a grant towards them.

Hon SALLY TALBOT: Does the funding come from non-government sources?

Hon HELEN MORTON: I am not certain how the agency is now funding those services. I am certain that the government is not providing the grant it previously provided.

Hon SALLY TALBOT: Perhaps I can ask the parliamentary secretary to provide that advice at some stage—specific advice about how the agency, which is, after all, still a government agency, is funding those programs.

Hon HELEN MORTON: As the member knows, it is a non-government organisation. The member may have to go to the appropriate minister to find out how it is continuing to fund its services. It is not a matter for Treasury to determine how agencies continue to fund services.

Hon SALLY TALBOT: Finally, I take the parliamentary secretary to another division in the environment section. We get to this dreaded notion of "re-cashflowing". I want to ask the parliamentary secretary for some additional advice, if she can provide it, about the low emission energy development fund. I am very unclear about something: given that we have had some significant funding announcements in 2009–10, what exactly is being claimed here about this business of "staged disbursements"? It looks as if we are carrying money over well into the out years—we are talking about 2011–12 and 2012–13. Could the parliamentary secretary make some comments about that, please?

Hon HELEN MORTON: The grants issued for the low emission energy development fund are subject to milestone targets being achieved prior to the release of grant funds. The projects for which low emission energy development grant funds are earmarked will not achieve the milestones as estimated in the 2009–10 budget statement, and the Department of Environment and Conservation has re-cashflowed \$3.9 million to 2010–11 in anticipation of these milestones being met in that year. Does the member want me to read that again?

Hon SALLY TALBOT: No, I do not need the parliamentary secretary to read it again. I think I understood it quite well. What the parliamentary secretary very neatly did then was to repeat my question without putting the question mark at the end of it.

If I understand the parliamentary secretary correctly, she just told me that the fund did not achieve its milestone targets for 2009–10. My question is: what were the milestone targets, by how much did they fall short and why did they fall short? In other words, I am asking whether we had a shortage of applications for the money or a failure to expend the money that had been previously allocated.

Hon HELEN MORTON: I will answer the question. Hon Sally Talbot and I understand that the projects did not achieve their milestone targets. The member identified that, and that is what my advice is. The member is asking why those projects did not achieve their targets. Again, that question needs to be directed to the minister concerned. This bill takes into account a number of offsets and decisions made for excess spending. The figure of \$3.885 million is an offset, and the bill refers to the offset. If the member wants to understand how or why a particular project did not achieve what it was proposed to achieve, the question needs to be directed to the minister concerned.

Hon SALLY TALBOT: I am sorry, but the parliamentary secretary referred to the project and I presume that she means the low emissions energy development fund.

Hon Helen Morton: Yes, I do.

Hon SALLY TALBOT: Surely the LEED fund comprises a number of different projects. I recall that the first one was the Carnegie Wave. A collection of different projects were approved.

Hon Donna Faragher interjected.

Hon SALLY TALBOT: I am happy to hear the minister's response.

Hon DONNA FARAGHER: I understand that it relates to those projects that have been approved within the LEED fund. Those projects have to meet certain requirements and milestones to get their next bit of funding. In this particular instance I would have to get the details of the particular projects that have not met their milestones to get their next instalment. They will get that instalment, but it is believed that that will not happen this financial year. It is not with respect to the LEED fund per se; it actually relates to the approved project and the fact that the proponent has not met the agreed milestone in time.

Hon SALLY TALBOT: I think the chamber would appreciate my confusion about this. The minister correctly pointed out that we are not talking about one project that has been approved under this fund; we are talking about four or five projects. I am intrigued about whether every project funded under the LEED fund failed to meet its milestone target. It would be extraordinary if they all failed to meet their target. Perhaps the parliamentary secretary will take my question on notice and liaise with the Minister for Environment and come back at a later stage of the debate with the answer to clarify exactly where those failures to meet milestone targets have occurred.

Hon HELEN MORTON: The member can direct that question to the minister concerned. In the actual budget paper before the chamber, the information is that the projects for which these LEED grant funds were earmarked were not achieved; therefore, it is an offset.

Hon KEN TRAVERS: I will ask some general questions that range across all the points. They follow on from some of the answers that the parliamentary secretary gave when I was out of the chamber when this bill was last debated. I will ask one of the attendants to pass this document to the parliamentary secretary. The document relates to some information about the midyear review that was provided by way of supplementary information to one of this chamber's committees. It talks about the parameter changes for employee costs. I am trying to reconcile that document with the information that is before the chamber. One of the items that are included in this documentation, and I refer to police as an example, makes reference to an enterprise bargaining agreement, which I presume is a parameter change, of about \$6.6 million. The information on which the midyear review is based suggests that there was a parameter change for police of \$10.2 million. It might be that on top of the \$6.6 million, which is for the enterprise bargaining agreement, there were other increases in employment costs. However, when I turn to the education department, the document suggests an increase of \$68 million and the education assistants, school cleaners and gardeners' EBA is only \$1.799 million. Some of the other items under education might also be affecting the parameter changes for employment costs. I know that the budget provides for general salary increases across all agencies. It is shown as a single line item in the budget and is allocated out at various stages. I want to understand how that works and when it is added on as a Treasurer's advance or how the agency gets that money out of the central parameter change and whether it is required to be given through the Treasurer's advance as an appropriation. Can the parliamentary secretary explain how that operates?

Hon Helen Morton; Chairman; Hon Jon Ford; Hon Ljiljanna Ravlich; Hon Dr Sally Talbot; Hon Donna Faragher

I come back to the answers to questions that the parliamentary secretary gave the chamber about increases in health expenditure. Can the parliamentary secretary explain how the parameter changes operate?

Hon HELEN MORTON: We can always rely on Hon Ken Travers to come up with a very technical question. My adviser suggests that it would be advisable for Hon Ken Travers to put that question in writing so that the correct answer can be given. The member's question is not clear.

Hon KEN TRAVERS: We will probably go to question time in a couple of minutes, so I will rephrase my question. The adviser will have some time to think about it during question time. I am happy to explain it to the adviser outside this chamber.

The document I just provided to the parliamentary secretary shows the parameter changes for employee expenses. It indicates that a range of agencies have been provided with additional money. In the case of education, \$68.1 million was factored into this year's midyear review for increased employee costs. However, it has not been factored into the Treasurer's Advance Authorisation Bill. I am trying to ascertain how the department gets to spend it.

Hon Helen Morton: Do you mean how they get it?

Hon KEN TRAVERS: Yes, because I thought it would need to be allocated across to the agency if it is to spend an additional \$68.1 million on employment costs.

Committee interrupted, pursuant to temporary orders.

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